



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

THE FIGURES HAVE NOT BEEN AUDITED

I (A) CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
		31/3/2011	31/3/2010	31/3/2011	31/3/2010
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
1. (a) Revenue		187,685	39,699	187,685	39,699
(b) Cost of sales		(123,215)	(26,903)	(123,215)	(26,903)
(c) Gross profit		64,470	12,796	64,470	12,796
(d) Other income		17,862	3,594	17,862	3,594
(e) Expenses		(50,364)	(14,373)	(50,364)	(14,373)
(f) Finance costs		(13,360)	(3,043)	(13,360)	(3,043)
(g) Share of results of associates		1,536	2,349	1,536	2,349
(h) Share of results of joint ventures		6,173	2,645	6,173	2,645
(i) Profit before income tax		26,317	3,968	26,317	3,968
(j) Income tax	13	(8,713)	(521)	(8,713)	(521)
(k) Profit for the period		17,604	3,447	17,604	3,447
Attributable to:					
(l) Owners of the Parent		17,606	3,142	17,606	3,142
(n) Non-controlling Interests		(2)	305	(2)	305
		17,604	3,447	17,604	3,447
2. Earnings per share based on 1(l) above (Note 27):					
(a) Basic earnings per share:		0.44 sen	0.13 sen	0.44 sen	0.13 sen
(b) Diluted earnings per share:		0.33 sen	0.11 sen	0.33 sen	0.11 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this quarterly announcement



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I.(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2011 RM'000	Preceding year corresponding quarter 31/3/2010 RM'000	Three months to 31/3/2011 RM'000	Three months to 31/3/2010 RM'000
Profit for the period	17,604	3,447	17,604	3,447
Other comprehensive income for the period, net of tax				
- Foreign currency translation differences for foreign operations	1,046	(308)	1,046	(308)
Total comprehensive income for the period	18,650	3,139	18,650	3,139
Attributable to:				
Owners of the Parent	18,652	2,834	18,652	2,834
Non-controlling Interests	(2)	305	(2)	305
	18,650	3,139	18,650	3,139

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this quarterly announcement.



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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter	As at preceding financial year end
	31/3/2011	31/12/2010
	RM'000	RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	173,248	62,037
Investment properties	381,072	30,615
Land use rights	323	324
Land held for property development	2,498,257	1,797,695
Investment in associates	92,070	87,063
Investment in joint ventures	203,349	101,383
Long term receivables	69,238	68,766
Goodwill	695,803	39,223
Deferred tax assets	17,392	-
Non-current deposits	1,418	1,418
	4,132,170	2,188,524
2. Current assets		
Property development costs	1,217,955	769,146
Inventories	96,569	42,252
Receivables	744,914	456,933
Amount due from associates	898	898
Amount due from joint ventures	77,880	75,484
Financial assets available for sale	18,248	7
Cash, bank balances and deposits	733,070	437,889
	2,889,534	1,782,609
Total assets	7,021,704	3,971,133



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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Unaudited	Audited
	As at end of	As at preceding
	current quarter	financial year end
	31/3/2011	31/12/2010
	RM'000	RM'000
EQUITY AND LIABILITIES		
3. Equity attributable to Owners of the Parent		
Share capital	2,011,429	1,822,681
Reserves		
Share premium	1,284,620	513,124
Merger relief reserves	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	209,882	-
Other reserves	30,321	29,275
Retained profits	305,690	288,084
	3,876,272	2,687,494
4. Non-controlling interests	454,454	454,456
Total equity	4,330,726	3,141,950
5. Non-current liabilities		
Provisions	9,432	-
Borrowings	1,256,899	408,185
Long term payable	24,545	24,407
Liability component of RCPS	641,547	-
Deferred tax liabilities	156,063	136,727
	2,088,486	569,319
6. Current liabilities		
Provisions	86,465	22,903
Payables	392,083	155,669
Borrowings	107,550	-
Amount due to immediate holding company	-	69,402
Tax payable	16,394	11,890
	602,492	259,864
Total liabilities	2,690,978	829,183
Total equity and liabilities	7,021,704	3,971,133
7. Net assets per share attributable to Owners of the Parent	RM0.96	RM0.74

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this quarterly announcement.



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Unaudited
	Three	Three
	months to	months to
Note	31/3/2011	31/3/2010
	RM'000	RM'000
Operating activities		
Cash receipts from customers	209,641	46,360
Cash receipts from other related parties	105	-
Cash receipts from joint ventures	4,960	14,719
Cash payments to suppliers	(62,829)	(9,973)
Cash payments to contractors	(176,375)	(79,476)
Cash payments for land and development related costs	(28,001)	(10,983)
Cash payments to other related parties	(14,372)	-
Cash payments to associate	(16)	-
Cash payments to employees and for expenses	(53,742)	(20,853)
Cash used in operations	(120,629)	(60,206)
Net income tax paid	(17,769)	(1,643)
Interest received	2,947	185
Net cash used in operating activities	(135,451)	(61,664)
Investing activities		
Dividend received from associates	-	1,150
Purchase of property, plant and equipment	(471)	(435)
Cash and cash equivalents of subsidiary acquired	163,952	-
Advance to joint venture	(545)	(9,184)
Investment in land held for property development	(3,499)	(3,828)
Investment in short term investments	(16,584)	-
Net cash generated from/(used in) investing activities	142,853	(12,297)



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Note	Unaudited Three months to 31/3/2011 RM'000	Unaudited Three months to 31/3/2010 RM'000
Financing activities			
Drawdown of term and revolving credit		42,000	-
Drawdown of Islamic medium term notes		100,000	-
Proceeds from conversion of RCPS		150,168	-
Advance from immediate holding company		-	15,000
Repayment of revolving credit		(10,000)	-
Repayment of term and bridging loans		-	(1,062)
Net cash generated from financing activities		282,168	13,938
Net change in cash and cash equivalents		289,570	(60,023)
Effects of foreign exchange rate changes		3,086	(9)
Cash and cash equivalents at beginning of financial period		437,889	135,884
Cash and cash equivalents at end of financial period	(a)	<u>730,545</u>	<u>75,852</u>
 (a) Cash and cash equivalents comprise the following amounts:			
Current cash, bank balances and deposits			
Unrestricted		639,870	55,551
Restricted		93,200	23,162
		733,070	78,713
Cash, bank balances and deposits included in assets of disposal group classified as held for sale			
Unrestricted		-	951
Bank overdrafts (included in short term borrowings)		(2,525)	(3,812)
Cash and cash equivalents		<u>730,545</u>	<u>75,852</u>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this quarterly announcement.



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to Owners of the Parent →					→	Non-controlling Interests [#]	Total Equity
	Share Capital	Share Premium	Merger Relief Reserves	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2011 (unaudited)								
Balance as at 1 January 2011	1,822,681	513,124	34,330	29,275	288,084	2,687,494	454,456	3,141,950
Total comprehensive income for the period	-	-	-	1,046	17,606	18,652	(2)	18,650
Shares issued for acquisition of a subsidiary	130,939	548,941	-	-	-	679,880	-	679,880
Equity component of redeemable convertible preference shares ("RCPS") issued for acquisition of a subsidiary	-	-	-	209,882	-	209,882	-	209,882
Conversion of RCPS to ordinary shares	57,809	222,555	-	-	-	280,364	-	280,364
Balance as at 31 March 2011	<u>2,011,429</u>	<u>1,284,620</u>	<u>34,330</u>	<u>240,203</u>	<u>305,690</u>	<u>3,876,272</u>	<u>454,454</u>	<u>4,330,726</u>

[#] Included in the non-controlling interests is the Redeemable Convertible Preference Share of a subsidiary amounting to RM450 million, which is held by the immediate holding company, UEM Group Berhad.



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

	← Attributable to Owners of the Parent →					→	Non-controlling Interests *	Total Equity
	← Non-distributable →							
	Share Capital	Share Premium	Merger Relief Reserves	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2010 (unaudited)								
Balance as at 1 January 2010 (as previously stated)	1,215,637	153,365	34,330	53,242	69,332	1,525,906	453,306	1,979,212
Effect of adopting FRS 139	-	-	-	-	1,635	1,635	-	1,635
Balance as at 1 January 2010 (restated)	1,215,637	153,365	34,330	53,242	70,967	1,527,541	453,306	1,980,847
Total comprehensive income for the period	-	-	-	(308)	3,142	2,834	305	3,139
Balance as at 31 March 2010	1,215,637	153,365	34,330	52,934	74,109	1,530,375	453,611	1,983,986

Included in the non-controlling interests is the Redeemable Convertible Preference Share of a subsidiary amounting to RM450 million held by the immediate holding company, UEM Group Berhad

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this quarterly announcement.



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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following new/revised Financial Reporting Standards ("FRS") which are applicable to the Group with effect from 1 January 2011 as disclosed below:

FRS 3: Business Combinations (revised)
FRS 127: Consolidated and Separate Financial Statements
Amendments to FRS 2: Share-based Payment
Amendments to FRS 2: Share-based Payment - Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7: Improving Disclosures about Financial Instruments
Amendments to FRS 132: Financial Instruments : Presentation- Classification of Rights Issues
Amendments to FRS 138: Intangible Assets
Amendments to FRSs 'Improvements to FRSs (2010)'
IC Interpretation 4: Determining Whether An Arrangement contains a Lease
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17: Distributions of Non-cash Assets to Owners
IC Interpretation 18: Transfers of Assets from Customers
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

The adoption of the above pronouncements does not have significant impact to the Group, except as described below:

(a) FRS 127: Consolidated and Separate Financial Statements

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The Group rephrased its minority interests as non-controlling interests and remeasured the non-controlling interests prospectively in accordance with the transitional provisions of the revised FRS 127.

The adoption of the revised FRS 127 does not have any impact on the Group's consolidated financial statements.

2. Audit report in respect of the 2010 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2010 was not qualified.



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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 period.

5. **Material changes in estimates used**

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

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 31 March 2011 except as follows:-

The Group's issued and paid-up ordinary share capital increased from RM1,821,132,683 to RM2,009,880,366 during the current period as a result of issuance of 377,495,366 ordinary shares of RM0.50 each at an issue price of RM2.10 and RM2.30 per share in respect of the conditional take-over of Sunrise Berhad (refer to Note 10) as follows:

	Redeemable Convertible Preference Shares ("RCPS") of RM0.01 each (Number of shares)	Ordinary shares of RM0.50 each (Number of shares)
Issuance of debt and equity securities (RM2.10 per share) as considerations for the conditional take-over of Sunrise Berhad	837,093,777	261,877,362
Cash conversion by tendering 1 RCPS with cash subscription of RM1.30 per RCPS for 1 ordinary share	(115,513,736)	115,513,736
Non-cash conversion by tendering 2.3 RCPS for 1 ordinary share	(239,820)	104,268
Total	721,340,221	377,495,366

7. **Dividend**

The Directors do not recommend the payment of any interim dividend for the current financial period ended 31 March 2011 (2010 : Nil).

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

There was no disclosure and presentation of segment information as the Group's activities are mainly involved in property development and related activities.



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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 31 March 2011 to the date of this announcement which would substantially affect the financial results of the Group for the financial period ended 31 March 2011 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 including business combinations, acquisitions or disposal of subsidiaries and long term investments, restructuring or discontinued operations as at the date of this announcement since the preceding year ended 31 December 2010 except for the acquisition of a subsidiary, Sunrise Berhad ("Sunrise"), a property development and investment holding company.

On 4 November 2010, CIMB Investment Bank Berhad, on behalf of the Company, served a notice of conditional take-over offer on the Board of Sunrise to notify them of the Company's intention to acquire all the ordinary shares of RM1.00 each in Sunrise (excluding treasury shares) not already owned by the Company ("Offer Shares"), at an offer price of RM2.80 per Offer Share to be satisfied in either of the following manner at the election of the holder of Offer Shares ("Holder"):

- (i) through the issuance of ordinary shares of RM0.50 each in the Company ("ULHB Shares") at an issue price of RM2.10 ("Consideration Shares"), where the Holders will receive approximately 1.33 Consideration Shares for every 1 Offer Share surrendered ("Share Alternative"); or
- (ii) through the issuance of redeemable convertible preference shares of RM0.01 each in the Company ("RCPS") at an issue price of RM1.00 ("Consideration RCPS"), where the Holders will receive 2.8 Consideration RCPS for every 1 Offer Share surrendered ("RCPS Alternative").

(referred to as the "Offer")

At the close of the Offer on 7 January 2011, the Company had received valid acceptances representing 96.4% of the Offer Shares whereby 238.2 million Consideration Shares and 837.1 million Consideration RCPS were issued and allotted in consideration thereof.

The acquisition date was 6 January 2011, being the issuance date for the first batch of settlement for the Offer Shares.

On 14 January 2011, the notice of compulsory acquisition pursuant to Section 222 of the Capital Markets and Services Act, 2007 was posted to the dissenting shareholders of Sunrise and the acquisition (comprising both the Offer and compulsory acquisition) was completed on 16 February 2011 with Sunrise becoming a wholly owned subsidiary of the Company.

The primary reasons for the acquisition was the complementary and synergistic fit of both companies where the prospects and potential of the enlarged Group would be enhanced. The enlarged Group would emerge as one of the dominant market players in terms of revenue and assets base in the Malaysian property development sector.

The goodwill recognised from the acquisition of Sunrise group is mainly due to the expected benefits through amongst others, access to a larger pool of talent and expertise, development of human resources, identification and adoption of best practices currently used by each group. Aside from the anticipated economies of scale and operational efficiencies arising from the business combination, the Sunrise group is expected to add the following to the Group:

- i) Land bank and product diversification
- ii) Improved financial performance
- iii) Expertise, track record and brand equity



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

The carrying amounts of assets acquired and liabilities assumed from the acquisition date are as follows:-

	Acquiree's carrying amounts* RM'000
Assets	
Property, plant and equipment	85,001
Investment properties	345,951
Land held for property development	741,611
Investment in associates	3,455
Investment in joint ventures	94,034
Deferred tax assets	15,495
Property development costs	355,407
Inventories	57,478
Trade and sundry receivables	289,829
Financial assets available for sale	1,679
Cash, bank balances and deposits	163,952
Total Assets	2,153,892
Liabilities	
Borrowings	741,807
Trade and sundry payables	376,980
Provision for taxation	7,293
Total Liabilities	1,126,080
Total Net Assets	1,027,812
Less : Provisional goodwill on acquisition of Sunrise	656,580
Purchase consideration	1,684,392
Consideration settled by debts and equity securities	(1,684,392)
Consideration settled in cash	-
Cash and cash equivalents of subsidiary acquired	163,952
Net cash inflow on acquisition	163,952

* The purchase price allocation exercise ("PPA") on the acquisition of Sunrise for the current period ended 31 March 2011 is still being carried out by the Group and the Group had sought an independent valuation for investment properties and land held for property development owned by Sunrise. The results of this independent valuation had not been received at the date of this announcement. Accordingly, the resultant goodwill above represents a provisional amount pending the completion of the PPA exercise. The Group has a grace period of twelve months from the acquisition date to complete the PPA exercise.

The fair value of the total consideration transferred and each major class of consideration are as follows:-

	Fair Value RM'000
Ordinary shares	679,880
Redeemable convertible preference shares	1,004,512
Total consideration	1,684,392

The fair value of the new ordinary shares and redeemable convertible preference shares issued were determined based on the market price on the date of issuance and the Variant of Lattice Tree Method respectively.



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

The acquisition related costs are as follows:

	RM'000
Consultancy, advisory and other miscellaneous costs recognised as an expense in Income Statement	4,911
Share issue costs set-off against share premium	8,668
	13,579

The revenue and profit or loss of the acquiree since the acquisition date to the current quarter are as follows:

	31/3/2011
	RM'000
Revenue	119,273
Profit for the period	16,762

The acquisition of Sunrise was completed on 6 January 2011. If the acquisition was completed on 1 January 2011, the revenue and profit for the Group would be the same as the financial results for the 6-day period is negligible.

11. **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 2010.

12. **Capital commitments**

There are no material capital commitments except as disclosed below:

	RM'mil
Approved and contracted for	241.2
Approved but not contracted for	4.7

13. **Income tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
- Current year	(11,413)	(691)	(11,413)	(691)
- Under provision in prior years	(1,272)	-	(1,272)	-
Deferred tax	3,972	170	3,972	170
	(8,713)	(521)	(8,713)	(521)

The Group's effective tax rate for the current quarter is higher compared to the statutory tax rate mainly due to under provision in preceding year.



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14. Disposal of unquoted investments and/or properties

There were no disposal of unquoted investments and/or properties in the current period.

15. Acquisitions and disposals of quoted securities

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

16. Investments in quoted securities

Total investments in quoted securities are as follows:

	As at 31/3/2011 RM'000
Total investments at cost	41
Total investments at book value net of accumulated impairment loss	12
Total investments at market value	12

17. (A) 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) A development agreement dated 16 June 2005 (“HHDSB Development Agreement”) between Nusajaya Greens Sdn Bhd (“NGSB”) and Horizon Hills Development Sdn Bhd (“HHDSB”), a 50:50 joint venture company between UEM Land Berhad (“UEM Land”) and Gamuda Berhad, for the development of approximately 1,227 acres of land in Nusajaya into a mixed development and 18-hole golf course, clubhouse and facilities together with the appropriate primary and secondary infrastructure, and other types of complementary developments, which was announced on 16 June 2005 by UEM World Berhad (now known as Global Converge Sdn Bhd). As part of the HHDSB Development Agreement, the said land will be acquired by HHDSB for the development known as Horizon Hills, which is currently ongoing. As at 25 May 2011, 754 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.
- b) A land purchase agreement dated 16 November 2009 (“LPA”) between UEM Land, Nusajaya Heights Sdn Bhd and Malaysian Bio-XCell Sdn Bhd (“Bio-XCell”), the joint venture company formed pursuant to a joint venture and shareholders’ agreement dated 17 September 2009 between UEM Land Holdings Berhad (“ULHB”) and Malaysian Biotechnology Corporation Sdn Bhd. The LPA sets out the terms for the disposal of a parcel of land measuring approximately 27.74 acres in Southern Industrial and Logistics Clusters, Nusajaya, Johor Darul Takzim for a consideration of RM16,160,214 together with infrastructure costs of RM15,257,000 and the grant of an option to Bio-XCell to purchase additional land measuring approximately 33.24 acres within 2 years from the date of the LPA. The option was exercised by Bio-XCell on 12 November 2010.
- c) A sale and purchase agreement dated 22 April 2010 between UEM Land and Encorp Iskandar Development Sdn Bhd, a wholly-owned subsidiary of Encorp Berhad, for the disposal of a parcel of land in Puteri Harbour, Nusajaya, Johor Darul Takzim with a total land area of approximately 3.3 acres for a cash consideration of RM25,890,321.60.
- d) A development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEM Land, BND and Haute Property Sdn Bhd (“HPSB”) for the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim.



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

- e) A land compensation agreement dated 30 November 2010 between NGSB, BND and Medini Iskandar Malaysia Sdn Bhd (“Medini”) to dispose of part of H.S.(D) 317216 PTD 116768 measuring approximately 19.989 acres in Nusajaya (“Land”) for a cash consideration of RM6,530,406.30 for Medini to construct a water supply reservoir, suction tank, pump house and retention pond on the Land.
- f) A sale and purchase agreement dated 23 December 2010 between UEM Land, BND and Nusajaya Consolidated for the disposal of a parcel of land measuring approximately 6.698 acres in Puteri Harbour, Nusajaya for a cash consideration of RM49,600,730 pursuant to the exercise of the purchase option by Nusajaya Consolidated. The sale and purchase agreement has become unconditional on 30 December 2010.
- g) A sale and purchase agreement dated 30 December 2010 between UEM Land and Inch Kenneth Kajang Rubber Public Limited Company (“IncKen”) for the acquisition of approximately 448.61 acres of land in Mukim Semenyih, Daerah Ulu Langat, Selangor for a cash consideration of approximately RM259.9 million (Proposed Acquisition”). The completion is pending approval of the Estate Land Board (“ELB”) for the Proposed Acquisition in accordance with Section 214A of the national land Code, 1965.
- h) A Facilities and Maintenance Agreement dated 13 April 2011 between Cahaya Jauhar Sdn Bhd, a 60:40 joint venture company between UEM Land and the Johor State Government, and State Secretary Johor (Incorporated) (“JSSI”) for the provision of management and maintenance services for Phase 1 of Kota Iskandar (“FMMA”). The annual fee under the FMMA for the first year is RM10.47 million and will be increased in the third year to RM15.8 million. The FMMA covers a period of 30 years with a review every 3 years.



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17. (B) Utilisation of Rights Issue Proceeds

On 29 April 2010, the Company completed its rights issue exercise involving the issuance of 1,214,088,456 new ordinary shares of RM0.50 each in the Company (“ULHB Shares”) (“Rights Shares”) on the basis of 1 Rights Share for every 2 existing ULHB Shares, at an issue price of RM0.80 per Rights Share (“Rights Issue”). The utilisation status of the proceeds of the Rights Issue as at 18 May 2011 (being a date not earlier than 7 days from the date of this quarterly report) is as follows:-

Purpose	Proposed utilisation RM mil	Actual utilisation RM mil	Timeframe for utilisation	Deviation		Explanation
				RM mil	%	
Settlement of the UEMG Term Loan	633.0	633.0	Upon completion of the Rights Issue	-	-	The repayment of the UEMG Term Loan was effected by way of setting-off the UEMG Term Loan amount against the corresponding amount payable by UEMG as part of the full subscription of its entitlement under the Rights Issue.
Part payment to Setia Haruman Sdn Bhd for the acquisition of freehold land in the Mukim of Dengkil, Sepang, Selangor Darul Ehsan (“1 st Tranche Payment”)	65.1	65.1	Within 1 month from completion of the Rights Issue	-	-	The 1 st Tranche Payment was made on 30 April 2010
Estimated expenses in relation to the Rights Issue	5.0	4.5	Within 1 month from completion of the Rights Issue	0.5	10.0	The expenses in relation to the Rights Issue has been fully paid. The deviation in balance will be adjusted to the amount allocated for general working capital as stated in the Abridged Prospectus dated 5 April 2010
Payment of outstanding trade payables	66.2	66.2	Within 1 month from completion of the Rights Issue	-	-	RM66.2 mil has been utilised to pay outstanding trade payables as stated in the Abridged Prospectus dated 5 April 2010.
Property development expenditure and general working capital of the Group	202.0	60.0	As and when required	142.0	70.3	The balance proceeds will be used for working capital and property development expenditure as per Abridged Prospectus dated 5 April 2010
Total gross proceeds	971.3	828.8		142.5	14.7	



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18. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 March 2011 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						
- Islamic term financing	155,610	-	155,610	-	-	-
- Bridging and term loan	2,000	-	2,000	-	-	-
- Loan from immediate holding company	332,468	-	332,468	-	-	-
- Islamic Medium Term Notes	-	300,000	300,000	-	-	-
- Term loan	353,600	-	353,600	-	-	-
- Revolving credits	103,500	-	103,500	7,000	98,000	105,000
- Bank overdrafts	9,674	-	9,674	-	2,525	2,525
- Hire purchase and lease	47	-	47	25	-	25
TOTAL	956,899	300,000	1,256,899	7,025	100,525	107,550

19. **Derivatives**

There are no derivatives as at the date of this announcement.

20. **Realised and unrealised profits/(losses)**

	As at end of current quarter 31/3/2011 (RM'000)	As at preceding financial year end 31/12/2010 (RM'000)
Total retained profits/(accumulated losses) of the Company and its subsidiaries	(373,181)	(928,111)
- Realised	4,052	68,614
- Unrealised	(369,129)	(859,497)
Total share of retained profits / (accumulated losses) of associates:	9,381	11,837
- Realised	(261)	-
- Unrealised		
Total shares of retained profits / (accumulated losses) of joint ventures:	26,474	21,836
- Realised	(203)	13
- Unrealised	(333,738)	(825,811)
Less : Consolidation adjustments	639,428	1,113,895
Total group retained profits as per consolidated statement of financial position	305,690	288,084



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21. **Material litigation**

(i) **Legal action by Vulindlela Holdings (Pty) Limited and Vulindlela Investments (Pty) Limited against Renong Overseas Corporation Sdn Bhd**

Renong Overseas Corporation Sdn Bhd (“ROC”), a wholly-owned subsidiary of UEM Land Berhad (“UEM Land”), entered into an agreement (“Agreement”) to dispose 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 (“Bonatla”). The agreement was later novated to VLC Commercial & Industrial (Pty) Ltd (“VLC”).

Vulindlela Holdings (Pty) Limited has jointly with Vulindlela Investments (Pty) Limited (“Applicants”) filed interlocutory proceedings in the High Court of South Africa, Durban and Coast Local Division against ROC.

The Applicants are companies incorporated in South Africa and hold direct and indirect interest in ROC-Union (Proprietary) Limited, a subsidiary of 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 (Proprietary) Limited.

The Applicants requested for a relief to injunct ROC from completing its sale of shares in ROCSA to Bonatla Property Holdings Limited (“Bonatla”) and/or its nominee, VLC pending the determination of the court case brought by the Applicants. The Applicants’ main contention is that they have a tacit pre-emptive right at ROCSA level which they claimed was not granted to them.

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

Due to non performance by VLC, ROC has terminated the agreement on 16 November 2010. ROC plans to submit an application to the High Court of South Africa to strike-out the injunction proceedings brought by the Applicants.

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

	Current quarter 31/3/2011 RM’000	Immediate preceding quarter 31/12/2010 RM’000
Revenue	187,685	276,337
Profit from operations	31,968	132,229
Finance costs	(13,360)	(1,307)
Share of results of associates/joint ventures	7,709	15,347
Profit before income tax	26,317	146,269



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22. **Comparison between the current quarter and the immediate preceding quarter (cont'd)**

The Group recorded lower revenue in the current quarter arising from lower strategic and developed land sales compared to the immediate preceding quarter but mitigated by higher property development revenue. Further details are as follows:

- Lower strategic land sales of RM1.9 million compared to immediate preceding quarter of RM99.6 million mainly from additional compensation of RM48.2 million from the Johor State Authority for the land acquired for the Coastal Highway project, RM29.4 million compensation from Tenaga Nasional Berhad (“TNB”) for lands utilized for TNB transmission lines and RM13.1 million for compulsory acquisition of 20 acres of land by the Johor State Authority for a new District Police Headquarters (Ibu Pejabat Polis Daerah) for Nusajaya which were all recorded in the immediate preceding quarter;
- Lower developed land sales of RM7.3 million compared to immediate preceding quarter of RM95.6 million. Higher revenue in the immediate preceding quarter mainly from strong sales performance for the Southern Industrial & Logistics Clusters (“SiLC”) project and the sale of 6.698 acres of land in Puteri Harbour to Nusajaya Consolidated; and
- Higher revenue of RM165.5 million from the Group’s various direct development projects compared to the immediate preceding quarter of RM73.6 million mainly due to the consolidation of the revenue contribution from the direct development projects of a new subsidiary, Sunrise, in the current quarter.

Profit before income tax for the current quarter is lower in line with lower revenue compared to the immediate preceding quarter as well as a higher margin achieved in the immediate preceding quarter arising from one-off transactions as highlighted above under the land compensation and compulsory acquisitions. In addition, a higher finance costs was reported in the current quarter driven mainly by the accretion of the debt component of the RCPS issued on 6 January 2011 for the acquisition of Sunrise shares amounting to RM7.1 million. This debt accretion is a notional charge and does not have any cashflow impact to the Group.

23. **Review of performance for the current quarter**

	Current year quarter 31/3/2011 RM’000	Preceding year corresponding quarter 31/3/2010 RM’000	Three months to 31/3/2011 RM’000	Three months to 31/3/2010 RM’000
Revenue	187,685	39,699	187,685	39,699
Profit from operations	31,968	2,017	31,968	2,017
Finance costs	(13,360)	(3,043)	(13,360)	(3,043)
Share of results of associates/joint ventures	7,709	4,994	7,709	4,994
Profit before income tax	26,317	3,968	26,317	3,968

The Group recorded higher revenue in the current quarter as compared to the preceding year corresponding quarter mainly due to improved performance from the Group’s direct development projects located in Nusajaya in the current quarter compared to the preceding year corresponding quarter and also the consolidation of the results from a new subsidiary, Sunrise, in the current quarter.

The Group recorded higher profit before income tax in the current quarter as compared to the preceding year corresponding quarter in line with the higher revenue.



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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
		31/3/2011	31/3/2010	31/3/2011	31/3/2010
		RM’000	RM’000	RM’000	RM’000
<u>Net operating profit/(loss) after tax (“NOPAT/(NOLAT)”) computation:</u>					
Earnings before interest and tax (“EBIT”)		14,106	(1,577)	14,106	(1,577)
Adjusted tax		(3,527)	-	(3,527)	-
NOPAT/(NOLAT)		10,579	(1,577)	10,579	(1,577)
<u>Economic charge computation:</u>					
Average invested capital	1	4,057,371	2,843,500	4,057,371	2,843,500
Weighted average cost of capital (“WACC”) (%)	2	12.2	9.6	12.2	9.6
Economic charge		(123,750)	(68,244)	(123,750)	(68,244)
Economic loss		(113,171)	(69,821)	(113,171)	(69,821)

The EP statement is as prescribed under the Government Linked 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 higher economic loss for the current quarter as compared to the preceding year corresponding quarter mainly due to higher economic charge with the increase in average invested capital and weighted average cost of capital following the acquisition of a subsidiary, Sunrise Berhad on 6 January 2011.

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 of the Company as at end of the period.

25. **Prospects for the current financial year**

The prospect for the current financial year has significantly improved with the completion of the acquisition of Sunrise, which is anticipated to better position the enlarged UEM Land Group to capitalize on the upward trend of the property industry as well as seizing on opportunities in the Greater KL area.



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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**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2011 RM'000	Preceding year corresponding quarter 31/3/2010 RM'000	Three months to 31/3/2011 RM'000	Three months to 31/3/2010 RM'000
(a) Basic earnings per share				
Profit attributable to Owners of the Parent	17,606	3,142	17,606	3,142
Weighted average number of ordinary shares in issue ('000)	3,962,354	2,428,177	3,962,354	2,428,177
Basic earnings per share	<u>0.44 sen</u>	<u>0.13 sen</u>	<u>0.44 sen</u>	<u>0.13 sen</u>
(b) Diluted earnings per share				
Profit for the period attributable to Owners of the Parent	17,606	3,142	17,606	3,142
Profit of subsidiaries attributable to non-controlling interests arising from dilutive impact of convertible securities issued by a subsidiary	(2,344)	(397)	(2,344)	(397)
Diluted profit attributable to Owners of the Parent	<u>15,262</u>	<u>2,745</u>	<u>15,262</u>	<u>2,745</u>
Diluted weighted average number of ordinary shares in issue ('000)	<u>4,609,523</u>	<u>2,498,274</u>	<u>4,609,523</u>	<u>2,498,274</u>
Diluted earnings per share	<u>0.33 sen</u>	<u>0.11sen</u>	<u>0.33 sen</u>	<u>0.11 sen</u>

Kuala Lumpur
25 May 2011

By Order of the Board
TAN HWEE THIAN (MIA 1904)
WONG LEE LOO (MAICSA 7001219)
Company Secretaries