



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008**

**THE FIGURES HAVE BEEN AUDITED**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	Note 31/12/2008 RM'000	31/12/2007 RM'000	31/12/2008 RM'000	31/12/2007 RM'000
<b>Continuing Operations</b>				
1. (a) Revenue	181,980	222,675	511,647	1,871,548
(b) Cost of sales	(154,783)	(163,538)	(381,159)	(1,360,626)
(c) Gross profit	27,197	59,137	130,488	510,922
(d) Other income	581	965	2,678	30,634
(e) Expenses	(26,394)	(37,108)	(62,307)	(85,552)
(f) Finance costs	668	(552)	(6,367)	(594)
(g) Share of results of associates	4,262	1,612	5,741	4,084
(h) Share of results of joint ventures	637	167	5,467	(2,215)
(i) Profit before income tax	6,951	24,221	75,700	457,279
(j) Income tax	2,566	(283)	(631)	72,464
(k) Profit for the year from continuing operations	9,517	23,938	75,069	529,743
Attributable to:				
(l) Equity holders of the Company	8,637	24,002	74,189	529,128
(m) Minority interests	880	(64)	880	615
	<b>9,517</b>	<b>23,938</b>	<b>75,069</b>	<b>529,743</b>



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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>2. Earnings per share based on 1(l) above (Note 26):</b>				
(a) Basic earnings per share for:				
Profit from continuing operations	0.4 sen	1.0 sen	3.1 sen	24.7 sen
(b) Diluted earnings per share for:				
Profit from continuing operations	0.1 sen	0.4 sen	2.4 sen	18.5 sen

**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 year/quarter and previous financial year/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	Audited As at end of current quarter 31/12/2008 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		12,359	10,725
Prepaid land lease payments		334	407
Land held for property development		1,544,300	1,546,824
Investment in associates		15,081	11,563
Investment in joint ventures		25,211	10,586
Long term investments		158	765
Long term receivables		64,223	65,523
Goodwill		39,223	39,223
Non-current deposits		1,418	1,418
		1,702,307	1,687,034
2. Current assets			
Property development costs		711,644	564,829
Inventories		35,905	34,797
Receivables		447,472	282,527
Amount due from immediate holding co.		-	419
Amount due from joint ventures		74,272	24,442
Amount due from associates		27,022	28,574
Short term investments		7	7
Short term deposits		6,595	29,117
Cash, bank balances		26,810	27,274
		1,329,727	991,986
3. Assets of disposal group classified as held for sale		28,518	38,705
Total assets		<b>3,060,552</b>	<b>2,717,725</b>



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

	Note	<b>Audited As at end of current quarter 31/12/2008 RM'000</b>	<b>Audited As at preceding financial year end 31/12/2007 RM'000</b>
<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		34,330	34,330
Other reserves		47,027	63,132
Accumulated losses		(45,290)	(126,915)
		1,250,155	1,184,635
5. Minority interests		452,380	451,500
Total equity		1,702,535	1,636,135
6. Non-current liabilities			
Long term borrowings		590,661	549,579
Deferred tax liabilities		144,997	154,787
		735,658	704,366
7. Current liabilities			
Provisions		35,370	34,583
Payables		389,546	261,217
Borrowings		8,633	10,710
Amount due to immediate holding company		187,872	68,389
Tax payable		938	1,378
		622,359	376,277
8. Liabilities of disposal group classified as held for sale		-	947
Total liabilities		1,358,017	1,081,590
Total equity and liabilities		<b>3,060,552</b>	<b>2,717,725</b>
9. Net assets per share attributable to ordinary equity holders of the Company		<b>RM0.52</b>	<b>RM0.49</b>

**Note:**

The condensed Consolidated Balance Sheet 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**

	<b>Audited</b>	<b>Audited</b>
	<b>Twelve</b>	<b>Twelve</b>
	<b>months to</b>	<b>months to</b>
<b>Note</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Cash receipts from customers	265,656	211,111
Repayment from previous immediate holding company	-	114,452
Receipts from other related parties	16,865	1,452,168
Receipts from joint ventures	125,466	-
Cash payments to suppliers	(26,983)	(6,116)
Cash payments to contractors	(142,867)	(236,085)
Cash payment for land and development related costs	(160,689)	(112,048)
Cash payments to other related parties	(26,771)	(7,468)
Cash payments to employees and for expenses	(71,309)	(45,875)
Cash (used in)/generated from operations	(20,632)	1,370,139
Net income tax paid	(32,540)	(25,898)
Interest received	1,198	3,760
Net cash used in discontinued operations	(676)	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(52,650)</b>	<b>1,348,001</b>
<b>Investing activities</b>		
Dividend received from associates	2,250	2,250
Proceeds from disposal of property, plant and equipment	5	4
Proceeds from disposal of long term investments	450	57
Purchase of property, plant and equipment	(3,816)	(2,468)
Equity contribution to joint venture	(50,000)	-
Investment in land held for property development	(23,285)	(13,061)
Investment in joint ventures entities	(11,539)	(5,500)
<b>Net cash used in investing activities</b>	<b>(85,935)</b>	<b>(18,718)</b>
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares	-	505,333
Drawdown of bridging loan	-	1,841
Advance from immediate holding company	117,000	63,000
Redemption of SPV Bond	-	(1,935,710)
Transfer of deposits held in trust and reserve accounts	-	(397)
<b>Net cash generated from / (used in) financing activities</b>	<b>117,000</b>	<b>(1,365,933)</b>



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

	Note	<b>Audited Twelve months to 31/12/2008 RM'000</b>	<b>Audited Twelve months to 31/12/2007 RM'000</b>
<b>Net change in cash and cash equivalents</b>		<b>(21,585)</b>	<b>(36,650)</b>
Effects of foreign exchange rate changes		(235)	-
Cash and cash equivalents at beginning of financial year		46,639	83,289
<b>Cash and cash equivalents at end of financial year</b>	(a)	<b>24,819</b>	<b>46,639</b>
 (a) <b>Cash and cash equivalents comprise the following amounts:</b>			
Current cash, bank balances and deposits			
Unrestricted		24,267	49,764
Restricted		9,138	6,627
		33,405	56,391
 Cash, bank balances and deposits included in assets of disposal group classified as held for sale			
Unrestricted	11	47	958
Bank overdrafts (included in short term borrowings)		(8,633)	(10,710)
 Cash and cash equivalents		<b>24,819</b>	<b>46,639</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 year.

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 <sup>#</sup>	Total Equity	
	Share Capital	Merger Relief Reserves	Other Reserves	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Twelve months to 31 December 2008 (audited)</b>							
Balance as at 1 January 2008	1,214,088	34,330	63,132	(126,915)	1,184,635	451,500	1,636,135
Currency translation differences, representing net loss recognised directly in equity	-	-	(9,113)	-	(9,113)	-	(9,113)
Profit for the year	-	-	-	74,189	74,189	880	75,069
Total recognised (expense)/income for the year	-	-	(9,113)	74,189	65,076	880	65,956
Share options :							
- granted	-	-	444	-	444	-	444
- transferred	-	-	(7,436)	7,436	-	-	-
Balance as at 31 December 2008	<u>1,214,088</u>	<u>34,330</u>	<u>47,027</u>	<u>(45,290)</u>	<u>1,250,155</u>	<u>452,380</u>	<u>1,702,535</u>



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

	← Attributable to equity holders of the Company →				Total	Minority Interests <sup>#</sup>	Total Equity
	Share Capital	Merger Relief Reserves	Other Reserves	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Twelve months to 31 December 2007 (audited)</b>							
Balance as at 1 January 2007	867,554	22,894	(90,053)	(656,043)	144,352	559,293	703,645
Currency translation differences, representing net gain recognised directly in equity	-	-	354	-	354	-	354
Profit for the year	-	-	-	529,128	529,128	615	529,743
Total recognised income for the year	-	-	354	529,128	529,482	615	530,097
Issue of shares	346,534	11,436	147,363	-	505,333	-	505,333
Net accretion of interest in subsidiary	-	-	-	-	-	(108,408)	(108,408)
Share options granted under EES	-	-	5,468	-	5,468	-	5,468
Balance as at 31 December 2007	<u>1,214,088</u>	<u>34,330</u>	<u>63,132</u>	<u>(126,915)</u>	<u>1,184,635</u>	<u>451,500</u>	<u>1,636,135</u>

<sup>#</sup> Included in the minority interests is the Redeemable Convertible Preference Shares held by UEM Group Berhad amounting to RM450 million.

**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 year.

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 year/quarter and previous financial year/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.

On 1 January 2008/date of incorporation, the Group and the Company adopted the following applicable IC Interpretation :

IC Interpretation 8            Scope FRS 2

The adoption of the above interpretation does not result in significant changes to the accounting policies and does not have significant financial impact on the Group and on the Company.

**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 year.



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**5. Material changes in estimates used**

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

**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 year ended 31 December 2008 except as disclosed in Note 10.

**7. Dividend**

The Directors do not recommend the payment of any dividend for the current financial year ended 31 December 2008.

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

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 year**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2008 to the date of this announcement which would substantially affect the financial results of the Group for the twelve months ended 31 December 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 quarter and financial year including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinuing operations, except as stated below:

- (i) 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 restructuring exercise of UEM World as announced on 15 February 2008. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. On 18 November 2008, the entire 2,428,176,911 ordinary shares of RM0.50 each in issue were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad.
- (ii) On 24 June 2008, UEM Land entered into the following agreements:
  - A conditional sale and purchase agreement with UEM Construction Sdn Bhd ("UEMC") (a wholly-owned subsidiary of UEM Builders Berhad which is in turn a 51.7%-owned subsidiary of UEM World) for the acquisition of 20 parcels of freehold land located in Mukim of Tanjung Kupang, District of Johor Bahru, Johor Darul Takzim ("UEMC Land Parcels") for a purchase consideration of RM46,146,000 to be satisfied via the issuance of Mandatory Convertible Redeemable Preference Share ("MCRPS") at an issue price of RM1.00 per MCRPS ("UEMC Land Acquisition");



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**10. Changes in the composition of the Group (cont'd)**

- A conditional sale of shares agreement with UEMC for the acquisition 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 of Johor Bahru, Johor Darul Takzim ("PTD 2987 Parcel") for a purchase consideration of RM79,796,162 to be satisfied via the issuance of MCRPS at an issue price of RM1.00 per MCRPS ("Finwares Acquisition"); and
- A conditional sale and purchase agreement with Hartanah Lintasan Kedua Sdn Bhd ("Hartanah") (a wholly-owned subsidiary of UEM Group which is in turn the holding company of UEM World) for the acquisition 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 at an issue price of RM1.00 per MCRPS ("Hartanah Land Acquisition")

(collectively referred to as the "Acquisitions")

As at 31 December 2008, the Acquisitions have been completed and the MCRPS was issued on 8 January 2009.

**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 ("Applicants").

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.



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11. **Discontinued operations and assets of disposal group classified as held for sale (cont'd)**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>31/12/2008</b> RM'000	Preceding year corresponding quarter <b>31/12/2007</b> RM'000	Twelve months to <b>31/12/2008</b> RM'000	Twelve months to <b>31/12/2007</b> RM'000
Expenses	-	-	-	-
Loss for the period from discontinued operations	-	-	-	-
Cash flows used in operating activities	(676)	-	(676)	-
Effect of foreign exchange rate changes	(235)	-	(235)	-
Total cash flows	(911)	-	(911)	-

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 <b>31/12/2008</b> RM'000	As at <b>31/12/2007</b> RM'000
<b>Assets</b>		
Property, plant and equipment	6	13
Investment in associate	28,359	37,584
Receivables	106	150
Cash and bank balances	47	958
Assets of disposal group classified as held for sale	<u>28,518</u>	<u>38,705</u>
<b>Liabilities</b>		
Payables	-	(947)
Liabilities directly associated with the assets classified as held for sale	<u>-</u>	<u>(947)</u>
Net assets attributable to discontinued operations	<u>28,518</u>	<u>37,758</u>

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 started the appeal process against the additional assessment.

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.

Based on the advice from the tax agent, no provision for income tax and tax penalties have been made by UEM Land for this additional tax assessment and penalty thereon as the Directors believe that the grounds for the appeal are valid.



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12. **Contingent liabilities (cont'd)**

(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”). 638 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.

13. **Capital commitments**

There are no material capital commitments except as disclosed below:

	RM'mil
Approved and contracted for	38.8

14. **Income tax**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter <b>31/12/2008</b> RM'000	Preceding year corresponding quarter <b>31/12/2007</b> RM'000	Twelve months to <b>31/12/2008</b> RM'000	Twelve months to <b>31/12/2007</b> RM'000
Malaysian taxation				
- Current taxation	(4,324)	(13,415)	(7,217)	(15,599)
- Over/(under) provision in prior years	505	193	(3,204)	(752)
- Deferred taxation	6,385	12,939	9,790	88,815
	2,566	(283)	(631)	72,464



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

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

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

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

**17. Investments in quoted securities**

Details of the total investments in quoted securities held by the Group are as follows:

	As at <b>31/12/2008</b> RM'000
Total investments at cost	36
Total investments at book value net of accumulated impairment loss	7
Total investments at market value	7

**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) 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.

The parties are currently in the process of fulfilling the conditions precedent for the SJV Agreement.



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

(b) Proposed acquisition of land parcels in Cyberjaya Flagship Zone (Phase 2)

On 31 December 2008, the Company announced that UEM Land, its wholly-owned subsidiary, has entered into a conditional Sale and Purchase Agreement (“SPA”) with Cyberview Sdn Bhd (“Cyberview”), as proprietor, and Setia Haruman Sdn Bhd (“Setia Haruman”), as developer, for the proposed acquisition of approximately 98.037 ares of freehold land identified as Blocks 20,21,22,23 and 24 situated in the Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan (“Land Parcels”) for a total cash consideration of RM102,491,801 or approximately RM24.00 psf.

The proposed acquisition is conditional upon the fulfillment of inter-alia, the following conditions precedent within a period of 12-month (“Approval Period”) from the date of the SPA:-

- (i) the Foreign Investment Committee approval being obtained by UEM Land;
- (ii) Setia Haruman obtaining the document of titles to the Land Parcels registered in the name of Cyberview; and
- (iii) Setia Haruman obtaining the approval for the consent to transfer the Land Parcels from the relevant authorities in respect of the transfer of the Land Parcels from Cyberview to UEM Land.

The SPA shall become unconditional on the date on which the last of the conditions precedent to be fulfilled within the Approval Period and/or the extended period.

19. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 December 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 immediate holding company	588,820	-	588,820	-	-	-
- Overdrafts	-	-	-	8,633	-	8,633
<b>TOTAL</b>	<b>590,661</b>	<b>-</b>	<b>590,661</b>	<b>8,633</b>	<b>-</b>	<b>8,633</b>

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.



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

	Current quarter	Immediate preceding quarter
	<b>31/12/2008</b>	<b>30/9/2008</b>
	RM'000	RM'000
<b>Continuing Operations</b>		
Revenue	181,980	78,365
Profit from operations after finance costs	2,052	2,041
Share of results of associates	4,262	(47)
Share of results of joint ventures	637	2,278
Profit before income tax	6,951	4,272

The Group recorded higher revenue in the current quarter as compared to the immediate preceding quarter mainly due to higher revenue contribution from East Ledang, Southern Industrial & Logistics Clusters (“SiLC”), Johor State New Administrative Centre (“JSNAC”) Phase 1 projects during the quarter and additional land compulsorily acquired 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.

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

	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
	RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>				
Revenue	181,980	222,675	511,647	1,871,548
Profit from operations after finance costs	2,052	22,442	64,492	455,410
Share of results	4,899	1,779	11,208	1,869
Profit before income tax	6,951	24,221	75,700	457,279

The Group recorded lower revenue and profit before income tax in the current quarter as compared to the preceding year corresponding quarter mainly due to significantly lower contribution from JSNAC Phase 1 following the substantial completion of the project in prior years, lower strategic land sales and overall lower development sales.

Lower revenue and profit before tax in the current year as compared to the preceding year was mainly due to completion of the one-off sale of 4,500 acres of land to Khazanah Nasional Berhad in June 2007 (“Khazanah Land Sale”)





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24. **Economic profit (“EP”) statement**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	<b>Note</b> <b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
	RM'000	RM'000	RM'000	RM'000
<u>Net operating profit after tax (“NOPAT”) computation:</u>				
Earnings before interest and tax (“EBIT”)	803	22,029	68,181	425,370
Adjusted tax	(209)	(5,948)	(17,727)	(114,850)
<b>NOPAT</b>	<b>594</b>	<b>16,081</b>	<b>50,454</b>	<b>310,520</b>
<u>Economic charge computation:</u>				
Average invested capital	1 2,335,136	2,747,792	2,335,136	2,747,792
Weighted average cost of capital (“WACC”) (%)	2 9.11	8.63	9.11	8.63
<b>Economic charge</b>	<b>(53,183)</b>	<b>(59,284)</b>	<b>(212,731)</b>	<b>(237,134)</b>
<b>Economic (Loss)/Profit</b>	<b>(52,589)</b>	<b>(43,203)</b>	<b>(162,277)</b>	<b>73,386</b>

The EP statement is as prescribed under the Government Link Companies (“GLC”) Transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a period reflecting how much return a business makes over its cost of capital.

The Group recorded economic loss of RM52.6 million and RM162.3 million for the current quarter and period as compared to the economic loss of RM43.2 million and economic profit of RM73.4 million in the preceding year corresponding quarter and period mainly due to the Khazanah Land Sale in 2007 as explained in Note 23.

Note 1:

Average invested capital consists of average operating working capital, average net property, plant and equipment and average net other operating assets.

Note 2:

WACC is calculated as weighted average cost of debts and equity taking into account the market capitalisation as at end of the period.



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25. **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.

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

26. **Profit forecast**

No commentary is made on any variance between actual profits from forecast profit, as it does not apply to the Group.

27. **Earnings per share**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter <b>31/12/2008</b> RM'000	Preceding year corresponding quarter <b>31/12/2007</b> RM'000	Twelve months to <b>31/12/2008</b> RM'000	Twelve months to <b>31/12/2007</b> RM'000
(a) Basic earnings per share				
Profit from continuing operations attributable to equity holders of the Company	8,637	24,002	74,189	529,128
Weighted average number of ordinary shares in issue ('000)	2,428,177	2,428,177	2,428,177	2,141,455
Basic earnings per share for:				
Profit from continuing operations	0.4 sen	1.0 sen	3.1 sen	24.7 sen
(b) Diluted earnings per share				
Profit from continuing operations attributable to equity holders of the Company	8,637	24,002	74,189	529,128
(Profit)/loss of subsidiaries from continuing operations attributable to minority interest arising from dilutive impact of unexercised options	(5,429)	(13,421)	(16,718)	(133,012)
Diluted profit from continuing operations attributable to equity holders of the Company	3,208	10,581	57,471	396,116



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27. **Earnings per share (cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>31/12/2008</b> RM'000	Preceding year corresponding quarter <b>31/12/2007</b> RM'000	Twelve months to <b>31/12/2008</b> RM'000	Twelve months to <b>31/12/2007</b> RM'000
Weighted average number of ordinary shares in issue ('000)	2,462,463	2,428,177	2,436,795	2,141,455
Diluted earnings per share for: Profit from continuing operations	0.1 sen	0.4 sen	2.4 sen	18.5 sen

**Kuala Lumpur**  
**26 February 2009**

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