



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

THE FIGURES HAVE NOT BEEN AUDITED

I (A) CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter 31/3/2012 RM'000	Preceding year corresponding quarter 31/3/2011 RM'000	Three months to 31/3/2012 RM'000	Three months to 31/3/2011 RM'000
Continuing operations					
1. (a) Revenue		303,717	187,685	303,717	187,685
(b) Cost of sales		(193,249)	(123,215)	(193,249)	(123,215)
(c) Gross profit		110,468	64,470	110,468	64,470
(d) Other income		9,429	17,862	9,429	17,862
(e) Expenses		(44,238)	(50,364)	(44,238)	(50,364)
(f) Finance costs		(10,136)	(13,360)	(10,136)	(13,360)
(g) Share of results of associates		1,202	1,536	1,202	1,536
(h) Share of results of joint ventures		4,898	6,173	4,898	6,173
(i) Profit before income tax		71,623	26,317	71,623	26,317
(j) Income tax	14	(17,309)	(8,713)	(17,309)	(8,713)
(k) Profit for the period		54,314	17,604	54,314	17,604
Attributable to:					
(l) Owners of the Parent		54,171	17,606	54,171	17,606
(m) Non-controlling Interests		143	(2)	143	(2)
		54,314	17,604	54,314	17,604
2. Earnings per share based on 1(l) above (Note 26):					
(a) Basic earnings per share:		1.25 sen	0.44 sen	1.25 sen	0.44 sen
(b) Diluted earnings per share:		1.08 sen	0.33 sen	1.08 sen	0.33 sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011 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 31/3/2012 RM'000	Preceding year corresponding quarter 31/3/2011 RM'000	Three months to 31/3/2012 RM'000	Three months to 31/3/2011 RM'000
Profit for the period	54,314	17,604	54,314	17,604
Other comprehensive income for the period, net of tax				
- Foreign currency translation differences for foreign operations	(1,119)	1,046	(1,119)	1,046
- Share of other comprehensive income of associates	(2)	-	(2)	-
Total comprehensive income for the period	53,193	18,650	53,193	18,650
Attributable to:				
Owners of the Parent	53,050	18,652	53,050	18,652
Non-controlling Interests	143	(2)	143	(2)
	53,193	18,650	53,193	18,650

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this quarterly announcement.



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I (C) REMARKS TO CONDENSED CONSOLIDATED INCOME STATEMENT:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2012 RM'000	Preceding year corresponding quarter 31/3/2011 RM'000	Three months to 31/3/2012 RM'000	Three months to 31/3/2011 RM'000
Profit before income tax is arrived at after charging / (crediting) :				
Interest income	(6,782)	(13,945)	(6,782)	(13,945)
Dividend income	(2,163)	-	(2,163)	-
Interest expense	10,136	13,360	10,136	13,360
Depreciation and amortization	4,185	2,346	4,185	2,346
Loss/(gain) on disposal of quoted / unquoted investment or properties	46	(207)	46	(207)
Foreign exchange loss	86	-	86	-

Other than the above, there was no provision for and write-off of receivables and inventories, impairment/(write-back of impairment) of assets, gain or loss on derivatives, exceptional items, write down of inventories and reversal of any provisions for the costs of restructuring.



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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	Audited
		As at end of	As at preceding
		current quarter	financial year end
		31/3/2012	31/12/2011
	Note	RM'000	RM'000
ASSETS			
1. Non-current assets			
Property, plant and equipment		162,895	162,334
Investment properties		509,509	511,077
Land held for property development		2,766,060	2,751,590
Interest in associates		101,126	104,746
Interest in joint ventures		271,443	265,240
Amount due from a joint venture		30,742	29,696
Long term receivables		206,828	204,380
Goodwill		621,409	621,409
Non-current deposits		1,418	1,418
Deferred tax assets		25,925	26,705
		4,697,355	4,678,595
2. Current assets			
Property development costs		1,095,488	1,066,376
Inventories		111,261	124,494
Receivables		1,130,053	1,015,836
Amount due from associates		898	898
Amount due from joint ventures		3,265	3,228
Other investments		274,354	272,190
Cash, bank balances and deposits		558,412	632,140
		3,173,731	3,115,162
3. Asset held for sale	11	3,470	-
Total assets		7,874,556	7,793,757



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

	Unaudited As at end of current quarter 31/3/2012 RM'000	Audited As at preceding financial year end 31/12/2011 RM'000
EQUITY AND LIABILITIES		
4. Equity attributable to Owners of the Parent		
Share capital	2,165,300	2,163,358
Reserves		
Share premium	1,906,302	1,898,306
Merger relief reserve	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	119,340	120,521
Other reserves	28,995	30,116
Retained profits	643,967	589,796
	4,898,234	4,836,427
5. Non-controlling interests	460,389	460,186
Total equity	5,358,623	5,296,613
6. Non-current liabilities		
Borrowings	1,162,450	1,123,291
Liability component of RCPS	390,889	388,414
Deferred tax liabilities	258,889	260,654
	1,812,228	1,772,359
7. Current liabilities		
Provisions	135,335	137,040
Payables	487,652	515,787
Borrowings	65,654	51,684
Tax payable	15,064	20,274
	703,705	724,785
Total liabilities	2,515,933	2,497,144
Total equity and liabilities	7,874,556	7,793,757
8. Net assets per share attributable to Owners of the Parent	RM1.13	RM1.12

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this quarterly announcement.



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 31/3/2012 RM'000	Unaudited Three months to 31/3/2011 RM'000
Operating activities		
Cash receipts from customers	229,274	209,641
Receipts from other related parties	345	5,065
Cash payments to contractors	(260,877)	(239,204)
Cash payments for land and development related costs	(313)	(28,001)
Cash payments to other related parties	(3,969)	(14,388)
Cash payments to employees and for expenses	(53,682)	(53,742)
Cash used in operations	(89,222)	(120,629)
Net income tax paid	(25,170)	(17,769)
Interest received	2,577	2,947
Net cash used in operating activities	(111,815)	(135,451)
Investing activities		
Dividend received from associates	1,350	-
Proceeds from disposal of		
- property, plant and equipment	7	-
- investment property	10,500	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	163,952
Purchase of property, plant and equipment	(253)	(471)
Advance to joint venture	-	(545)
Investment in land held for property development	(10,158)	(3,499)
Investment in short term investments	-	(16,584)
Net cash generated from investing activities	1,446	142,853



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

	Note	Unaudited Three months to 31/3/2012 RM'000	Unaudited Three months to 31/3/2011 RM'000
Financing activities			
Drawdown of borrowings		56,373	42,000
Drawdown of Islamic medium term notes		-	100,000
Proceeds from conversion of RCPS		4,872	150,168
Proceeds from issuance of shares to non-controlling shareholder		60	-
Repayment of borrowings		(9,233)	(10,000)
Repayment of hire purchase		(14)	-
Interest paid		(10,728)	-
Net cash generated from financing activities		41,330	282,168
Net change in cash and cash equivalents		(69,039)	289,570
Effects of foreign exchange rate changes		(3,173)	3,086
Cash and cash equivalents at beginning of financial period		629,998	437,889
Cash and cash equivalents at end of financial period	(a)	557,786	730,545
 (a) Cash and cash equivalents comprise the following amounts:			
Current cash, bank balances and deposits			
Unrestricted		306,595	639,870
Restricted		251,817	93,200
		558,412	733,070
Bank overdrafts (included in short term borrowings)		(626)	(2,525)
Cash and cash equivalents		557,786	730,545

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011 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-distributable	Non-controlling Interests [#]	Total Equity
	Share Capital	Share Premium	Merger Relief Reserve	Equity Component of RCPS	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2012 (Unaudited)									
At 1 January 2012	2,163,358	1,898,306	34,330	120,521	30,116	589,796	4,836,427	460,186	5,296,613
Total comprehensive income for the period	-	-	-	-	(1,121)	54,171	53,050	143	53,193
Conversion of RCPS to ordinary shares	1,942	7,996	-	(1,181)	-	-	8,757	-	8,757
Issuance of shares by a subsidiary to non-controlling shareholder	-	-	-	-	-	-	-	60	60
At 31 March 2012	2,165,300	1,906,302	34,330	119,340	28,995	643,967	4,898,234	460,389	5,358,623

[#] 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-distributable →						Total	Non-controlling Interests [#]	Total Equity
	Share Capital	Share Premium	Merger Relief Reserve	Equity component of RCPS	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2011 (Unaudited)									
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
Issuance of redeemable convertible preference shares ("RCPS")	-	-	-	241,715	-	-	241,715	-	241,715
Conversion of RCPS to ordinary shares	57,809	222,555	-	(31,833)	-	-	248,531	-	248,531
At 31 March 2011	<u>2,011,429</u>	<u>1,284,620</u>	<u>34,330</u>	<u>209,882</u>	<u>30,321</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 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 2011 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 2011.

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 most recent 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 (“FRSs”) which are applicable to the Group with effect from 1 January 2012 as disclosed below:

	Effective for the financial period beginning on or after
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 : Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124 : Related Party Disclosures (revised)	1 January 2012
Amendments to FRS 1 : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7 : Disclosures – Transfer of Financial Assets	1 January 2012
Amendments to FRS 112 : Deferred Tax – Recovery of Underlying Assets	1 January 2012

The adoption of the above pronouncements does not have significant impact to the Group.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013.

2. Audit report in respect of the 2011 financial statements

The audit report on the Group’s financial statements for the financial year ended 31 December 2011 was not qualified.

3. Seasonal or cyclical factors

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



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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 2012 except as follows:-

The Group's issued and paid-up ordinary share capital increased from RM2,161,809,579 to RM2,163,751,143 during the current period as a result of issuance of 3,883,128 ordinary shares of RM0.50 each at an issue price of RM2.30 per share upon conversion of the RCPS issued in respect of the conditional take-over of Sunrise Berhad on 6 January 2011 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		
Balance as at 1 January 2012	417,381,692	-
Cash conversion by tendering 1 RCPS with cash subscription of RM1.30 per RCPS for 1 ordinary share	(3,720,000)	3,720,000
Non-cash conversion by tendering 2.3 RCPS for 1 ordinary share	(375,200)	163,128
Total	413,286,492	3,883,128

7. **Dividend**

The Directors do not recommend the payment of any dividend for the current financial period ended 31 March 2012 (2011 : 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.

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 2012 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2012 that have not been reflected in the condensed financial statements.



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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 2011 except the following :

- a) On 21 March 2012, the Company subscribed for 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Nusajaya Five O Sdn Bhd (“NFOSB”), a newly incorporated company, for a total cash consideration of RM2.00. Pursuant to the completion of the acquisition, NFOSB became a wholly-owned subsidiary of the Company.

On 28 March 2012, NFOSB increased its issued and paid-up share capital to 300,000 ordinary shares of RM1.00 each. Following the increase in share capital, the Company subscribed for an additional 239,998 ordinary shares of RM1.00 each, resulting the Company’s equity interest in NFOSB being reduced from 100% to 80%.

- b) On 16 March 2012, the following wholly-owned inactive subsidiaries of the Company, which were held through its wholly-owned subsidiaries were dissolved via the Members’ Voluntary Liquidation upon the expiration of three (3) months after the lodging of the Return by the liquidator relating to the final meeting (Form 69) with the Registrar and the Official Receiver on 16 December 2011 pursuant to Section 272(5) of the Companies Act, 1965.

- i) Amra Resources Sdn Bhd
- ii) Cantuman Bahagia Sdn Bhd
- iii) Jaguh Mutiara Sdn Bhd
- iv) Nusajaya Group Sdn Bhd

- c) On 30 March 2012, the Company subscribed for 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Nusajaya Premier Sdn Bhd (“NPSB”), a newly incorporated company, for a total cash consideration of RM2.00. Pursuant to the completion of the acquisition, NPSB became a wholly-owned subsidiary of the Company.

- d) Nusajaya Hotels Sdn Bhd, an inactive subsidiary of the Company, which was held through its wholly owned subsidiary, UEM Land Berhad, was struck-off from the Schedule of the Registrar pursuant to Section 308(4) of the Companies Act, 1965 with effect from 7 May 2012.

11. Asset held for sale

The Group’s investment in an associate has been reclassified as asset held for sale following an approval of the Board on 28 February 2012. The investment consists of 100,000 ordinary shares of RM1.00 each, representing 50% (2011 : 50%) equity interest in Perfect Portfolio Sdn Bhd. The Share Sale Agreement was signed 26 March 2012 and completed on 18 April 2012.

	As at 31/3/2012 RM’000
Unquoted shares at costs : in Malaysia	100
Share of post-acquisition reserves	(383)
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	(283)
Amount due from associate	3,753
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	3,470



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12. **Contingent liabilities**

There are no changes in the contingent liabilities as at the date of this announcement since financial year ended 31 December 2011 except the following:

On 3 October 2011, Bandar Nusajaya Development Sdn Bhd (“BND”), a major subsidiary of the Company which was held through its wholly owned subsidiary, UEM Land Berhad, received a notice of additional assessment from the Inland Revenue Board (“IRB”) for additional tax and penalty of RM50,921,871.28 and RM22,914,840.73 respectively in respect of the year of assessment 2006. BND has commenced the appeal process against the additional assessment and penalty.

Based on the advice received from the Company’s advisers, no provision for income tax and tax penalty have been made by the Company in respect of the above amount as the Company believes that the grounds for the appeal are valid. The hearing date has been fixed on 28 May 2012.

13. **Capital commitments**

There are no material capital commitments except as disclosed below:

	RM’mil
Approved and contracted for	3.1
Approved but not contracted for	4.7

14. **Income tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2012 RM’000	Preceding year corresponding quarter 31/3/2011 RM’000	Three months to 31/3/2012 RM’000	Three months to 31/3/2011 RM’000
Malaysian & foreign income tax:				
- current year	(17,661)	(11,414)	(17,661)	(11,414)
- under provision in prior years	(574)	(1,272)	(574)	(1,272)
Deferred tax	926	3,973	926	3,973
	(17,309)	(8,713)	(17,309)	(8,713)

There is no significant difference between the Group’s effective tax rate and the statutory tax rate for the current quarter. The Group’s effective tax rate for the preceding year corresponding quarter was higher compared to the statutory tax rate mainly due to under provision in the prior year.

15. **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 22 May 2012, 817 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.



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

- b) 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.
- c) A development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEM Land, Bandar Nusajaya Development Sdn Bhd ("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 Pulau, Daerah Johor Bahru, Johor Darul Takzim.
- d) A sale and purchase agreement ("SPA") dated 23 December 2010 between UEM Land, BND and Nusajaya Consolidated Sdn Bhd ("NCSB") 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 NCSB. The sale and purchase agreement has become unconditional on 30 December 2010. The parties to the SPA have mutually agreed to extend the Completion Period for the SPA for a period of six (6) months commencing on 23 December 2011 and the last date for settlement of the Balance Purchase Consideration to UEM Land is on 22 June 2012.

NCSB has on 25 October 2011, entered into a Serviced Residence Management Agreement with Clear Dynamic Sdn Bhd, a wholly-owned subsidiary of NCSB and Ascott International Management (Malaysia) Sdn Bhd ("Ascott Malaysia") for the management and operation of 204 units of waterfront boutique serviced residences known as Somerset Puteri Harbour located at Puteri Harbour, Nusajaya. NCSB has also on even date entered into a Technical Advisory Agreement with Ascott International Management (2001) Pte Ltd (Singapore) ("Ascott Singapore") for the procurement of technical advisory services on project planning and construction of Somerset Puteri Harbour.

- e) 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.
- f) A Shareholders' Agreement dated 9 June 2011 between the Company and Iskandar Harta Holdings Sdn Bhd ("IHH"), a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB") for the development of 2 parcels of land measuring an aggregate of approximately 35 acres held under H. S. (D) 478904, PTD 170657 ("Lot A3A") and H. S. (D) 478905, PTD 170658 ("Lot A3B"), both situated in Mukim of Pulau, Johor Darul Takzim into a mixed development predominantly in the retail segment ("Retail Mall").

The Retail Mall is to be developed by Nusajaya Lifestyle Sdn Bhd ("NLSB"), held by the Company and IHH in the proportion of 55% and 45% respectively. On the same date, NLSB had entered into the Agreements to Lease with IHH, being the registered owner of Lot A3A and Lot A3B, for the 99-year lease of Lot A3A and Lot A3B. On 22 June 2011, all the conditions precedent pertaining to the Shareholders' Agreement and the Agreements to Lease have been fulfilled, and the payment for 10% of the Lease Consideration (equivalent to RM10.0 million) has been made by NLSB to IHH in accordance with the terms of the Agreements to Lease.

In accordance with the terms of the Agreement to Lease for Lot A3B, NLSB has also paid an additional RM13.5 million to IHH on 19 January 2012 pursuant to the approval from the relevant authorities for an additional 500,000 square feet of Gross Floor Area to be allocated to Lot A3B while the balance 90% Lease Consideration for Lot A3B amounting to RM51.03 million was paid to IHH on 8 March 2012.



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

- g) A sale and purchase agreement dated 9 April 2012 between Nusajaya Premier Sdn Bhd, a wholly-owned subsidiary of the Company, and Tanjung Bidara Ventures Sdn Bhd, a wholly-owned subsidiary of Khazanah Nasional Berhad, for the acquisition of an approximately 122.28-acre parcel of freehold land in Mukim Pulai, District of Johor Bahru, Johor Darul Ta'zim for a cash consideration of RM93,212,290.71.

The sale and purchase agreement is conditional upon the receipt of the relevant authorities' approval, if required, which is expected to be received within 3 months from the date of the sale and purchase agreement.

- h) On 6 January 2012, CIMB Investment Bank Berhad announced on behalf of the Company that the Company proposes to establish an employee share option scheme for the eligible employees and executive director(s) of the Group ("Eligible Employees") ("Proposed ESOS").

The total number of new ordinary shares of RM0.50 each in the Company which may be offered and issued under the Proposed ESOS ("ESOS Shares") shall not exceed 7.5% of the issued and paid-up ordinary share capital of the Company at any time during the duration of the Proposed ESOS.

On 2 February 2012, Bursa Malaysia Securities Berhad ("Bursa Securities") had granted its approval for the listing of and quotation for such number of ESOS Shares on the Main Market of Bursa Securities.

On 7 March 2012, the shareholders of the Company have approved in the Extraordinary General Meeting on the Proposed ESOS to the eligible employees and executive director(s) of the Group.

The ESOS has been implemented with effect from 9 April 2012 with the offer of options ("Options") for a total number of 151,645,000 ESOS Shares to the Eligible Employees.

16. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 March 2012 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	155,741	-	155,741	-	-	-
- Term & bridging loans	52,428	-	52,428	-	-	-
- Loan from immediate holding company	266,237	-	266,237	-	-	-
- Islamic Medium Term Notes	-	200,000	200,000	-	-	-
- Term loan	443,335	-	443,335	-	-	-
- Revolving credits	35,000	-	35,000	7,000	58,000	65,000
- Bank overdrafts	9,709	-	9,709	-	626	626
- Hire purchase & lease	-	-	-	28	-	28
TOTAL	962,450	200,000	1,162,450	7,028	58,626	65,654

17. **Derivatives**

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



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18. **Fair value hierarchy**

There were no transfer between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

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

	As at end of current quarter 31/3/2012 (RM'000)	As at preceding financial year end 31/12/2011 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	642,252	594,919
- Unrealised	26,618	28,880
	668,870	623,799
Total share of retained profits / (accumulated losses) of associates:		
- Realised	27,762	27,948
- Unrealised	(219)	(256)
Total shares of retained profits of joint ventures:		
- Realised	42,925	38,152
- Unrealised	557	499
	739,895	690,142
Less : Consolidated adjustments	(95,928)	(100,346)
Total group profits as per consolidated statement of financial position	643,967	589,796

20. **Material litigation**

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.



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20. **Material litigation (cont'd)**

The sale of shares by ROC to VLC is no longer proceeding as the agreement has been terminated by ROC on 16 November 2010 due to non-performance by VLC. In view of that, ROC is in the midst of taking the necessary actions to bring an end to the suits brought by the Applicants.

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

	Current quarter 31/3/2012 RM'000	Immediate preceding quarter 31/12/2011 RM'000
Revenue	303,717	597,802
Profit from operations	75,659	149,731
Finance costs	(10,136)	(11,700)
Share of results of associates/joint ventures	6,100	17,437
Profit before income tax	71,623	155,468

The Group recorded lower revenue in the current quarter mainly due to fewer strategic land sales as well as lower development revenue recognised in the current period. The fewer working days in the current period as compared to the immediate preceding quarter is also a contributing factor.

Profit before income tax for the current quarter is lower in line with lower revenue compared to the immediate preceding quarter.

22. **Detail analysis of the performance for the current quarter**

	Current year quarter 31/3/2012 RM'000	Preceding year corresponding quarter 31/3/2011 RM'000	Three months to 31/3/2012 RM'000	Three months to 31/3/2011 RM'000
Revenue	303,717	187,685	303,717	187,685
Profit from operations	75,659	31,968	75,659	31,968
Finance costs	(10,136)	(13,360)	(10,136)	(13,360)
Share of results of associates/joint ventures	6,100	7,709	6,100	7,709
Profit before income tax	71,623	26,317	71,623	26,317

The Group recorded higher revenue in the current quarter as compared to the preceding year corresponding quarter mainly due to contribution from the Group's development from East Ledang, Nusa Bayu, Nusa Idaman, MK28 and Quintet as well as sale of inventories from Dutamas and Meridin.

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
		31/3/2012	31/3/2011	31/3/2012	31/3/2011
		RM’000	RM’000	RM’000	RM’000
<u>Net operating profit after tax (“NOPAT”) computation:</u>					
Earnings before interest and tax (“EBIT”)		66,230	14,106	66,230	14,106
Adjusted tax		(16,558)	(3,527)	(16,558)	(3,527)
NOPAT		49,672	10,579	49,672	10,579
<u>Economic charge computation:</u>					
Average invested capital	1	5,988,306	4,057,371	5,988,306	4,057,371
Weighted average cost of capital (“WACC”) (%)	2	13.2	12.2	13.2	12.2
Economic charge		(197,614)	(123,750)	(197,614)	(123,750)
Economic loss		(147,942)	(113,171)	(147,942)	(113,171)

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 conversion of redeemable convertible preference shares (“RCPS”) into ordinary shares which were issued for 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.

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

The property market is expected to remain cautious in the short term given the prevailing lending environment. However, the Board is confident of the Group’s prospects in the current financial year. Its ongoing projects have an unbilled sales of RM1.85 billion as at 31 March 2012. The revenue and profits from these future billings will be recognized substantially over 2012 and 2013.

The Group is also well positioned to launch several competitively priced residential and commercial projects at choice locations in the Klang Valley, Cyberjaya and Nusajaya. These projects together with the other ongoing projects will drive the Group’s performance in meeting its current year’s revenue and profit targets.



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25. **Profit forecast**

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

26. **Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2012 RM'000	Preceding year corresponding quarter 31/3/2011 RM'000	Three months to 31/3/2012 RM'000	Three months to 31/3/2011 RM'000
(a) Basic earnings per share				
Profit attributable to Owners of the Parent	54,171	17,606	54,171	17,606
Weighted average number of ordinary shares in issue ('000)	4,324,994	3,962,354	4,324,994	3,962,354
Basic earnings per share	<u>1.25 sen</u>	<u>0.44 sen</u>	<u>1.25 sen</u>	<u>0.44 sen</u>
(b) Diluted earnings per share				
Profit for the period attributable to Owners of the Parent	54,171	17,606	54,171	17,606
Profit of subsidiaries attributable to non-controlling interests arising from dilutive impact of convertible securities issued by a subsidiary	(2,265)	(2,344)	(2,265)	(2,344)
Diluted profit attributable to Owners of the Parent	<u>51,906</u>	<u>15,262</u>	<u>51,906</u>	<u>15,262</u>
Diluted weighted average number of ordinary shares in issue ('000)	<u>4,823,398</u>	<u>4,609,523</u>	<u>4,823,398</u>	<u>4,609,523</u>
Diluted earnings per share	<u>1.08 sen</u>	<u>0.33 sen</u>	<u>1.08 sen</u>	<u>0.33 sen</u>

Kuala Lumpur
25 May 2012

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