



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I (A) CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
		Current year quarter	Preceding year corresponding quarter	Six months to	Six months to	
		30/6/2012	30/6/2011	30/6/2012	30/6/2011	
		RM'000	RM'000	RM'000	RM'000	
<b>Continuing operations</b>						
1. (a)		<b>Revenue</b>	<b>510,846</b>	<b>509,403</b>	<b>814,563</b>	<b>697,088</b>
(b)		Cost of sales	(348,088)	(348,105)	(541,337)	(471,320)
(c)		Gross profit	162,758	161,298	273,226	225,768
(d)		Other income	21,126	12,981	30,555	30,843
(e)		Expenses	(71,055)	(57,788)	(115,293)	(108,152)
(f)		Finance costs	(10,314)	(15,069)	(20,450)	(28,429)
(g)		Share of results of associates	15,591	2,693	16,793	4,229
(h)		Share of results of joint ventures	12,210	1,916	17,108	8,089
(i)		<b>Profit before income tax</b>	<b>130,316</b>	<b>106,031</b>	<b>201,939</b>	<b>132,348</b>
(j)	13	Income tax	(22,674)	(17,238)	(39,983)	(25,951)
(k)		<b>Profit for the period</b>	<b>107,642</b>	<b>88,793</b>	<b>161,956</b>	<b>106,397</b>
Attributable to:						
(l)		Owners of the Parent	107,587	88,934	161,758	106,540
(m)		Non-controlling Interests	55	(141)	198	(143)
			<b>107,642</b>	<b>88,793</b>	<b>161,956</b>	<b>106,397</b>
2.		<b>Earnings per share based on 1(l) above (Note 25):</b>				
(a)		Basic earnings per share:	2.49 sen	2.17 sen	3.74 sen	2.65 sen
(b)		Diluted earnings per share:	1.94 sen	1.77 sen	3.02 sen	2.13 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 <b>30/6/2012</b> RM'000	Preceding year corresponding quarter <b>30/6/2011</b> RM'000	Six months to <b>30/6/2012</b> RM'000	Six months to <b>30/6/2011</b> RM'000
<b>Profit for the period</b>	107,642	88,793	161,956	106,397
<b>Other comprehensive income for the period, net of tax</b>				
- Foreign currency translation differences for foreign operations	(271)	379	(1,390)	1,425
- Loss on fair value changes	(3)	(208)	(3)	(208)
- Share of other comprehensive income of associates	(4)	(81)	(6)	(81)
<b>Total comprehensive income for the period</b>	<b>107,364</b>	<b>88,883</b>	<b>160,557</b>	<b>107,533</b>
Attributable to:				
Owners of the Parent	107,309	89,024	160,359	107,676
Non-controlling Interests	55	(141)	198	(143)
	<b>107,364</b>	<b>88,883</b>	<b>160,557</b>	<b>107,533</b>

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:**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter <b>30/6/2012</b> RM'000	Preceding year corresponding quarter <b>30/6/2011</b> RM'000	Six months to <b>30/6/2012</b> RM'000	Six months to <b>30/6/2011</b> RM'000
<b>Profit before income tax is arrived at after charging / (crediting) :</b>				
Interest income	(6,690)	(6,903)	(13,472)	(20,848)
Dividend income	(2,141)	-	(4,304)	-
Interest expense	10,314	15,069	20,450	28,429
Depreciation and amortization	4,431	2,500	8,616	4,846
Loss/(gain) on disposal of quoted / unquoted investment or properties	2,253	-	2,299	(207)
Gain on disposal of an associate	(11,183)	-	(11,183)	-
Foreign exchange loss	49	-	135	-

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 As at end of current quarter 30/6/2012 RM'000	Audited As at preceding financial year end 31/12/2011 RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	163,235	162,334
Investment properties	529,853	511,077
Land held for property development	2,780,430	2,751,590
Interest in associates	116,720	104,746
Interest in joint ventures	287,527	265,240
Amount due from a joint venture	31,788	29,696
Long term receivables	185,662	204,380
Goodwill	621,409	621,409
Non-current deposits	1,418	1,418
Deferred tax assets	25,925	26,705
	4,743,967	4,678,595
2. Current assets		
Property development costs	1,038,878	1,066,376
Inventories	109,078	124,494
Receivables	1,416,081	1,015,836
Amount due from associates	898	898
Amount due from joint ventures	9,207	3,228
Other investments	251,485	272,190
Cash, bank balances and deposits	502,039	632,140
	3,327,666	3,115,162
Total assets	<b>8,071,633</b>	<b>7,793,757</b>



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

	<b>Unaudited</b> <b>As at end of</b> <b>current quarter</b> <b>30/6/2012</b> <b>RM'000</b>	<b>Audited</b> <b>As at preceding</b> <b>financial year end</b> <b>31/12/2011</b> <b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
3. Equity attributable to Owners of the Parent		
Share capital	2,165,389	2,163,358
Reserves		
Share premium	1,906,726	1,898,306
Merger relief reserve	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	119,222	120,521
Other reserves	36,717	30,116
Retained profits	751,554	589,796
	5,013,938	4,836,427
4. Non-controlling interests	460,444	460,186
Total equity	5,474,382	5,296,613
5. Non-current liabilities		
Borrowings	1,212,255	1,123,291
Liability component of RCPS	396,882	388,414
Deferred tax liabilities	257,612	260,654
	1,866,749	1,772,359
6. Current liabilities		
Provisions	109,279	137,040
Payables	537,532	515,787
Borrowings	57,181	51,684
Tax payable	26,510	20,274
	730,502	724,785
Total liabilities	2,597,251	2,497,144
Total equity and liabilities	<b>8,071,633</b>	<b>7,793,757</b>
7. <b>Net assets per share attributable to Owners of the Parent</b>	<b>RM1.16</b>	<b>RM1.12</b>

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**

	<b>Unaudited Six months to 30/6/2012 RM'000</b>	<b>Unaudited Six months to 30/6/2011 RM'000</b>
<b>Operating activities</b>		
Cash receipts from customers	542,401	618,642
Receipts from other related parties	542	5,033
Cash payments to contractors	(539,093)	(441,572)
Cash payments for land and development related costs	(49,791)	(31,759)
Cash payments to other related parties	(3,983)	(14,750)
Cash payments to employees and for expenses	(124,579)	(133,024)
Cash (used in)/generated from operations	(174,503)	2,570
Net income tax paid	(38,046)	(30,023)
Interest received	4,525	6,344
<b>Net cash used in operating activities</b>	<b>(208,024)</b>	<b>(21,109)</b>
<b>Investing activities</b>		
Dividend received from associates	1,350	1,350
Proceeds from disposal of		
- property, plant and equipment	79	133
- investment property	10,500	-
- associate	10,678	-
- short term investments	25,000	1,629
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	163,952
Purchase of property, plant and equipment	(2,770)	(2,660)
Advance to associate	-	(16)
Advance to joint venture	(2,500)	(600)
Investment in land held for property development	(22,160)	(13,511)
Investment in short term investments	-	(8,691)
Investment in joint venture	-	(7,490)
<b>Net cash generated from investing activities</b>	<b>20,177</b>	<b>134,096</b>



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

	Note	Unaudited Six months to 30/6/2012 RM'000	Unaudited Six months to 30/6/2011 RM'000
<b>Financing activities</b>			
Drawdown of borrowings		127,493	58,500
Drawdown of islamic medium term notes		-	100,000
Proceeds from conversion of RCPS		4,873	335,169
Proceeds from issuance of shares to non-controlling shareholder		60	-
Advance to joint venture		(5,900)	-
Repayment of borrowings		(37,682)	(33,467)
Repayment of hire purchase		(28)	-
Repayment to immediate holding company		-	(70,952)
Interest paid		(29,379)	-
<b>Net cash generated from financing activities</b>		<b>59,437</b>	<b>389,250</b>
<b>Net change in cash and cash equivalents</b>		<b>(128,410)</b>	<b>502,237</b>
Effects of foreign exchange rate changes		(1,217)	1,190
Cash and cash equivalents at beginning of financial period		629,998	437,889
<b>Cash and cash equivalents at end of financial period</b>	(a)	<b>500,371</b>	<b>941,316</b>
 (a) <b>Cash and cash equivalents comprise the following amounts:</b>			
Current cash, bank balances and deposits			
Unrestricted		236,233	761,122
Restricted		265,806	186,641
		502,039	947,763
Bank overdrafts (included in short term borrowings)		(1,668)	(6,447)
<b>Cash and cash equivalents</b>		<b>500,371</b>	<b>941,316</b>

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-controlling Interests <sup>#</sup>	Total Equity	
	← Non-distributable →		Merger Relief Reserve	Equity Component of RCPS	Other Reserves	Retained Profits			Total
	Share Capital	Share Premium					RM'000	RM'000	
<b>Six months to 30 June 2012 (Unaudited)</b>									
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	-	-	-	-	(1,399)	161,758	160,359	198	160,557
Conversion of RCPS to ordinary shares	2,031	8,420	-	(1,299)	-	-	9,152	-	9,152
Issuance of shares by a subsidiary to non-controlling shareholder	-	-	-	-	-	-	-	60	60
Share options granted under Employee Share Option Scheme	-	-	-	-	8,000	-	8,000	-	8,000
At 30 June 2012	<u>2,165,389</u>	<u>1,906,726</u>	<u>34,330</u>	<u>119,222</u>	<u>36,717</u>	<u>751,554</u>	<u>5,013,938</u>	<u>460,444</u>	<u>5,474,382</u>

<sup>#</sup> 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 →						Retained Profits	Non-controlling Interests <sup>#</sup>	Total Equity
	Share Capital	Share Premium	Merger Relief Reserve	Equity component of RCPS	Other Reserves	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Six months to 30 June 2011 (Unaudited)</b>									
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	-	-	-	-	1,136	106,540	107,676	(143)	107,533
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	128,985	509,696	-	(74,545)	-	-	564,136	-	564,136
Acquisition of a subsidiary	-	-	-	-	-	-	-	4,500	4,500
At 30 June 2011	<u>2,082,605</u>	<u>1,571,761</u>	<u>34,330</u>	<u>167,170</u>	<u>30,411</u>	<u>394,624</u>	<u>4,280,901</u>	<u>458,813</u>	<u>4,739,714</u>

<sup>#</sup> 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 are allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope of Transitioning Entities and has 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 2014.

**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 30 June 2012 except as follows:-

The Group's issued and paid-up ordinary share capital increased from RM2,161,809,579 to RM2,163,839,670 during the current period as a result of issuance of 4,060,182 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	(3,720,582)	3,720,582
Non-cash conversion by tendering 2.3 RCPS for 1 ordinary share	(781,088)	339,600
<b>Total</b>	<b>412,880,022</b>	<b>4,060,182</b>

7. **Dividend**

The Directors do not recommend the payment of any dividend for the current financial period ended 30 June 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 30 June 2012 to the date of this announcement which would substantially affect the financial results of the Group for the six months ended 30 June 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.

- e) Perfect Portfolio Sdn Bhd, an associate of the Company, which was held through its wholly-owned subsidiary, Sunrise Berhad, was disposed via a Share Sale Agreement dated 26 March 2012 and completed on 18 April 2012.

**11. 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. At the hearing of the matter on 17 July 2012, the High Court fixed the matter for decision on 4 September 2012.



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12. **Capital commitments**

There are no material capital commitments except as disclosed below:

	<b>RM'mil</b>
Approved and contracted for	3.1
Approved but not contracted for	4.7

13. **Income tax**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current year quarter <b>30/6/2012</b> RM'000	Preceding year corresponding quarter <b>30/6/2011</b> RM'000	Six months to <b>30/6/2012</b> RM'000	Six months to <b>30/6/2011</b> RM'000
Malaysian & foreign income tax:				
- current year	(23,444)	(32,929)	(41,105)	(44,343)
- under provision in prior years	(503)	-	(1,077)	(1,273)
Deferred tax	1,273	15,691	2,199	19,665
	(22,674)	(17,238)	(39,983)	(25,951)

The Group's effective tax rate is lower compared to the statutory tax rate mainly due to utilisation of previous years unabsorbed tax losses.

14. **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 29 August 2012, 817 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.
- 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. The sale and purchase agreement was completed on 14 June 2012.
- 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 Pulai, Daerah Johor Bahru, Johor Darul Ta'zim.



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

- 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 three (3) months commencing on 23 June 2012 and the last date for settlement of the Balance Purchase Consideration to UEM Land is on 22 September 2012. The sale and purchase agreement was completed on 27 July 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 Pulai, Johor Darul Ta'zim 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.

- 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 ("Proposed Acquisition").

On 6 July 2012, all the conditions precedent for the Proposed Acquisition have been met and that the Proposed Acquisition has become unconditional.



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

- 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 granted on 9 April 2012 with the offer of options ("Options") for a total number of 151,645,000 ESOS Shares to the Eligible Employees.

- i) On 11 June 2012, the Company entered into 3 Shareholders' and Shares Subscription Agreements with wholly-owned subsidiaries of Desaru Development Holdings One Sdn Bhd (a subsidiary of Desaru Development Corporation Sdn Bhd) ("DDC Cos") (collectively referred to as the "SSAs") to establish the shareholding structure of 3 separate Development Companies ("Dev Cos") and to regulate the relationship amongst the Company and the DDC Cos for the development of land parcels to be acquired by the Dev Cos with an aggregate gross area of approximately 678.70 acres consisting of the following:

- (i) 11 parcels of land with an aggregate gross area of approximately 304.63 acres ("Residential Land 1");
- (ii) 13 parcels of land with an aggregate gross area of approximately 370.31 acres ("Residential Land 2"); and
- (iii) 1 parcel of land with a gross area of approximately 3.76 acres ("Beach Club Land"),

(collectively referred to as the "Desaru Lands").

The land will be developed into a high-end residential resort development surrounding two golf courses on the Desaru Lands in Desaru, Johor Darul Ta'zim and a beach club to cater to the residents of the high-end residential resort development, as follows:

SSA	Parties Signing the SSA			Desaru Lands to be developed
SSA 1	Company	Desaru South Course Sdn Bhd ("DDC Co 1")	Desaru South Course Residences Sdn Bhd ("Dev Co 1")	Residential Land 1
SSA 2	Company	Desaru North Course Sdn Bhd ("DDC Co 2")	Desaru North Course Residences Sdn Bhd ("Dev Co 2")	Residential Land 2
SSA 3	Company	DDC Co 1	Desaru South Course Land Sdn Bhd ("Dev Co 3")	Beach Club Land

The issued and paid-up capital of the Dev Cos will be held by the Company and the respective DDC Cos in proportion of 51% and 49%, respectively.



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

i) (cont'd)

Concurrent with the execution of the SSAs, the respective Dev Cos had entered into 3 separate Sale and Purchase Agreements (collectively referred to as the "SPAs") with the respective DDC Cos for the proposed acquisitions of the Desaru Lands as follows:

SPA	Vendor	Acquirer	Desaru Lands to be acquired	Purchase Consideration
				RM million
SPA 1	DDC Co 1	Dev Co 1	Residential Land 1	283.6
SPA 2	DDC Co 2	Dev Co 2	Residential Land 2	196.0
SPA 3	DDC Co 1	Dev Co 3	Beach Club Land	5.7
<b>Total</b>				<b>485.3</b>

The SSAs and the SPAs are not subject to any condition precedents. On 18 June 2012, 10% of the purchase consideration for each of the Desaru Lands has been paid by the Dev Cos to the relevant DDC Cos.

15. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 30 June 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	153,123	-	153,123	-	-	-
- Term & bridging loans	35,377	-	35,377	-	-	-
- Loan from immediate holding company	266,514	-	266,514	-	-	-
- Islamic Medium Term Notes	-	200,000	200,000	-	-	-
- Term loan	512,578	-	512,578	-	-	-
- Revolving credits	35,000	-	35,000	7,000	48,500	55,500
- Bank overdrafts	9,663	-	9,663	-	1,668	1,668
- Hire purchase & lease	-	-	-	13	-	13
<b>TOTAL</b>	<b>1,012,255</b>	<b>200,000</b>	<b>1,212,255</b>	<b>7,013</b>	<b>50,168</b>	<b>57,181</b>

16. **Derivatives**

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

17. **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.





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

	<b>As at end of current quarter 30/6/2012 (RM'000)</b>	<b>As at preceding financial year end 31/12/2011 (RM'000)</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	910,775	594,919
- Unrealised	32,976	28,880
	943,751	623,799
Total share of retained profits / (accumulated losses) of associates:		
- Realised	43,270	27,948
- Unrealised	(126)	(256)
Total shares of retained profits of joint ventures:		
- Realised	52,067	38,152
- Unrealised	835	499
	1,039,797	690,142
Less : Consolidated adjustments	(288,243)	(100,346)
Total group profits as per consolidated statement of financial position	751,554	589,796

19. **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.

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.



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

	Current quarter <b>30/6/2012</b> RM'000	Immediate preceding quarter <b>31/3/2012</b> RM'000
Revenue	510,846	303,717
Profit from operations	112,829	75,659
Finance costs	(10,314)	(10,136)
Share of results of associates/joint ventures	27,801	6,100
Profit before income tax	130,316	71,623

The Group recorded higher revenue in the current quarter as compared to the immediate preceding quarter. This is due mainly to increase in sales and construction progress contributed by our developments in East Ledang, Nusa Bayu, Nusa Idaman, MK 28 and Quintet.

The higher profit before income tax as compared to the immediate preceding quarter is in line with the higher revenue recorded as well as higher contribution from our associates and joint ventures.

21. **Detail analysis of the performance for the current quarter and year-to-date**

	Current year quarter <b>30/6/2012</b> RM'000	Preceding year corresponding quarter <b>30/6/2011</b> RM'000	Six months to <b>30/6/2012</b> RM'000	Six months to <b>30/6/2011</b> RM'000
Revenue	510,846	509,403	814,563	697,088
Profit from operations	112,829	116,491	188,488	148,459
Finance costs	(10,314)	(15,069)	(20,450)	(28,429)
Share of results of associates/joint ventures	27,801	4,609	33,901	12,318
Profit before income tax	130,316	106,031	201,939	132,348

The Group recorded higher revenue in the current quarter and period as compared to the preceding year's corresponding quarter and period. This is primarily due to increase in sales and construction progress contributed by our developments in East Ledang, Nusa Bayu, Nusa Idaman, Symphony Hills, MK 28, Summer Suites and Quintet.

The higher profit before income tax for the current quarter and period as compared to the preceding year corresponding quarter and period is in line with higher revenue recorded as well as higher contribution from our associates and joint ventures.



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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
		30/6/2012	30/6/2011	30/6/2012	30/6/2011
		RM'000	RM'000	RM'000	RM'000
<u>Net operating profit after tax (“NOPAT”) computation:</u>					
Earnings before interest and tax (“EBIT”)		91,703	103,510	157,933	117,616
Adjusted tax		(22,926)	(25,878)	(39,483)	(29,404)
<b>NOPAT</b>		<b>68,777</b>	<b>77,632</b>	<b>118,450</b>	<b>88,212</b>
<u>Economic charge computation:</u>					
Average invested capital	1	6,442,941	4,227,283	6,442,941	4,227,283
Weighted average cost of capital (“WACC”) (%)	2	12.9%	12.2%	12.9%	12.2%
<b>Economic charge</b>		<b>(207,785)</b>	<b>(128,932)</b>	<b>(415,570)</b>	<b>(257,864)</b>
<b>Economic loss</b>		<b>(139,008)</b>	<b>(51,300)</b>	<b>(297,120)</b>	<b>(169,652)</b>

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.

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.

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

The Group has successfully launched several projects during the first half of the year. They include residential developments in Nusa Idaman, East Ledang, Nusa Bayu, Summer VOS and Arcoris Soho. On going projects are progressing well with MK28 scheduled for completion by the end of 2012. The Group is on course to launch several other projects in the second half of the year.

The Group’s ongoing projects have an unbilled sales of RM1.85 billion as at 30 June 2012. The Board remains confident of the Group’s prospects in the current financial year.



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24. **Profit forecast**

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

25. **Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/6/2012</b> RM'000	Preceding year corresponding quarter <b>30/6/2011</b> RM'000	Six months to <b>30/6/2012</b> RM'000	Six months to <b>30/6/2011</b> RM'000
(a) Basic earnings per share				
Profit attributable to Owners of the Parent	107,587	88,934	161,758	106,540
Weighted average number of ordinary shares in issue ('000)	4,327,644	4,096,600	4,326,319	4,019,967
Basic earnings per share	<u>2.49 sen</u>	<u>2.17 sen</u>	<u>3.74 sen</u>	<u>2.65 sen</u>
(b) Diluted earnings per share				
Profit for the period attributable to Owners of the Parent	107,587	88,934	161,758	106,540
Profit of subsidiaries attributable to non-controlling interests arising from dilutive impact of convertible securities issued by a subsidiary	<u>(13,772)</u>	<u>(4,818)</u>	<u>(16,037)</u>	<u>(7,162)</u>
Diluted profit attributable to Owners of the Parent	<u>93,815</u>	<u>84,116</u>	<u>145,721</u>	<u>99,378</u>
Diluted weighted average number of ordinary shares in issue ('000)	<u>4,825,642</u>	<u>4,745,087</u>	<u>4,824,316</u>	<u>4,668,994</u>
Diluted earnings per share	<u>1.94 sen</u>	<u>1.77 sen</u>	<u>3.02 sen</u>	<u>2.13 sen</u>

**Kuala Lumpur**  
**29 August 2012**

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