

7. BUSINESS (cont'd)

Phase 3 includes the development of the Malaysian Federal Government Administrative Center which we expect to complete in 2012 on a BLMT basis with an expected lease period of 30 years.

We expect to generate revenue from JSNAC from turnkey development, facilities management fee (post-construction), and lease payments under BLMT. The table below sets forth the development status of JSNAC as at the LPD.

Description	Revenue type	Client	Area acres	Commencement date	Expected completion date	Status
Phase 1.....	Turnkey development	Johor State Government	161.3	December 2005	End 2008	Testing and commissioning
Phase 2A.....	Turnkey development	Johor State Government	7.7	February 2008	2012	Letter of instruction received, pending contract. Earthworks and piling completed; tendering for building works
Phase 2B.....	BLMT	Johor State Government	90.0	2009	2012	Obtained State Executive Council's approval on layout and building plans
Phase 3.....	BLMT	Federal Government	61.0	2009	2012	Negotiating with Economic Planning Unit of Federal Government

Note:

All the above contracts are/are expected to be undertaken by CJSB, a 60% subsidiary of UEM Land (the remaining 40% of CJSB is owned by the Johor State Government).

(ii) Puteri Harbour

Project Description: We are developing Puteri Harbour on approximately 688 acres of land in Nusajaya. Puteri Harbour will be an integrated waterfront and marina development offering waterfront living, dining, entertainment, arts and culture, as well as panoramic views of the Straits of Johor. Puteri Harbour's development component include high-end residential, commercial and retail properties, resorts, hotels, offices and retail shops, food and beverage outlets, a convention centre, a 76-berth public marina and a 200-berth private marina and mega yacht berthing terminal to cater for boats of up to 90 meters, a clubhouse, sales gallery and other amenities. Puteri Harbour is located adjacent to JSNAC and enjoys strategic locational advantages such as accessibility to major highways and proximity to JSNAC. We expect that the high volume of visitors and commercial activities at various government offices in JSNAC will also enhance commercial activities in Puteri Harbour.

7. BUSINESS (cont'd)

Status: We plan to develop Puteri Harbour in multiple phases, with the entire project development expected to complete in 2020. For the initial phases, Phases 1, 2 and 3, we are concentrating on creating the initial development land platform ready for building construction. In addition, we are currently focusing on providing the public amenities required to develop Puteri Harbour as a world class waterfront destination, which will include facilities such as an inner lagoon, public marina, satellite clubhouse, promenade, landscape, an outer lagoon and mega yacht berthing facilities and a transport hub. Phase 1, which spans 174 acres, includes the development of an inner lagoon, the earthwork platforms for the Commercial South precinct, transport hub and Crescent precincts of Puteri Harbour and the related supporting infrastructure. We commenced the development of Phase 1 in December 2006 and completed it in early 2008.

Phase 2 concentrates on the creation of Puteri Harbour's outer lagoon and the navigation channel that will allow boats from the Straits of Johor to sail into the inner lagoon and public marina area. We commenced Phase 2 in March 2008 and expect to complete it in early 2009. We also commenced Phase 3, which includes the creation of a private marina precinct, in March 2008 and expect to complete it by the end of 2009.

Marketing and Sales: We are undertaking a multi-pronged strategy to accelerate the physical development and to position Puteri Harbour as a premier regional waterfront development. Our marketing and sales activities include:

- (a) **Securing strategic development partners:** Our vision is for Puteri Harbour to become a waterfront development of international standards — offering waterfront living, commercial, retail, dining and leisure facilities. Strategic development partnerships, particularly with international investors that already have a track record in developing luxurious waterfront projects, should allow us to leverage on the financial strength, branding and market reach of our development partners to create the intended signature developments within Puteri Harbour.

We have been actively seeking suitable partners to participate in selected parcels within Puteri Harbour. We secured our first development partner in December 2007 with the signing of the shareholders and subscription agreement with Limitless for the formation of a new company, Haute Property, which will undertake the development of a high-end residential enclave across approximately 111 acres of land in one of the precincts, namely, the Residential North precinct, of Puteri Harbour. Residential North will be a residential enclave with a mix of distinctive canal-front homes with individual berthing and luxury waterfront condominiums. Under the agreement, Haute Property will acquire development rights for RM241.7 million. Our Company and Limitless own 40% and 60%, respectively, of equity interests in Haute Property. Limitless, an integrated international real estate developer, is a business unit of Dubai World. Its key property development projects include Downtown Jebel Ali (Dubai), Arabian Canal (Dubai), Al Wasl, Riyadh (Saudi Arabia) and Halong Star, Halong Bay (Vietnam). We are currently preparing a detailed master plan for the area. We expect to commence initial physical works in 2008 and we expect to commence the marketing and sales of the first phase of residential units in Residential North in 2009.

In June 2008, we secured our second strategic development partner with the signing of a sale and purchase agreement with DAMAC, for the development of part of the Commercial South and private marina precincts of Puteri Harbour. We expect the participation of Limitless and DAMAC to expedite the development of Puteri Harbour and diversify the development and implementation risk.

7. BUSINESS (cont'd)

(b) **Developing selected components independently:** We also intend to develop selected components within Puteri Harbour ourselves to add to our property portfolio and to allow us to have access to diversified income streams in the future by the sale and/or lease of completed residential, office, commercial and/or retail space in these selected components. Our current plans include the development of a low rise commercial and retail strip along the Crescent precinct and 2 high rise commercial and residential tower blocks in 1 of the development parcels within the Commercial South precinct of Puteri Harbour, for which we expect to commence physical works in 2009.

Our revenue from Puteri Harbour is generated primarily from the sale of developed land and direct development with a growing focus on direct development going forward.

The table below sets forth information relating to expected land area and certain development data for Puteri Harbour.

GLA (acres).....	688
NLA (acres) ⁽¹⁾	511
Estimated GFA ⁽²⁾ (million sq ft).....	41.6
Estimated NFA ⁽³⁾ (million sq ft).....	29.7
Estimated development time period.....	13 years (from 2007 to 2020)

Notes:

- ⁽¹⁾ Calculated by deducting areas allocated for common facilities and infrastructure from GLA in accordance with the development plan for the project.
- ⁽²⁾ The expected GFA of the entire project is calculated by multiplying its NLA by the maximum permissible plot ratio as specified in our design guidelines.
- ⁽³⁾ NFA is estimated based on an assumed 70% of the GFA, consisting of saleable residential and commercial units.

The table below sets forth a breakdown of Puteri Harbour's estimated NFA based on proposed mode of development.

	Outright sale	Joint venture	Direct development	Total
Estimated NFA (million sq ft)	7.7	15.7	6.3	29.7
As a percentage of total estimated NFA	26%	53%	21%	100%

The table below sets forth a breakdown of Puteri Harbour's estimated NFA based on development type.

	Residential	Commercial	Retail	Total
Estimated NFA (million sq ft)	17.2	8.2	4.3	29.7
As a percentage of total estimated NFA	58%	28%	14%	100%

(iii) **SiLC**

Project Description: SiLC is a proposed 1,307-acre managed, thematic industrial park comprising industrial properties catering to integrated "clean" industrial clusters in 3 major areas — advanced technology, nutrition and health and logistics. The locational advantages of SiLC include proximity to expressways, seaports and airports. It is located in the north-western part of Nusajaya, within close proximity of 2 international airports, and 5 seaports in Johor and Singapore. SiLC is at a distance of approximately 12 km from Singapore.

7. BUSINESS (cont'd)

Status: We are developing SiLC in multiple phases over 6 to 8 years. For Phase 1 covering GLA of approximately 300 acres, we are developing SiLC on a "serviced lot" basis ranging between 1 to 5 acres with platforms completed and ready for building construction together with infrastructure and utilities ready for connection at the boundary of the lots, for sale to industrialists. The earthworks and infrastructure works of Phase 1 commenced in 2006 and were completed in March 2008. We have commenced the earthworks for Phase 2 which covers approximately 405 acres and we expect to complete in end of 2009.

Marketing and Sales: We began marketing the lots in mid 2007. As at the LPD, we had sold approximately 129 acres of land in Phase 1 (approximately 61% of the NLA in Phase 1) in SiLC. We are continuing to market the remaining lots available in Phase 1.

The table below sets forth a summary of our marketing and sales activities for Phase 1 – Sale of freehold industrial land in SiLC as at the LPD.

GLA Acre	NLA Acre	Launch	Expected completion	Total sales RM million	Unbilled sales ⁽¹⁾ RM million	Status
300	210	March 2007	2009	114.6 (NLA 129 acres)	40.9	Earthwork and infrastructure works completed

Note:

⁽¹⁾ Unbilled portion in respect of sold units.

(iv) East Ledang

Project Description: East Ledang is a high-end resort style residential development on approximately 275 acres of land in Nusajaya. Upon completion of the development, East Ledang will comprise approximately 861 residential units. It is designed around the theme of 'East meets West' combining tropical gardens, including a 20-acre forest, and state-of-the-art facilities, fixtures and fittings. East Ledang is based on a secured, gated and guarded concept, and the development will be complemented by 31 garden spaces, lakes and wetlands, clubhouse and low-density residential units.

Status: We are developing East Ledang in 7 phases. Phase 1, comprising 139 units, including 87 units of 2-storey super-link houses and 52 units of 2-storey semi-detached houses was launched in February 2008. We expect to complete the development of Phase 1 and deliver the units to our customers in early 2010. Physical works for Phase 2 commenced in 2008, and will include the development of bungalow and semi-detached units. As at the LPD, the earthworks and infrastructure of East Ledang has been completed. We expect to complete the development of East Ledang in 2015.

Marketing and Sales: We began marketing the Phase 1 units of East Ledang in February 2008. As at the LPD, we had sold 89 out of 139 Phase 1 units launched (approximately 64% of the Phase 1 units launched) in East Ledang, with an average price per unit of RM666,300. Total sales as at the LPD were RM59.3 million. We expect to launch Phase 2 in late 2008. The timing for launch of the subsequent phases will depend on the market demand and take-up rates for the initial 2 phases of East Ledang.

7. BUSINESS (cont'd)

The table below sets forth a summary of our sales and development activities for East Ledang as at the LPD.

Launched	Expected completion	Total Units planned ^{(1),(2)}	Units launched	Selling price	Units sold	Total sales	Take-up % of units launched	Unbilled sales ⁽³⁾
				(range)		RM million		RM million
				RM 000				
2008	2015	861	139	390-1,371	89	59.3	64.0%	48.4

Notes:

⁽¹⁾ Based on latest development plan as approved by the authorities.

⁽²⁾ Excluding future development which is expected to include international and private schools, a clubhouse, 300 commercial properties and 1,300 condominium properties.

⁽³⁾ Unbilled portion in respect of sold units.

(v) Horizon Hills

Project Description: Horizon Hills is a mixed residential and golf course development project which is being developed on approximately 1,227 acres of land in Nusajaya. It is intended to be a development with emphasis on design quality, community and amenities, healthy lifestyle and safety and security. Upon completion of construction, it will comprise a mix of terraced, clustered, semi-detached, bungalow homes and condominiums set in a nature-themed, gated development around an 18-hole signature golf course and clubhouse. Horizon Hills enjoys strategic locational advantages such as accessibility to major highways and airports. Upon completion, Horizon Hills will include, among other facilities, 12 exclusive gated and guarded precincts.

We are developing Horizon Hills jointly with Gamuda through a joint venture company, HHDSB, in which each of UEM Land and Gamuda owns 50% of equity interests. Gamuda is listed on the Main Board of Bursa Securities, and has diversified business interests in a range of sectors, including expressways and toll management, construction, water treatment and township development.

Status: We are developing Horizon Hills in 12 phases. We completed the development of the golf course and clubhouse in July 2008 and expect to deliver the launched units of Gateway Precinct by March 2009. We expect to complete the earthworks for the Golf Precinct, Expatriate Village and shops by end 2008, followed by the construction works which we expect to complete in 2010. Overall, we expect to complete the development of Horizon Hills in 2020.

Marketing and Sales: We began marketing the units in the Gateway Precinct (Phase 1) of Horizon Hills in March 2007. As at the LPD, we had sold 374 out of a total of 475 units in the Gateway Precinct (approximately 79%). The sales for the Golf Precinct commenced in November 2007 and as at the LPD, we had sold 166 out of a total of 293 units in the Golf Precinct (approximately 57%). The Expatriate Village was launched in July 2008 and as at the LPD, we had sold 5 out of a total of 22 units launched (approximately 23%). We have also sold 21 units out of a total of 31 units of the shops (approximately 68%). The launch of the subsequent phases will depend primarily on market demand and take-up rates for the initial 3 phases of Horizon Hills.

7. BUSINESS (cont'd)

The table below sets forth a summary of our sales and development activities for Horizon Hills as at the LPD.

Launched	Expected completion	Total units planned ⁽¹⁾	Units launched	Selling price (range)	Units sold	Total sales	Take-up	Unbilled sales ⁽²⁾
				RM 000		RM million	% of units launched	RM million
2007	2020	6,000	821	280-2,500	566	253	69%	148

Notes:

⁽¹⁾ Based on latest development plan as approved by the authorities.

⁽²⁾ Unbilled portion in respect of sold units.

(vi) Ledang Heights

Project Description: Ledang Heights comprises 571 bungalow plots with sizes ranging from 8,750 sq ft to 31,000 sq ft. It is an exclusive low-density bungalow only enclave located in Nusajaya. It stretches over approximately 360 acres of rolling hills with lake views and a landscaped central park. It is based on a gated and guarded concept with 24-hour security arrangements for the residents and is located approximately 13 km away from Singapore.

Status: Ledang Heights was originally conceptualised and developed by us to be sold on a vacant bungalow lot basis, to allow the individual buyers to design and construct their own homes. The development of the 571 bungalow lots in Ledang Heights under this original concept was completed in 2002 and by mid-2006, approximately 72% of the lots had been sold. Towards the end of 2006, we made a strategic decision to offer the remaining unsold lots in Ledang Heights as completed bungalow homes and since then, we have designed and completed the construction of 23 units of bungalows. A further 17 units are currently under construction with an additional 11 units are in the design stage. We expect to complete the overall development of the bungalows in Ledang Heights in 2010.

Marketing and Sales: The sales of vacant bungalow lots was launched in 1998 and subsequently in 2006, we re-launched Ledang Heights under the completed bungalow homes concept. As at the LPD, 9 of the completed bungalows have been sold and we had received purchase commitments for an additional 14 bungalows in Ledang Heights, with an average price per unit of RM1.27 million.

The table below sets forth a summary of our sales and development activities for Ledang Heights as at the LPD:

Expected completion	Total units ⁽¹⁾	Units launched	Selling price (range)	Units sold	Total sales	Take-up	Unbilled sales ⁽²⁾
					RM million	% of units launched	RM million
2010	571	571	RM15-39 per sq ft ⁽³⁾	480	164.0	84.0%	-
			RM0.8 million-RM2.0 million ⁽⁴⁾				

Notes:

⁽¹⁾ Based on development plan as approved by the authorities.

⁽²⁾ Unbilled portion in respect of sold units.

⁽³⁾ For vacant bungalow lots.

⁽⁴⁾ For completed bungalow homes.

7. BUSINESS (cont'd)

(vii) Nusa Idaman

Project Description: Nusa Idaman is a mid-market mixed development comprising residential and commercial units, a kindergarten, a primary school, a mosque, a community hall, a public field, a recreation lake, petrol stations, landscaped parks and other facilities on approximately 251 acres of land in Nusajaya. Nusa Idaman's locational advantages include accessibility to major highways and within the proximity of established residential areas. We are positioning Nusa Idaman as a residential enclave for those working in government and other agencies in the JSNAC area.

Status: We are developing Nusa Idaman in 8 phases. We completed Phases 1, 2, 3A and 3B, comprising single-storey and double-storey terraces, in 2007 and the houses were delivered to buyers in August 2007. Phases 3C, 4 and 5 comprising single-storey and double-storey semi-detached units and terraces are under construction and we expect to complete these phases in 2009. Overall, we expect to complete the development of Nusa Idaman in 2012.

Marketing and Sales: We began marketing the units in Nusa Idaman in April 2006. The timing for launch of the subsequent phases will depend primarily on market demand.

The table below sets forth a summary of our sales and development activities for Nusa Idaman as at the LPD.

Launched	Expected completion	Total units planned ⁽¹⁾	Units launched	Selling price (range)	Units sold	Total sales	Take-up	Unbilled sales ⁽²⁾
				RM 000		RM million	% of units launched	RM million
2006	2012	2,407	727	170-600	429	93.4	59%	6.8

Notes:

⁽¹⁾ Based on latest development plan as approved by the authorities.

⁽²⁾ Unbilled portion in respect of sold units.

(viii) Afiat Healthpark

Project Description: We are developing Afiat Healthpark across approximately 67 acres of land. It is a holistic and integrated healthcare development which upon completion will cater to 3 different areas of healthcare, namely, modern medicine, traditional and complementary medicine and wellness to serve residents of the developed portion of Nusajaya. This project is located at the northern boundary of Nusajaya adjacent to the Johor Bahru Parkway interchange and will be directly accessible via the Second Link.

Status: We are developing Afiat Healthpark in 2 phases, also on a serviced lot basis. The proposed components of Phase 1, spanning approximately 35.9 acres, include the development of a hospital, a neighbourhood commercial centre, private specialists clinics and a health screening centre. We commenced the earthworks and infrastructure works for Phase 1 in early 2008 and expect to complete it by the end of 2008. Phase 2, which we expect to commence in December 2009, spans approximately 31.3 acres and will include commercial lots proposed for a dialysis and rehabilitation centre, a nursing college, a wellness academy as well as traditional and complementary medicine facilities and specialists clinics. We expect to complete the earthworks and infrastructure works for Phase 2 in end 2010.

7. BUSINESS (cont'd)

Marketing and Sales: As the project is centered around healthcare activities, our current marketing activities are focused primarily on attracting reputable players in the healthcare industry to set up their operations in the Healthpark. On 14 April 2008, we entered into a sale and purchase agreement with Columbia Asia Sdn Bhd, a regional operator of small private hospitals, for the sale of approximately 2.7 acres of land for approximately RM4.8 million. Columbia Asia Sdn Bhd is expected to develop a 70-bed private hospital on this land within Phase 1 of Afiat Healthpark.

(B) Completed Property Development Projects

The following table provides information regarding our completed property developments, as at the LPD.

<u>Property</u>	<u>Type of development</u>	<u>Launched</u>	<u>Year completed</u>	<u>GLA (acre)</u>
Taman Nusa Perintis.....	Residential development	1997	2000	166
CIQQ.....	Turnkey development	1995	1999	107
NIP Phase I.....	Industrial	2001	2002	57
				<u>330</u>

We completed these projects from 1999 through 2002 prior to the conceptualisation of Nusajaya's revised development masterplan. Set forth below is a brief description of these completed projects.

(i) **Taman Nusa Perintis**

Taman Nusa Perintis is a residential development on approximately 166 acres of land in Nusajaya. It is a residential project targeted mainly at the middle-income market segment offering single-storey and double-storey terrace and semi-detached houses, bungalows and three-storey and four-storey commercial shophouses. The development was launched in 1997 and completed in 2000. We have sold all the units of Taman Nusa Perintis.

(ii) **CIQQ**

The CIQQ are located in Tanjung Kupang, Johor, near the Second Link. It occupies an area of approximately 107 acres. It was built based on a turnkey contract basis for the Malaysian Federal Government. It comprises 8 blocks of apartments, including a 16-storey building, 2 blocks of 8-storey buildings, police station, multipurpose hall and an integrated primary and secondary school. The project commenced in 1995 and was completed in 1999.

(iii) **NIP Phase I**

NIP Phase I is a light and medium industrial park located adjacent to Taman Nusa Perintis. It comprises 23 serviced industrial lots. The project commenced in 2001 and was completed in 2002. All industrial lots of this development have been sold.

7.6.2 Strategic land sales

Our business operations also include the sales of undeveloped parcels of land to investors, developers and other participants in the real estate industry. As at the LPD, we had sold approximately 11,183 acres of undeveloped land parcels in Nusajaya to developers, investors, strategic partners and other participants in the real estate industry.

7. BUSINESS (cont'd)

Set forth below is a summary of our key completed strategic land sales transactions from 1 January 2005 to 30 June 2008.

Buyer	Type of Transaction	Agreement Date	Consideration	Amount	Acreage
				RM million	Acre
Panoramic.....	Disposal	24 March 2005	Cash	11.5	41
Country View Resources Sdn Bhd	Disposal	9 June 2005	Cash	86.0	290
HHDSB	Joint venture and disposal	16 June 2005	Cash	391.0	1,227
Gagasan Kencana	Disposal	3 August 2005	20% equity interest in Amra Resources	261.2	907
Khazanah.....	Disposal	4 October 2006	Cash	1,430.4	4,500

We generally consider selling a property when we receive an attractive offer from a reputable purchaser who can add value to Nusajaya in the long-term by developing properties that are consistent with our development plans. In the initial stages of developing Nusajaya, we also sold some land parcels mainly in areas zoned for residential developments to other reputable property companies listed on Bursa Securities, to help establish the initial population base for Nusajaya and accelerate overall development pace while at the same time helping us to fund our activities and to reduce our borrowings. Set forth below are the key projects currently under development by various developers to whom we sold land parcels in Nusajaya:

- *EduCity*, a proposed education hub comprising universities, industry centric research and development clusters, international schools and colleges and residential and recreational facilities. EduCity is being developed by IIB on approximately 300 acres of land in Nusajaya.
- *Medini*, a 2,200-acre mixed-use project, which upon completion of development will comprise a financial district, a logistics village, a creative park, a heritage village, a city centre, a golf village, an amusement bay, a residential district and a medical wellness village. Medini is being developed by IIB.
- *Nusa Cemerlang Industrial Park*, an industrial development comprising 376 units of medium industrial factories on approximately 382 acres of land in Nusajaya. In 2004, we entered into a development agreement with Panoramic for the development of approximately 342 acres of land in Nusajaya into an industrial park. Panoramic is a subsidiary of Crescendo, a listed Malaysian property developer with experience in industrial development. Panoramic subsequently purchased an additional 41 acres from us in March 2005. This development is expected to stimulate economic activities in Nusajaya, bringing benefits to the overall development of Nusajaya and enhancing the value to surrounding land parcels.

We frequently receive offers to purchase our land from other market participants, either directly or through their appointed agent. In a typical land sale, we will receive an offer from a potential buyer, either on an unsolicited basis or as a result of our efforts to test market interest. In some cases, we may pay a commission for an introduction to a buyer by a property agent. We and the potential buyer would then agree on a term sheet or letter of intent. The prospective buyer would proceed with its due diligence investigations (which generally takes between 8 to 12 weeks), during which time the sale contract is negotiated. Once the due diligence has been completed, the sale contract has been agreed and signed, and any conditions precedent to purchase has been satisfied, the sale can be completed and settled. Depending on the needs of the buyer and ours, the entire process typically takes between 6 to 12 months, although this can vary depending on the property at issue and the conduct of the negotiations.

7. BUSINESS (cont'd)

7.7 Major customers

As the master developer of Nusajaya, we offer a diversified range of property investment opportunities to a broad range of customers, including, amongst others, strategic investors, end buyers of completed properties, industrial operators, local and foreign investors, the Johor State Government and government-related agencies. We believe we do not rely on any single customer as we offer a range of completed development products, from mid-market and up-market residential properties to commercial properties such as shop houses and offices.

The following table sets forth a brief description of our customers contributing more than 10% to our revenue for the past 3 financial years ended 31 December 2007 and 6-month period ended 30 June 2008.

Customer	Nature of business	Length of relationship (year)	Revenue contribution							
			For the financial year ended 31 December		2007		6-month period ended 30 June 2008			
			2005	2006	2007	2005	2006	2007		
			RM 000	%	RM 000	%	RM 000	%		
HHDSB	Strategic land sale	3	33,900	16.27	17,838	3.94	32,373	1.73	1,239	0.49
Country View Resources Sdn Bhd	Strategic land sale	7	86,000	41.28	-	-	-	-	-	-
Gagasan Kencana	Strategic land sale	More than 10	-	-	261,200	57.64	-	-	-	-
Gastorama (M) Sdn Bhd	Direct development	3	26,337	12.64	-	-	-	-	-	-
Johor State Government	Turnkey development	More than 10	33,432	16.05	110,166	24.31	217,109	11.60	-	-
Khazanah	Strategic land sale	7	-	-	-	-	1,430,377	76.43	-	-
Haute Property	Sale of developed land	Less than 1 year	-	-	-	-	-	-	145,055	57.72

7. BUSINESS (cont'd)

7.8 Major contractors

Set forth below is a list of our major contractors to whom we awarded more than 10% of the total value of construction contracts for the past 3 financial years ended 31 December 2007 and 6-month period ended 30 June 2008.

Contractor	Nature of business	Length of relationship (year)	Contract awarded							
			2005		2006		2007		6-month period ended 30 June 2008	
			RM 000	%	RM 000	%	RM 000	%	RM 000	%
UEMC.....	Construction works	More than 10 years	95,051	61.13	175,998	44.92	-	-	11,171	4.24
Juhung Cipta Sdn Bhd	Construction works	3	44,941	28.90	105,084	26.82	3,669	1.92	5,680	2.15
Kimlun Sdn Bhd.....	Construction works	3	3,200	2.06	29,121	7.43	34,756	18.20	24,536	9.31
C.K. Chai Construction Sdn Bhd....	Civil infrastructure works	2	-	-	15,575	3.98	29,368	15.38	33,833	12.83
Advancecon Sdn Bhd.....	Construction works	Approximately 1 $\frac{1}{4}$ years	-	-	-	-	24,990	13.09	-	-
Benalec Sdn Bhd.....	Construction works	Less than 1 year	-	-	-	-	-	-	86,990	32.99

We believe we do not rely on any single contractor. We typically engage our contractors on a project basis. We believe we have established long-term relationship with several contractors who enjoy good reputation in the industry and have proven reliability in our previous property development projects.

There should not be any over dependency on one-main contractor due to the following:

- (i) Contracts are awarded to qualified and reputable contractors on a phase-by-phase basis;
- (ii) All tenders are called based on a selective basis vis-à-vis experience, track record and qualification; and
- (iii) Contracts are awarded based on price competitiveness.

7. BUSINESS (cont'd)

7.9 Quality assurance

We apply strict quality control standards and procedures at various stages of our property development activities, including project conceptualisation, planning and design.

As at the LPD, we have a dedicated quality control team of 9 full-time employees for quality assurance, project monitoring and occupational safety and health and environment. Our quality control team monitors our projects in terms of technical findings and defects inspection and ensures that products constructed and delivered are in accordance with contract specifications and our internal guidelines. We have obtained the MS ISO 9001:2000 certifications for BND. We intend to obtain the MS ISO 9001:2000 for UEM Land as a whole.

On safety and health, our systems and procedures are certified with Occupational Health and Safety Advisory Service ("OHSAS") 18001:1999 by SIRIM.

We are in the midst of securing Construction Quality Assessment System ("CONQUAS") certification for certain selected projects. CONQUAS is an independent quality assessment carried out by the Building Construction Authority (International) Singapore, which sets out the standards for various aspects of construction works and award points for works that meet the standard and is recognised both locally and internationally. CONQUAS is awarded on phase-by-phase basis for the selected projects.

We believe the above certifications and quality assessment systems will ensure that our process and products meet our customers' expectations.

7.10 Marketing and sales

We have a marketing and sales team for each property development project. As at the LPD, our marketing and sales team comprised 26 full-time employees. Our marketing and sales initiatives include, but are not limited to, advertisements in newspapers, magazines and outdoor advertising boards. In addition, we participate in real estate exhibitions, local and international roadshows and also set up show units and on-site sales centres. To achieve our objectives, our marketing and sales team works closely with advertising agencies, design houses, print media companies and event coordinators.

We also utilise sales agents and property brokers to market our properties. These agents are generally active both in Malaysia and selected international markets and receive a standard commission for the sales they achieve.

Our property prices are set based on market demand, competitors' pricing, as well as our product offerings. We refer to market studies conducted internally as well as by real estate consultants to determine the appropriate benchmarking.

7.11 Research and development

Our Product Planning and Design Department is responsible for all of our research and development activities. In undertaking their responsibilities, they rely on third party market consultants and technical consultants such as planners and architects to formulate our products and its specifications.

7.12 Key achievements and awards

As at the LPD, we have obtained the MS ISO 9001:2000 certifications for BND. In addition, our systems and procedures are certified with OHSAS 18001:1999 by SIRIM.

7. BUSINESS (cont'd)

7.13 Business interruptions

We have not experienced any interruptions in business which had a significant effect on our operations during the past 12 months prior to the date of this Prospectus.

7.14 Employees

Our employees contribute significantly to our business operations. We place a significant emphasis on employees' compensation, benefits, recruitment, training, development and welfare. As at the LPD, we had 341 employees and are all employed on a full-time basis.

The functional distribution of our employees as at the LPD was as follows:

Function	Number of Employees as of			
	31 December 2005	31 December 2006	31 December 2007	As at the LPD
Management (and support staff)	9	17	14	15
Sales, Marketing and Business Development	13	24	21	33
Finance	29	35	38	35
Operations/Engineering	60	106	137	186
Human Resources	21	29	31	35
Communications/Customer Service	-	5	10	15
Information Technology Systems	8	13	16	22
Total	140	229	267	341

We emphasize strong relationships with our employees. We generally meet our requirements for functions requiring manual labour by outsourcing such functions to third parties.

Our employment structure as at the LPD can be analysed as follows:

Category of employee	Number of years in services			Total
	Less than 1 year	1 to 5 years	More than 5 years	
Managerial	11	27	22	60
Supervisory & Executive	55	82	28	165
Non Executive	33	59	24	116
Total				341

Category of employee	Number of employees as at the LPD		Total
	Permanent	Contractual	
Managerial	41	19	60
Supervisory & Executive	126	39	165
Non Executive	88	28	116
Total			341

Our Group provides a variety of learning and development opportunities for our employees. We have structured training modules for all of our managers which are facilitated by UEM Leadership Centre. Upon successful completion, our managers will be conferred with a Masters Degree in Business Leadership. At the same time, all of the other employees are sent for training to develop their knowledge and skills in accordance to their job requirements. In addition to "soft skills" learning opportunities, individuals will have the opportunity to attend technical training courses to ensure that they are able to develop their skills and abilities to perform their roles effectively.

7. BUSINESS (cont'd)

We have not encountered any major problem in staff turnover. None of our employees is a member of any union and there has not been any industrial dispute in the past involving our employees. Our Management maintains a close and cordial relationship with our employees. Together with our employees, our Group strives to create a safe, comfortable and conducive working environment.

7.15 Insurance

Our Group maintains insurance policies with registered insurance companies in Malaysia and overseas, which cover material damage to property, business interruption, public liability, employer's liability, directors' and officers' liability, motor liability, money-in-transit and premises, surgical hospitalisation expenses, fidelity guarantees, goods-in-transit, group accident, term life and business travel accident.

7.16 Environment

The Malaysian environmental regulatory agencies oversee our compliance with environmental laws and regulations. We believe that we are in compliance in all material respects with applicable environmental laws and regulations in Malaysia.

7.17 Agreements and intellectual property

Save as disclosed below, we do not, as at the LPD, have any technical assistance agreement, franchises, registered brand name, patent, trade mark, or intellectual property rights. Our Management is not aware of any commitment or financial contracts/agreements, in the ordinary course of business on which our Group is highly dependent on.

We have lodged at Perbadanan Harta Intelek Malaysia for registration, the following trademarks:

- (i) "Afiat" on 8 October 2007 under Class 36 – Real Estate Affairs;
- (ii) "Puteri" on 26 May 2008 under Class 36 – Real Estate Affairs; and
- (iii) "Puteri Harbour" on 5 September 2008 under Class 39 – Transport and Travel Arrangement and Class 41 – Provision of Entertainment, Sporting Facilities and Cultural Activities.

The "Afiat" trademark will be advertised in the government gazette from 10 December 2008 and if no opposition is filed, will thereafter be registered. The registrations for "Puteri" and "Puteri Harbour" trademarks are currently pending.

7. BUSINESS (cont'd)

7.18 Licenses and certification

The material licenses we require in connection with our developments include contractors' licenses and housing developer's licenses which we have obtained for our on-going property development projects. Details of our licences and certification as at the LPD are as follows:

Owner	Issuer	Effective date	Expiry date	Details
Licenses				
Nusajaya Development	Ministry of Housing and Local Government ("MHLG")	20.02.2006	19.02.2009	Housing Developer's License for 84 units of 1-storey terrace houses for Phase 2A of Taman Nusa Idaman
Nusajaya Development	MHLG	20.02.2006	19.02.2009	Housing Developer's License for 93 units of 2-storey terrace houses for Phase 2B of Taman Nusa Idaman
Nusajaya Development	MHLG	24.02.2006	23.02.2009	Housing Developer's License for 32 units of 1-storey terrace houses and 79 units of 2-storey houses for Phase 3 of Taman Nusa Idaman
Nusajaya Development	MHLG	14.09.2006	13.09.2009	Housing Developer's License for: - 14 units of 2-storey semi-Ds - 4 units of 2-storey semi-Ds (with basement) - 47 units of 1-storey terrace house - 61 units of 2-storey terrace house - 40 units of 1-storey semi-Ds - 10 units of 1 ½ -storey semi-Ds for Phase 4 and Phase 3C of Taman Nusa Idaman
Nusajaya Development	MHLG	01.08.2007	31.07.2010	Housing Developer's License for 36 units of 2 ½-storey of semi-Ds for Phase 4C of Taman Nusa Idaman
Nusajaya Development	MHLG	25.07.2007	24.7.02010	Housing Developer's License for: - 24 units of 1 ½-storey of terrace house - 113 units of 2-storey of terrace house for Phase 5A and 5B of Taman Nusa Idaman
Nusajaya Development	MHLG	25.09.2007	24.09.2010	Housing Developer's License for 96 units of 2-storey terrace houses for Phase 6B of Taman Nusa Idaman

7. BUSINESS (cont'd)

Owner	Issuer	Effective date	Expiry date	Details
Arapesona Development Sdn Bhd (now known as HHDSB)	MHLG	02.03.2007	01.03.2010	Housing Developer's License for: - 112 units of (20'x70') 2-storey terrace house - 91 units of (22'x70') 2-storey terrace house - 10 units of (24'x80') 2-storey terrace house - 100 units of (32'x70') 2-storey 'cluster' house - 56 units of (32'x70') 2½-storey 'cluster' house - 62 units of (35'x80') 2-storey semi-D - 44 units of (35'x80') 2 ½-storey semi-D for Phase 1A of Horizon Hills
Arapesona Development Sdn Bhd (now known as HHDSB)	MHLG	08.10.2007	07.10.2010	Housing Developer's License for: - 15 units of 2-storey Bungalows - 32 units of 2-storey semi-D - 44 units of 2 ½-storey semi-D - 14 units of 2-storey semi-D - 16 units of 2-storey semi-D - 76 units of 2-storey 'cluster' house - 81 units of 2-storey terrace house - 72 units of 2-storey terrace house for Phase 1B1 and 1C of Horizon Hills
HHDSB	MHLG	02.05.2008	01.05.2011	Housing Developer's License for: - 8 units of 2-storey terrace house - 50 units of 3-storey semi-D - 16 units of 2-storey semi-D - 105 units of 2-storey terrace house - 60 units of 2-storey terrace house - 64 units of 2-storey 'cluster' house for Phase 1B (Southern Golf) of Horizon Hills

7. BUSINESS (cont'd)

Owner	Issuer	Effective date	Expiry date	Details
HHDSB	MHLG	06.05.2008	05.05.2011	Housing Developer's License for: - 4 units of 2-storey Bungalow - 4 units of 3-storey Bungalow - 26 units of 2-storey semi-D - 8 units of 2-storey Bungalow - 14 units of 3-storey Bungalow - 15 units of 2-storey Bungalow - 13 units of 3-storey Bungalow - 40 units of 2-storey semi-D - 48 units of 2-storey semi-D - 60 units of 2-storey terrace house - 7 units of 2-storey Bungalow - 11 units of 3-storey Bungalow for Phase 2B (Expat village) of Horizon Hills
UEM Land	MHLG	17.01.2008	16.01.2011	Housing Developer's License for: - 32 units of 2-storey terrace house - 31 units of 2-storey terrace house - 24 units of 2-storey terrace house - 6 units of 2-storey semi-D - 18 units of 2-storey semi-D - 16 units of 2-storey semi-D - 12 units of 2-storey semi-D for East Ledang
UEM Land	MHLG	26.08.2008	25.08.2011	Housing Developer's License for: - 112 units of 2-storey semi-D - 28 units of 2-storey Bungalow for East Ledang
Nusajaya Land Sdn Bhd	MHLG	23.05.2008	22.05.2011	Housing Developer's License for: - 3 units of 2 ½-storey Bungalow - 15 units of 2-storey Bungalow - 3 units of 1-storey Bungalow for Ledang Heights

7. BUSINESS (cont'd)

Owner	Issuer	Effective date	Expiry date	Details
Certification				
BND	SIRIM QAS International Sdn Bhd	14.01.2008	09.03.2009	MS ISO 9001:2000 Property development and related project management activities
UEM Land	SIRIM QAS International Sdn Bhd	03.12.2007	29.11.2010	OHSAS 18001:1999 - Provision of property investment, acquisition and development services; and - Provision of project management services
Mahisa	CIDB Malaysia	23.12.2005	22.12.2008	Contractor: G7 Class B, Class CE and Class ME

There are no specific conditions imposed on any of the above licences and certificates.

7. BUSINESS (cont'd)

7.19 Properties

7.19.1 Principal asset

Title/location	Registered owner	Age of building	Description	Tenure	Built-up area Sq ft	Total area Acre	Net book value as at the LPD RM 000
PTD 153723, H.S.(D) 450558, Mukim Pujai, Johor	Nusajaya Rise	2	Headquarters, sales and marketing and operations	Freehold	45,659	3.18	4,414

Nusajaya Centre
No. 8, Ledang Heights
79250 Nusajaya
Johor Darul Takzim
Malaysia

Notes:

The building permit for Nusajaya Centre is temporary and renewable annually, as the land title for Nusajaya Centre was only issued in October 2007 by the Land and Mines Office. We have applied to Majlis Perbandaran Johor Bahru Tengah on 3 November 2008 for certificate of fitness of occupancy, the decision of which is still pending.

The title for PTD 153723, H.S. (D) 450558 land held by Nusajaya Rise is subject to the following express conditions and restriction in interests:

- (i) The land must be for Office use, built according to the plan approved by the relevant local authority;
- (ii) All dirt and pollution arising from the building activities must be channelled to pieces as determined by the relevant authority;
- (iii) All policies and conditions that has been set and enforced from time to time by the relevant authority must be complied; and
- (iv) The land cannot be sold, transferred by whatever means to non-citizens or foreign corporations without the consent of the Johor State Government.

7. BUSINESS (cont'd)

7.19.2 Landed properties of our Group as at the LPD

A summary of the information on the landed properties of our Group (other than our principal asset as set out in "Section 7.19.1 — Principal asset") as at the LPD are set out below:

Title/location	Registered owner	Description/Existing use	Encumbrances	Land area ⁽¹⁾ Acre	Net book value as at the LPD ⁽²⁾	
					RM million	
PTD 71075, H.S.(D) 309465, Mukim Pulau, Johor Darul Takzim	BND	Development land currently planted with oil palm	Nil	233.45 ⁽³⁾	13.8	
PTD 71080, H.S.(D) 309469, Mukim Pulau, Johor Darul Takzim	BND	Development land currently planted with oil palm	Nil	183.14	31.4	
PTD 71084, H.S.(D) 310798, Mukim Pulau, Johor Darul Takzim	BND	Development land - partially used for development of JSNAC and remaining is currently planted with oil palm	Nil	167.82 ⁽⁴⁾	30.7	
PTD 71089, H.S.(D) 302573, Mukim Pulau, Johor Darul Takzim	BND	Development land – partially used for development of JSNAC and Puteri Harbour and remaining is currently vacant	Nil	655.09 ⁽⁴⁾	69.9	
PTD 71091, H.S.(D) 310804, Mukim Pulau, Johor Darul Takzim	BND	Development of JSNAC and Puteri Harbour	Nil	273.72 ⁽⁴⁾	34.7	
PTD 5377, H.S.(M) 395, Mukim Pulau, Johor Darul Takzim	BND	Partially vacant land currently used for the purpose of the Johor Bahru-Nusajaya Coastal Highway project	Nil	5.00 ⁽³⁾	0.6	
PTD 71101, H.S.(D) 265920, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land currently planted with fruit trees	Nil	17.39	3.3	
PTD 71108, H.S.(D) 257257, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land currently vacant	Nil	9.35	1.2	

7. BUSINESS (cont'd)

Title/location	Registered owner	Description/Existing use	Encumbrances	Land area ⁽¹⁾ Acre	Net book value as at the LPD ⁽²⁾	
					RM million	
PTD 71041, H.S.(D) 303832, Mukim Pulai, Johor Darul Takzim	Nusajaya Greens	Development land currently vacant	Nil	105.92 ⁽⁴⁾	15.7	
PTD 71042, H.S.(D) 303833, Mukim Pulai, Johor Darul Takzim	Nusajaya Greens	Development land – partially used for development of Afiat Healthpark and remaining is currently vacant	Nil	314.28 ⁽⁴⁾	37.0	
PTD 71050, H.S.(D) 260195, Mukim Pulai, Johor Darul Takzim	Nusajaya Greens	Development land – substantially sold whilst remaining is for development of Horizon Hills	Nil	549.78 ^{(3),(4)}	2.5	
PTD 71053, H.S.(D) 265921, Mukim Pulai, Johor Darul Takzim	Nusajaya Greens	Development of Horizon Hills	Some of the subdivided titles have been charged for facilities secured by HHDSB for Horizon Hills ⁽⁵⁾	296.84 ^{(3),(4)}	18.6	
PTD 71054, H.S.(D) 290039, Mukim Pulai, Johor Darul Takzim	Nusajaya Greens	Development land – partially for development of Nusa Idaman and Horizon Hills and remaining is currently vacant	Some of the subdivided titles have been charged for facilities secured by Nusajaya Development and HHDSB for Nusa Idaman and Horizon Hills respectively ⁽⁵⁾	901.51 ⁽⁴⁾	155.2	
PTD 71055, H.S.(D) 258290, Mukim Pulai, Johor Darul Takzim	Nusajaya Greens	Development land – partially for development of Horizon Hills and remaining is currently vacant	Some of the subdivided titles have been charged for facilities secured by HHDSB for Horizon Hills ⁽⁵⁾	175.96 ⁽⁴⁾	33.7	

7. BUSINESS (cont'd)

Title/location	Registered owner	Description/Existing use	Encumbrances	Land area ⁽¹⁾ Acre	Net book value as at the LPD ⁽²⁾	
					RM million	
PTD 71056, H.S.(D) 306820, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development of JSNAC and Horizon Hills	Some of the subdivided titles have been charged for facilities secured by HHDSB for Horizon Hills ⁽⁵⁾	74.13 ⁽⁴⁾		7.7
PTD 71057, H.S.(D) 306821, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land – partially for development of Horizon Hills and acquired by the State Authority for the purpose of the Johor Bahru-Nusajaya Coastal Highway project, and the remaining is currently vacant	Some of the subdivided titles have been charged for facilities secured by HHDSB for Horizon Hills ⁽⁵⁾	140.13 ^{(3),(4)}		22.0
PTD 71058, H.S.(D) 306822, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land – partially for development of Horizon Hills and acquired by the State Authority for the purpose of the Johor Bahru-Nusajaya Coastal Highway project, and the remaining is currently vacant	Some of the subdivided titles have been charged for facilities secured by HHDSB for Horizon Hills ⁽⁵⁾	172.38 ^{(3),(4)}		19.2
PTD 71063, H.S.(D) 258294, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land currently planted with oil palm	Nil	193.17 ^{(3),(4)}		4.4
PTD 108752, H.S.(D) 305242 Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land currently vacant	Nil	8.50		1.7
PTD 108532, H.S.(D) 329866, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land currently vacant	Nil	6.60		0.8
PTD 71070, H.S.(D) 257252, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land currently vacant	Nil	96.47 ^{(3),(4)}		1.2

7. BUSINESS (cont'd)

Title/location	Registered owner	Description/Existing use	Encumbrances	Land area ⁽¹⁾ Acre	Net book value as at the LPD ⁽²⁾	
					RM	million
PTD 2373, H.S.(D) 303835, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently vacant	Nil	1,092.75 ⁽⁴⁾	202.1	
PTD 2374, H.S.(D) 290038, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	487.40	91.6	
PTD 2377, H.S.(D) 257240, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	216.25	41.4	
PTD 2379, H.S.(D) 268610, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	113.13	19.9	
PTD 2380, H.S.(D) 268611, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	1,136.54	205.9	
PTD 2381, H.S.(D) 268612, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	163.19 ^{(3),(4)}	14.6	
PTD 2383, H.S.(D) 257241, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	229.16	43.9	
PTD 2384, H.S.(D) 257242, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	1.14	0.2	
PTD 2385, H.S.(D) 257243, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	52.27	10.9	
PTD 2387, H.S.(D) 309471, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Rise	Development land currently vacant	Nil	3.51	0.8	
PTD 71092, H.S.(D) 306831, Mukim Pulau, Johor Darul Takzim	Nusajaya Rise	Development land currently planted with oil palm	Nil	166.91	32.0	
PTD 71093, Mukim Pulau, Johor Darul Takzim ⁽⁶⁾	Nusajaya Rise	Development of Ledang Heights	Nil	361.01 ⁽⁴⁾	7.3	

7. BUSINESS (cont'd)

Title/location	Registered owner	Description/Existing use	Encumbrances	Land area ⁽¹⁾ Acre	Net book value as at the LPD ⁽²⁾	
					RM million	RM million
PTD 72263, H.S.(D) 308180, Mukim Pulau, Johor Darul Takzim	Nusajaya Rise	Development of East Ledang	Nil	365.07 ⁽⁴⁾	69.9	69.9
PTD 71099, H.S.(D) 257258, Mukim Pulau, Johor Darul Takzim	Nusajaya Heights	Development land currently planted with oil palm	Nil	335.49	64.4	64.4
PTD 2375, H.S.(D) 257239, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Heights	Development land currently vacant	Nil	40.76	7.9	7.9
PTD 71040, H.S.(D) 260036, Mukim Pulau, Johor Darul Takzim	Nusajaya Heights	Development land currently planted with oil palm	Nil	391.77	64.2	64.2
PTD 71051, H.S.(D) 257251, Mukim Pulau, Johor Darul Takzim	Nusajaya Heights	Development of SiLC	Nil	833.07 ⁽⁴⁾	133.1	133.1
PTD 71052, H.S.(D) 303834, Mukim Pulau, Johor Darul Takzim	Nusajaya Heights	Development land currently planted with oil palm	Nil	161.83 ⁽⁴⁾	30.5	30.5
PTD 1290, H.S.(D) 258287, Mukim Jelutong, Johor Darul Takzim	Nusajaya Heights	Development of SiLC	Nil	474.24 ⁽⁴⁾	77.6	77.6
PTD 71071, H.S.(D) 257253, Mukim Pulau, Johor Darul Takzim	Nusajaya Heights	Development land currently vacant	Nil	23.35 ^{(3),(4)}	0.4	0.4
PTD 71072, H.S.(D) 257254, Mukim Pulau, Johor Darul Takzim	Nusajaya Heights	Development land currently vacant	Nil	9.84	1.9	1.9
PTD 71073, H.S.(D) 258296, Mukim Pulau, Johor Darul Takzim	Nusajaya Heights	Development of NIP 1 Phase 2 and Nusa Cemerlang Industrial Park	Nil	690.27 ^{(3),(4)}	50.4	50.4
PTD 100805, H.S.(D) 309356, Mukim Pulau, Johor Darul Takzim	Nusajaya Leisure	Development land currently vacant. Partially acquired by the State Authority for the purpose of the Johor Bahru-Nusajaya Coastal Highway project	Nil	118.53 ⁽³⁾	16.5	16.5

7. BUSINESS (cont'd)

Title/location	Registered owner	Description/Existing use	Encumbrances	Land area ⁽¹⁾ Acre	Net book value as at the LPD ⁽²⁾	
					RM million	
PTD 100807, H.S.(D) 309357, Mukim Pulau, Johor Darul Takzim	Nusajaya Leisure	Development land currently planted with oil palm. Partially acquired by the State Authority for the purpose of the Johor Bahru-Nusajaya Coastal Highway project	Nil	32.10 ⁽³⁾		1.2
PTD 100808, H.S.(D) 274364, Mukim Pulau, Johor Darul Takzim	Nusajaya Leisure	Development land currently planted with oil palm. Partially acquired by the State Authority for the purpose of the Johor Bahru-Nusajaya Coastal Highway project	Nil	18.32 ⁽³⁾		1.9
PTD 100810, H.S.(D) 274366, Mukim Pulau, Johor Darul Takzim	Nusajaya Leisure	Development land currently vacant	Nil	72.22		13.8
PTD 2382, H.S.(D) 268613, Mukim Tanjung Kupang, Johor Darul Takzim	Nusajaya Seaview	Development land currently planted with oil palm	Nil	233.70 ⁽⁴⁾		44.8
PTD 71064, H.S.(D) 390352, Mukim Pulau, Johor Darul Takzim	Nusajaya Gardens Sdn Bhd	Development land currently vacant	Malay reserve land	179.48		33.5
PTD 1289, H.S.(D) 260038, Mukim Jelutong, Johor Darul Takzim	Nusajaya Heights	Development land designated for affordable housing currently vacant	Nil	120.42		21.3
PTD 71048, H.S.(D) 2257250, Mukim Pulau, Johor Darul Takzim	Nusajaya Heights	Development land designated for affordable housing currently vacant	Nil	61.12		10.9
PTD 71059, H.S.(D) 329867, Mukim Pulau, Johor Darul Takzim	Nusajaya Greens	Development land – partially for development of Horizon Hills and remaining is currently vacant	Some of the subdivided titles have been charged for facilities secured by HHDSB for Horizon Hills ⁽⁵⁾	660.91 ⁽⁴⁾		12.6

7. BUSINESS (cont'd)

Title/location	Registered owner	Description/Existing use	Encumbrances	Land area ⁽¹⁾ Acre	Net book value as at the LPD ⁽²⁾	
					RM million	RM million
GM 237, Lot 247, Mukim Pulau, Johor Darul Takzim ("Lot 247 Land") ⁽⁷⁾	UEM Land	Agricultural land currently vacant	Nil	2.02	0.3	
940893 HGB No.1/Cicareuh, 940892 HGB No.1/Bumisari Desa Cicareuh & Desa Bumisari, Cikidang Sukabumi, Jawa Barat, Indonesia ("Cikidang Land") ⁽⁸⁾	P.T. Hardja Setia	Agricultural land currently planted with cash crops	Nil	1,570.67	0.4	

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7. BUSINESS (cont'd)

Notes:

- (1) *The acreage is stated as per the respective land titles.*
- (2) *Net Book Value ("NBV") is calculated based on apportionment of the total NBV to the respective land area based on management estimates after taking into consideration of lands sold but pending transfer and land committed for related infrastructures.*
- (3) *Part of this land has been sold.*
- (4) *This land has been sub-divided.*
- (5) *Please refer to "Section 10.7 – Capitalisation and Indebtedness" and HHDSB for Horizon Hills project, please refer to "Section 10.12 – Contingent liabilities".*
- (6) *The land title is not available as it is a direct alienation by the Johor State Government (i.e. direct issuance of individual titles of the sub-divided lots).*
- (7) *As at the LPD, Lot 247 Land is freehold and is not subject to any restriction in interest.*
- (8) *As at the LPD, Cikidang Land is a 30-year leasehold vacant land and is not subject to any restriction in interest.*

As at the LPD, all the landed properties owned by our Group:

- (i) *save for Cikidang Land, are freehold land; and*
- (ii) *save for Lot 247 Land and Cikidang Land, are subject to a restriction in interest prohibiting the sale, charge, lease or transfer of the same by whatever means including by way of agreement for the purpose of disposing or selling without the approval of the State Authority of Negeri Johor Darul Takzim.*

Most of the land owned by our Group were acquired between May 1994 to June 1995.

The State Authority declared its intention, in the Government of Johor Gazette dated 3 July 2008 Volume 52 No.14, to acquire approximately 206 acres of our Group's land on 14 plots, for the purpose of the proposed Johor Bahru-Nusajaya Coastal Highway project. As at 4 November 2008, the land administrator has made an award of compensation totaling RM56,609,191 to our Group in respect of the land acquired.

7. BUSINESS (cont'd)

7.19.3 Landed properties purchased by our Group during the preceding 2 years from the LPD

We have not purchased any landed properties during the 2 years preceding the LPD.

A summary of the information on the landed properties to be purchased by our Group pursuant to the Proposed Acquisitions are as set out below.

Title/location	Description/Existing use	Encumbrances/ Restriction in interest	Land area Acre	Date of sale and purchase agreement	Acquisition price RM 000	Market value as at 9 June 2008 RM 000
PTD 2987 Mukim Tanjung Kupang, Johor Darul Takzim	Development land currently vacant	Nil	356.71	24 June 2008	108,768	108,768
PTD 2994, PTD 2995, PTD 2999, PTD 3001 to PTD 3004, PTD 3006 to PTD 3015, PTD 3050, PTD 3053 and part of PTD 3054, Mukim Tanjung Kupang, Johor Darul Takzim	Development land currently vacant	Nil	57.20	24 June 2008	46,146	46,146

7. BUSINESS (cont'd)

7.19.4 Valuation certificate for the landed properties to be purchased by our Group pursuant to the Proposed Acquisitions



KHONG & JAAFAR SDN BHD (31218-T)

REGISTERED VALUERS AND ESTATE AGENTS PROPERTY CONSULTANTS PROPERTY AND PROJECT MANAGERS
PROPERTY INVESTMENT ADVISORS MARKET AND FEASIBILITY RESEARCHERS

PENILAI DAN EJEN HARTA BERDAFTAR PERUNDING HARTA PENGURUS HARTA DAN PROJEK PENASIHAT
PELABURAN PENGKAJI KEMUNGKINAN DAN KAJIAN PASARAN HARTA. V(1) 0005

57-1 JALAN TELAWI TIGA, BANGSAR BARU 59100 KUALA LUMPUR. TEL: 03-22829699 FAX: 03-22829799
e-mail: khongja@po.jaring.my Website: www.khongjaafar.com.my



benchmark
IN QUALITY
ISO 9001:2000

31 October 2008

Board of Directors
UEM Land Holdings Berhad
2nd Floor, Bangunan MCOBA
No. 42, Jalan Syed Putra
50460 Kuala Lumpur

VALUATION OF PARCELS OF FREEHOLD LAND LOCATED IN THE MUKIM OF TANJUNG KUPANG, DISTRICT OF JOHOR BAHRU, JOHOR DARUL TAKZIM ("SUBJECT PROPERTIES")

This valuation certificate has been prepared for inclusion in the Prospectus to shareholders of UEM World Berhad in relation to the listing of UEM Land Holdings Berhad ("ULHB"). The valuation is assessed for purposes of the proposed acquisitions by UEM Land Berhad, a wholly-owned subsidiary of ULHB, of 100% equity interest in Finwares Sdn Bhd and parcels of freehold land located in the Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim.

In accordance with the instruction from UEM Land Berhad and UEM Builders Berhad, we have inspected the Subject Properties on 9 June 2008 and extracted particulars of the titles from the respective Documents of Title at the Registry of Land titles, Johor Bahru on 6 and 9 June 2008 and gathered other information necessary to arrive at our opinion of value.

We have inspected the Subject Properties on the dates as stated in the schedule below and as instructed the material date of valuation is taken to be the dates of inspection.

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

As such, we have provided an opinion on the Market Value of the Subject Properties in their existing condition, with vacant possession and subject to the respective titles being free from encumbrances, good marketable and registrable.

This valuation has been prepared in accordance with the "Guidelines on Asset Valuations" issued by the Securities Commission and the "Malaysian Valuation Standards" issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

7. BUSINESS (cont'd)

Brief descriptions of the Subject Properties are as follows:-

TITLE PARTICULARS	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
<p>Lot PTD 2987, In The Mukim Of Tanjung Kupang, District Of Johor Bahru, Johor Darul Takzim (A 144.356-Hectare Parcel Of Agricultural Land With Industrial Development Potential Located Within Nusajaya) ("Property A")</p> <p>Our Ref: MV(J) 811/2008 (A) (ii)</p> <p>Date of Inspection/Valuation: 9 June 2008</p>		
<p>Lot No. : PTD 2987</p> <p>Title No. : H.S. (D) 297739</p> <p>Locality : Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim</p> <p>Tenure : Grant-in-perpetuity (commonly referred to as freehold)</p> <p>Category of Land Use : Nil</p> <p>Title Land Area : 152.639 hectares (i.e. approximately 377.179 acres) (Note : The net land area of the property is 144.356 hectares (356.711 acres) which is net of 8.283 hectares (20.468 acres) which has been acquired by the government)</p> <p>Registered Proprietors : Finwares Sdn Bhd (807/1100 share); and Hartanah Lintasan Kedua Sdn Bhd (293/1100 share)</p>	<ul style="list-style-type: none"> ▪ Property A is a 144.356-hectare (approximately 356.711-acre) parcel of agricultural land with industrial development potential and located within Nusajaya, in the Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim. ▪ It is sited off the western side of the Second Link Expressway and Port of Tanjung Pelepas (PTP) Interchange, at about 39 kilometres south-west of the City Centre of Johor Bahru and about 3 kilometres north-west of the Sultan Abu Bakar Customs, Immigration and Quarantine (CIQ) Complex. ▪ Generally the terrain of Property A varies from undulating on the northern portion and fairly flat on the remaining portions and with the south-eastern portion lying about level with the frontage road i.e. Jalan Tanjung Kupang. The Kempas-Port of Tanjung Pelepas KTMB railway line traverses the Property in a north-south direction. ▪ At present, major portions of Property A are mainly under matured oil palm, orchard and vegetable farms, light vegetation, shrubs and bushes except for the southern portion of Property A that is partly cleared and ready for immediate development. ▪ There is also an abandoned man-made fishpond within the central portion of the Property A. ▪ There are no buildings within Property A and it is currently vacant. 	<p>RM108,768,000 (Malaysian Ringgit One Hundred and Eight Million Seven Hundred and Sixty-Eight Thousand Only).</p> <p>Finwares Sdn Bhd (807/1100 share) - RM79,796,160 Hartanah Lintasan Kedua Sdn Bhd (293/1100 share) - RM28,971,840</p> <p><i>Method of Valuation:</i> Comparison Method of Valuation</p>

7. BUSINESS (cont'd)

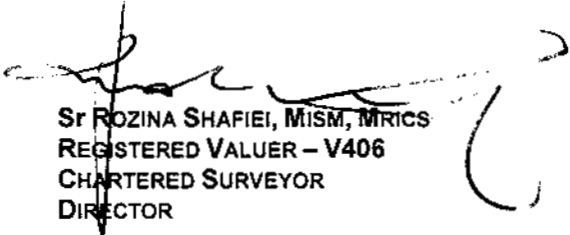
TITLE PARTICULARS	GENERAL DESCRIPTION OF PROPERTY	MARKET VALUE
Lots PTD 2994, PTD 2995, PTD 2999, PTD 3001 To PTD 3004 (Inclusive), PTD 3006 To PTD 3015 (Inclusive), PTD 3050, PTD 3053 And Part Of PTD 3054, In The Mukim Of Tanjung Kupang, District Of Johor Bahru, Johor Darul Takzim (A Parcel Of Agricultural Land With Industrial Development Potential, Five Parcels Of Vacant Industrial Lands And Fourteen Parcels Of Vacant Building Lands Located Within Nusajaya) ("Properties B")		
Our Ref: MV(J) 811/2008 (B) (ii)		
Date of Inspection/Valuation: 9 June 2008		
<p>Lot Nos. : PTD 2994, PTD 2995, PTD 2999, PTD 3001 to PTD 3004 (Inclusive), PTD 3006 to PTD 3015 (Inclusive), PTD 3050, PTD 3053 and part of PTD 3054</p> <p>Title Nos. : H.S. (D) 306832 to H.S. (D) 306851 (inclusive)</p> <p>Locality : Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim</p> <p>Tenure : Grant-in-perpetuity (commonly referred to as freehold)</p> <p>Category of Land Use : Lots PTD 2994, PTD 3003, PTD 3004, PTD 3006 and part of PTD 3054 "Perusahaan/ Perindustrian"</p> <p>Lot PTD 2995 "Pertanian"</p> <p>Lots PTD 2999, PTD 3001, PTD 3002, PTD 3007 to PTD 3015 (inclusive), PTD 3050 and PTD 3053 "Bangunan"</p> <p>Combined Title Land Area : 23.1467 hectares (i.e. approximately 57.197 acres)</p> <p>Registered Proprietors : Lots PTD 2994, PTD 2995, PTD 2999, PTD 3001 to PTD 3004 (Inclusive), PTD 3006 to PTD 3015 (Inclusive), PTD 3050 and PTD 3053 UE Construction Sdn Bhd</p> <p>Lot PTD 3054 UEM Construction Sdn Bhd</p>	<ul style="list-style-type: none"> ▪ Properties B consist of a parcel of agricultural land with industrial development potential, five (5) parcels of vacant industrial lands and fourteen (14) parcels of vacant building lands. ▪ They have a combined provisional land area 23.1467 hectares (i.e. approximately 57.197 acres), all located within Nusajaya, in the Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim. ▪ Properties B are located within Nusajaya in the Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim and sited off the western side of the Second Link Expressway and due west of the Gelang Patah Interchange, at about 25 kilometres south-west of the City Centre of Johor Bahru and about a kilometre south-east of the Town of Gelang Patah. ▪ The terrain of Properties B is generally fairly flat with a slight elevation at the central portion of Lot PTD 2994. The Properties B lie slightly below the level of the frontage road i.e. the linkage road from the Gelang Patah Interchange to Jalan Gelang Patah on the north-eastern portion, to gradually about level with the frontage road of Jalan Tanjung Kupang on the south-western portion of Properties B. ▪ Lots PTD 2994, PTD 3006, PTD 2999, PTD 3001, PTD 3002, PTD 3007 to PTD 3015 (inclusive), PTD 3050, PTD 3053 and part of PTD 3054 - are presently vacant and overgrown with shrubs and bushes. ▪ Lots PTD 3003 and PTD 3004 have been cleared and are ready for immediate development. ▪ Lot PTD 2995 is partly cleared and ready for immediate development except for its south-eastern portion which is still planted either with matured oil palm or rubber trees. 	<p>RM46,146,000 (Malaysian Ringgit Forty-Six Million One Hundred and Forty-Six Thousand Only)</p> <p><i>Method of Valuation:</i> Comparison Method of Valuation</p>

7. BUSINESS (cont'd)

In our opinion, the total market value of the Subject Properties as at the respective dates of valuation free from all encumbrances is **RM154,914,000** (Malaysian Ringgit One Hundred Fifty-Four Million Nine Hundred And Fourteen Thousand Only).

Yours faithfully

For and on behalf of
KHONG & JAAFAR SDN BHD



**Sr ROZINA SHAFIEI, MISM, MRICS
REGISTERED VALUER – V406
CHARTERED SURVEYOR
DIRECTOR**

7. BUSINESS (cont'd)

7.20 Subsidiaries, associates and joint ventures

Our subsidiaries, associates and joint ventures as at the LPD are as follows:

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless otherwise stated)	Effective equity interest %	Principal activities
Direct subsidiary				
UEM Land	07.10.1982 Malaysia	1,092,866,148	100.0	Project procurement and management, and strategic investment holding company
Subsidiaries of UEM Land				
CJSB	07.04.1982 Malaysia	2,071,042	60.0	Undertake the turnkey design and build contract for the development of JSNAC
Nusajaya Medical Park Sdn Bhd	05.04.2000 Malaysia	2	100.0	Construct, manage and/or operate specialised buildings for long term lease
Fleet Group Sdn Bhd	28.06.1976 Malaysia	100,000,000	100.0	Investment holding
Hatibudi Nominees (Tempatan) Sdn Bhd	10.08.1987 Malaysia	1,000,000	100.0	Investment holding
Marina Management Sdn Bhd (formerly known as Hing Yiap Fibremakers Sdn Bhd)	30.11.1979 Malaysia	1,000,003	100.0	Marina management
Mahisa	04.06.1982 Malaysia	750,000	100.0	Property development and undertaking construction and turnkey development contracts
Nilaimas Sdn Bhd	24.09.1981 Malaysia	1,069,002	100.0	Dormant
Nusajaya Development	20.07.1996 Malaysia	2,750,000	100.0	Property development
PUTRA	15.02.1994 Malaysia	300,000,000	100.0	In liquidation
Renong Credit & Leasing Sdn Bhd	14.07.1982 Malaysia	2,250,002	100.0	Ceased operation
Renong Debt Management	22.03.1986 Malaysia	1,000,000 ⁽¹⁾	99.9	Investment holding
Renong Nusantara Sdn Bhd	12.01.1994 Malaysia	24,000,002	100.0	Investment holding
Renong Pacific Sdn Bhd	16.04.1994 Malaysia	2	100.0	Investment holding
Renong Solutions (M) Sdn Bhd	30.05.1985 Malaysia	3,000,000	100.0	Ceased operations
Renong Ventures Sdn Bhd	28.12.1994 Malaysia	845,000 ⁽²⁾	100.0	Investment holding
Renong-India Sdn Bhd	13.10.1994 Malaysia	2	100.0	Dormant

7. BUSINESS (cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless otherwise stated)	Effective equity interest %	Principal activities
Teck Hwa Knitting Industries Sdn Bhd	26.10.1976 Malaysia	650,000	100.0	Ceased operations
ROC	25.05.1992 Malaysia	45,000,007	100.0	Provision of reimbursable support services to the UEM Land Group
Amra Resources	21.05.1993 Malaysia	100,000,000	100.0	Investment holding
Marak Unggul Sdn Bhd	15.08.1995 Malaysia	10,000	50.0	Dormant
UEML-ZRE	28.09.2005 Malaysia	100	72.0	Promoter and manager for diversified real estate investment trust
Nusajaya Consolidated	22.06.1995 Malaysia	2	100.0	Dormant
Nusajaya Resort Sdn Bhd	23.06.1995 Malaysia	2	100.0	Dormant
Grand Influx Sdn Bhd	12.01.2006 Malaysia	2	100.0	Investment holding
Mangrove Riviera Sdn Bhd	22.08.2007 Malaysia	2	100.0	Property development
Subsidiaries of Fleet Group Sdn Bhd				
Cantuman Bahagia Sdn Bhd	16.08.1988 Malaysia	1,000,000	100.0	Investment holding
Fibroceil Manufacturing (Malaysia) Sdn Bhd	21.03.1984 Malaysia	2,000,000	100.0	Investment holding
Jaguh Mutiara Sdn Bhd	07.09.1989 Malaysia	1,000,000	100.0	Investment holding
Subsidiary of Amra Resources				
BND	19.11.1992 Malaysia	550,000,000 ⁽³⁾	100.0 ⁽⁴⁾	Investment holding, property development, land trading and an agent for its subsidiaries
Subsidiaries of BND				
Preferred Resources Sdn Bhd	07.11.1994 Malaysia	5,000,000	70.0	Dormant
Nusajaya Energy Sdn Bhd	23.06.1995 Malaysia	2	100.0	Dormant
Nusajaya Industrial Park Sdn Bhd	22.06.1995 Malaysia	2	100.0	Property development
Nusajaya Campus Sdn Bhd	23.06.1995 Malaysia	2	100.0	Dormant
Nusajaya Gardens Sdn Bhd	13.06.1995 Malaysia	2,600,000	100.0	Land trading and investment holding
Nusajaya Greens	26.06.1995 Malaysia	2,600,000	100.0	Property development, land trading and investment holding

7. BUSINESS (cont'd)

<u>Company</u>	<u>Date and place of incorporation</u>	<u>Issued and paid-up share capital</u> RM (unless otherwise stated)	<u>Effective equity interest</u> %	<u>Principal activities</u>
Nusajaya Group Sdn Bhd	22.06.1995 Malaysia	2	100.0	Investment holding
Nusajaya Healthcare Sdn Bhd	30.06.1995 Malaysia	2	100.0	Dormant
Nusajaya Heights	06.09.1994 Malaysia	2,600,000	100.0	Property development, land trading and investment holding
Nusajaya Hotels Sdn Bhd	09.11.1995 Malaysia	2	100.0	Dormant
Nusajaya Leisure	22.06.1995 Malaysia	2,600,000	100.0	Land trading and investment holding
Nusajaya Management Services Sdn Bhd	17.06.1995 Malaysia	2	100.0	Dormant
Nusajaya Rise	26.06.1995 Malaysia	2,600,000	100.0	Property development, land trading and investment holding
Nusajaya Riverside Sdn Bhd	28.07.1994 Malaysia	50,000	99.9	Investment holding
Nusajaya Seaview	06.01.1995 Malaysia	2,600,000	100.0	Land trading and investment holding
Nusajaya Infra Sdn Bhd	23.06.1995 Malaysia	50,000	99.9	Investment holding
Nusajaya Warehousing Sdn Bhd	23.06.1995 Malaysia	2	100.0	Dormant
Subsidiary of Nusajaya Group Sdn Bhd				
Nusajaya Land Sdn Bhd	23.06.1995 Malaysia	2,600,000	100.0	Property development
Subsidiaries of Nusajaya Riverside Sdn Bhd				
Nusajaya High-Tech Park Sdn Bhd	22.06.1995 Malaysia	2	99.9	Dormant
Subsidiaries of Nusajaya Infra Sdn Bhd				
Nusajaya Business Park Sdn Bhd	22.06.1995 Malaysia	2	99.9	Dormant
Nusajaya Equity Sdn Bhd	22.06.1995 Malaysia	50,000	99.9	Dormant
Subsidiary of Renong Nusantara Sdn Bhd				
P.T. Bias Permata	08.10.1994 Indonesia	IDR900,000,000	100.0	Trading
Subsidiary of P.T. Bias Permata				
P.T. Hardja Setia	24.05.1952 Indonesia	IDR50,000,000	100.0	Agriculture, plantation, trading, mining and construction

7. BUSINESS (cont'd)

Company	Date and place of incorporation	Issued and paid-up share capital RM (unless otherwise stated)	Effective equity interest %	Principal activities
Subsidiary of ROC				
ROCSA	03.08.1994 South Africa	ZAR200	100.0	Investment holding
Subsidiaries of ROCSA				
R.O.C Management Services (Proprietary) Limited	30.05.1995 South Africa	ZAR1	100.0	Representation of holding company in South Africa
Roc-Union (Proprietary) Limited	30.5.1995 South Africa	ZAR100	80.4	Investment holding
Subsidiary of Roc-Union (Proprietary) Limited				
Rocpoint (Proprietary) Limited	30.05.1995 South Africa	ZAR500,000	80.4	Acquisition and development of land
Subsidiary of Renong Ventures Sdn Bhd				
Merak Indera Sdn Bhd	11.08.1995 Malaysia	2,000,000	100.0	Dormant
Associates of UEM Land				
OptixLab Sdn Bhd	11.04.2000 Malaysia	29,100,000 ⁽⁵⁾	50.0	Ceased operations
Probalance Sdn Bhd	17.04.1993 Malaysia	100,000,000	47.2	In members' voluntary liquidation
Touch'N Go Sdn Bhd (formerly known as Rangkaian Segar Sdn Bhd)	17.10.1996 Malaysia	16,670,000	20.0	Operation of a central clearing house for contactless smartcard and related services
Equinox Film Production & Distributors Sdn Bhd	11.02.1985 Malaysia	125,000	25.0	Dormant
Setia Haruman	28.03.1997 Malaysia	6,000,000	25.0	Property development and sale of land
Associates of Hatibudi Nominees (Tempatan) Sdn Bhd				
BIB Insurance Brokers Sdn Bhd	11.11.1976 Malaysia	1,500,000	30.0	Insurance brokers, insurance consultants, commission agents and investment holding
Investment in joint ventures				
HHDSB	10.05.2005 Malaysia	6,109,536	50.0	Property development
Haute Property	24.03.2005 Malaysia	100,000	40.0	Property development

7. BUSINESS (cont'd)

Notes:

- (1) 1 special ordinary share of RM1.00 each in Renong Debt Management is held by UEMG.
- (2) Comprising 500,000 ordinary shares of RM1.00 each and 345,000 redeemable non-cumulative preference shares of RM0.01 each in Renong Ventures Sdn Bhd.
- (3) Comprising 100,000,000 ordinary shares of RM1.00 each and 450,000,000 redeemable convertible preference shares of RM1.00 each in BND.
- (4) UEM Land has a total of 100% effective equity interest in BND comprising 80% effective equity interest held via Amra Resources and 20% effective equity interest held directly by UEM Land.
- (5) Comprising 4,000,000 ordinary shares of RM1.00 each and 25,100,000 redeemable cumulative convertible preference shares of RM1.00 each in OptixLab Sdn Bhd.

Details of our key operating subsidiaries are set out as follows:

UEM Land (90894-P)

UEM Land was incorporated in Malaysia under the Act on 7 October 1982 as a public limited company under the name of Renong. It was listed on the Main Board of Bursa Securities on 27 January 1984 and subsequently delisted from the Main Board of Bursa Securities on 14 November 2003. It was also listed on the Stock Exchange of Singapore Ltd on 31 January 1984 and subsequently delisted from the Official List of the Stock Exchange of Singapore Ltd on 1 January 1990.

On 27 December 2003, it was converted into a private limited company following a group wide restructuring scheme by UEMG in 2003, whereby UEM World became the owner of the then entire equity shareholding in UEM Land. On 9 April 2008, UEM Land was re-converted into a public company.

As at the LPD, the authorised share capital of UEM Land is RM2,500,000,000 comprising 5,000,000,000 ordinary shares of RM0.50 each and issued and paid-up capital is RM1,092,866,148 comprising 2,185,732,296 ordinary shares of RM0.50 each.

The principal activities of UEM Land are project procurement and management and strategic investment holding company.

The changes to the issued and paid-up share capital of UEM Land since the date of its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted/ (cancelled)	Par value RM	Consideration/Type of issue	Cumulative issued and paid-up share capital RM
07.10.1982	3	0.50	Subscribers' shares	1.50
26.10.1983	9,899,997	0.50	Issued under the scheme of arrangement to transfer the domicile of the then The Renong Tin Dredging Company plc to Malaysia	4,950,000.00
18.11.1983 to 23.11.1983	27,600,000	0.50	(a) 20,800,000 shares were issued as part consideration for the acquisition of 98.23% in Kinta Properties Sdn Bhd at an issue price of RM1.25 per share (b) 6,800,000 shares were issued as part consideration for the acquisition of the entire equity interest in Hiap Ann Development Sdn Bhd at an issue price of RM1.25 per share	18,750,000.00
20.12.1983	9,200,000	0.50	Public issue at an issue price of RM0.60 per share	23,350,000.00
10.02.1984	3,300,000	0.50	Rights issue of 1 for 3 (based on 9,900,000 shares) at an issue price of RM0.60 per share	25,000,000.00

7. BUSINESS (cont'd)

Date of allotment	No. of ordinary shares allotted/ (cancelled)	Par value RM	Consideration/Type of issue	Cumulative issued and paid-up share capital RM
12.01.1990	59,936,970	0.50	Issued in view of the restructuring scheme involving conversion of debt and acquisitions of the entire equity interest in Teck Hwa Knitting Industries Sdn Bhd and Hing Yiap Fibremakers Sdn Bhd	54,968,485.00
28.11.1990 to 05.12.1990	1,226,388,533	0.50	Issued as consideration for the acquisitions of the entire equity interest of Fieet Group Sdn Bhd and Hatibudi Nominees (Tempatan) Sdn Bhd and 2% equity interest in UEMG and RM12,500,000 nominal value 10% convertible unsecured loan stock 1986/1991 of RM1.00 each in UEMG	668,162,751.50
31.07.1991	116,870,770	0.50	Issued as consideration for the acquisition of 43% equity interest in Sistem Televisyen Malaysia Berhad at an issue price of RM1.30 per share	726,598,136.50
01.10.1992 to 19.05.1993	1,596,937	0.50	Conversion of RM2,037,900 nominal value 3% redeemable convertible unsecured loan stock due in 1996 ("Renong RCULS")	727,396,605.00
22.07.1993 to 24.02.1994	98,350,750	0.50	Conversion of RM98,614,000 nominal value Renong RCULS	776,571,980.00
24.02.1994	45,052,500	0.50	Issued in exchange for 15,017,500 shares of RM1.00 each fully paid-up in Park May Berhad in view of a voluntary take-over offer	799,098,230.00
25.02.1994 to 30.06.1995	13,894,000	0.50	Conversion of RM13,896,250 nominal value Renong RCULS	806,045,230.00
01.07.1994 to 30.06.1995	51,593,662	0.50	Conversion of RM51,593,662 nominal value Renong RCULS	831,842,061.00
01.07.1995 to 30.06.1996	214,544,024	0.50	Conversion of RM214,547,024 nominal value Renong RCULS	939,114,073.00
01.07.1996 to 31.12.1996	293,097,817	0.50	Conversion of RM293,249,037 nominal value Renong RCULS	1,085,662,981.50
07.01.1997	7,325,445	0.50	Exercise of 7,325,445 warrants 1996/2000 issued by Renong ("Renong Warrants 96")	1,089,325,704.00
16.01.1997	5,000	0.50	Conversion of RM5,000 nominal value Renong RCULS	1,089,328,204.00
31.01.1997 to 01.04.1997	6,893,621	0.50	Exercise of 6,893,621 Renong Warrants 96	1,092,775,014.50
03.07.1997 to 30.06.1998	44,460,934	0.50	Conversion of RM182,061,360 nominal value 4% irredeemable convertible unsecured loan stock ("Renong ICULS")	1,115,005,481.50
01.07.1998 to 31.05.1999	2,933,414	0.50	Conversion of RM12,027,000 nominal value Renong ICULS	1,116,472,188.50
21.10.1999	1,133,395	0.50	Conversion of RM3,003,500 nominal value Renong ICULS	1,117,038,886.00
01.11.1999	89,586,477	0.50	Mandatory conversion of RM237,416,602 nominal value Renong ICULS	1,161,832,124.50
20.09.2000 to 08.11.2000	375	0.50	Exercise of 375 warrants 1999/2000 issued by Renong ("Renong Warrants 99")	1,161,832,312.00
01.12.2000	1,000	0.50	Exercise of 1,000 Renong Warrants 96	1,161,832,812.00
06.12.2000	63,500	0.50	Exercise of 63,500 Renong Warrants 99	1,161,864,562.00
23.12.2002	800,000,000	0.50	Issued in view of the private placement of 800,000,000 shares to UEMG	1,561,864,562.00
27.10.2003	(3,123,729,124)	0.50	Cancellation of all the then existing issued and paid-up share capital under Section 64 of the Act	0.00

7. BUSINESS (cont'd)

Date of allotment	No. of ordinary shares allotted/ (cancelled)	Par value RM	Consideration/Type of issue	Cumulative issued and paid-up share capital RM
27.10.2003	3,123,729,124	0.50	issuance to UEM World and credited as fully paid-up following the privatisation of Renong	1,561,864,562.00
27.10.2003	-	0.25	Capital reduction through cancellation of RM0.25 of the par value of each existing shares	780,932,281.00
27.10.2003	(1,561,864,562)	0.50	Consolidation of every 2 ordinary shares of RM0.25 each into 1 ordinary share of RM0.50 each	780,932,281.00
01.06.2007	623,867,734	0.50	Issuance to UEMG pursuant to the UEM Land Group degearing exercise	1,092,866,148.00

UEM Land has 57 subsidiaries, 6 associates and 2 joint ventures, the details of which are set out in "Section 7.20 — Subsidiaries, associates and joint ventures".

The principal place of business of UEM Land is located at 18th Floor, Menara 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur.

As at the LPD, UEM Land does not have any outstanding warrants, options, convertibles or uncalled capital.

BND (252945-M)

BND was incorporated in Malaysia under the Act on 19 November 1992 as a private limited company under the name of Pembangunan Lintasan Kedua Sdn Bhd and subsequently changed its name to Prolink Development Sdn Bhd on 3 May 1994. On 13 August 2004, it assumed its present name.

BND is the master developer of Nusajaya, the on-going township development strategically located at the south-western tip of Johor, adjacent to the Second Link.

As at the LPD, the authorised share capital of BND is RM600,000,000 comprising 150,000,000 ordinary shares of RM1.00 each and 450,000,000 redeemable convertible preference shares of RM1.00 each ("RCPS") and its issued and paid-up capital is RM550,000,000 comprising 100,000,000 ordinary shares of RM1.00 each and 450,000,000 RCPS.

The principal activities of BND as at the LPD are investment holding, property development, land trading and that of an agent for its subsidiaries.

The changes in the issued and paid-up share capital of BND since its incorporation up to the LPD are as follows:

(i) BND's ordinary shares

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration/Type of issue	Cumulative issued and paid-up ordinary share capital RM
19.11.1992	2	1.00	Cash; Subscribers' shares	2
29.09.1993	499,998	1.00	Cash	500,000
08.11.1994	9,500,000	1.00	Cash	10,000,000
27.12.1994	90,000,000	1.00	Cash	100,000,000

7. BUSINESS (cont'd)

(ii) BND's RCPS

Date of allotment	No. of RCPS allotted	Par value RM	Consideration/Type of issue	Cumulative issued and paid-up preference share capital RM
28.11.2005	450,000,000	1.00	Capitalisation of RM450 million of the advance given by UEMG for the subscription of 450 million RCPS	450,000,000

As at the LPD, BND does not have any outstanding warrants, options, convertibles or uncalled capital.

BND has 21 subsidiaries as at the LPD, which are detailed out as follows:

Company	Place of incorporation	Equity interest held %	Principal activities
Nusajaya Greens	Malaysia	100	Property development, land trading and investment holding
Nusajaya Heights	Malaysia	100	Property development, land trading and investment holding
Nusajaya Rise	Malaysia	100	Property development, land trading and investment holding
Nusajaya Seaview	Malaysia	100	Land trading and investment holding
Nusajaya Leisure	Malaysia	100	Land trading and investment holding
Nusajaya Gardens Sdn Bhd	Malaysia	100	Land trading and investment holding
Nusajaya Land Sdn Bhd	Malaysia	100	Property development
Preferred Resources Sdn Bhd	Malaysia	70	Dormant
Nusajaya Riverside Sdn Bhd	Malaysia	99.9	Investment holding
Nusajaya Group Sdn Bhd	Malaysia	100	Investment holding
Nusajaya Infra Sdn Bhd	Malaysia	99.9	Investment holding
Nusajaya Industrial Park Sdn Bhd	Malaysia	100	Property development
Nusajaya Campus Sdn Bhd	Malaysia	100	Dormant
Nusajaya Healthcare Sdn Bhd	Malaysia	100	Dormant
Nusajaya Hotels Sdn Bhd	Malaysia	100	Dormant
Nusajaya Energy Sdn Bhd	Malaysia	100	Dormant
Nusajaya Management Services Sdn Bhd	Malaysia	100	Dormant
Nusajaya Warehousing Sdn Bhd	Malaysia	100	Dormant
Nusajaya High-Tech Park Sdn Bhd	Malaysia	99.9	Dormant
Nusajaya Business Park Sdn Bhd	Malaysia	99.9	Dormant
Nusajaya Equity Sdn Bhd	Malaysia	99.9	Dormant

7. BUSINESS (cont'd)

As at the LPD, BND does not have any associates.

The principal place of business of BND is located at Nusajaya Centre, No. 8, Ledang Heights, 79250 Nusajaya, Johor Darul Takzim.

CJSB (83237-T)

CJSB was incorporated in Malaysia under the Act on 7 April 1982 as a private limited company under the name of Group Consolidated Sdn Bhd. On 26 March 2004, it assumed its present name.

CJSB is jointly held by UEM Land and Johor State Government (through State Secretary Johor (Incorporation)) with shareholdings of 60% and 40% respectively.

As at the LPD, the authorised share capital of CJSB is RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is RM2,071,042 comprising 2,071,042 ordinary shares of RM1.00 each.

The principal activity of CJSB is to undertake the turnkey design and build contract for the development of JSNAC.

The changes in the issued and paid-up share capital of CJSB since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration/Type of issue	Cumulative issued and paid-up share capital RM
13.04.1982	2	1.00	Cash; Subscribers' shares	2
19.10.1983	1	1.00	Cash	3
24.03.1984	762,824	1.00	Cash	762,827
02.08.2004	1,308,215	1.00	Conversion of amounts due to UEM Land of RM1,308,215 into new ordinary shares	2,071,042

As at the LPD, CJSB does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, CJSB does not have any subsidiary or associates.

The principal place of business of CJSB is located at No. 27, Jalan Indah 15/3, Bukit Indah, 79100 Nusajaya, Johor Darul Takzim.

Nusajaya Development (394938-M)

Nusajaya Development was incorporated in Malaysia under the Act on 20 July 1996 as a private limited company under the name of Pustaka Harapan Sdn Bhd. It assumed its present name on 7 July 2000.

As at the LPD, the authorised share capital of Nusajaya Development is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is RM2,750,000 comprising 2,750,000 ordinary shares of RM1.00 each.

The principal activity of Nusajaya Development is property development. Nusajaya Development is the developer of Nusa Idaman.

7. BUSINESS (cont'd)

The changes in the issued and paid-up share capital of Nusajaya Development since its incorporation up to the LPD are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Par value</u> RM	<u>Consideration/Type of issue</u>	<u>Cumulative issued and paid-up share capital</u> RM
20.07.1996	2	1.00	Cash; subscribers' shares	2
13.10.2005	2,499,998	1.00	Capitalisation of RM2,499,998 of the advance given by UEM Land for the subscription of 2,499,998 ordinary shares	2,500,000
27.01.2006	250,000	1.00	Cash	2,750,000

As at the LPD, Nusajaya Development does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, Nusajaya Development does not have any subsidiary or associates.

The principal place of business of Nusajaya Development is located at Nusajaya Centre, No. 8, Ledang Heights, 79250 Nusajaya, Johor Darul Takzim.

Nusajaya Greens (348299-T)

Nusajaya Greens was incorporated in Malaysia under the Act on 26 June 1995 as a private limited company under the name of Madah Pantun Sdn Bhd and later on 13 November 1995 changed its name to Prolink Greens Sdn Bhd. On 30 January 2004, it assumed its present name.

As at the LPD, the authorised share capital of Nusajaya Greens is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is RM2,600,000 comprising 2,600,000 ordinary shares of RM1.00 each.

The principal activities of the Nusajaya Greens are property development, land trading and investment holding.

The changes in the issued and paid-up share capital of Nusajaya Greens since its incorporation up to the LPD are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Par value</u> RM	<u>Consideration/Type of issue</u>	<u>Cumulative issued and paid-up share capital</u> RM
26.06.1995	2	1.00	Cash; subscribers' shares	2
02.09.1996	1,999,998	1.00	Cash	2,000,000
30.12.2005	600,000	1.00	Capitalisation of RM600,000 of the advance given by BND for the subscription of 600,000 shares	2,600,000

As at the LPD, Nusajaya Greens does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, Nusajaya Greens does not have any subsidiary or associates.

The principal place of business of Nusajaya Greens is located at Nusajaya Centre, No. 8, Ledang Heights, 79250 Nusajaya, Johor Darul Takzim.

7. BUSINESS (cont'd)**Nusajaya Heights (314518-A)**

Nusajaya Heights was incorporated in Malaysia under the Act on 6 September 1994 as a private limited company under the name of Alaskali (M) Sdn Bhd and later on 30 November 1995 changed its name to Prolink Heights Sdn Bhd. On 30 January 2004, it assumed its present name.

As at the LPD, the authorised share capital of Nusajaya Heights is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is RM2,600,000 comprising 2,600,000 ordinary shares of RM1.00 each.

The principal activities of Nusajaya Heights are property development, land trading and investment holding.

The changes in the issued and paid-up share capital of Nusajaya Heights since its incorporation up to the LPD are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Par value</u> RM	<u>Consideration/Type of issue</u>	<u>Cumulative issued and paid-up share capital</u> RM
06.09.1994	2	1.00	Cash; subscribers' shares	2
30.12.2005	2,599,998	1.00	Capitalisation of RM2,599,998 of the advance given by BND for the subscription of 2,599,998 shares	2,600,000

As at the LPD, Nusajaya Heights does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, Nusajaya Heights does not have any subsidiary or associates.

The principal place of business of Nusajaya Heights is located at Nusajaya Centre, No. 8, Ledang Heights, 79250 Nusajaya, Johor Darul Takzim.

Nusajaya Rise (348290-W)

Nusajaya Rise was incorporated in Malaysia under the Act on 26 June 1995 as a private limited company under the name of Fahaman Sentiasa Sdn Bhd and later on 2 February 1996 changed its name to Prolink Rise Sdn Bhd. On 30 January 2004, it assumed its present name.

As at the LPD, the authorised share capital of Nusajaya Rise is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each and its issued and paid-up capital is RM2,600,000 comprising 2,600,000 ordinary shares of RM1.00 each.

The principal activities of Nusajaya Rise are property development, land trading and investment holding.

7. BUSINESS (cont'd)

The changes in the issued and paid-up share capital of Nusajaya Rise since its incorporation up to the LPD are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Par value RM</u>	<u>Consideration/Type of issue</u>	<u>Cumulative issued and paid-up share capital RM</u>
26.06.1995	2	1.00	Cash; subscribers' shares	2
30.12.2005	2,599,998	1.00	Capitalisation of RM2,599,998 of the advance given by BND for the subscription of 2,599,998 shares	2,600,000

As at the LPD, Nusajaya Rise does not have any outstanding warrants, options, convertibles or uncalled capital. In addition, Nusajaya Rise does not have any subsidiary or associates.

The principal place of business of Nusajaya Rise is located at Nusajaya Centre, No. 8, Ledang Heights, 79250 Nusajaya, Johor Darul Takzim.

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8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTER, DIRECTORS AND KEY MANAGEMENT

8.1 Substantial shareholders / Promoter

The direct and indirect interests of our substantial shareholders in our Shares as at the LPD and after the DIS (on a "proforma" basis) are as follows:

Name	Place of incorporation	As at the LPD				Proforma after the DIS*			
		Direct		Indirect		Direct		Indirect	
		Shares held	%	No. of Shares held	%	No. of Shares held	%	No. of Shares held	%
UEM World	Malaysia	1,735,108,858	71.46	-	-	-	-	-	-
UEMG (also Promoter).....	Malaysia	693,068,053	28.54	1,735,108,858 ⁽¹⁾	71.46	1,867,991,587	76.93	-	-
Khazanah.....	Malaysia	-	-	2,428,176,911 ⁽²⁾	100.00	-	-	1,867,331,587 ⁽²⁾	76.93
Discovery Capital.....	US	-	-	-	-	-	-	136,759,375 ⁽³⁾	5.63

Notes:

* For illustration purposes only, the proforma shareholdings of our Company is arrived at based on UEM World's shareholding as at the LPD and subject to change based on actual number of UEM World Shares to be held by the respective substantial shareholders as at the Entitlement Date.

⁽¹⁾ Deemed interested by virtue of its interest in UEM World pursuant to Section 6A of the Act.

⁽²⁾ Deemed interested by virtue of its interest in UEMG pursuant to Section 6A of the Act.

⁽³⁾ Deemed interested by virtue of the shareholding held by HSBC Nominees (Asia) Sdn Bhd Exempt AN for Morgan Stanley & Co. Incorporated ("Morgan Stanley & Co") in UEM World pursuant to Sections 6A(6)(d) and 6A(4) of the Act. Morgan Stanley & Co acts as the prime broker for Discovery Capital.

In accordance with one of the conditions imposed by the SC in relation to the Listing (see "Section 4.4 — Approvals and conditions"), UEMG should not sell, transfer or assign its 51% shareholdings in our Company (comprising 1,238,370,225 Shares) for a period of 6 months from the date of admission of our Company to Bursa Securities. Based on the tentative listing date on 18 November 2008, the moratorium shall commence on 18 November 2008 and expire on 17 May 2009.

UEM World will cease to be a substantial shareholder of our Company upon completion of the DIS.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTER, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

UEMG was incorporated in Malaysia under the Companies Ordinances 1940-1946 on 10 March 1966 as United Engineers (Malaysia) Limited. On 15 April 1966, it changed its name to United Engineers (Malaysia) Sdn Bhd. On 3 June 1975, it was converted into a public company and changed its name to United Engineers (Malaysia) Berhad. It was listed on the Main Board of Bursa Securities on 10 July 1975. On 15 October 2001, UEMG was taken private and delisted from the Official List of Bursa Securities following its shareholders' acceptance of more than 90% of the voluntary offer made by Syarikat Danasaham Sdn Bhd ("**Danasaham**"). On 14 January 2005, Danasaham transferred its entire shareholdings in UEMG to Khazanah. On 23 January 2007, UEMG assumed its present name.

UEMG is a Malaysian conglomerate and government-linked company with investments in public listed entities and operates in diverse fields, both within and outside of Malaysia. The UEMG Group's field of expertise includes expressway operations, engineering and construction, property development, healthcare, environmental services and information and communication technology. We believe that the UEMG Group has a wide area of expertise that can be capitalised on in the development of Nusajaya.

UEMG's principal activities are project design, management and contracting in the fields of civil, electrical and mechanical engineering, the undertaking of turnkey projects and investment holding whilst its subsidiaries and associates are engaged in expressways operations, manufacturing, engineering and construction, information and communications technology, healthcare, environmental services, property development and investment holding.

The Directors of UEMG based on the Register of Directors as at the LPD are as follows:

- (i) Tan Sri Dr Ahmad Tajuddin Ali (*Chairman*);
- (ii) Dato' Ahmad Pardas Senin (*Managing Director/Chief Executive Officer*);
- (iii) Tan Sri Dato' Azman Mokhtar (*Director*);
- (iv) Abdul Kadir bin Md Kassim (*Director*); and
- (v) Abdul Farid Alias (*Director*).

Based on the Register of Substantial Shareholders of UEMG, the substantial shareholder of UEMG and its shareholding as at the LPD are as follows: .

Name	Shareholding			
	Direct		Indirect	
	No. of shares held	%	No. of shares held	%
Khazanah.....	817,088,621	100.00	-	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTER, DIRECTORS AND KEY MANAGEMENT (cont'd)

Save as disclosed below, UEMG does not have substantial shareholdings in all other public corporations (other than our Company) for the past 2 years:

(a) UEMG's substantial shareholdings in public listed corporations for the past 2 years up to the LPD and its shareholding thereon as at 30 September 2006, 30 September 2007 and the LPD

Shareholder	Company	As at 30 September 2006				As at 30 September 2007				As at the LPD			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of ordinary shares held	%	No. of ordinary shares held	%	No. of ordinary shares held	%	No. of ordinary shares held	%	No. of ordinary shares held	%	No. of ordinary shares held	%
UEMG	UEM World	510,543,073	36.98	244,067,982 ⁽¹⁾	17.58	484,390,473	34.90	244,067,982 ⁽¹⁾	17.58	939,938,827	67.71	-	-
	CIMA	-	-	71,194,325 ⁽²⁾	51.61	-	-	71,194,325 ⁽²⁾	50.76	-	-	71,194,325 ⁽²⁾	50.33
	Pharmaniaga	-	-	77,562,443 ⁽³⁾	72.51	-	-	77,562,443 ⁽³⁾	72.51	2,944,430	2.75	77,562,443 ⁽³⁾	72.50
	UEM Builders	-	-	498,415,593 ⁽⁴⁾	51.71	-	-	498,415,593 ⁽⁴⁾	51.71	-	-	498,415,593 ⁽⁴⁾	51.71
	Opus ⁽⁵⁾	-	-	25,000 ⁽⁶⁾	100.00	-	-	1,000,000 ⁽⁶⁾	100.00	52,542,341	11.03	296,386,800 ⁽⁷⁾	62.24
	Faber Group Berhad	111,347,925	37.36	-	-	117,707,925	34.82	-	-	124,467,925	34.29	-	-
	PLUS Expressways Berhad	2,010,522,335	40.21	-	-	2,010,522,335	40.21	-	-	2,010,522,335	40.21	-	-
	TIME Engineering Berhad	349,112,731	45.03	-	-	349,112,731	45.03	-	-	349,112,731	45.03	-	-
	Time dotcom Berhad	152	*	1,108,422,520 ⁽⁸⁾	43.80	-	-	898,043,620 ⁽⁸⁾	35.48	-	-	726,181,720 ⁽⁸⁾	28.69
	Ho Hup	17,544,326	17.20	-	-	17,544,326	17.20	-	-	-	-	-	-
	Costain Group plc	-	-	125,354,541 ⁽⁹⁾	35.09	-	-	125,354,541 ⁽⁹⁾	35.09	-	-	138,108,505 ⁽⁹⁾	21.82
	Opus International Consultants Limited	-	-	7,500,000 ⁽¹⁰⁾	100.00	-	-	112,500,000 ⁽¹⁰⁾	85.96	-	-	90,511,615 ⁽¹⁰⁾	65.68
	PT Millenium Pharmed International TBK	-	-	400,400,400 ⁽¹¹⁾	55.00	-	-	400,400,400 ⁽¹¹⁾	55.00	-	-	400,400,400 ⁽¹¹⁾	55.00

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTER, DIRECTORS AND KEY MANAGEMENT (cont'd)

Notes:

- * *Negligible.*
- (1) *Deemed interested by virtue of being the holding company of Kiasan Kukuh Sdn Bhd, Semai Pinang Sdn Bhd, Ikhtisas Cemerlang Sdn Bhd, Falcon Network Sdn Bhd, Belantara Riang Sdn Bhd, Lintasan Savana Sdn Bhd and Serayin Sdn Bhd. Serayin Sdn Bhd is also a substantial shareholder of UEM World.*
- (2) *Deemed interested by virtue of being the holding company of UEM World. All the CIMA shares held by UEM World as at the LPD were offered for sale under the ROS.*
- (3) *Deemed interested by virtue of being the holding company of UEM World. All the Pharmaniaga shares held by UEM World (direct and indirect) as at the LPD were offered for sale under the ROS.*
- (4) *Deemed interested in 498,315,593 shares by virtue of being the holding company of UEM World and deemed interested in 100,000 shares by virtue of it being a substantial shareholder of Mekar Idaman Sdn Bhd (in liquidation). 498,315,593 UEM Builders shares held by UEM World as at the LPD were offered for sale under the ROS.*
- (5) *Opus was converted into a public company on 30 March 2007.*
- (6) *Deemed interested by virtue of its interest in Opus International Group plc.*
- (7) *Deemed interested by virtue of being the holding company of UEM World. All Opus shares held by UEM World as at the LPD were offered for sale under the ROS.*
- (8) *Deemed interested by virtue of being a substantial shareholder of TIME Engineering Berhad.*
- (9) *Deemed interested by virtue of its interest in UEM Builders.*
- (10) *Deemed interested by virtue of its interest in Opus.*
- (11) *Deemed interested by virtue of its interest in Pharmaniaga.*

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

(b) UEMG's substantial shareholdings in non-listed public corporations for the past 2 years and its effective equity interest thereon as at 31 December 2005, 2006 and 2007

Company	As at 31 December		
	2005	2006	2007
	Effective equity interest ⁽¹⁾ %	Effective equity interest ⁽¹⁾ %	Effective equity interest ⁽¹⁾ %
UEM Land	50.8	50.8	64.8
Linkedua (Malaysia) Berhad	100.0	100.0	40.2
Projek Lebuhraya Utara-Selatan Berhad	40.2	40.2	40.2
PLUS BKSP Toll Limited	-	38.6	37.8
TIME dotNet Berhad	20.1	18.3	13.9
Projek Penyelenggaraan Lebuhraya Berhad	26.3	26.3	26.3
Pengurusan Lintas Berhad	31.7	31.7	31.6
Opus International Limited (formerly known as Opus International Group plc) ⁽²⁾	31.7	31.7	31.6
Opus International (M) Berhad	31.7	31.7	31.6
Pharmaniaga Manufacturing Berhad	36.9	36.8	36.8
UE Management Services Berhad	100.0	-	-
United Growth Berhad	-	100.0	100.0
The Renong Tin Dredging Company Ltd	50.8	-	-
UEM Dana (L) Limited	-	-	100.0
Faber LLC	-	-	16.8
The Kuala Lumpur, Klang and Port Swettenham Omnibus Company Berhad	24.9	24.9	4.1
The Kuala Selangor Omnibus Company Berhad	22.5	22.5	3.7
Pengangkutan Sri (Perak) Bhd	22.5	22.5	3.7
Faber Star Facilities Management Limited	-	-	17.5
Merlion Credit Corporation Berhad	37.9	37.4	34.3
Park May Berhad ⁽³⁾	24.9	24.9	4.1

Notes:

⁽¹⁾ Effective equity interest of UEMG in the abovementioned companies was extracted from UEMG's audited financial statements for the financial years ended 31 December 2005, 2006 and 2007.

⁽²⁾ Opus International Limited (formerly known as Opus International Group plc) was delisted from the Main Board of Bursa Securities on 19 October 2007.

⁽³⁾ Park May Berhad was delisted from the Main Board of Bursa Securities on 15 June 2007.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

Khazanah was incorporated in Malaysia on 3 September 1993 as a public limited company under the Act. Khazanah is the investment holding arm of the Government entrusted to manage the assets held by the Government and to undertake strategic investments.

Save for one share owned by Pesuruhjaya Tanah Persekutuan (the Federal Land Commissioner), all the share capital of Khazanah is owned by the Minister of Finance Incorporated, a body corporate incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

The primary objectives of Khazanah are:

- To hold and manage the investments entrusted to it by the Government; and
- To undertake new investments where there are strategic opportunities, in new sectors and in new markets.

The Directors of Khazanah as at the LPD are as follows:

- (i) Dato' Seri Abdullah bin Haji Ahmad Badawi (*Chairman*);
- (ii) Dato' Sri Mohd Najib bin Tun Hj Abdul Razak (*Deputy Chairman*);
- (iii) Tan Sri Dato' Nor Mohamed Yakcop (*Director*);
- (iv) Tan Sri Md Nor Yusof (*Director*);
- (v) Datuk Seri Panglima Andrew Sheng (*Director*);
- (vi) Dato' Mohammed Azlan bin Hashim (*Director*);
- (vii) Dato' Mohamed Azman bin Yahya (*Director*);
- (viii) Raja Datuk Seri Arshad Raja Tun Uda (*Director*); and
- (ix) Tan Sri Dato' Azman bin Hj. Mokhtar (*Managing Director*).

(Source: Khazanah's website at www.khazanah.com.my)

Discovery Capital, a Connecticut limited liability company, was incorporated in the US on 23 April 1999 under Sections 34-100 to 34-242, inclusive, of the Connecticut Limited Liability Company Act of 1993, as amended. The principal activity of Discovery Capital is provision of investment advisory services. Discovery Capital serves as the investment manager for several funds in which it has sole responsibility for all investment decisions. Robert K. Citrone is Managing Member and sole shareholder of Discovery Capital. Discovery Capital is located at 20 Marshall Street, South Norwalk, CT 06854, US. As at the LPD, there are no directors in Discovery Capital.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

8.2 Directors

Within the limits set by our Company's Articles, the Board is responsible for the review and approval of corporate plans, annual budgets, acquisitions and disposals of undertakings and properties of substantial value, major investments and financial decisions and changes to the management and control structure within our Company and our subsidiaries, including key policies and delegated authority limits. Under our Articles, we must have at least 2 and not more than 15 Directors.

Our Board currently consists of 6 Directors. Under our Articles, at the first annual general meeting of our Company, all the Directors are required to retire from office, and at each subsequent annual general meeting, one-third of our Directors (or if the number of directors is not a multiple of three, then the number nearest to one-third shall retire from office). All the Directors are required to retire at least once every three years from office but are eligible for re-appointment. A retiring director retains his office until the close of the meeting at which he retires.

The members of our Board are set forth below.

Name	Age	Address	Nationality	Designation
Tan Sri Dr Ahmad Tajuddin Ali.....	60	No. 11, Jalan 1/9C 43650 Bandar Baru Bangi Selangor Darul Ehsan Malaysia	Malaysian	Chairman/Non-Independent Non-Executive Director
Wan Abdullah Wan Ibrahim ..	50	No. 31, Jalan Ubin U8/19A Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan Malaysia	Malaysian	Managing Director/Chief Executive Officer
Dato' Ahmad Pardas Senin...	55	No. 35, Jalan Athinahapan 4 Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia	Malaysian	Non-Independent Non-Executive Director
Abdul Kadir bin Md Kassim ...	68	No. 22, Persiaran Ara, Bangsar 59100 Kuala Lumpur Malaysia	Malaysian	Non-Independent Non-Executive Director
Md Ali Md Dewai	67	No. 10, Taman Hillview Jalan Ulu Klang 68000 Ampang Selangor Darul Ehsan Malaysia	Malaysian	Senior Independent Non-Executive Director
Oh Kim Sun	60	A-3-2 Sutera Tunku No. 20A, Jalan Tun Ismail 50480 Kuala Lumpur Malaysia	Malaysian	Independent Non-Executive Director

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.2.1 Biographies of our Directors

Tan Sri Dr Ahmad Tajuddin Ali was appointed to our Board on 15 September 2008 as a nominee of UEMG. He was appointed as the Chairman of UEMG and UEM World on 1 April 2007. He was previously the Director-General of SIRIM, the Chairman and Chief Executive of Tenaga Nasional Berhad, Chairman of Zelan Berhad, Tricubes Berhad, Opus, Opus International Limited and Sime Engineering Services Berhad. He is currently the Chairman of Malaysian Oxygen Berhad and also sits on the boards of Sime Darby Berhad (*formerly known as Synergy Drive Berhad*), Bangi Golf Berhad and several other private limited companies. He is a Registered Professional Engineer with the Board of Engineers, a Fellow of the Institution of Engineers Malaysia, a Foundation Fellow of the Academy of Science, Malaysia. He is the Chairman of the Malaysian Standards and Accreditation Council, a member of the Governing Council of the International Organisation for Standardisation (ISO), Geneva and a member of the Governing Council for the Federation of Malaysian Manufacturers. He holds a B.Sc (Engineering) First Class Honours from King's College, University of London in 1973, and a Ph.D. in Nuclear Engineering from Queen Mary College, University of London in 1977. He is a graduate of Harvard Business School's Advanced Management Programme and was conferred the Doctor of Science from Universiti Putra Malaysia in 2000.

Wan Abdullah Wan Ibrahim was appointed to the Board of our Company on 15 September 2008. He joined UEM Land on 1 January 2006 as the Managing Director. Prior to joining UEM Land, he was the Group Chief Executive Officer of UM Land, where he was entrusted with the mandate to lead the public listed property development company. From 1996 to 2004, he was with Kumpulan Guthrie Berhad, where his last position held was the Director of Property Division. Prior to this, he had spent another 10 years with the Emkay group of companies, whose core activity was property development and has held several positions including the Group Executive Director of the group. He holds a general degree in Business Administration (majoring in Accounting) from the Bolton Institute of Technology, United Kingdom.

Dato' Ahmad Pardas Senin was appointed to our Board on 15 September 2008 as a nominee of UEMG. He was appointed as the Managing Director and Chief Executive Officer of UEMG and UEM World on 1 July 2004. He has been with the UEMG Group since 1992, where he has worked in numerous positions including Managing Director of TIME Engineering Berhad, Executive Director/Chief Executive Officer of TIME dotCom Berhad, Group Managing Director of Renong and Managing Director of Time Telekom Sdn Bhd. He is also the Deputy Chairman of PLUS Expressways Berhad, Projek Lebuh raya Utara-Selatan Berhad and UEM Builders. He currently holds directorships in Pharmaniaga, Opus, UEM Land, UEM Environment Sdn Bhd and is also the Chairman of Expressway Lingkaran Tengah Sdn Bhd and Linkedua (Malaysia) Berhad and a Director of Universiti Teknologi Mara. He had previously worked for the British American Tobacco Group for more than 17 years. He is a Fellow of The Chartered Institute of Management Accountants, a Chartered Member of the Malaysian Institute of Accountants, a Member of the Institute of Internal Auditors, Inc. and a member of the Financial Reporting Foundation.

Abdul Kadir bin Md Kassim was appointed to our Board on 15 September 2008 as a nominee of UEMG. He was appointed as a Director of UEMG on 27 September 2001 and a Non-Independent Non-Executive Director of UEM World on 22 September 2003. He is also a Director of Proton Holdings Berhad, Suria Capital Holdings Berhad, TIME dotcom Berhad, Sino Hua-An International Berhad, Petroliam Nasional Berhad and Chairman of the Committee of Labuan International Financial Exchange Inc. He is currently the managing partner of Messrs. Kadir, Andri & Partners and has previously worked in the Judicial and Legal Service between 1966 and 1973. He holds a degree in Law from the University of Singapore.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

Md Ali Md Dewal was appointed to our Board on 15 September 2008. He was appointed as the Senior Independent Non-Executive Director of UEM World on 22 September 2003. He is currently the Chairman of Madon Sdn Bhd, President Komisaris/Chairman of PT Bank Lippo Tbk in Indonesia and sits on the Boards of Institut Jantung Negara Sdn Bhd, Valuecap Sdn Bhd, Proton Edar Sdn Bhd, Proton Cars (UK) Limited and several other private limited companies. He holds a Master of Business Administration Degree from Tulane University, New Orleans, US.

Oh Kim Sun was appointed to our Board on 15 September 2008. He was appointed as the Independent Non-Executive Director of UEM World on 22 September 2003. He is also a director for Pharmaniaga, Faber, Linkedua (Malaysia) Berhad, Nikko Electronics Berhad and IMPAX Laboratories Inc., US, a company listed on the NASDAQ. He has previously worked as Group Executive Director of Chemical Company of Malaysia Berhad, as a Finance Director of Taiko Plantations Sdn Bhd, Financial Controller of ICI Malaysia and Finance Manager (Secondment) of ICI Headquarters in London. He is a member of the Malaysian Institute of Certified Public Accountants.

8.2.2 Directorships in all other public corporations

Save as disclosed below, our Directors do not hold any directorships in all other public corporations (other than our Company) for the past 2 years up to the LPD.

Directors	Company	Directorships	
		Date appointed	Date resigned/ retired
Tan Sri Dr Ahmad Tajuddin Ali	UEMG	01.04.2007	-
	UEM World	01.04.2007	-
	Malaysian Oxygen Berhad	02.05.2003	-
	Sime Engineering Services Berhad	13.06.2003	27.11.2007
	Sime Darby Berhad (<i>formerly known as Synergy Drive Berhad</i>)	10.09.2007	-
	Bangi Golf Berhad	01.11.2000	-
	Zelan Berhad (<i>formerly known as Tronoh Consolidated Malaysia Berhad</i>)	19.04.2004	01.04.2007
	Tricubes Berhad	25.08.2004	01.04.2007
	Opus	05.10.2007	01.01.2008
	Opus International Limited	27.07.2005	08.10.2007
Wan Abdullah Wan Ibrahim	Kumpulan Sime Darby Berhad (<i>formerly known as Sime Darby Berhad</i>)	22.06.2001	27.11.2007
	UEM Land	01.01.2006	-
Dato' Ahmad Pardas Senin	Horizon Hills Resort Berhad	23.04.2007	-
	UEMG	01.07.2004	-
	UEM World	01.07.2004	-
	UEM Land	01.07.2004	-
	PLUS Expressways Berhad	01.07.2004	-
	Projek Lebuhraya Utara-Selatan Berhad	01.07.2004	-

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

Directors	Company	Directorships	
		Date appointed	Date resigned/ retired
	Linkedua (Malaysia) Berhad	01.07.2004	-
	Opus International Limited	16.01.2006	08.10.2007
	Opus	05.10.2007	-
	Pharmaniaga	01.07.2004	-
	UEM Builders	01.07.2004	-
	Costain Group plc	16.07.2004	21.12.2006
Abdul Kadir bin Md Kassim	UEMG	27.09.2001	-
	UEM World	22.09.2003	-
	Proton Holdings Berhad	10.03.2005	-
	Suria Capital Holdings Berhad	18.07.1997	-
	Ho Hup	15.11.2001	02.06.2008
	TIME dotCom Berhad	22.10.2001	-
	Sino Hua-An International Berhad	21.03.2007	-
	Petroliam Nasional Berhad	25.09.2007	-
	Lotus Group International Ltd	27.06.2005	-
	Lotus Pension Trustees Ltd	15.03.2006	-
Md Ali Md Dewal	UEM World	22.09.2003	-
	PT Bank Lippo Tbk	26.08.2005	-
	Proton Cars (UK) Limited	30.09.2005	-
Oh Kim Sun	UEM World	22.09.2003	-
	Nikko Electronics Berhad	25.11.2004	-
	Linkedua (Malaysia) Berhad	16.11.2001	-
	Wawasan TKH Holdings Berhad	05.09.2005	14.03.2007
	Pharmaniaga	12.12.2005	-
	Faber	28.07.2007	-
	Impax Laboratories Inc USA	30.09.1996	-
	CI Resources Limited	06.12.2004	30.05.2007

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.2.3 Shareholdings in our Company

Our Directors and their respective shareholdings in our Company as at the LPD and after the DIS (on a "proforma" basis) are as follows:

Director	Nationality	As at the LPD				Proforma after the DIS*			
		Direct		Indirect		Direct		Indirect	
		No of Shares held	%	No of Shares held	%	No of Shares held	%	No of Shares held	%
Tan Sri Dr Ahmad Tajuddin Ali	Malaysian	-	-	-	-	-	-	-	-
Wan Abdullah Wan Ibrahim	Malaysian	-	-	-	-	187,500	0.01	-	-
Dato' Ahmad Pardas Senin	Malaysian	-	-	-	-	1,250,000	0.05	-	-
Abdul Kadir bin Md Kassim	Malaysian	-	-	-	-	-	-	-	-
Md Ali Md Dewal	Malaysian	-	-	-	-	-	-	-	-
Oh Kim Sun	Malaysian	-	-	-	-	-	-	-	-

Note:

* For illustration purposes only, the proforma shareholdings of our Directors is arrived at based on our Directors' shareholdings in UEM World as at the LPD and may be subject to change based on actual number of UEM World Shares held by them as at the Entitlement Date.

8.2.4 Substantial shareholdings in all other public corporations

None of our Directors hold any substantial shareholdings in all other public corporations for the past 2 years up to the LPD.

8.2.5 Directors' remuneration and benefits

Our Directors' remuneration, which includes salaries, bonus, fees and allowances as well as other benefits of our Directors, must be considered and recommended by our Nominations and Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved or endorsed by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of any proposed increase should have been given.

The aggregate remuneration and benefits expected to be paid to our Directors from 15 September 2008 (date of appointment) up to 31 December 2008, for all services rendered to our Company and our subsidiaries in all capacities is approximately RM320,000.

Save for 1 of our Directors whose remuneration will be between RM200,001 to RM250,000, all of our Directors' remuneration to be received by them from 15 September 2008 (date of appointment) to 31 December 2008 is below RM50,000.

8.2.6 Audit Committee

Our Audit Committee was constituted on 15 September 2008 and its members are appointed by our Board. Our Audit Committee comprises 3 members, 2 of whom are Independent Non-Executive Directors, and is responsible for reviewing audit plans and audit reports with our auditors, reviewing the auditors' evaluation of internal accounting controls, management information systems, the scope of internal audit procedures, the financial statements and the nomination of auditors. The Audit Committee will also be responsible for reviewing related party transactions and conflict of interest situations that may arise.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

Our Audit Committee currently comprises the following members:

Names	Designation	Directorship
Oh Kim Sun	Chairman	Independent Non-Executive Director
Md Ali Md Dewal	Member	Senior Independent Non-Executive Director
Abdul Kadir bin Md Kassim	Member	Non-Independent Non-Executive Director

8.2.7 Nominations and Remuneration Committee

Our Nominations and Remuneration Committee was established on 26 September 2008, and its members are appointed by our Board. We have a combined Nominations and Remuneration Committee for the purpose of expediency, since the same members are entrusted with the functions of both the Nominations Committee and the Remuneration Committee. It is primarily responsible for recommending candidates for appointments to our Board and key management positions in our Group and reviewing and recommending remuneration packages for our Directors and key management positions in our Group.

Our Nominations and Remuneration Committee currently comprises the following members:

Names	Designation	Directorship
Md Ali Md Dewal	Chairman	Senior Independent Non-Executive Director
Dato' Ahmad Pardas Senin	Member	Non-Independent Non-Executive Director
Oh Kim Sun	Member	Independent Non-Executive Director

8.2.8 Board practices

An election of Directors shall take place each year. Any Director so appointed shall only hold office until the next following annual general meeting. All Directors shall retire from office at least once in each 3 years. A retiring Director shall be eligible for re-election.

Our Company at the meeting at which a Director so retires may fill the vacated office by electing a person thereto. Unless at that meeting it is expressly resolved not to fill the vacated office or a resolution for the re-election of the Director retiring at that meeting is put to the meeting and lost or some other person is elected as a Director in place of the retiring Director, the Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.2.9 Articles governing our Directors

We set out below the extracts of the relevant provisions of our Articles of Association in respect of the remuneration, voting power and borrowing powers of our Directors.

(i) Remuneration of Directors

Article 94

The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which the Director has held office Provided Always that:

- (a) fees payable to Non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to Executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
- (d) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 95(a)

The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Article 95(b)

If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special excursions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member or a committee of Directors, the Directors may pay him extra remuneration, in addition to his Director's fees. The extra remuneration payable to Non-executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover and the extra remuneration payable to Executive Directors may not include a commission on or percentage of turnover.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

(ii) Voting powers of Directors**Article 115**

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a material interest (and if he shall do so his vote shall not be counted) nor shall his vote be counted for the purpose of any resolution regarding the same.

Article 116

A Director notwithstanding his interest may provided that none of the other Directors present disagree, be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under the Company or where the Directors resolve to exercise any of the rights of the Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where any decision is taken upon any contract or arrangement in which he is in any way interested.

Article 117

Director may vote in respect of:

- (i) an arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company, or
- (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by deposit of a security.

Article 118

A Director of the Company may be or become a director or other officer or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise of any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such corporation held or owned by the Company, or exercisable by them as Directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as Directors or other officers of such corporation) and any Directors may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or is about to be appointed a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

(iii) Borrowing powers of Directors

Article 99(a)

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligations of the Company, or its wholly owned subsidiaries.

Article 99(b)

The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligations of an unrelated third party.

Article 100

The Directors may establish or arrange any contributory or non-contributory pension superannuation scheme for the benefit of, or pay a gratuity, pension or emolument to any person who is or has been employed by or in the service of the Company or any subsidiary of the Company or to any person who is or has been a director or other officer of and holds or has held salaried employment in the Company or any such subsidiary, and the widow, family or dependents of any such person. The Directors may also subscribe to any association or fund which they consider to be for the benefit of the Company or any such subsidiary or any such persons as aforesaid and make payments for or towards any hospital or scholastic expenses and make payments for or towards any hospital or any Directors holding such salaried employment shall be entitled to retain any benefit received by him hereunder subject only, where the Act requires, to proper disclosure to the Members and the approval of the Company in general meeting.

8.2.10 Service agreements with Directors

Save as disclosed below, as at the LPD, there are no existing or proposed service agreements between our Group and our Directors.

Wan Abdullah Wan Ibrahim has an existing service agreement with UEM Land which is expiring on 31 December 2008. The Board of UEM Land has approved for UEM Land to enter into a new 3-year service agreement with Wan Abdullah Wan Ibrahim effective from 1 January 2009.

8.2.11 Involvement in other business and/or corporations

As at the LPD, our Executive Director is not involved in other businesses and/or corporations which will affect his contribution to our Group.

8.2.12 Interests in similar business

Other than as disclosed in "Section 9.2(ii) — Directorship in company that carry on similar core business with that of our Group", as at the LPD, none of our Directors has any directorship and substantial shareholding, direct and indirect, in other businesses and/or corporations carrying on a business similar to our core business.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.3 Key management

The members of our Group's key management are set forth below.

<u>Name</u>	<u>Age</u>	<u>Address</u>	<u>Nationality</u>	<u>Designation</u>
Wan Abdullah Wan Ibrahim	50	No. 31, Jalan Ubin U8/19A Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan Malaysia	Malaysian	Managing Director/ Chief Executive Officer
Zulkifli Tahmali Bin Yusof Tahmali	44	No. 7, Jalan P8 B/2 Presint 8 62250 Wilayah Persekutuan Putrajaya Malaysia	Malaysian	Director, Strategic Marketing, Corporate Communication and Facilities Management
Mohd Zakir Omar	38	No. 8, Jalan Camar 4/26 Villa Damansara Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Director, Finance, Corporate Affairs and Investments
Mohd Auzir Mohd Tahir	50	No. 5, Jalan USJ2/6 UEP Subang Jaya 47600 Subang Jaya Selangor Darul Ehsan Malaysia	Malaysian	Chief Executive Officer of CJSB
Mohd Zahid Dasahi	42	No. 34, Jalan Empangan 8/14 Seksyen 8 40000 Shah Alam Selangor Darul Ehsan Malaysia	Malaysian	General Manager, Risk Management, Transformation and Investments
Tengku Azahari Tengku Azib	45	A6-1 Blok 6 Hillside Apartments Taman Melawati 53300 Kuala Lumpur Malaysia	Malaysian	General Manager, Cost Management and Control
Razman Radzi	44	15, Jalan Adang U18/6 Bukit Jelutong 40000 Shah Alam Selangor Darul Ehsan Malaysia	Malaysian	General Manager, Human Resource and Administration
Rusli Zainal Abidin	47	No. 28, Jalan Undan 3 Taman Perling 81200 Johor Bahru Johor Darul Takzim Malaysia	Malaysian	General Manager, Township Infrastructure Planning
Suhairi Ramly	42	24, Jalan Jujur 1/8 Taman Bakti 68000 Ampang Selangor Darul Ehsan Malaysia	Malaysian	General Manager, Direct Development
Zamani Kasim	54	19, Jalan SS18/5G 47500 Subang Jaya Selangor Darul Ehsan Malaysia	Malaysian	General Manager, Waterfront Development
Johan Ramli	50	18, Jalan Menara U8/6 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan Malaysia	Malaysian	General Manager, SiLC

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT (cont'd)

Name	Age	Address	Nationality	Designation
Saiful Anuar Abd Ghani	42	16, Jalan Ubin U8/19C Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan Malaysia	Malaysian	General Manager, Special Project
Adnan Azhar Ismail	48	No. 192, Lorong Maarof Bangsar 59000 Kuala Lumpur Malaysia	Malaysian	General Manager, Leisure and Lifestyle
Tan Kay Hoon @ Karimah Tan Abdullah	50	27, Jalan Athinahapan 4 Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia	Malaysian	General Manager, Corporate Communication
Zamry Ibrahim	41	A-01-07 Permasville Apartment 3 Jalan Permas 3 Permas Jaya 81750 Johor Bahru Johor Darul Takzim Malaysia	Malaysian	General Manager, Strategic Marketing

8.3.1 Biographies of our key management

The profiles of our key management are set out below.

Wan Abdullah Wan Ibrahim. See "Section 8.2.1 — Biographies of our Directors".

Zulkifli Tahmali Bin Yusof Tahmali joined UEM Land on 1 July 2006. He started his career in the US as an architect with Westfield Incorporated, an Australian shopping centre owner and developer from September 1987 to September 1991. Upon his return to Malaysia, he served Perunding Alam Bina Sdn Bhd as a senior architect, Metacorp Berhad as a senior manager, Golden Hope Development Sdn Bhd as a general manager and Budaya Hikmat Sdn Bhd as a project director. The last position held before joining UEM Land was Director, Operations at UM Land from April 2005 to June 2006.

He holds a Master of Business Administration (Finance) from Universiti Putra Malaysia (2002) and a Bachelor of Architecture degree from the University of Southwestern Louisiana (currently known as University of Louisiana at Lafayette), US where he graduated in 1987. He is a Licensed Architect in the State of Connecticut, US since 1991 and a registered Professional Architect in Malaysia since 1995.

Mohd Zakir Omar joined UEM Land in 2003 as the Head of Business Development and has held several positions within UEM Land and was promoted to his current position on 1 January 2008. Prior to joining UEM Land, he was with Faber from 2000 to 2003 with the last position as Senior Manager, Business Development. He has previously worked for Business Focus Group initially as an accountant and subsequently as Head of Finance from 1997 to 2000 and for Deloitte Touche Tohmatsu from 1994 to 1997. He has been a Fellow Member of the Association of Chartered Certified Accountants and a Chartered Accountant with the Malaysian Institute of Accountants since 1998. He holds a BA(Hons) Combined Studies, Accounting and Law from DeMontfort University, Leicester, England where he graduated in 1993.

Mohd Auzir Mohd Tahir is the Chief Executive Officer of CJSB. He joined the UEMG Group in 1988, rising to his current position on 1 January 2005. He has previously worked for various companies within the group, including Pengurusan Lebuhraya Berhad, ROC, Rocpoint (Pty) Ltd., Prolink Development Sdn Bhd and UEM Land. He holds a degree in Civil Engineering from the University of Wales, United Kingdom where he graduated in 1982 and he has more than 25 years experience in project management and property development fields.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

Mohd Zahid Dasahi joined UEM Land in 1996, where he held several positions prior to his current appointment. He had previously worked for PricewaterhouseCoopers in their Audit and Business Advisory Division from 1992 to 1995. He is a Fellow Certified Practising Accountant of Australia and also a Chartered Accountant with the Malaysian Institute of Accountants. He has been a member of the Malaysian Institute of Accountants since 1995. He holds a degree in Accountancy from Universiti Teknologi Mara where he graduated in 1992. He has been involved in managing and monitoring various property investments for UEM Land and currently sits on the Board of Touch'N Go Sdn Bhd and various other subsidiaries and associates of UEM Land.

Tengku Azahari Tengku Azib joined UEM Land on 2 January 2007. He began his career in 1989 with McBride and Son Corporation, Missouri, United States of America. Since then, he has held positions as Assistant General Manager for the Project Implementation Division of Syarikat Perumahan Negara Berhad from 2004 to 2007, Project Planning and Product Manager for Negara Properties (M) Berhad from 2002 to 2004, head of the Project Management department for Permodalan Nasional Berhad from 1995 to 2000 and Project Manager for Panelex Sdn Bhd from 1991 to 1995. He holds a degree in Construction Technology from California State University, Fresno, the US where he graduated in 1987, and a masters degree in Construction Management from Washington University, St. Louis, Missouri, the US where he graduated in 1990. He has extensive experience in project management, design development, procurement, project site administration, cost control and construction works.

Razman Radzi joined UEM Land on 1 March 2007. He previously worked for Sarawak Shell Berhad, Goodyear Malaysia Berhad, Linatex Rubber Products Sdn Bhd (*formerly known as Harissons & Crossfields*), Island & Peninsular Berhad, Malaysia Mining Corporation Berhad, Kumpulan Guthrie Berhad and Affin Bank Berhad. He holds a degree in Business Administration from International Islamic University where he graduated in 1989 and a diploma in Personnel Management from Malaysian Institute of Personnel Management where he graduated in 1994. He has more than 19 years of experience in Human Resources management and development, both at the operational as well as at the strategic levels.

Rusli Zainal Abidin is the General Manager, Township Infrastructure Planning of BND. He first joined UEM Group in 1995 as a Senior Manager for BND and left in 1998 to join Puncak Niaga Berhad. He rejoined BND in 2000 as the General Manager of the Township and Infrastructure Planning department. He has previously worked at Erinco Sdn Bhd as a senior engineer from 1991 to 1995, Assistant Resident Manager for Angkasa-Ghd Engineers in 1991 and for Antah Biwater Joint Venture as a project engineer from 1987 to 1991. He holds a degree in Civil Engineering from Heriot-Watt University, Edinburgh, Scotland where he graduated in 1985 and a masters degree in Construction Management from the same university where he graduated in 1987.

Suhairi Ramly is the General Manager, Direct Development for Nusajaya Development. He joined UEM Land on 1 February 2006 and was appointed to his current position on 17 December 2007. He has previously worked for the Lion group, Encorp Group Berhad and AlBukhary Foundation. He holds a degree in Construction Management from the University of Westminster, United Kingdom where he graduated in 1993. He has extensive experience in various aspects of project and construction management as well as marketing.

Zamani Kasim joined UEM Land on 3 April 2006. He has previously worked for Seloga Holdings Bhd and Seloga Engineering Sdn Bhd from 2004 to 2006, as General Manager for the AlBukhary group from 2002 to 2004, as Project Director for Azrahi Project Management Sdn Bhd from 1997 to 2001, and as a Director for Definite Spectrum Sdn Bhd from 1996 to 1997. He has also held key positions in various other companies such as Koperasi Belia Nasional Berhad, Trimula Development Sdn Bhd and Arab-Malaysian Development Bhd. He holds a degree in Housing, Building and Planning from University Sains Malaysia where he graduated in 1978. He has more than 30 years of experience in construction and property development.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

Johan Ramli joined UEM Land on 3 April 2006 and is General Manager, SiLC. He previously worked with the Property Division of AMDB Berhad for 15 years and was with quantity surveying practice, Juru Ukur Bahan Malaysia, for 7 years. He holds a degree in Quantity Surveying from University of Reading, United Kingdom where he graduated in 1981.

Saiful Anuar Abd Ghani joined UEM Land on 16 May 2007. He is a Professional Architect registered with Lembaga Arkitek Malaysia, a Corporate Member of Malaysian Institute of Architects, a Corporate Member of Malaysian Institute of Interior Designers and a Member of the National Institute in the Alternative Dispute Resolution, Malaysian Institute of Arbitrators. He holds a degree in Architectural Studies from University of Nebraska, Lincoln, US and Masters in Architecture from the Washington University-St. Louis, US. He possesses more than 18 years of experience in various building industries, ranging from inception of the layout to overseeing the total operations of development.

Adnan Azhar Ismail joined UEM Land in 2000. He has previously worked as General Manager of Strategic Planning for Kedah Cement Holdings Bhd and for Esso Production Malaysia Inc. where he worked as an analyst in the materials department and later the information systems department. He holds an International Baccalaureate Diploma from the United World College of the Atlantic, United Kingdom which he received in 1980. He holds a degree in Civil Engineering from University of Wales, United Kingdom where he graduated in 1984 and a masters degree in Business Administration from the University of Miami, Florida, US where he graduated in 1985.

Tan Kay Hoon @ Karimah Tan Abdullah joined UEM Land on 4 June 2007. She joined UEMG Group in September 1995 and has held various positions within the group, including Vice President of Corporate Communications at Time dotCom Berhad in 2001. Before joining UEMG, Karimah was in the advertising industry where she worked in various local and international agencies that include KHK Needham, Wings BBDO and AMC. Her last position in the advertising industry was that of Account Director at Limkokwing Integrated Sdn Bhd. She holds a Diploma in Education and an Honours degree in Science from National University of Singapore where she graduated in 1983.

Zamry Ibrahim joined UEM Land as General Manager, Strategic Marketing of UEM Land Group on 11 September 2006. He has more than 14 years of experience in property marketing and was previously attached to UM Land, Malaysian Industrial Estates Sdn Bhd, Negara Properties (M) Berhad, the Encorp group and the AlBukhary group. He possesses a degree in Business Administration in Finance from Wilkes University Pennsylvania where he graduated in 1990 and a Masters in Business Administration in Finance from University of Lehigh, Pennsylvania where he graduated in 1991.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.3.2 Shareholdings

Our key management and their respective shareholdings in our Company as at the LPD and after the DIS (on a "proforma" basis) are as follows:

Names	As at the LPD				Proforma after the DIS*			
	Direct		Indirect		Direct		Indirect	
	No of Shares held	%	No of Shares held	%	No of Shares held	%	No of Shares held	%
Wan Abdullah Wan Ibrahim	-	-	-	-	187,500	0.01	-	-
Zulkifli Tahmali Bin Yusof Tahmali	-	-	-	-	-	-	-	-
Mohd Zakir Omar	-	-	-	-	-	-	-	-
Mohd Auzir Mohd Tahir	-	-	-	-	-	-	-	-
Mohd Zahid Dasahi	-	-	-	-	-	-	-	-
Tengku Azahari Tengku Azib	-	-	-	-	-	-	-	-
Razman Radzi	-	-	-	-	-	-	-	-
Rusli Zainal Abidin	-	-	-	-	-	-	-	-
Suhairi Ramly	-	-	-	-	25,000	#	-	-
Zamani Kasim	-	-	-	-	-	-	-	-
Johan Ramli	-	-	-	-	-	-	-	-
Saiful Anuar Abd Ghani	-	-	-	-	-	-	-	-
Adnan Azhar Ismail	-	-	-	-	-	-	-	-
Tan Kay Hoon @ Karimah Tan Abdullah..	-	-	-	-	-	-	-	-
Zamry Ibrahim	-	-	-	-	-	-	-	-

Notes:

* For illustration purposes only, the proforma shareholdings of our key management is arrived at based on our key management's shareholdings in UEM World as at the LPD and may be subject to change based on actual number of UEM World Shares held by them as at the Entitlement Date.

Negligible.

8.3.3 Service agreements with key management

A majority of our key management have service agreements with us with tenures ranging from 1 to 3 years. The remaining key management were appointed on a permanent basis by our Group in the past. The termination of these service agreements is governed by the terms and conditions of the service agreements and Malaysian laws.

8.3.4 Management succession plans

Our Group recognises the need to ensure continuity in its key management in order to maintain our Group's competitive edge over its competitors. Our Board believes that the continued success of our Group depends, among other things, on the support and dedication of its key management personnel. Our Group has in place human resource strategies which include, among others, suitable compensation packages and structured succession planning.

We have implemented a succession plan by which we periodically identify successors for our key management, including potential candidates within our Group, UEMG Group as well as outside the UEMG Group.

In addition, the members of our Group's middle management are constantly being exposed to various aspects of our Group business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to succeed to senior management positions.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.3.5 Involvement of key management personnel in other businesses and/or corporations

As at the LPD, none of our key management personnel is involved in other businesses and/or corporations which will affect their contribution to our Group.

8.4 Declarations by our Promoter, Directors and key management

Our Promoter has confirmed to us that, save as disclosed in "Section 8.4.1 — Promoter", they are not and have not been involved in any of the following events:

- a petition under any bankruptcy or insolvency laws being filed (and not struck out) against such corporation;
- charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- any judgment entered against such corporation involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining the corporation from engaging in any type of business practice or activity.

Each of our Directors and key management personnel have confirmed to us that, save as disclosed in "Section 8.4.2 — Director", they are not and have not been involved in any of the following events:

- a petition under any bankruptcy or insolvency laws being filed (and not struck out) against such person or any partnership in which he is or was a partner or any corporation of which he is or was a director or key personnel;
- disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- any judgment entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

8.4.1 Promoter

- (i) On 26 September 2006, UEMG had unintentionally and accidentally triggered a mandatory offer obligation to acquire the remaining voting shares in Faber pursuant to Section 6(4) of the Malaysian Code on Take-Overs and Mergers, 1998 ("**Code**") ("**Obligation**"). However, due to an erroneous assumption and calculation, no offer was made by UEMG at the point the Obligation was actually triggered.

On 4 October 2006, UEMG notified the SC of the Obligation and sought an exemption from having to undertake the offer under the Obligation. The SC had through its letter dated 30 November 2006, reprimanded UEMG and imposed a penalty of RM125,000 on UEMG for such non-compliance. Subsequently, the SC had through its letter dated 7 February 2007 granted its approval to UEMG for the exemption from having to undertake the offer under the Obligation.

- (ii) The Companies Commission of Malaysia ("**CCM**") had through its letter dated 17 January 2006 informed UEMG that it had committed an offence under the Act, whereby UEMG had failed to provide written notices (Form 29B) to UEM World on the change in its interests as a substantial shareholder of UEM World within 7 days from the date of change for a number of occasions and was compounded with a penalty charge of RM2.05 million ("**Compound Letter**").

In response to the Compound Letter, UEMG had through its letter dated 4 July 2006, appealed for a waiver of the penalty imposed by the CCM premised on, amongst others, that a longer time frame is required for verifying and confirming information in respect of changes in the interests of UEMG in UEM World resulting from the allocation of the employee equity scheme ("**EES**") shares to eligible employees or transfer of the EES shares from resigned or terminated employees back to UEMG under the EES undertaken by UEMG.

The CCM had through its letters dated 1 November 2006 and 17 November 2006 agreed to waive the penalty imposed on UEMG.

8.4.2 Director

Pursuant to the letter dated 17 December 2007 issued by Bursa Securities, the Disciplinary Committee of Bursa Securities found Abdul Kadir bin Md Kassim to be in breach of Paragraph 16.11(b) of the Bursa Securities LR for permitting, either knowingly or where Abdul Kadir bin Md Kassim had reasonable means of obtaining such knowledge, Ho Hup to breach the following provisions of the Bursa Securities LR:

- (i) Paragraph 9.23(b) of the Bursa Securities LR for failing to submit the annual audited accounts for the financial year ended 31 December 2006 ("**AAA 2006**") by the due date of 30 April 2007. Ho Hup only submitted the AAA 2006 to Bursa Securities for public release on 31 July 2007;
- (ii) Paragraph 9.22(1) of the Bursa Securities LR for failing to submit the quarterly report for the financial period ended 31 March 2007 ("**1st QR 2007**") by the due date of 31 May 2007. Ho Hup only submitted the 1st QR 2007 to Bursa Securities for public release on 22 August 2007; and
- (iii) Paragraph 9.23(a) of the Bursa Securities LR for failing to submit the annual report for the financial year ended 31 December 2006 ("**AR 2006**") by the due date of 30 June 2007. Ho Hup only submitted the AR 2006 to Bursa Securities on 6 September 2007.

8. INFORMATION ON SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(cont'd)*

In respect of the above, the Disciplinary Committee of Bursa Securities, in exercise of the powers under Paragraph 16.17(1)(b) of the Bursa Securities LR, decided to impose a fine on Abdul Kadir bin Md Kassim for a breach of Paragraph 16.11(b) of the Bursa Securities LR in each of the aforesaid breaches by Ho Hup ("DC Decision"):

	Amount Fined
	RM
Paragraph 9.23(b)	6,400
Paragraph 9.22(1)	5,900
Paragraph 9.23(a)	4,800
	17,100

On 31 December 2007, Abdul Kadir bin Md Kassim wrote to Bursa Securities of his intention to appeal against the DC Decision and had on 5 February 2008 written to Bursa Securities setting out the grounds and reasons for such appeal. On 4 April 2008, Bursa Securities informed that the appeal was dismissed by the Appeal Committee of Bursa Securities and upheld the DC Decision. Accordingly, Abdul Kadir bin Md Kassim had on 14 April 2008 settled the fine of RM17,100 imposed on him.

Since then, action was also taken against Abdul Kadir bin Md Kassim by Bursa Securities, again in respect of Ho Hup for failure to submit the third quarter 2007 results within the time frame. In respect of this action, Bursa Securities imposed a private reprimand on Abdul Kadir bin Md Kassim.

Abdul Kadir bin Md Kassim expects Bursa Securities to also take action against him in respect of delay by Ho Hup in announcing the fourth quarter 2007 results and further in respect of delay by Ho Hup in submitting the Annual Audited Accounts for the financial year ended 2007.

Despite UEMG having entered into agreements with third parties, some more than 3 years ago, to sell all its shares in Ho Hup, UEMG was only able to dispose of part of its shareholding in Ho Hup and was unable to complete the disposal of the balance of the said Ho Hup shares until recently, in May 2008. Upon being notified by UEMG of its disposal of the balance of the Ho Hup shares, Abdul Kadir bin Md Kassim resigned as a nominee director of UEMG from the Board of Ho Hup effective 2 June 2008.

8.5 Relationships or associations between our substantial shareholders, Promoter, Directors, and key management

As at the LPD, there are no family relationships or associations between our substantial shareholders, Promoter, Directors and key management personnel.

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

As a publicly listed company in Malaysia, we will be regulated by Bursa Securities and will be required to comply with the Bursa Securities LR, including requirements applicable to related party transactions.

Pursuant to the Bursa Securities LR, a "related party transaction" is a transaction entered into by a listed issuer or its subsidiaries, which involves the interest, direct or indirect, of a related party. A "related party" is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into). A "person connected with a director or major shareholder" is defined under Section 122A of the Act and when read together with the Bursa Securities LR, includes a body corporate whose voting shares are not less than 15% controlled by such director or major shareholder of the corporation or its subsidiaries. "Major shareholder" means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company. Based on this definition, transactions such as those listed below, which if exceeding the prescribed percentage ratio, would require our shareholders' approval.

The "percentage ratio" of the transaction is calculated, among other things, based on the value of the transaction relative to the value of the listed company as measured by various values including total assets, net profits and market value of all the ordinary shares of the listed company.

The listed company must make an immediate announcement to Bursa Securities for all related party transactions where any of the percentage ratios is equal to or exceeds 0.25%, except where (i) the value of the consideration given or received in relation to the transaction is less than RM250,000; or (ii) in relation to "recurrent related party transactions of a revenue or trading nature" (as described below).

For related party transactions where any percentage ratio is equal to or exceeds 5%, the listed company must furnish shareholders with a circular describing the related party transactions, obtain shareholders' approval for these transactions at a general meeting and appoint an independent adviser, who shall advise the non-interested shareholders.

For related party transactions where any percentage ratio is equal to or exceeds 25%, the listed company must follow all requirements set out above for transactions equal to or exceeding a 5% percentage ratio, and must appoint a main adviser, who shall advise the company, in addition to the independent adviser. The main adviser and the independent adviser shall be a corporate finance adviser that may act as a principal adviser under the SC's Guidelines on Principal Advisers for Corporate Proposals. It is the duty of the main adviser and independent adviser, as the case may be, to determine whether the transaction is on fair and reasonable terms and not to the detriment of the non-interested shareholders of the listed company.

The Bursa Securities LR divides related party transactions into two categories; "recurrent related party transactions of a revenue or trading nature" which are necessary for the day-to-day operations and those of one-off related party transactions which are non-recurrent in nature. Both recurrent and non-recurrent related party transactions with a percentage ratio equal to or exceeding 5% require shareholders' approval and shareholders who are interested parties, including their connected persons, must abstain from voting. However, recurrent related party transactions of a revenue or trading nature may, given their frequencies, be approved through a shareholders' mandate, provided that:

- (i) the transactions are necessary for day-to-day operations which must either contribute directly or indirectly to the generation of revenue for the listed company, such as contracts for supplies of materials entered into by the listed company and/or its subsidiaries;
- (ii) the transactions are made or will be made by the listed company and/or its subsidiaries at least once in 3 years in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST *(cont'd)*

- (iii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;
- (iv) the listed company's circular to shareholders contains certain required information as set out by Bursa Securities; and
- (v) any interested party must not vote on the resolution approving the transactions.

In addition to the Bursa Securities LR regarding related party transactions, we have an Audit Committee to review any related party transactions.

9.1 Related party transactions

Save for the transactions as disclosed below and the service agreements disclosed in "Section 8.2.10 — Service agreements with Directors" and "Section 8.3.3 — Service Agreements with key management" of this Prospectus, we do not have any related party transactions, existing or potential, entered or to be entered by us and our Directors, substantial shareholders, key management personnel and/or persons connected to them ("**Interested Parties**") ("**RPT Transactions**") in respect of the past 3 financial years ended 31 December 2007, 6-month period ended 30 June 2008 and the estimates for the subsequent 12-month period up to 30 June 2009.

Company in our Group involved	Interested Parties	Nature of transaction	Transacted amount			Estimated	
			Financial year ended 31 December			6-month period ended 30 June	12-month up to 30 June
			2005	2006	2007	2008	2009
			RM 000	RM 000	RM 000	RM 000	RM 000
Renong Debt Management	UEMG and Khazanah	Interest payable to UEMG on SPV Bond	37,652	18,915	-	-	-
UEM Land	UEM World, UEMG and Khazanah	Rental payable/paid to UEM World	21 ⁽¹⁾	-	-	-	-
UEM Land	UEM World, UEMG and Khazanah	Interest income receivable from UEM World	905 ⁽¹⁾	3,230 ⁽¹⁾	317	-	-
UEM Land	UEMG and Khazanah	Provision of advance by UEMG	-	-	63,000	112,000	200,000
UEM Land	UEM World, UEMG and Khazanah	Management fees payable to UEM World	150 ⁽¹⁾	150 ⁽¹⁾	183 ⁽²⁾	-	-
UEM Land	UEMG and Khazanah	Corporate, training and administrative support services fee paid or payable to UEM Group Management Sdn Bhd, UEM Academy Sdn Bhd and/or UEM Leadership Centre Sdn Bhd	-	-	276	17	1,630
UEM Land	UEMG and Khazanah	Interest payable to UEMG	-	-	185	3,757	9,275
UEM Land	UEM World, UEMG and Khazanah	Provision of construction and engineering services by UEMC	-	-	15,376	12,119	134,000

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (cont'd)

Company in our Group involved	Interested Parties	Nature of transaction	Transacted amount			Estimated	
			Financial year ended 31 December			6-month period ended 30 June 2008	12-month up to 30 June 2009
			2005	2006	2007		
			RM 000	RM 000	RM 000	RM 000	RM 000
UEM Land	UEM World, UEMG and Khazanah	Provision of project management services by Opus International (M) Berhad	-	200	1,510	-	2,900
UEM Land	UEMG and Khazanah	Provision of helicopter rental by Projek Lebuhraya Utara-Selatan Bhd	198	28	-	-	350
UEM Land	UEM World, UEMG and Khazanah	Provision of logistics services by Gapima Sdn Bhd	23	-	-	-	50
UEM Land	UEMG and Khazanah	Provision of Information and Communications Technology Services and Application Software Licenses by Teras Teknologi Sdn Bhd ("Teras")	96	96	15	-	-
UEM Land	UEM World, UEMG and Khazanah	Provision of maintenance and cleaning services by Cermin Cahaya Sdn Bhd	10	14	16	8	430
UEM Land	UEMG and Khazanah	Provision of security and access system in East Ledang by Teras	-	-	-	-	5,000
UEM Land	UEMG and Khazanah	Provision of rental of premises at Nusajaya to Gapima	-	-	-	-	3,000
UEM Land	UEMG and Khazanah	Provision of internet lease services by TIME dotcom Berhad	-	-	-	-	245
UEM Land	UEMG and Khazanah	Provision of rental for office space (KL Sentral) by First Impact Sdn Bhd	-	-	-	-	1,265
UEM Land	UEMG and Khazanah	Provision of information technology advisory services by UEM Technology Business Sdn Bhd	-	-	-	-	390
UEM Land	UEMG and Khazanah	Provision of Neuron Unicom and Univoice Package by Forte Tech Solutions Sdn Bhd	-	-	-	-	300
UEM Land	Abdul Kadir bin Md Kassim ⁽³⁾	Provision of legal advisory services by Messrs. Kadir, Andri & Partners	-	-	41	100	250

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (cont'd)

Company in our Group involved	Interested Parties	Nature of transaction	Transacted amount			Estimated	
			Financial year ended 31 December			6-month period ended 30 June	12-month up to 30 June
			2005	2006	2007	2008	2009
			RM 000	RM 000	RM 000	RM 000	RM 000
BND	UEMG and Khazanah	Corporate, training and administrative support services fee paid or payable to UEM Group Management Sdn Bhd, UEM Academy Sdn Bhd and/or UEM Leadership Centre Sdn Bhd	516	-	250	-	19
BND	UEMG and Khazanah	Management fees payable to UEM Group Management Sdn Bhd	611	522	698	175	698
BND	UEMG and Khazanah	Term loan extended by UEMG	470,687	-	-	-	-
BND	UEMG and Khazanah	Interest paid/payable to: - UEMG's term loan - Khazanah's loan	32,257 23,505	35,548 -	38,214 -	20,524 -	43,500 -
BND	UEMG and Khazanah	Provision of primary infrastructure projects by UEMC	-	-	-	-	5,000
BND	UEMG and Khazanah	Provision of internet lease services by Time dotCom Berhad	-	-	-	-	550
BND	UEM World, UEMG and Khazanah	Rescission of Sale and Purchase Agreement with Opus International (M) Berhad for Ledang Heights properties	-	-	8,909	-	-
BND	UEMG and Khazanah	Provision of security and access system in Ledang Heights by Teras	156	5	21	4	500
BND	UEMG	Issuance of redeemable convertible preference shares of RM1.00 each in BND to UEMG via capitalisation of advances	450,000	-	-	-	-
BND	Khazanah	Strategic land sale to Khazanah under the degearing exercise	-	-	1,430,378	-	-
Nusajaya Development	UEM World, UEMG and Khazanah	Provision of construction and engineering services by UEMC	3,439	10,389	727	-	1,000

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (cont'd)

Company in our Group involved	Interested Parties	Nature of transaction	Transacted amount			Estimated	
			Financial year ended 31 December			6-month period ended 30 June	12-month up to 30 June
			2005	2006	2007	2008	2009
			RM 000	RM 000	RM 000	RM 000	RM 000
Nusajaya Development	UEMG and Khazanah	Corporate, training and administrative support services fee paid or payable to UEM Group Management Sdn Bhd, UEM Academy Sdn Bhd and/or UEM Leadership Centre Sdn Bhd	-	12	37	-	150
CJSB	UEMG World, UEMG and Khazanah	Construction and engineering services by UEMC	10,450	20,463	85,126	59,367	180,000
CJSB	UEMG and Khazanah	Corporate, training and administrative support services fee paid or payable to UEM Group Management Sdn Bhd, UEM Academy Sdn Bhd and/or UEM Leadership Centre Sdn Bhd	-	-	14	15	60
Mahisa	UEMG World, UEMG and Khazanah	Provision of construction and engineering services by UEMC	1,190	-	-	-	30,000
Mahisa	UEMG and Khazanah	Corporate, training and administrative support services fee paid or payable to UEM Group Management Sdn Bhd, UEM Academy Sdn Bhd and/or UEM Leadership Centre Sdn Bhd	-	-	5	1	70

Notes:

- (1) These RPT Transactions were entered into between UEM Land and UEM World and were transacted when UEM Land was a wholly-owned subsidiary of UEM World (i.e. prior to UEMG holding 28.5% direct interest in UEM Land).
- (2) Management fees amounting to RM92,000 entered into between UEM Land and UEM World were transacted when UEM Land was a wholly-owned subsidiary of UEM World (i.e. prior to UEMG holding 28.5% direct interest in UEM Land) and the remaining RM91,000 were transacted subsequent to June 2007 when UEM Land became a 71.5% subsidiary of UEM World.
- (3) Our Director, Abdul Kadir bin Md Kassim, is the managing partner of Messrs. Kadir, Andri & Partners. Notwithstanding that he is the managing partner of Messrs. Kadir, Andri & Partners, he was not and will not be the lawyer rendering legal services to our Group. Please refer to "Section 13.3 — Declarations of conflict of interest by our Advisers" of this Prospectus for further details.

Transactions which are deemed as RPT Transactions under the Bursa Securities LR have been entered into on normal commercial terms and on terms which are not more favourable to the related parties than those generally available to third parties.

Save for the transactions as disclosed above and the Directors' remuneration disclosed in "Section 8.2.5 — Directors' remuneration and benefits" of this Prospectus, none of our Promoter, Directors or substantial shareholders has been paid or intended to be paid any amount or benefits within the 2 years preceding the LPD.

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST *(cont'd)*

9.2 Conflict of interest

Save for the RPT Transactions and as disclosed below, none of the Directors or substantial shareholders of our Group has any interests in businesses, directorships and/or shareholdings in other companies/businesses that may give rise to a situation of conflict of interest, whether existing or potential, with our Group:

(i) **Substantial shareholders' interests in company that carry on similar core business with that of our Group**

UEMG

(a) **Shareholdings in Faber**

UEMG is the single largest substantial shareholder of Faber holding 34.3% equity interest in Faber as at the LPD. Faber in turn owns 100% equity interest in Faber Development Holdings Sdn Bhd, which is principally involved in property development activities.

Whilst our Group's core business is presently focused on property development activities in Iskandar Malaysia and the development activities of Faber's subsidiaries are largely located outside Iskandar Malaysia, there may be instances of competition in the event both parties expand and diversify their operations.

Nonetheless, it is important to note that the Listing does not involve the introduction of new assets on the stock exchange and that the potential conflict of interest position exists regardless of whether the Listing occurs. Further, given the history of UEMG, having competing business is part and parcel of the nature of a large conglomerate group.

Further UEMG believes that a lot of the plans of Faber are driven by its existing management. Accordingly, given that the management of Faber and our Group are substantially different, the degree of conflict is reduced.

Other than Oh Kim Sun, who is our Independent Non-Executive Director and an Independent Non-Executive Director of Faber, there are no common Directors between our Board and Faber's Board.

(b) **Shareholdings in UEM Builders**

UEMG is also a substantial shareholder of UEM Builders holding 51.7% effective equity interest in UEM Builders as at the LPD. UEM Builders is an investment holding company while its subsidiaries are principally involved in engineering and construction, infrastructure maintenance and facilities management, toll concession and other investments. UEM Land has a 60% subsidiary, CJSB, the concessionaire for the development of JSNAC, which is involved in turnkey development and facility maintenance of the Federal and State Government Complexes in Nusajaya.

Similar to UEM Land, CJSB is presently focused in Iskandar Malaysia whilst UEM Builders group of companies undertake projects throughout Malaysia, including in Iskandar Malaysia and also as a contractor for CJSB. Nonetheless, there are instances of related party transactions and may be instances of competition in the event both parties expand and diversify their operations in the future.

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (cont'd)

However, it is important to note that the Listing does not involve the introduction of new assets on the stock exchange and the potential conflict of interest position exists regardless of whether the Listing occurs. Further, given the history of UEMG, having competing business is part and parcel of the nature of a large conglomerate group.

Further UEMG believes that a lot of the plans of UEM Builders are driven by its existing management. Accordingly, given that the management of UEM Builders and our Group are substantially different, the degree of conflict is reduced.

Other than Dato' Ahmad Pardas Senin, who is our Non-Independent Non-Executive Director, a Director of CJSB and the Deputy Chairman and Non-Independent Non-Executive Director of UEM Builders, there are no common Directors between our Board and UEM Builders' Board.

Khazanah

Khazanah being an investment holding arm of the Government is entrusted to manage the assets held by the Government and to undertake strategic investments and may hold 5% or more equity interests in many companies which in turn may also be involved in similar core business with that of our Group, in particular, property development activities.

As at 31 August 2008, save for the interests held through UEMG and based on information available to our Company, Khazanah also has shareholdings in the following companies which are involved in the property industry:

<u>Company</u>	<u>Equity interest (%)</u>	<u>Principal activities</u>
UDA Holdings Bhd ("UDA")	100.00	The principal activities of UDA are those of property development, property investment and investment holding. The subsidiaries of UDA are involved in amongst others property development, project management, resort and hotel management, landscape maintenance, and security services.
Tradewinds Hotels and Resorts Sdn Bhd ("Tradewinds")	25.67	The principal activities of Tradewinds are those of investment holding and hotelier.
STLR Sdn Bhd ("STLR")	100.00	The principal activities of STLR are those of sale, lease and rental of properties.
IIB	75.00	The principal activities of IIB are investment holding, land development and provision of management services to its subsidiaries.
Kota Selat Tebrau Sdn Bhd ("KST")	51.20	The principal activities of KST are investment holding, land development and provision of management services to its subsidiaries.
Putrajaya Holdings Sdn Bhd ("Putrajaya Holdings")	15.59	Putrajaya Holdings is the master developer of Malaysia's administrative capital of Putrajaya.

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST *(cont'd)*

Generally, there may be a potential conflict of interest situation by virtue of Khazanah being the substantial shareholders of our Company and various public listed or private companies involved in property related businesses ("**Companies**"). Such conflict of interest is in existence and unavoidable as Khazanah is the investment holding arm of the Government and is empowered as the Government's strategic investor in new industries and markets. Khazanah has investments in a broad spectrum of industries, covering over 50 major industries, both in Malaysia and abroad. Such potential conflict of interest situations may be mitigated by maintaining largely an independent Board between our Company and the Companies.

Specifically in Iskandar Malaysia, Khazanah has through Nusajaya Property Management acquired approximately 4,500 acres of land in Nusajaya from BND ("**Land**") pursuant to the degearing exercise undertaken by UEM Land in 2006 (which was completed in 2007) which were intended to put UEM Land or UEM World on a stronger financial footing. The Land was subsequently injected into IIB and its subsidiary, KST together with other land parcels belonging to EPF and KPRJ. Khazanah's interest in IIB and subsequent property development may potentially give rise to a conflict of interest situation between Khazanah and our Group, if such subsequent property development competes with our property development activities.

IIB is an investment holding company set up by Khazanah, EPF and KPRJ with the intention to amongst others, promote and coordinate the development of Iskandar Malaysia.

IIB has planned projects in Iskandar Malaysia which encompasses amongst others, Medini. Medini is within the Nusajaya zone of which development consists of the following:

- (i) the Lifestyle and Leisure Cluster which will feature a city centre, golf village, amusement bay, residential district and a medical wellness village;
- (ii) the Cultural Cluster which will feature a logistics village, a creative park and heritage district; and
- (iii) the International Financial District.

Notwithstanding that a potential conflict of interest situation may arise between Khazanah (through IIB) and our Group, we believe that the property development activities undertaken by IIB in Iskandar Malaysia, will complement the development of Nusajaya. The development of the Land by IIB and its projects in Iskandar Malaysia are expected to generate economic activities beneficial to the overall development of Nusajaya. The expected increase in economic and development activities streaming from IIB are also expected to enhance the demand and value of our land and developments in Nusajaya.

Save as disclosed above, Khazanah is not aware of any situation that may give rise to a conflict of interest situation between our Group and its other investments in other companies/businesses.

(ii) **Directorship in company that carry on similar core business with that of our Group**

Dato' Ahmad Pardas Senin is our Non-Independent Non-Executive Director, a Director of CJSB and the Deputy Chairman and Non-Independent Non-Executive Director of UEM Builders. Please refer to "Section 9.2(i) — Substantial shareholders' interest in company that carry on similar core business with that of our Group" for further elaboration on the position of our Group and UEM Builders.

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (cont'd)

Oh Kim Sun, is our Independent Non-Executive Director and an Independent Non-Executive Director of Faber. Please refer to "Section 9.2(i) — Substantial shareholders' interest in company that carry on similar core business with that of our Group" for further elaboration on the position of our Group and Faber.

9.3 Monitoring and overseeing of related party transactions and conflict of interest situations**Audit Committee review**

Our Audit Committee was constituted on 15 September 2008 by the Board. The Audit Committee reviews any related party transaction and conflict of interest that may arise within our Group (including any future related party transactions and conflict of interest situation). The Audit Committee periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are (i) carried out on normal commercial terms not more favourable to the related party than those generally available to the third parties, (ii) at arms length with our Group and (iii) are not to the detriment of our Company's non-interested shareholders. All reviews by the Audit Committee are reported to the Board for its further action.

Conflict of interest

The related party transactions disclosed above, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and Directors of our Group are also officers and Directors or nominees of related parties of our Group and with respect to these related party transactions, a conflict of interest situation may arise.

Measures taken or to be taken to address and mitigate potential conflict of interest

It is our corporate policy that we do not enter into transactions with related parties unless these transactions are (i) carried out on normal commercial terms not more favourable to the related party than those generally available to third parties, (ii) on arms' length basis, and (iii) not detrimental to the interests of our non-interested shareholders.

In addition, any related party transaction which may result in a conflict of interest situation must be reviewed by our Audit Committee. If any related party transaction involves any of our Directors and/or substantial shareholders and/or persons connected to them, the relevant Director and/or substantial shareholder are required to abstain from deliberating or voting at the relevant Board meeting and general meeting convened to decide on the related party transaction.

Our Audit Committee periodically reviews our procedures to monitor related party transactions to ensure that such transactions are carried out in a manner consistent with our corporate policy.

9.4 Transactions of unusual nature

Our Board confirms that there is no transaction that is unusual in nature or condition, involving goods, services, tangible or intangible assets, to which we or any of our subsidiaries was a party in respect of the past 3 financial years ended 31 December 2007 and in the subsequent 6-month period up to 30 June 2008.

9. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST *(cont'd)*

9.5 Outstanding loans

There is no outstanding loan (including guarantees of any kind) made by our Company or any of our subsidiaries to or for the benefit of our related parties for the past 3 financial years ended 31 December 2007 and the subsequent 6-month period up to 30 June 2008.

9.6 Other matters

- 9.6.1 None of our Directors or substantial shareholders has any interest, whether direct or indirect, in the promotion of, or in any material assets, within the past 3 financial years ended 31 December 2007 and the subsequent 6-month period up to 30 June 2008, acquired or disposed of by or leased to our Company or any of our subsidiaries, or is proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries.
- 9.6.2 Save for the Proposed Acquisitions and as disclosed in "Section 9.1 — Related party transactions", none of our Directors or substantial shareholders are interested in any contract or arrangement subsisting as at the LPD which is material in relation to the business of our Group.

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10. FINANCIAL INFORMATION

Our Company was incorporated on 20 August 2008. As at the date of this Prospectus, there are no audited financial statements prepared in respect of our Company since the date of our incorporation. Pursuant to the Reorganisation Agreement, we acquired all the shares of UEM Land. Our Company's acquisition of UEM Land falls under business combination involving entities under common control and accordingly, merger accounting principles will be applied in the consolidation of our subsidiaries (See "Section 4.2 - Details of the Restructuring"). Under merger accounting, the results of our Company and UEM Land Group are presented as if the combination had been effected throughout the current financial period and each of the previous financial years.

The following proforma consolidated financial information of our Company as at and for the 3 financial years ended 31 December 2007 and 6-month period ended 30 June 2007 and 2008 have been prepared for illustrative purposes only based on the audited consolidated financial statements of UEM Land under merger accounting principles as if ULHB Group had existed for the financial years/period presented. The proforma consolidated financial statements of ULHB Group would mirror that of UEM Land Group, save for the share capital and certain reserves which shall reflect the share capital of ULHB after the completion of the Reorganisation Agreement and after incorporating the effects of merger accounting. These data should be read in conjunction with our "Management's discussion and analysis of financial condition and results of operations" and the Accountants' Report as disclosed in Section 10.2 and Section 10.17 below respectively and other financial and operating data which are included elsewhere in this Prospectus. You should note that the results for the 6-month period ended 30 June 2008 are not necessarily indicative of the results that we will achieve for the year ending 31 December 2008. The consolidated financial statements of UEM Land for the 3 financial years ended 31 December 2007 and the 6-month period ended 30 June 2007 and 2008 have been audited by Ernst & Young.

There has been no audit qualification on UEM Land or any of our subsidiaries' audited financial statements for all the financial years under review. Our financial statements are prepared in accordance with the applicable Malaysia FRS.

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10. FINANCIAL INFORMATION (cont'd)

10.1 Proforma consolidated income statements

Our proforma consolidated income statements below have been prepared in accordance with the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board in Malaysia and based on the audited consolidated financial statements of UEM Land, assuming that our Group has been in existence throughout the financial years and periods under review under the principles of merger accounting. The bases and accounting policies used for the purpose of preparing our proforma consolidated income statements below are consistent with those adopted in the preparation of the audited financial statements of the respective companies within our Group for the 3 financial years ended 31 December 2007 and the 6-month period ended 30 June 2007 and 2008.

You are advised to read our proforma consolidated income statements together with the accompanying notes and assumptions included in the Accountants' Report as disclosed in Section 10.17 of this Prospectus and the Management's discussion and analysis of financial condition and results of operations as set out in Section 10.2 of this Prospectus.

	Financial year ended 31 December			6-month period ended 30 June	
	2005	2006	2007	2007	2008
	RM 000	RM 000	RM 000	RM 000	RM 000
Revenue	208,350	453,149	1,871,548	1,582,596	251,302
Cost of sales	(134,500)	(309,871)	(1,360,626)	(1,137,540)	(164,386)
Gross profit	73,850	143,278	510,922	445,056	86,916
Other income	18,977	28,818	30,634	28,101	1,219
Selling and distribution expenses	(737)	(1,932)	(3,570)	(1,328)	(4,474)
Other expenses	(70,882)	(28,730)	(80,260)	(29,365)	(18,511)
Share of results of associates	920	(2,077)	4,084	1,589	1,526
Share of results of joint ventures	-	(2,526)	(2,215)	(1,908)	2,552
EBITDA	22,128	136,831	459,595	442,145	69,228
Amortisation	-	-	(24)	-	(12)
Depreciation	(971)	(1,038)	(1,698)	(855)	(991)
Finance costs	(13,619)	(6,612)	(594)	(11)	(3,748)
PBT	7,538	129,181	457,279	441,279	64,477
Income tax	8,880	(21,197)	72,464	74,684	(33)
Profit for the year/period from continuing operations	16,418	107,984	529,743	515,963	64,444
Loss for the year/period from discontinued operations	(1,563)	(1,889)	-	-	-
Profit for the year/period	14,855	106,095	529,743	515,963	64,444
Attributable to:					
Equity holders of our Company	2,564	82,018	529,128	515,531	64,444
Minority interests	12,291	24,077	615	432	-
	14,855	106,095	529,743	515,963	64,444
Weighted average number of our Shares assumed in issue at year end (000)	1,735,109	1,735,109	2,141,456	1,849,982	2,428,177
Gross profit margin (%)	35.45	31.62	27.30	28.12	34.59
Net profit margin (%)	7.13	23.41	28.31	32.60	25.64
Basic EPS (sen)	0.15	4.73	24.71	27.87	2.65

Note:

There were no extraordinary items included in profit for the year/period throughout the financial years/periods under review.

10. FINANCIAL INFORMATION *(cont'd)*

10.2 Management's discussion and analysis of financial conditions and results of operations

The following discussion and analysis of our financial condition and results of operations is based on and should be read in conjunction with our proforma consolidated financial statements and the related notes included in the Accountants' Report under Section 10.17 of this Prospectus and financial information included elsewhere in this Prospectus. Additionally, since our Company is a holding company with no operations other than holding equity interests of UEM Land, our wholly-owned subsidiary, this discussion and analysis relates to the financial and operating data of the UEM Land Group.

This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in "Section 5 — Risk Factors" of this Prospectus.

Our proforma consolidated financial statements have been prepared based on merger accounting principles on the basis that our Group has been in existence throughout the financial years/periods under review.

10.2.1 Overview

We are developing our extensive reserves of land in Nusajaya based on a diversified business model as follows:

- (i) strategic land sales, which involve us selling selected portions of our land reserves to various developers, investors, strategic partners and other participants in the real estate industry, who in turn will develop a variety of residential, commercial, industrial and mixed-use properties;
- (ii) catalyst property developments, where we develop large-scale "catalytic" projects, which upon completion, are expected to help spur economic activities and promote the further development and marketing of our other projects in surrounding locations; and
- (iii) development activities, which involve us developing residential, industrial and commercial properties in selected locations within Nusajaya for sale.

Nusajaya spans a total land area of 23,875 acres and is currently under various stages of development. Upon substantial completion of development, which is expected to be in 2030, Nusajaya will comprise a range of high-quality properties, including the Johor State Government and the Malaysian Federal Government offices, industrial properties, healthcare properties, universities and other commercial, residential and mixed-use properties catering to a wide range of local, regional and international demand.

We currently have 2 main lines of business — property development and strategic land sales. Our business activities are currently focused on Nusajaya. In our property development business line, we develop our own real estate projects, undertake turnkey development contracts and also sell parcels of developed land equipped with basic infrastructure on which buildings can be constructed by our customers, whereas in our strategic land sales business line, we strategically sell undeveloped parcels of land for development by our strategic partners. In addition, we also have joint-ventures with strategic partners for development.

Our operations span across a broad range of real estate business activities, from conceptualisation, planning and design to developing and marketing of our projects. Going forward, we intend to expand our business into property investment activities by leasing certain of our completed retail, commercial, industrial and other developments.

10. FINANCIAL INFORMATION (cont'd)

For the financial year ended 31 December 2007, our Group's revenue and total profit amounted to RM1,871.5 million and RM529.7 million, respectively, compared to revenue and total profit of RM453.1 million and RM106.1 million, respectively, for the financial year ended 31 December 2006. For the 6-month period ended 30 June 2008, our Group's revenue and total profit amounted to RM251.3 million and RM64.4 million, respectively, compared to revenue and total profit of RM1,582.6 million and RM516.0 million, respectively, for the 6-month period ended 30 June 2007.

10.2.2 Significant factors affecting our results of operations

Our results of operations are affected by a number of factors, the most significant of which are described below:

- (i) the performance of the real estate market in Malaysia, Singapore and Asia Pacific;
- (ii) the supply and demand for private and commercial properties, market pricing trends, standard of living, level of disposable income and demographic conditions;
- (iii) the availability of financing on favorable terms for our business and for our customers;
- (iv) our ability to execute our projects in a timely and cost effective manner and to attract the appropriate strategic partners, investors and other participants in the real estate industry, where necessary; and
- (v) general political, economic, regulatory and fiscal environment of Malaysia, including land grant policies, pre-sale policies and tax policies.

Historically, strategic land sales have comprised a very significant portion of our revenues. For the 3 financial years ended 31 December 2007 and for the 6-month period ended 30 June 2008, we derived 63.1%, 63.1%, 79.2% and 4.3%, respectively, of our total revenue from land sales. Going forward however, we expect that our results of operations will be increasingly and significantly affected by our property development and property investment activities as we increase our focus on capturing greater revenues from these activities and seek to secure more recurring income.

We expect fluctuations in the Malaysian economy, as well as changes to the Government's policies relating to property development and sales to continue to significantly affect the changes in fair values of our investment properties and our total revenue. Please refer to "Section 5 — Risk Factors" of this Prospectus for discussions of these risks and uncertainties that may affect our business.

10.2.3 Critical accounting policies

We have identified the accounting policies below as critical to our business operations and the understanding of our financial condition and results of operations. The preparation of our proforma financial statements requires us to make difficult, complex and subjective judgements in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial statements. By their nature, these judgements are subject to an inherent degree of uncertainty. These judgements are based on our historical experience, terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. While we believe our estimates and judgements to be reasonable under the circumstances, there can be no assurance that our judgements will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items. In addition, other companies may utilise different estimates, which may impact the comparability of our results of operations to those of companies in similar businesses.

10. FINANCIAL INFORMATION (cont'd)

When reviewing our proforma financial statements, you should consider (1) our selection of critical accounting policies; (2) the judgement and other uncertainties affecting the application of those policies; and (3) the sensitivity of reported results to changes in conditions and assumptions. We believe the following accounting policies involve the most significant judgement and estimates used in the preparation of our proforma financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to our Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Turnkey development and construction contracts

Revenue from turnkey development and construction contracts is accounted for by the percentage of completion method.

Where the outcome of a construction and turnkey development contracts can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the percentage of completion method. The percentage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction and turnkey development contracts cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction and turnkey development contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(ii) Contracts for sale of land and completed properties

Contracts for land sales are recognised only when it is probable that the economic benefits associated with the transactions will flow to our Group.

(iii) Sale of properties

Revenue from sale of development properties classified under property development is accounted for by the percentage of completion method. The percentage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

10. FINANCIAL INFORMATION (cont'd)

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Land held for property development and property development costs

Land held for property development consists of land where no development activity has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified within non-current assets and is stated at cost less any accumulated impairment losses. Cost consists of land and development expenditure including borrowing costs relating to the financing of the land and development. The policy for the recognition and measurement of impairment losses is set out below.

Profit on sale of land held for property development is recognised only when it is probable that the economic benefits associated with the transaction will flow to our Group.

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs are stated at cost. Cost consists of land and development expenditure. Development expenditure includes borrowing costs relating to the financing of the land and development.

Profit on sale of property development is recognised when the outcome of the contract can be reasonably estimated using the percentage of completion method to the extent of total sales value of units sold. The percentage of completion is based on total cost incurred to date over total estimated cost of the project. Provision is made for all foreseeable losses on property development costs.

Project development costs

Project development costs are recognised as an expense except that costs incurred on an individual development project are recognised as development asset to the extent that such expenditure is expected to generate future economic benefits. Development costs are only recognised as an asset when it is probable that future economic benefits will be realised as a result of the specific expenditure and the costs can be measured reliably.

Following the initial recognition of the development expenditure, the asset is carried at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is set out below except that impairment losses are not written back even if there are changes to circumstances or events that led to the impairment. Development costs are derecognised when they are disposed of or when no future economic benefit is expected from the disposal. Development expenditure that has been capitalised is expensed off over the period of expected future sales from the related project.

10. FINANCIAL INFORMATION (cont'd)

Impairment of assets

The carrying amount of our Group's assets are reviewed at each balance sheet reporting date to determine whether there is any indication of impairment. Intangible assets with indefinite useful lives such as goodwill is tested for impairment annually at financial year-end or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the asset or a cash-generating unit is less than its carrying amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flow are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same asset, with the excess of the impairment loss charged to the income statement. All reversals of impairment losses are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the carrying amount of the assets does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

Provisions

Provisions are recognised when our Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

10.2.4 Overview of revenue and expenses

Revenue

Our revenue consists of revenue from strategic land sales, property development including sale of developed land and turnkey development contracts and other income including harvesting income as follows:

	Financial year ended 31 December			6-month period ended 30 June	
	2005	2006	2007	2007	2008
	RM 000	RM 000	RM 000	RM 000	RM 000
Strategic land sales.....	131,470	285,998	1,482,653	1,430,378	10,905
Property development.....	73,255	163,776	382,959	149,427	236,699
Others.....	3,625	3,375	5,936	2,791	3,698
Total revenue.....	208,350	453,149	1,871,548	1,582,596	251,302

10. FINANCIAL INFORMATION (cont'd)**(i) Strategic land sales**

Revenue from strategic land sales consists of sale of undeveloped land parcels to various developers, investors, strategic partners and other participants in the real estate industry, who in turn develop a variety of residential, commercial and mixed-use properties. Our strategic land sales transactions generally include sales on a one-off non-recurring basis. In a few instances, we have sold land on a recurring basis, where the purchaser is given the option to purchase portions of land over a period of time.

(ii) Property development

Revenue from property development includes the following components:

- (a) Direct development. This includes revenue from the sale of residential, industrial and commercial projects developed directly by our Group;
- (b) Turnkey development contracts. This includes revenue generated primarily from turnkey development of JSNAC; and
- (c) Sale of developed land. This includes revenue from the sale of developed land equipped with basic infrastructure on which buildings can be constructed by our customers, and currently comprises revenue from the SiLC and Puteri Harbour projects.

The following table sets forth a breakdown of our revenue from property development during the 3 financial years ended 31 December 2007 and for the 6-month period ended 30 June 2007 and 2008:

	Financial year ended 31 December			6-month period ended 30 June	
	2005	2006	2007	2007	2008
	RM 000	RM 000	RM 000	RM 000	RM 000
Direct development	40,264	50,502	106,312	40,578	26,144
Turnkey development contracts	32,991	113,274	223,784	108,849	44,506
Sale of developed land	-	-	52,863	-	166,049
Total	73,255	163,776	382,959	149,427	236,699

(iii) Others

Our other revenue consists of the following:

- (a) Harvesting income which includes income we receive from the sale of oil palm fresh fruit bunches and rental from the lease of oil palm cultivation. Until 2007, we leased our undeveloped land reserves with pre-existing oil palm plantations to farmers in order to generate revenue from these reserves. Until 2007, we commenced operation of oil palm plantation through the appointment of a third party estate manager on our own account, which replaced previous operators; and
- (b) Rental income from the lease of a land parcel which was used for parking lots until its disposal in 2006.

10. FINANCIAL INFORMATION (cont'd)

The following table provides a breakdown of our Group's revenue analysed by subsidiaries for the years/periods indicated:

Financial year ended 31 December	BND	CJSB	Nusajaya Development	UEM Land	Others	Total
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
2005	175,341	33,432	-	4	(427) ⁽¹⁾	208,350
2006	318,510	110,166	21,361	4	3,108	453,149
2007	1,549,765 ⁽²⁾	217,109	45,135	52,864	5,675	1,871,548
6-month period ended 30 June						
2007	1,445,906	102,956	27,841	-	5,893	1,582,596
2008	21,911	44,506	13,466	171,419	-	251,302

Notes:

⁽¹⁾ Negative income mainly due to the reversal of revenue of RM0.4 million for Mahisa, a wholly-owned subsidiary of UEM Land, which was over-recognised in the previous financial year.

⁽²⁾ Including non-recurring land sale of RM1,430.4 million to Khazanah in 2007.

The following table provides a breakdown of our Group's profit/(loss) before interest and taxation by subsidiaries for the years/periods indicated:

Financial year ended 31 December	BND	CJSB	Nusajaya Development	UEM Land	Others	Total
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
2005	66,907	68	(67)	(42,178) ⁽¹⁾	(3,573)	21,157
2006	135,526	353	2,342	3,015	(5,443)	135,793
2007	463,586	3,434	4,513	(14,732) ⁽²⁾	1,072	457,873
6-month period ended 30 June						
2007	431,118	1,051	1,829	16,498	(9,206)	441,290
2008	32,124	164	1,631	30,111	4,195	68,225

Notes:

⁽¹⁾ Loss was primarily due to allowance for a non-trade debt of RM39.5 million owing by TICL (as defined below).

⁽²⁾ Loss was primarily due to additional allowance for doubtful debt of RM10.5 million owing from an agency of a state government and impairment of investments in an associate of RM12.8 million.

10. FINANCIAL INFORMATION (cont'd)

Cost of sales

Our cost of sales consist primarily of expenses associated with land and development costs, including land acquisition costs, costs relating to infrastructure, earthworks, building costs, consultants, project-specific marketing and selling costs and prescribed fees, charges, levies and other payments to local authorities. The following table has been derived from our proforma consolidated financial statements and sets out our proforma consolidated cost of sales and the corresponding gross profit margin by core business for the past 3 financial years ended 31 December 2007 and the 6-month period ended 30 June 2007 and 2008:

	Financial year ended 31 December			6-month period ended 30 June	
	2005	2006	2007	2007	2008
	RM 000	RM 000	RM 000	RM 000	RM 000
<u>Cost of sales:</u>					
Strategic land sales.....	72,547	162,418	1,031,234	995,971	6,810
Property development.....	61,953	147,453	329,392	141,569	157,576
Others.....	-	-	-	-	-
Total cost of sales.....	134,500	309,871	1,360,626	1,137,540	164,386
<u>Gross profit margin (%):</u>					
Strategic land sales.....	44.82	43.21	30.45	30.37	37.55
Property development.....	15.43	9.97	13.99	5.26	33.43
Others.....	100.00	100.00	100.00	100.00	100.00

Other income

Our other income consists primarily of interest income from the placement of funds, gain on disposal of property, plant and equipment, and write-back of allowance for a non-trade debt owed by Time Investments (Cayman) Ltd ("TICL"), which was secured over shares in Time Engineering Berhad ("TIME Shares") owned by TICL.

Selling and distribution expenses

Our selling and distribution expenses consist primarily of expenses relating to strategic marketing and non-project specific marketing and related costs, as well as costs relating to general marketing and distribution staff and expenses relating to the marketing of our developments, including, exhibitions, roadshows, advertising and promotions.

Other expenses

Our other expenses consist of operating and administration expenses, staff and related costs, depreciation, Nusajaya branding expenditures, provision for non-trade debts and impairment of investments in associates.

Finance costs

Our finance costs consist of interest expense incurred on our RM8,197.62 million Nominal Value Zero Coupon Redeemable Secured Guaranteed Bond 1999/2013 issued by our subsidiary, Renong Debt Management ("SPV Bond"), as well as our term loan, bridging loan and bank overdraft. See "Section 10.7 — Capitalisation and indebtedness" for details of our borrowings. On 1 June 2007, the SPV Bond was fully redeemed pursuant to the degearing exercise carried out by the UEM Land Group.

10. FINANCIAL INFORMATION (cont'd)**Share of results of associates**

Income in respect of our share of results of associates, represents earnings or losses contributed by our associates, which are companies, partnerships or other entities over which we exercise significant influence but which we do not control. These associates include (i) BIB Insurance Brokers Sdn Bhd, (ii) Setia Haruman and (iii) Touch 'N Go Sdn Bhd.

Share of results of joint ventures

Income in respect of our share of results of joint ventures is derived solely from our joint venture companies, HHDSB and Haute Property.

Income tax

The domestic income tax applicable to companies in Malaysia is 26% of the company's assessable profit for the financial year ended 31 December 2008. The tax rate was 28% for the financial years ended 31 December 2005 and 2006 and 27% for the financial year ended 31 December 2007.

Loss for the year from discontinued operations

Loss for the year from discontinued operations comprises the results of ROCSA which is currently the subject of an agreement for sale. The disposal is subject to fulfillment of certain conditions precedent.

10.2.5 Period-on-period review / year-on-year review

- (i) **6-month period ended 30 June 2008 compared to 6-month period ended 30 June 2007**

Revenue

Revenue decreased by 84.1% from RM1,582.6 million for the 6-month period ended 30 June 2007 to RM251.3 million for the 6-month period ended 30 June 2008. This decrease was primarily due to the sale of approximately 4,500 acres of land to Khazanah for a total consideration of RM1,430.4 million pursuant to UEM Land's degearing exercise ("**Khazanah Land Sales**") which was completed in 2007. The Khazanah Land Sales reduced the gearing ratio of UEM Land from 16.29 times to 0.52 times as at 30 June 2007. The decrease in revenue was partially offset by an increase of RM87.3 million in revenue from property development activities in the 6-month period ended 30 June 2008.

(a) Strategic land sales

Revenue from sale of land decreased by 99.2% from RM1,430.4 million for the 6-month period ended 30 June 2007 to RM10.9 million for the 6-month period ended 30 June 2008. This decrease was primarily due to the effect of the Khazanah Land Sales which occurred in the 6-month period ended 30 June 2007, partially offset by an increase in revenue from strategic land sales to Panoramic ("**Panoramic Land Sales**") and HHDSB ("**HHDSB Land Sales**") of RM9.7 million and RM1.2 million, respectively.

10. FINANCIAL INFORMATION (cont'd)

(b) Property development

Revenue from property development increased by 58.4% from RM149.4 million for the 6-month period ended 30 June 2007 to RM236.7 million for the 6-month period ended 30 June 2008. This increase was due to revenue contribution from the sale of developed land of RM166.0 million, partially offset by the decrease in revenue from turnkey development contracts by RM64.3 million and direct development by RM14.4 million, respectively.

Sale of developed land for the 6-month period ended 30 June 2008 was mainly from the sale of developed parcels of land in Puteri Harbour following the completion of the infrastructure works by our Group.

The decrease in revenue from turnkey development contracts for the period ended 30 June 2008 was primarily due to reduced activities for JSNAC following the substantial completion of the project in prior years.

(c) Others

Revenue from harvesting income increased by 32.1% from RM2.8 million for the 6-month period ended 30 June 2007 to RM3.7 million for the 6-month period ended 30 June 2008. This increase was primarily due to harvesting of the oil palm plantation by us through an appointed estate manager rather than our land being leased out to multiple operators and also due to favourable market prices for crude palm oil during the period.

Cost of sales

Our cost of sales decreased by 85.5% from RM1,137.5 million for the 6-month period ended 30 June 2007 to RM164.4 million for the 6-month period ended 30 June 2008. This decrease in cost of sales was primarily attributable to the costs relating to the Khazanah Land Sales.

Gross profit

Our gross profit decreased by 80.5% from RM445.1 million for the 6-month period ended 30 June 2007 to RM86.9 million for the 6-month period ended 30 June 2008.

Other income

Our other income decreased by 95.7% from RM28.1 million for the 6-month period ended 30 June 2007 to RM1.2 million for the 6-month period ended 30 June 2008. This decrease was primarily due to the partial write-back of allowance for a non-trade debt of RM24.7 million owing by TICL.

Selling and distribution expenses

Selling and distribution expenses increased from RM1.3 million for the 6-month period ended 30 June 2007 to RM4.5 million for the 6-month period ended 30 June 2008. This increase was primarily due to numerous roadshows and participation in property exhibitions domestically and internationally to promote Nusajaya.

Other expenses

Our other expenses decreased by 37.1% from RM29.4 million for the 6-month period ended 30 June 2007 to RM18.5 million for the 6-month period ended 30 June 2008. This was primarily due to a decrease in our branding expenditures for Nusajaya.

10. FINANCIAL INFORMATION (cont'd)

Operating profit

As a result of the foregoing, our operating profit decreased by 85.5% from RM441.6 million for the 6-month period ended 30 June 2007 to RM64.1 million for the 6-month period ended 30 June 2008.

Finance costs

Finance costs increased from RM0.01 million for the 6-month period ended 30 June 2007 to RM3.7 million for the 6-month period ended 30 June 2008. This finance cost was incurred in respect of borrowings to part finance the acquisition of 20% equity interest in BND.

Share of results of associates

Share of results of associates decreased by 6.3% from RM1.6 million for the 6-month period ended 30 June 2007 to RM1.5 million for the 6-month period ended 30 June 2008.

Share of results of joint ventures

Share of results of joint ventures was a profit of RM2.6 million for the 6-month period ended 30 June 2008 compared to a loss of RM1.9 million for the 6-month period ended 30 June 2007. This was primarily due to profit contribution from the joint ventures in the 6-month period ended 30 June 2008 following the launch and sales of units in Horizon Hills.

PBT

As a result of the foregoing, our PBT decreased by 85.4% from RM441.3 million for the 6-month period ended 30 June 2007 to RM64.5 million for the 6-month period ended 30 June 2008.

Income tax

Income tax expense was RM0.03 million for the 6-month period ended 30 June 2008 compared to the tax credit of RM74.7 million for the 6-month period ended 30 June 2007. The tax credit in 6-month period ended 30 June 2007 was mainly due to the reversal of deferred tax previously provided on land sales in respect of land which was disposed of during the period pursuant to the degearing exercise, which was exempted from tax.

Profit for the period

As a result of the foregoing, our profit for the period decreased by 87.5% from RM516.0 million for the 6-month period ended 30 June 2007 to RM64.4 million for the 6-month period ended 30 June 2008.

10. FINANCIAL INFORMATION (cont'd)

- (ii) **Financial year ended 31 December 2007 ("FYE 2007") compared to financial year ended 31 December 2006 ("FYE 2006")**

Revenue

Revenue increased from RM453.1 million for the FYE 2006 to RM1,871.5 million for FYE 2007. This increase was primarily due to the Khazanah Land Sales and increased revenues from our property development activities.

(a) **Strategic land sales**

Revenue from strategic land sales increased from RM286.0 million for FYE 2006 to RM1,482.7 million for FYE 2007. This increase was primarily due to the Khazanah Land Sales of RM1,430.4 million, Panoramic Land Sales of RM19.9 million and HHDSB Land Sales of RM32.4 million, respectively.

(b) **Property development**

Revenue from property development increased from RM163.8 million for FYE 2006 to RM383.0 million for FYE 2007. This increase was due to improved performance from all the 3 components.

Revenue from direct development increased by 110.5% from RM50.5 million FYE 2006 to RM106.3 million for FYE 2007. This increase was primarily due to the new phases launched for Nusa Idaman and NIP Phase 2.

Revenue from sale of developed lands first contributed revenue to our Group in FYE 2007 of RM52.9 million. This revenue consisted primarily of sale of 12 parcels of industrial land for SiLC project.

Revenue from turnkey development contracts increased by 97.5% from RM113.3 million for FYE 2006 to RM223.8 million for FYE 2007. This increase was primarily due to higher level of construction activities for JSNAC with the progress of works at the advanced stage in 2007.

(c) **Others**

Revenue from harvesting income increased by 73.5% from RM3.4 million for FYE 2006 to RM5.9 million for FYE 2007. This increase was primarily due to the harvesting of the oil palm plantation by us through an appointed estate manager which was undertaken during the year.

Cost of sales

Our cost of sales increased from RM309.9 million for FYE 2006 to RM1,360.6 million for FYE 2007. This increase was primarily attributable to the land costs relating to the Khazanah Land Sales and the development costs associated with our residential and industrial developments, including the SiLC project.

Gross profit

As a result of the foregoing, our gross profit increased by 256.5% from RM143.3 million for FYE 2006 to RM510.9 million for FYE 2007.

10. FINANCIAL INFORMATION (cont'd)

Other income

Our other income increased by 6.3% from RM28.8 million for FYE 2006 to RM30.6 million for FYE 2007. This increase was primarily due to higher partial write-back of allowance for non-trade debt owing by TICL.

Selling and distribution expenses

Selling and distribution expenses increased by 89.5% from RM1.9 million for FYE 2006 to RM3.6 million for FYE 2007. This increase was primarily due to an increase in advertising and promotion of Nusajaya.

Other expenses

Our other expenses increased by 179.8% from RM28.7 million for FYE 2006 to RM80.3 million for FYE 2007. This increase was primarily due to additional allowance for doubtful debt of RM10.5 million owing from an agency of a state government, write-off of a non-trade debt of RM10.6 million which was more than 7 years old, impairment of investments in an associate of RM12.8 million and Nusajaya branding expenditures of approximately RM10.0 million.

Operating profit

As a result of the foregoing, our operating profit increased by 224.8% from RM140.4 million for FYE 2006 to RM456.0 million for FYE 2007.

Finance costs

Finance costs decreased by 90.9% from RM6.6 million for FYE 2006 to RM0.6 million for FYE 2007. This decrease was primarily due to cessation of the interest charged for the SPV Bond effective 1 July 2006 pursuant to UEM Land's degearing exercise initiated in 2006, which was subsequently completed in June 2007.

Share of results of associates

Share of results of associates was a profit of RM4.1 million for FYE 2007 compared to a loss of RM2.1 million for FYE 2006. This improvement was primarily due to a share of losses of Setia Haruman of RM5.8 million for FYE 2006 compared to nil for FYE 2007 as the investment in Setia Haruman has been fully provided for in FYE 2006.

Share of results of joint ventures

Share of results of joint ventures was a loss of RM2.5 million and RM2.2 million for FYE 2006 and FYE 2007 respectively. These losses were primarily due to marketing and operating expenses incurred for the maiden launch and sales of residential units in Horizon Hills.

PBT

As a result of the foregoing, our PBT increased by 253.9% from RM129.2 million for FYE 2006 to RM457.3 million for FYE 2007.

10. FINANCIAL INFORMATION (cont'd)**Income tax**

Income tax expense was a credit of RM72.5 million for FYE 2007 compared to an expense of RM21.2 million for FYE 2006. Our credit position of income tax for FYE 2007 was primarily due to reversal of deferred tax previously provided for the land which was disposed during FYE 2007 pursuant to the degearing exercise, which was exempted from tax.

Profit for the year from continuing operations

As a result of the foregoing, our profit for the year from continuing operations increased by 390.5% from RM108.0 million for FYE 2006 to RM529.7 million for FYE 2007. This increase was primarily due to the Khazanah Land Sales.

(iii) FYE 2006 compared to financial year ended 31 December 2005 ("FYE 2005")**Revenue**

Revenue increased from RM208.4 million for FYE 2005 to RM453.1 million for FYE 2006. This increase was primarily due to strategic land sales to Gagasan Kencana for a consideration of RM261.2 million as part of our restructuring exercise for the acquisition of the remaining 20% equity interest in Amra Resources, our subsidiary, which holds an 80% equity interest in BND ("**Gagasan Land Sales**").

(a) Strategic land sales

Revenue from sale of land increased from RM131.5 million for FYE 2005 to RM286.0 million for FYE 2006. This increase was primarily due to our strategic land sales to Gagasan Kencana, HHDSB and Panoramic of RM261.2 million, RM17.8 million and RM7.0 million, respectively.

(b) Property development

Revenue from property development increased by 123.5% from RM73.3 million for FYE 2005 to RM163.8 million for FYE 2006. This increase was due to increase in revenue from both turnkey development contracts and direct development.

Revenue from turnkey development contracts increased from RM33.0 million for FYE 2005 to RM113.3 million for FYE 2006. The increase was primarily due to higher level of construction activities for JSNAC, which contributed the revenue of approximately RM110.2 million to us for FYE 2006

Revenue from direct development increased from RM40.3 million for FYE 2005 to RM50.5 million for FYE 2006 following the launch and progressive development of Nusa Idaman project.

(c) Others

Our other revenue decreased by 5.6% from RM3.6 million for FYE 2005 to RM3.4 million for FYE 2006 due to a decrease in harvesting income from our oil palm estates.

10. FINANCIAL INFORMATION (cont'd)

Cost of sales

Our cost of sales increased by 130.4% from RM134.5 million for FYE 2005 to RM309.9 million for FYE 2006. This increase was primarily due to the land costs relating to the Gagasan Land Sales and higher level of construction activities in JSNAC.

Gross profit

As a result of the foregoing, our gross profit increased by 93.9% from RM73.9 million for FYE 2005 to RM143.3 million for FYE 2006.

Other income

Our other income increased by 51.6% from RM19.0 million for FYE 2005 to RM28.8 million for FYE 2006. This increase was primarily due to a partial write-back of RM19.9 million of previous year's allowance for non-trade debt owing by TICL.

Selling and distribution expenses

Selling and distribution expenses increased by 171.4% from RM0.7 million for FYE 2005 to RM1.9 million for FYE 2006. This increase was primarily due to our participation in more property exhibitions domestically and internationally.

Other expenses

Our other expenses decreased by 59.5% from RM70.9 million for FYE 2005 to RM28.7 million for FYE 2006. This decrease was primarily due to allowance for a non-trade debt of RM39.5 million owing by TICL in FYE 2005.

Operating profit

As a result of the foregoing, our operating profit increased by 595.0% from RM20.2 million for FYE 2005 to RM140.4 million for FYE 2006.

Finance costs

Finance costs decreased by 51.5% from RM13.6 million for FYE 2005 to RM6.6 million for FYE 2006. This decrease was primarily due to the cessation of the interest charged on the SPV Bond effective from 1 July 2006 pursuant to the degearing exercise initiated in 2006, which was completed subsequently in June 2007.

Share of results of associates

Share of results of associates was a loss of RM2.1 million for FYE 2006 compared to the share of profit of RM0.9 million for FYE 2005. This decrease was primarily due to higher losses from Setia Haruman.

Share of results of joint ventures

Share of results from joint ventures for the FYE 2006 was a loss of RM2.5 million following the commencement of marketing and development activities by HHDSB.

PBT

As a result of the foregoing, our PBT increased by 1,622.7% from RM7.5 million for FYE 2005 to RM129.2 million for FYE 2006.

10. FINANCIAL INFORMATION (cont'd)**Income tax**

Income tax expense was RM21.2 million for FYE 2006 compared to a credit of RM8.9 million for FYE 2005. Our credit position of income tax for FYE 2005 was primarily due to the reversal of income tax over-provided in prior years of RM23.5 million upon finalisation of tax assessments with the Inland Revenue Board.

Profit for the year from continuing operations

As a result of the foregoing, profit for the year from continuing operations increased by 558.5% from RM16.4 million for FYE 2005 to RM108.0 million for FYE 2006.

10.3 Proforma consolidated balance sheets

The Listing will not have any effect on our consolidated balance sheet save for expenses to be incurred in respect of the Listing. Notwithstanding the above and in view of the Proposed Acquisitions, a proforma consolidated balance sheet is provided herein.

Our proforma consolidated balance sheets below have been prepared for illustrative purposes only, based on UEM Land's consolidated financial statements as at 30 June 2008, to show the following effects on the assumption that the following have been completed on 30 June 2008:

- Proforma I - After completion of the Reorganisation Agreement and after incorporating the effects of merger accounting.
- Proforma II - After Proforma I and adjusting for the Proposed Acquisitions.
- Proforma III(a) - After Proforma II and adjusting for the mandatory conversion of all the 154,914,002 MCRPS into new Shares by tendering 1 MCRPS with cash subscription of RM1.21 per MCRPS for every 1 new Share.
- Proforma III(b) - After Proforma II and adjusting for the mandatory conversion of all the 154,914,002 MCRPS into new Shares, by tendering equivalent nominal amount of MCRPS for every 1 new Share.
- Proforma III(c) - After Proforma II and adjusting for the redemption of all the 154,914,002 MCRPS at the end of year 5 immediately preceding the maturity date which is the market day immediately before the 5th anniversary of the date of issue of the MCRPS and assuming no dividends are paid up to the redemption date.

10. FINANCIAL INFORMATION (cont'd)

You are advised to read our proforma consolidated balance sheets together with the accompanying notes and assumptions included in the Reporting Accountants' Letter as disclosed in Section 10.4 of this Prospectus.

	At date of incorporation	Proforma I	Proforma II	Proforma III(a)	Proforma III(b)	Proforma III(c)
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
NON-CURRENT ASSETS						
Property, plant and equipment	-	10,976	10,976	10,976	10,976	10,976
Prepaid land lease payment	-	396	396	396	396	396
Land held for property development	-	1,425,569	1,580,483	1,580,483	1,580,483	1,580,483
Investment in associates	-	12,189	12,189	12,189	12,189	12,189
Investment in joint ventures	-	25,224	25,224	25,224	25,224	25,224
Long term investments	-	158	158	158	158	158
Long term receivables	-	64,223	64,223	64,223	64,223	64,223
Goodwill	-	39,223	39,223	39,223	39,223	39,223
Non-current cash, bank balances and deposits	-	1,418	1,418	1,418	1,418	1,418
	-	<u>1,579,376</u>	<u>1,734,290</u>	<u>1,734,290</u>	<u>1,734,290</u>	<u>1,734,290</u>
CURRENT ASSETS						
Property development costs	-	671,298	671,298	671,298	671,298	671,298
Inventories and work-in-progress	-	30,861	30,861	30,861	30,861	30,861
Receivables	-	361,114	361,114	361,114	361,114	361,114
Amount due from joint ventures	-	74,452	74,452	74,452	74,452	74,452
Amount due from related parties	-	157	157	157	157	157
Amount due from associates	-	27,294	27,294	27,294	27,294	27,294
Short term investments	-	7	7	7	7	7
Short term deposits	-	69,477	69,477	69,477	69,477	69,477
Cash and bank balances	(1)	12,605	12,605	200,051	12,605	12,605
	(1)	<u>1,247,265</u>	<u>1,247,265</u>	<u>1,434,711</u>	<u>1,247,265</u>	<u>1,247,265</u>
Assets of disposal group classified as held for sale	-	38,705	38,705	38,705	38,705	38,705
TOTAL ASSETS	(1)	<u>2,865,346</u>	<u>3,020,260</u>	<u>3,207,706</u>	<u>3,020,260</u>	<u>3,020,260</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF OUR COMPANY						
Share capital	(1)	1,214,088	1,214,088	1,291,545	1,249,136	1,214,088
MCRPS	-	-	1,549	-	-	-
Merger relief reserve	-	40,065	40,065	40,065	40,065	40,065
Share premium	-	-	153,365	264,903	119,866	-
Merger reserve	-	32,112	32,112	32,112	32,112	32,112
Non-distributable reserves	-	31,016	31,016	31,016	31,016	32,565
Accumulated losses	-	(62,471)	(62,471)	(62,471)	(62,471)	(136,726)
	(1)	<u>1,254,810</u>	<u>1,409,724</u>	<u>1,597,170</u>	<u>1,409,724</u>	<u>1,182,104</u>
Minority interests	-	451,500	451,500	451,500	451,500	451,500
TOTAL EQUITY	(1)	<u>1,706,310</u>	<u>1,861,224</u>	<u>2,048,670</u>	<u>1,861,224</u>	<u>1,633,604</u>
NON-CURRENT LIABILITIES						
Borrowings	-	569,921	569,921	569,921	569,921	797,541
Deferred tax liabilities	-	152,718	152,718	152,718	152,718	152,718
	-	<u>722,639</u>	<u>722,639</u>	<u>722,639</u>	<u>722,639</u>	<u>950,259</u>

10. FINANCIAL INFORMATION (cont'd)

	At date of incorporation	Proforma I	Proforma II	Proforma III(a)	Proforma III(b)	Proforma III(c)
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
CURRENT LIABILITIES						
Provisions	-	24,933	24,933	24,933	24,933	24,933
Payables	-	221,349	221,349	221,349	221,349	221,349
Amount due to immediate holding company	-	772	772	772	772	772
Amount due to intermediate holding company	-	178,638	178,638	178,638	178,638	178,638
Borrowings	-	8,752	8,752	8,752	8,752	8,752
Tax payable	-	1,006	1,006	1,006	1,006	1,006
	-	435,450	435,450	435,450	435,450	435,450
Liabilities of disposal group classified as held for sale	-	947	947	947	947	947
TOTAL LIABILITIES	-	1,159,036	1,159,036	1,159,036	1,159,036	1,386,656
TOTAL EQUITY AND LIABILITIES...	⁽¹⁾	2,865,346	3,020,260	3,207,706	3,020,260	3,020,260
Number of our Shares assumed in issue (000)	⁽²⁾	2,428,177	2,428,177	2,583,091	2,498,274	2,428,177
NA ⁽³⁾ (RM 000)	⁽¹⁾	1,254,810	1,409,724	1,597,170	1,409,724	1,182,104
NA ⁽³⁾ per share (RM)	0.50	0.52	0.58	0.62	0.56	0.49

Notes:⁽¹⁾ Representing RM2.00.⁽²⁾ Representing 4 Shares as at the date of incorporation.⁽³⁾ NA attributable to ordinary shareholders.

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