



**UEM LAND HOLDINGS BERHAD**  
(830144-W)  
Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
		Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to	
		30/9/2008	30/9/2007	30/9/2008	30/9/2007	
		RM'000	RM'000	RM'000	RM'000	
<b>Continuing Operations</b>						
1. (a)		<b>Revenue</b>	<b>78,365</b>	<b>66,277</b>	<b>329,667</b>	<b>1,648,873</b>
(b)		Cost of sales	(61,990)	(59,548)	(226,376)	(1,197,088)
(c)		Gross profit	16,375	6,729	103,291	451,785
(d)		Other income	878	1,568	2,097	29,669
(e)		Expenses	(11,925)	(16,896)	(35,913)	(48,444)
(f)		Finance costs	(3,287)	(31)	(7,035)	(42)
(g)		Share of results of associates	(47)	883	1,479	2,472
(h)		Share of results of joint ventures	2,278	(474)	4,830	(2,382)
(i)		<b>Profit/(loss) before income tax</b>	<b>4,272</b>	<b>(8,221)</b>	<b>68,749</b>	<b>433,058</b>
(j)	14	Income tax	(3,164)	(1,937)	(3,197)	72,747
(k)		<b>Profit(loss) for the period from continuing operations</b>	<b>1,108</b>	<b>(10,158)</b>	<b>65,552</b>	<b>505,805</b>
<b>Discontinued Operations</b>						
(l)	11	Loss for the period from discontinued operations	-	-	-	-
(m)		<b>Profit/(loss) for the period</b>	<b>1,108</b>	<b>(10,158)</b>	<b>65,552</b>	<b>505,805</b>
Attributable to:						
(n)		Equity holders of the Company	1,108	(10,405)	65,552	505,126
(o)		Minority interests	-	247	-	679
			<b>1,108</b>	<b>(10,158)</b>	<b>65,552</b>	<b>505,805</b>



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**I. CONDENSED CONSOLIDATED INCOME STATEMENT (CONT'D)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2008	30/9/2007	30/9/2008	30/9/2007
<b>2. Earnings/(loss) per share based on 1(n) above (Note 26):</b>				
(a) Basic earnings per share for:				
Profit/(loss) from continuing operations	0.05 sen	(0.43) sen	2.70 sen	24.73 sen
Loss from discontinued operations	-	-	-	-
Profit/(loss) for the period	<b>0.05 sen</b>	<b>(0.43) sen</b>	<b>2.70 sen</b>	<b>24.73 sen</b>
(b) Diluted earnings per share for:				
(Loss)/profit from continuing operations	(0.03) sen	(0.37) sen	2.16 sen	18.94 sen
Loss from discontinued operations	-	-	-	-
(Loss)/profit for the period	<b>(0.03) sen</b>	<b>(0.37) sen</b>	<b>2.16 sen</b>	<b>18.94 sen</b>

**Note:**

UEM Land Holdings Berhad (“ULHB” or “the Company”) was incorporated on 20 August 2008 pursuant to the reorganization undertaken by the former holding company, UEM World Berhad (“UEM World”) through a Reorganisation Agreement dated 15 February 2008, as part of UEM World’s restructuring exercise as announced on 15 February 2008.

Pursuant to the Reorganisation Agreement, the Company acquired the entire issued and paid-up capital of UEM Land Berhad (“UEM Land”). The acquisition of UEM Land falls under business combination involving entities under common control and accordingly merger accounting principles are applied in the consolidation of the Company and UEM Land and its subsidiaries. Under merger accounting, the Consolidated Income Statements are presented as if the combination of the Company and UEM Land and its subsidiaries had been effected throughout the current financial period/quarter and previous financial period/quarter.

The condensed Consolidated Income Statement should be read in conjunction with the Accountants’ Report dated 6 October 2008 as disclosed in the Prospectus of the Company dated 6 November 2008.



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**II. CONDENSED CONSOLIDATED BALANCE SHEET**

	Note	Unaudited As at end of current quarter 30/9/2008 RM'000	Audited As at preceding financial year end 31/12/2007 RM'000
<b>ASSETS</b>			
1. Non-current assets			
Property, plant and equipment		11,306	10,725
Prepaid land lease payments		411	407
Land held for property development		1,415,284	1,546,824
Goodwill		39,223	39,223
Investment in associates		12,169	11,563
Investment in joint ventures		25,277	10,586
Long term investments		157	765
Long term receivables		64,223	65,523
Non-current deposits		1,418	1,418
		1,569,468	1,687,034
2. Current assets			
Property development costs		750,810	564,829
Inventories		26,659	34,797
Receivables		329,284	282,946
Amount due from associates		27,294	28,574
Amount due from joint ventures		74,272	24,442
Short term investments		7	7
Cash, bank balances and deposits		23,402	56,391
		1,231,728	991,986
3. Assets of disposal group classified as held for sale	11	38,705	38,705
<b>Total assets</b>		<b>2,839,901</b>	<b>2,717,725</b>



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**II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)**

		Unaudited As at end of current quarter 30/9/2008 RM'000	Audited As at preceding financial year end 31/12/2007 RM'000
<b>EQUITY AND LIABILITIES</b>			
4.	Equity attributable to equity holders of the Company		
	Share capital	1,214,088	1,214,088
	Reserves		
	Merger relief reserves	34,577	34,577
	Other reserves	63,535	63,132
	Accumulated losses	(61,363)	(126,915)
		1,250,837	1,184,882
5.	Minority interests	451,500	451,500
	Total equity	1,702,337	1,636,382
6.	Non-current liabilities		
	Long term borrowings	580,120	549,579
	Deferred tax liabilities	151,382	154,787
		731,502	704,366
7.	Current liabilities		
	Provisions	24,609	34,583
	Payables	186,742	263,883
	Amount due to immediate holding company	-	1,768
	Amount due to intermediate holding company	182,435	63,708
	Short term borrowings	9,587	10,710
	Tax payable	1,742	1,378
		405,115	376,030
8.	Liabilities of disposal group classified as held for sale	947	947
	Total liabilities	1,137,564	1,081,343
	Total equity and liabilities	2,839,901	2,717,725
9.	Net assets per share attributable to ordinary equity holders of the Company	RM0.52	RM0.49

**Note:**

The condensed Consolidated Balance Sheets are presented as if the combination of the Company and UEM Land and its subsidiaries had been effected throughout all the reporting dates.

The condensed Consolidated Balance Sheet should be read in conjunction with the Accountants' Report dated 6 October 2008 as disclosed in the Prospectus of the Company dated 6 November 2008.



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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	Unaudited Nine months to Note 30/9/2008 RM'000	Unaudited Nine months to 30/9/2007 RM'000
<b>Operating activities</b>		
Cash receipts from customers	165,234	139,025
Cash receipts from joint ventures	125,466	-
Repayment from immediate holding company	-	114,452
Receipts from other related parties	11,794	1,431,037
Cash payments to suppliers and contractors	(277,205)	(226,447)
Cash payment for land and development related costs	(8,638)	(17,903)
Cash payments to other related parties	(20,524)	-
Cash payments to employees and for expenses	(47,300)	(35,613)
Tax refund and others	6,183	6,631
Cash (used in)/generated from operations	(44,990)	1,411,182
Income taxes paid	(20,083)	(11,032)
Interest income received	929	3,214
<b>Net cash (used in) / generated from operating activities</b>	<b>(64,144)</b>	<b>1,403,364</b>
<b>Investing activities</b>		
Dividend received from associates	900	2,250
Proceeds from disposal of investments	450	46
Advance to joint venture	(50,000)	-
Purchase of property, plant and equipment	(2,319)	(1,760)
Investment in land held for property development	(18,631)	(10,978)
Investment in joint ventures	(11,540)	(5,500)
<b>Net cash used in investing activities</b>	<b>(81,140)</b>	<b>(15,942)</b>
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares	-	505,333
Drawdown of borrowings	-	1,708
Advance from intermediate holding company	112,000	-
Redemption of SPV Bond	-	(1,935,710)
<b>Net cash generated from / (used in) financing activities</b>	<b>112,000</b>	<b>(1,428,669)</b>



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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D)**

	Unaudited Nine months to 30/9/2008 RM'000	Unaudited Nine months to 30/9/2007 RM'000
Transfer to non-current deposits	-	(417)
<b>Net change in cash and cash equivalents</b>	<b>(33,284)</b>	<b>(41,664)</b>
Cash and cash equivalents at beginning of financial period	48,057	84,310
<b>Cash and cash equivalents at end of financial period</b>	<b>14,773</b>	<b>42,646</b>

(a) **Cash and cash equivalents comprise the following amounts:**

	Unaudited As at 30/9/2008 RM'000	Unaudited As at 30/9/2007 RM'000
Current cash, bank balances and deposits		
Unrestricted	18,297	51,698
Restricted	5,105	1
	23,402	51,699
Cash, bank balances and deposits included in assets of disposal group classified as held for sale		
Unrestricted	958	958
Bank overdrafts (included in short term borrowings)	(9,587)	(10,011)
<b>Cash and cash equivalents</b>	<b>14,773</b>	<b>42,646</b>

**Note:**

The condensed Consolidated Cash Flow Statements are presented as if the combination of the Company and UEM Land and its subsidiaries had been effected throughout the current/previous financial period.

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Accountants' Report dated 6 October 2008 as disclosed in the Prospectus of the Company dated 6 November 2008.



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to equity holders of the Company →				Minority Interests	Total Equity
	← Non-distributable →					
	Share Capital	Merger Relief Reserves	Other Reserves	Accumulated Losses	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine months to 30 September 2008 (unaudited)						
Balance as at 1 January 2008	1,214,088	34,577	63,132	(126,915)	1,184,882	1,636,382
Currency translation differences, representing net expense recognised directly in equity	-	-	(42)	-	(42)	(42)
Profit for the period	-	-	-	65,552	65,552	65,552
Total recognised income/(expense) for the period	-	-	(42)	65,552	65,510	65,510
Share options granted	-	-	445	-	445	445
Balance as at 30 September 2008	1,214,088	34,577	63,535	(61,363)	1,250,837	1,702,337



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)

	← Attributable to equity holders of the Company →				Minority Interests	Total Equity
	Share Capital	Merger Relief Reserves	Other Reserves	Accumulated Losses		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine months to 30 September 2007 (unaudited)						
Balance as at 1 January 2007	867,554	23,141	(90,053)	(656,043)	559,293	703,892
Currency translation differences, representing net expense recognised directly in equity	-	-	(155)	-	-	(155)
Profit for the period	-	-	-	505,126	679	505,805
Total recognised income/(expense) for the period	-	-	(155)	505,126	679	505,650
Issue of ordinary shares	346,534	11,436	147,363	-	-	505,333
Net accretion of interest in subsidiary	-	-	-	-	(108,408)	(108,408)
Share options granted	-	-	4,173	-	-	4,173
Balance as at 30 September 2007	1,214,088	34,577	61,328	(150,917)	451,564	1,610,640

Note:

The condensed Consolidated Cash Flow Statements are presented as if the combination of the Company and UEM Land and its subsidiaries had been effected throughout the current/previous financial period.

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Accountants' Report dated 6 October 2008 as disclosed in the Prospectus of the Company dated 6 November 2008.





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**V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

The Company was incorporated on 20 August 2008 pursuant to the reorganization undertaken by the former holding company, UEM World through a Reorganisation Agreement dated 15 February 2008, as part of UEM World's restructuring exercise as announced on 15 February 2008.

Pursuant to the Reorganisation Agreement, the Company acquired the entire issued and paid-up capital of UEM Land. The acquisition of UEM Land falls under business combination involving entities under common control and accordingly merger accounting principles are applied in the consolidation of the Company and UEM Land and its subsidiaries. Under merger accounting, the condensed consolidated financial statements are presented as if the combination of the Company and UEM Land and its subsidiaries had been effected throughout the current financial period/quarter and previous financial period/quarter.

The notes to the condensed Financial Statements should be read in conjunction with the Accountants' Report dated 6 October 2008 as disclosed in the Prospectus of the Company dated 6 November 2008.

**1. Accounting policies and methods of computation**

The quarterly consolidated financial statements have been prepared in accordance with Financial Reporting Standards 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The accounting policies and methods of computation adopted by the Group in this interim financial report are in compliance with the new and revised Financial Reporting Standards issued by the MASB.

**2. Audit report in respect of the 2007 financial statements**

Since the Company was only incorporated on 20 August 2008, there was no audit report made up on the Company's financial statements for the financial year ended 31 December 2007.

The audit report for the financial year ended 31 December 2007 of UEM Land, was not qualified.

**3. Seasonal or cyclical factors**

The Group's operations are not subject to any significant seasonal or cyclical factors.

**4. Unusual items due to their nature, size or incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size and incidence in the current financial period.

**5. Material changes in estimates used**

There were no changes in estimates of amounts reported in prior interim period of the current period or prior financial years that have a material effect in the current financial period reported by the Group.



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**6. Debt and equity securities**

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2008 except as disclosed in Note 10.

**7. Dividend**

The Directors do not recommend the payment of an interim dividend for the current financial period ended 30 September 2008.

**8. Segment information for the current financial period**

There is no segmental reporting prepared as the Group's activities are carried out within Malaysia and are primarily involved in property development and related activities.

**9. Material events subsequent to the end of the current financial period**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 September 2008 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2008 that have not been reflected in the condensed financial statements.

**10. Changes in the composition of the Group**

There were no significant changes in the composition of the Group for the current period and up to the date of this announcement including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinuing operations, except as stated below:

On 4 September 2008, the Company acquired 1,561,864,562 and 623,867,734 ordinary shares of RM0.50 each in UEM Land from UEM World and UEM Group Berhad ("UEM Group") respectively, representing the entire issued and paid-up share capital of UEM Land for a consideration of RM1,254,153,000 via the issuance of 1,735,108,854 and 693,068,053 ordinary shares of RM0.50 each of the Company at an issue price of approximately RM0.52 each to UEM World and UEM Group respectively pursuant to the proposed restructuring exercise of UEM World as announced on 15 February 2008.



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11. **Discontinued operations and assets of disposal group classified as held for sale**

Disposal group classified as held for sale

Renong Overseas Corporation Sdn Bhd ("ROC"), a wholly-owned subsidiary of UEM Land, entered into an agreement to dispose of its entire interests in Renong Overseas Corporation S.A. (Proprietary) Limited ("ROCSA"), a foreign subsidiary of ROC, on 8 January 2007 with Bonatla Property Holdings Limited. This agreement is currently in abeyance pending determination of the interlocutory proceedings filed by Vulindlela Holdings (Pty) Limited and Vulindlela Investments (Pty) Limited as detailed in Note 21.

The results for the period of the disposal group classified as held for sale were as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2008 RM'000	Preceding year corresponding quarter 30/9/2007 RM'000	Nine months to 30/9/2008 RM'000	Nine months to 30/9/2007 RM'000
Expenses	-	-	-	-
Loss for the period from discontinued operations	-	-	-	-

There was no cash flow movements for the period of the disposal group classified as held for sale.

The major classes of assets and liabilities of the disposal group classified as held for sale on the consolidated balance sheet were as follows:

	As at 30/9/2008 RM'000	As at 31/12/2007 RM'000
<b>Assets</b>		
Property, plant and equipment	13	13
Investment in associate	37,584	37,584
Receivables	150	150
Cash and bank balances	958	958
Assets of disposal group classified as held for sale	<u>38,705</u>	<u>38,705</u>
<b>Liability</b>		
Payables	(947)	(947)
Liabilities directly associated with the assets classified as held for sale	<u>(947)</u>	<u>(947)</u>
Net assets attributable to discontinued operations	<u>37,758</u>	<u>37,758</u>



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12. **Contingent liabilities**

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2007, except as disclosed below:

(a) Potential additional income tax assessment and tax penalty totalling RM37.6 million currently under appeal

On 16 January 2007, UEM Land received a notice of additional assessment from the Inland Revenue Board for additional tax payable and tax penalties in respect of years of assessment 2003 and 2004, which would have resulted in an additional expense to the UEM Land Group of RM37,640,702. UEM Land had subsequently lodged an appeal, Form Q, on 3 July 2007 against the Notices of Additional Assessments 2003 and 2004 dated 16 January 2007.

On 29 May 2008, the Director of Technical Department of the Inland Revenue Board informed UEM Land that the said appeal has been forwarded to the Special Commissioners of Income Tax. The Special Commissioners of Income Tax has set the hearing date on 2 April 2009 and 3 April 2009.

Under Section 103(2) of the Income Tax Act 1967, UEM Land is required to settle the additional tax payable notwithstanding any appeal made by UEM Land against the additional assessment. As at 30 September 2008, UEM Land has paid RM8.0 million to the Inland Revenue Board. The balance of the additional tax payable and tax penalties of RM29,640,702 is to be settled by installments in accordance with the Inland Revenue Board's letter dated 1 August 2008.

Based on our tax consultant's advice, no provision for income tax has been made by UEM Land for this additional tax assessment and penalty thereon as the Directors of UEM Land believed that the grounds for the appeal are valid.

Save as disclosed above, the submission of tax returns and settlement of tax liabilities of UEM Land with the Inland Revenue Board are up-to-date.

(b) Third Party Charge

On 18 May 2007, Horizon Hills Development Sdn Bhd ("Horizon Hills") a 50% owned joint venture company, entered into the following :-

- (i) The issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic Securities of up to RM270 million nominal value by Horizon Hills, comprising:-
  - a) up to 12-year Islamic Bank Guarantee Medium-Term Notes Programme of up to RM200 million nominal value under the principles of Murabahah ("IMTN Programme"); and
  - b) up to 7-year Islamic Commercial Papers Programme of up to RM70 million nominal value under the principles of Murabahah.
- (ii) A Kafalah (bank guarantee) facility of up to RM205 million to guarantee the nominal value of the IMTN Programme of up to RM200 million and one profit payment in respect of the IMTN Programme of up to RM5 million.

Collectively referred to "the Facilities"

In this respect, a wholly owned subsidiary, Nusajaya Greens Sdn Bhd, had provided a third party charge over approximately 1,227 acres of land in favour of the security trustee for the Facilities ("Charge"). 573 acres out of the total 1,227 acres had been purchased and paid by Horizon Hills. Save and except in the event of a default on the Facilities, the Charge is not expected to have any financial impact on the Group.



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13. **Capital commitments**

There are no material capital commitments except as disclosed below:

	RM'mil
Approved and contracted for	38.8

14. **Income tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2008 RM'000	Preceding year corresponding quarter 30/9/2007 RM'000	Nine months to 30/9/2008 RM'000	Nine months to 30/9/2007 RM'000
Malaysian taxation				
- Current taxation	(1,587)	(1,121)	(2,893)	(2,184)
- Underprovision in prior years	(2,902)	(756)	(3,709)	(945)
- Deferred taxation	1,325	(60)	3,405	75,876
	(3,164)	(1,937)	(3,197)	72,747

15. **Disposal of unquoted investments and/or properties**

There was no disposal of unquoted investments and properties in the current financial period.

16. **Acquisitions and disposals of quoted securities**

There were no acquisitions and disposals of quoted securities in the current financial period.

17. **Investments in quoted securities**

Details of the total investments in quoted securities other than securities in existing subsidiaries and associates held by the Group are as follows:

	As at 30/9/2008 RM'000
Total investments at cost	36
Total investments at book value net of accumulated impairment loss	7
Total investments at market value	7



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**18. Status of corporate proposals announced but not completed as at the date of this announcement**

All corporate proposals announced are completed as at the date of this announcement, except as disclosed below:

**(a) Proposed listing**

On 15 February 2008, UEM World announced its restructuring exercise which involves, amongst others, the following:

- (i) dividend-in-specie of ordinary shares of RM0.50 each in UEM Land or a holding company holding 100% equity interest in UEM Land ("Newco") to the shareholders of UEM World ("DIS"); and
- (ii) listing of UEM Land or Newco (as the case may be) on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

On 20 August 2008, Newco was incorporated and identified as ULHB. Hence, the DIS entails the distribution of ULHB Shares to the shareholders of UEM World. Following the DIS, the Company will be listed on the Main Board of Bursa Securities. In conjunction with the Listing, the Company has on 6 November 2008 issued a Prospectus in relation to the listing of the Company on the Main Board of Bursa Securities.

The admission of the Company to the Official List of Bursa Securities and the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities is expected to be on 18 November 2008.

**(b) Proposed Acquisitions by UEM Land**

On 24 June 2008, UEM Land entered into the following agreements:

- (i) a conditional sale and purchase agreement with UEM Construction Sdn Bhd ("UEMC"), for the acquisition by UEM Land of 20 parcels of freehold land located in Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim for a purchase consideration of RM46,146,000 to be satisfied via the issuance of mandatory convertible redeemable preference shares of RM0.01 each in ULHB ("MCRPS") at an issue price of RM1.00 per MCRPS ("Proposed UEMC Land Acquisition");
- (ii) a conditional sale of shares agreement with UEMC for the acquisition by UEM Land of 100% equity interest in Finwares Sdn Bhd ("Finwares") which holds 73.36% share in an undivided freehold land parcel identified as H.S.(D) 297739, Lot PTD 2987 located in Mukim of Tanjung Kupang, District Johor Bahru, Johor Darul Takzim ("PTD 2987 Parcel") for a purchase consideration of RM79,796,162 to be satisfied by the issuance of MCRPS ("Proposed Finwares Acquisition"); and
- (iii) a conditional sale and purchase agreement with Hartanah Lintasan Kedua Sdn Bhd ("Hartanah"), a wholly-owned subsidiary of UEM Group, for the acquisition by UEM Land of Hartanah's holding of 26.64% of the PTD 2987 Parcel for a purchase consideration of RM28,971,840 to be satisfied via the issuance of MCRPS ("Proposed Hartanah Land Acquisition").

(collectively referred to as the "Proposed Acquisitions")

In addition, UEM Builders Berhad ("UEM Builders") proposes to undertake a non-renounceable restricted offer for sale to the shareholders of UEM Builders of the rights to allotment of the MCRPS to be received under the Proposed UEMC Land Acquisition and Proposed Finwares Acquisition ("Proposed MCRPS ROS").

The Proposed UEMC Land Acquisition and Proposed MCRPS ROS by UEM Builders (in respect of the MCRPS to be received under the Proposed UEMC Land Acquisition) are inter-conditional.

The Proposed Finwares Acquisition and Proposed MCRPS ROS by UEM Builders (in respect of the MCRPS to be received under the Proposed Finwares Acquisition) are inter-conditional.



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18. **Status of corporate proposals announced but not completed as at the date of this announcement (cont'd)**

(b) Proposed Acquisitions by UEM Land (cont'd)

The Proposed Acquisitions are subject to the following approvals:

- (i) Securities Commission ("SC") which was obtained through its letter dated 29 August 2008. In the same letter, the SC had also approved the Proposed Acquisitions under the Guideline on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests and Guideline on the Acquisition of Properties by Local and Foreign Interests issued by Foreign Investment Committee;
- (ii) Shareholders of UEM World which was obtained on 18 August 2008;
- (iii) Shareholders of UEM Builders at an EGM for the Proposed UEMC Land Acquisition and Proposed Finwares Acquisition which was obtained on 11 September 2008;
- (iv) UEM Group for the Proposed Hartanah Land Acquisition which was obtained on 24 June 2008; and
- (vii) any other relevant parties, regulatory bodies and/or authorities.

(c) Subscription and Joint Venture Agreement between UEM Land, Nusajaya Consolidated Sdn Bhd ("NCSB") and United Malayan Land Bhd ("UMLand") ("SJV") and Option to Purchase Agreement between UEM Land, BND and NCSB

On 14 October 2008, UEM Land, UMLand and NCSB entered into the following agreements:

- (i) A subscription and joint venture agreement ("SJV Agreement") between UEM Land, UMLand and NCSB for the subscription by UMLand of the new shares in NCSB; and
- (ii) An option to purchase agreement between UEM Land, BND and NCSB ("Option to Purchase Agreement") for the option to purchase two (2) pieces of land in Puteri Harbour, Nusajaya, Johor, with a total area measuring approximately 8.8 acres at the option price of RM67,154,274 ("Option Price").

The agreements are subject to the following approvals:-

- (i) SJV Agreement
  - (a) Approval of Foreign Investment Committee for the subscription of shares in NCSB by UMLand; and
  - (b) Any other approvals, if required.
- (ii) Option to Purchase Agreement  
The Option to Purchase Agreement is not subject to any condition precedent.

19. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 30 September 2008 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic						
- Banks	1,841	-	1,841	-	-	-
- Loan from intermediate holding company	578,279	-	578,279	-	-	-
- Overdrafts	-	-	-	9,587	-	9,587
<b>TOTAL</b>	<b>580,120</b>	<b>-</b>	<b>580,120</b>	<b>9,587</b>	<b>-</b>	<b>9,587</b>



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20. **Off Balance Sheet financial instruments**

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

21. **Material litigation**

Since the preceding financial year ended 31 December 2007, there are no further developments in the material litigations previously reported, except as disclosed below:

Vulindlela Holdings (Pty) Limited & Another vs ROC & 8 Others.

Vulindlela Holdings (Pty) Limited has jointly with Vulindlela Investments (Pty) Limited (“Applicants”) filed an interlocutory proceedings in the High Court of South Africa, Durban and Coast Local Division against Renong Overseas Corporation Sdn Bhd (“ROC”), a wholly owned subsidiary of the Company.

The Applicants are companies incorporated in South Africa and hold direct and indirect interest in ROC Union Pty Ltd, a subsidiary of Renong Overseas Corporation SA (Pty) Limited (“ROCSA”) which in turn is a wholly owned subsidiary of ROC. ROCSA and Vulindlela Investments (Pty) Limited respectively hold 80.4% and 19.6% equity interest in ROC Union Pty Ltd.

The Applicants are requesting for a relief to injunct ROC from completing its sale of shares in ROCSA to Bonatla Property Holdings Ltd (“Bonatla”) and/or its nominee, N. Georgiou Trust pending determination of the court case brought by the Applicants.

At the hearing on 17 October 2008, the Court granted an order which records that the application is adjourned pending Bonatla furnishing the Applicants with further documents.

22. **Comparison between the current quarter and the immediate preceding quarter**

	Current quarter	Immediate preceding quarter
	30/9/2008	30/6/2008
	RM'000	RM'000
<b>Continuing Operations</b>		
Revenue	78,365	60,172
Profit/(loss) from operations after finance costs	2,041	(4,327)
Share of results of associates	(47)	1,114
Share of results of joint ventures	2,278	1,679
Profit/(loss) before income tax	4,272	(1,534)

The Group recorded higher revenue in the current quarter as compared to the immediate preceding quarter mainly due to the compulsory land acquisition by the Johor State Government for the construction of coastal highway.

The Group recorded higher profit before income tax in line with the higher revenue due to higher profit from operations.





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23. **Review of performance for the current quarter and year-to-date**

	Current year quarter 30/9/2008 RM'000	Preceding year corresponding quarter 30/9/2007 RM'000	Nine months to 30/9/2008 RM'000	Nine months to 30/9/2007 RM'000
<b>Continuing Operations</b>				
Revenue	78,365	66,277	329,667	1,648,873
Profit/(loss) from operations after finance costs	2,041	(8,630)	62,440	432,968
Share of results of associates	(47)	883	1,479	2,472
Share of results of joint ventures	2,278	(474)	4,830	(2,382)
Profit/(loss) before income tax	4,272	(8,221)	68,749	433,058

The Group recorded higher revenue and profit before income tax in the current quarter as compared to the preceding year corresponding quarter mainly due to the compulsory land acquisition by the Johor State Government for the construction of coastal highway.

Lower revenue and profit before tax in the current period as compared to the preceding year corresponding period mainly due to completion of the one-off sale of 4,500 acres of land to Khazanah Nasional Berhad in June 2007.

24. **Prospect**

We expect our Group to benefit from the development of Iskandar Malaysia, a Federal Government driven initiative to position South Johor into a high growth economic area. As Nusajaya is one of the flagship zones in Iskandar Malaysia, we believe that we will be able to capitalise on the growth potential of Iskandar Malaysia in the long term.

However, in view of the challenges and risks arising from the continued global economic uncertainties and its dampening effects on the regional economy, the Board expects a challenging business environment for the remainder of this financial year.

25. **Profit forecast**

No commentary is made on any variance between actual profits from forecast profit, as the Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial period ending 31 December 2008.



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26. Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2008 RM'000	Preceding year corresponding quarter 30/9/2007 RM'000	Nine months to 30/9/2008 RM'000	Nine months to 30/9/2007 RM'000
(a) Basic earnings per share				
Profit/(loss) from continuing operations attributable to equity holders of the Company	1,108	(10,405)	65,552	505,126
Loss from discontinued operations attributable to equity holders of the Company	-	-	-	-
Profit/(loss) attributable to equity holders of the Company	<u>1,108</u>	<u>(10,405)</u>	<u>65,552</u>	<u>505,126</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,428,177</u>	<u>2,428,177</u>	<u>2,428,177</u>	<u>2,042,293</u>
Basic earnings per share for:				
Profit/(loss) from continuing operations	0.05 sen	(0.43) sen	2.70 sen	24.73 sen
Loss from discontinued operations	-	-	-	-
Profit/(loss) for the period	<u>0.05 sen</u>	<u>(0.43) sen</u>	<u>2.70 sen</u>	<u>24.73 sen</u>



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26. **Earnings per share (Cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2008 RM'000	Preceding year corresponding quarter 30/9/2007 RM'000	Nine months to 30/9/2008 RM'000	Nine months to 30/9/2007 RM'000
(b) Diluted earnings per share				
Profit/(loss) from continuing operations attributable to equity holders of the Company	1,108	(10,405)	65,552	505,126
(Profit)/loss of subsidiaries from continuing operations attributable to minority interest arising from dilutive impact of unexercised options	(1,839)	1,327	(13,129)	(118,264)
<b>Diluted profit/(loss) from continuing operations attributable to equity holders of the Company</b>	<b>(731)</b>	<b>(9,078)</b>	<b>52,423</b>	<b>386,862</b>
Loss from discontinued operations attributable to equity holders of the Company	-	-	-	-
<b>Diluted profit/(loss) attributable to equity holders of the Company</b>	<b>(731)</b>	<b>(9,078)</b>	<b>52,423</b>	<b>386,862</b>
Weighted average number of ordinary shares in issue ('000)	2,428,177	2,428,177	2,428,177	2,042,293
Diluted earnings per share for:				
Profit/(loss) from continuing operations	(0.03) sen	(0.37) sen	2.16 sen	18.94 sen
Loss from discontinued operations	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>(0.03) sen</b>	<b>(0.37) sen</b>	<b>2.16 sen</b>	<b>18.94 sen</b>

Kuala Lumpur  
13 November 2008

**By Order of the Board**  
**TAN HWEE THIAN (MIA 1904)**  
**MOHD NOR AZAM MOHD SALLEH**  
(MAICSA 7028137)  
Company Secretaries