



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

THE FIGURES HAVE BEEN AUDITED

I (A) CONDENSED CONSOLIDATED INCOME STATEMENT

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
Note	31/12/2012	31/12/2011	31/12/2012	31/12/2011	
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
1.	(a) Revenue	691,733	597,802	1,939,676	1,703,172
	(b) Cost of sales	(417,234)	(423,655)	(1,232,008)	(1,184,516)
	(c) Gross profit	274,499	174,147	707,668	518,656
	(d) Other income	13,508	25,884	53,995	70,007
	(e) Expenses	(89,074)	(50,300)	(274,492)	(224,547)
	(f) Finance costs	(10,675)	(11,700)	(41,372)	(51,402)
	(g) Share of results of associates	2,533	12,062	25,848	26,639
	(h) Share of results of joint ventures	32,964	5,375	63,486	15,893
	(i) Profit before income tax	223,755	155,468	535,133	355,246
	(j) Income tax	13 (23,345)	(14,048)	(87,270)	(52,304)
	(k) Profit for the period/year	200,410	141,420	447,863	302,942
Attributable to:					
	(l) Owners of the Parent	201,274	140,562	448,358	301,712
	(m) Non-controlling Interests	(864)	858	(495)	1,230
		200,410	141,420	447,863	302,942
2.	Earnings per share based on 1(l) above (Note 25):				
	(a) Basic earnings per share:	4.65 sen	3.25 sen	10.36 sen	7.24 sen
	(b) Diluted earnings per share:	3.91 sen	2.68 sen	8.53 sen	5.90 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.



UEM LAND HOLDINGS BERHAD
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I (B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2012 RM'000	Preceding year corresponding quarter 31/12/2011 RM'000	Twelve months to 31/12/2012 RM'000	Twelve months to 31/12/2011 RM'000
Profit for the period/year	200,410	141,420	447,863	302,942
Other comprehensive income for the period/year, net of tax				
- Foreign currency translation differences for foreign operations	(4,720)	3,536	(1,495)	7,051
- Loss on fair value changes	-	-	(3)	(208)
- Share of other comprehensive income of associates	24	(5,916)	(47)	(6,002)
Total comprehensive income for the period/year	195,714	139,040	446,318	303,783
Attributable to:				
Owners of the Parent	196,578	138,182	446,813	302,553
Non-controlling Interests	(864)	858	(495)	1,230
	195,714	139,040	446,318	303,783

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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(830144-W)
Incorporated in Malaysia

I (C) REMARKS TO CONDENSED CONSOLIDATED INCOME STATEMENT:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2012	Preceding year corresponding quarter 31/12/2011	Twelve months to 31/12/2012	Twelve months to 31/12/2011
	RM'000	RM'000	RM'000	RM'000
Profit before income tax is arrived at after charging / (crediting) :				
Interest income	(3,430)	(12,132)	(24,617)	(43,480)
Dividend income	(1,188)	(1,976)	(5,018)	(1,976)
Interest expense	10,675	11,700	41,372	51,402
Depreciation and amortization	6,509	4,340	19,600	13,589
Impairment for and write off of receivables	155	1,147	177	1,424
(Gain)/loss on disposal of quoted / unquoted investment or properties	(4,317)	(14,789)	(1,969)	(14,996)
Gain on disposal of associates	(39)	-	(11,222)	-
Write-back of impairment of assets	(11)	(1,396)	(26)	(1,396)
Foreign exchange loss	2,484	2,011	2,646	2,011

Other than the above, there was no provision for and write-off of inventories, gain or loss on derivatives, exceptional items, write down of inventories and reversal of provisions for costs of restructuring.



UEM LAND HOLDINGS BERHAD
(830144-W)
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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited	Audited
	As at current financial year end	As at preceding financial year end
	31/12/2012	31/12/2011
	RM'000	RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	184,141	162,334
Investment properties	674,337	511,077
Land held for property development	2,942,084	2,751,590
Interest in associates	117,294	104,746
Interest in joint ventures	332,007	265,240
Amount due from a joint venture	33,901	29,696
Long term receivables	64,375	204,380
Goodwill	621,409	621,409
Non-current deposits	1,418	1,418
Deferred tax assets	31,541	26,705
	5,002,507	4,678,595
2. Current assets		
Property development costs	954,107	1,066,376
Inventories	122,622	124,494
Receivables	1,791,635	1,015,836
Amount due from joint ventures	9,726	3,228
Amount due from associates	898	898
Other investments	144,905	272,190
Cash, bank balances and deposits	1,060,085	632,140
	4,083,978	3,115,162
Total assets	9,086,485	7,793,757



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

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

	Audited As at current financial year end 31/12/2012 RM'000	Audited As at preceding financial year end 31/12/2011 RM'000
EQUITY AND LIABILITIES		
3. Equity attributable to Owners of the Parent		
Share capital	2,165,558	2,163,358
Reserves		
Share premium	1,907,488	1,898,306
Merger relief reserve	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	119,068	120,521
Other reserves	51,368	30,116
Retained profits	1,038,154	589,796
	5,315,966	4,836,427
4. Non-controlling interests	501,069	460,186
Total equity	5,817,035	5,296,613
5. Non-current liabilities		
Borrowings	1,589,985	1,123,291
Liability component of RCPS	409,424	388,414
Deferred tax liabilities	249,993	260,654
	2,249,402	1,772,359
6. Current liabilities		
Provisions	144,167	137,040
Payables	712,587	515,787
Borrowings	124,972	51,684
Tax payable	38,322	20,274
	1,020,048	724,785
Total liabilities	3,269,450	2,497,144
Total equity and liabilities	9,086,485	7,793,757
7. Net assets per share attributable to Owners of the Parent	RM1.23	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.



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

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited Twelve months to 31/12/2012	Audited Twelve months to 31/12/2011
	RM'000	RM'000
Operating activities		
Cash receipts from customers	1,459,849	1,425,777
Cash receipts from immediate holding company	100	-
Receipts from related parties	443	420
Receipts from joint ventures	593	5,777
Receipts from associate	3,750	-
Cash payments to contractors	(1,102,052)	(891,068)
Cash payments for land and development related costs	(37,938)	(34,457)
Cash payments to related parties	(7,897)	(29,412)
Cash payment to joint venture	(5,335)	-
Cash payment to immediate holding company	(699)	(184)
Cash payments to employees and for expenses	(251,840)	(280,133)
Cash generated from operations	58,974	196,720
Net income tax paid	(83,113)	(47,522)
Interest received	11,538	32,370
Net cash generated from operating activities	(12,601)	181,568
Investing activities		
Dividend received from associates	6,601	6,450
Proceeds from disposal of		
- property, plant and equipment	93	3,994
- investment property	10,500	4,827
- short term investment	134,586	1,670
- associate	10,678	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	163,952
Disposal of a subsidiary, net of cash and cash equivalents disposed	-	6,258
Cash receipts from liquidator for liquidation of an associate	39	-
Purchase of property, plant and equipment	(18,808)	(38,009)
Advance to joint venture	(4,000)	(600)
Advance to associate	-	(29)
Investment in land held for property development	(173,740)	(295,225)
Investment in short term investments	-	(270,000)
Investment in joint venture	(8,869)	(7,490)
Net cash used in investing activities	(42,920)	(424,202)



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

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

	Note	Audited Twelve months to 31/12/2012 RM'000	Audited Twelve months to 31/12/2011 RM'000
Financing activities			
Drawdown of borrowings		241,839	102,286
Drawdown of islamic medium term notes		600,000	100,000
Proceeds from conversion of RCPS		5,120	545,047
Proceeds from issuance of shares to non-controlling shareholders			
- ordinary shares		1,089	-
- preference shares		11,250	-
Advance to joint venture		(5,900)	(1,400)
Repayment of borrowings		(300,598)	(185,742)
Repayment of hire purchase		(41)	(53)
Repayment to immediate holding company		(15,838)	(83,182)
Interest paid		(51,006)	(47,833)
Cash payment of credit facility commitment fees		(2,924)	-
Net cash generated from financing activities		482,991	429,123
Net change in cash and cash equivalents		427,470	186,489
Effects of foreign exchange rate changes		(355)	5,620
Cash and cash equivalents at beginning of financial year		629,998	437,889
Cash and cash equivalents at end of financial year	(a)	1,057,113	629,998
 (a) Cash and cash equivalents comprise the following amounts:			
Current cash, bank balances and deposits			
Unrestricted		622,363	437,809
Restricted		437,722	194,331
		1,060,085	632,140
Bank overdrafts (included in short term borrowings)		(2,972)	(2,142)
Cash and cash equivalents		1,057,113	629,998

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.



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

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to Owners of the Parent →						Non-controlling Interests [#]	Total Equity	
	← Non-distributable →		Merger Relief Reserve	Equity Component of RCPS	Other Reserves	Retained Profits			Total
	Share Capital	Share Premium					RM'000	RM'000	
Twelve months to 31 December 2012 (Audited)									
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 year	-	-	-	-	(1,547)	448,358	446,811	(495)	446,316
Conversion of RCPS to ordinary shares	2,200	9,182	-	(1,453)	-	-	9,929	-	9,929
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	12,339	12,339
Issuance of shares by a subsidiary to a non-controlling shareholder through capitalisation of advances	-	-	-	-	-	-	-	29,039	29,039
Share options granted under Employee Share Option Scheme	-	-	-	-	22,799	-	22,799	-	22,799
At 31 December 2012	2,165,558	1,907,488	34,330	119,068	51,368	1,038,154	5,315,966	501,069	5,817,035

[#] 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.



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

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
Twelve months to 31 December 2011 (Audited)									
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 year	-	-	-	-	841	301,712	302,553	1,230	303,783
Shares issued for acquisition of a subsidiary	130,939	548,941	-	-	-	-	679,880	-	679,880
Issuance of RCPS	-	-	-	241,715	-	-	241,715	-	241,715
Conversion of RCPS to ordinary shares	209,738	836,241	-	(121,194)	-	-	924,785	-	924,785
Acquisition of a subsidiary	-	-	-	-	-	-	-	4,500	4,500
At 31 December 2011	<u>2,163,358</u>	<u>1,898,306</u>	<u>34,330</u>	<u>120,521</u>	<u>30,116</u>	<u>589,796</u>	<u>4,836,427</u>	<u>460,186</u>	<u>5,296,613</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.

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.



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

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.



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

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

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

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 year.

6. **Debt and equity securities**

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year ended 31 December 2012 except as follows:-

- i) The Group's issued and paid-up ordinary share capital increased from RM2,161,809,579 to RM2,164,009,986 during the current year as a result of issuance of 4,400,814 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	(3,910,582)	3,910,582
Non-cash conversion by tendering 2.3 RCPS for 1 ordinary share	(1,127,548)	490,232
Total	412,343,562	4,400,814

- ii) The Company has proposed the issuance of Islamic Medium Term Notes ("IMTNs") pursuant to an Islamic Medium Term Notes Programme ("IMTN Programme") together with an Islamic Commercial Paper Programme ("ICP Programme"), which have a combined aggregate limit of up to RM2.0 billion in nominal value and a sub-limit of RM500.0 million in nominal value for the ICP programme, under the Shariah principle of murabahah via a tawarruq arrangement.

On 21 December 2012, the Company has completed the inaugural issuance of RM600.0 million of IMTNs under the IMTN Programme with a tenure of five (5) years and a profit rate of 4.25% per annum.

The proceeds from the IMTNs will be utilised for the Company's Shariah-compliant general corporate purposes.



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

7. Dividend

The Directors proposed a first and final single tier dividend of 3.0 sen per ordinary share of RM0.50 each for the current financial year ended 31 December 2012 (2011 : Nil).

8. Segment information for the current financial year

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 year

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2012 to the date of this announcement which would substantially affect the financial results of the Group for the financial year ended 31 December 2012 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 year 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 acquired 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 in 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 ("UEM Land"), 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.



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

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

- 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.
- f) On 30 July 2012, the Company acquired 1 ordinary share of RM1.00 each, representing 50% of the equity interest in Desaru South Course Residences Sdn Bhd (“DSCR”), Desaru North Course Residences Sdn Bhd (“DNCR”) and Desaru South Course Land Sdn Bhd (“DSCL”). Subsequently on 30 July 2012, the Company subscribed additional ordinary shares in the aforesaid companies as follows:
- i) DSCR – 509,999 ordinary shares
 - ii) DNCR – 509,999 ordinary shares
 - iii) DSCL – 50,999 ordinary shares

resulting in DSCR, DNCR and DSCL becoming 51% owned joint venture entities of the Company.

- g) On 22 October 2012, UEM Land acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Suasana Prisma Sdn Bhd (“SPSB”), for a total cash consideration of RM2.00 resulting in SPSB becoming a wholly-owned subsidiary of the Company.
- h) On 3 December 2012, UEM Land acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Crimson Carnival Sdn Bhd (“CCSB”), for a total cash consideration of RM2.00 resulting in CCSB becoming a wholly-owned subsidiary of the Company.
- i) Nusajaya Management Services Sdn Bhd, a wholly-owned subsidiary of Bandar Nusajaya Development Sdn Bhd (“BND”), which in turn is a wholly-owned subsidiary of UEM Land, was struck-off from the Schedule of the Registrar pursuant to Section 308(4) of the Companies Act, 1965 with effect from 20 November 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, BND, a major subsidiary of the Company which was held through its wholly-owned subsidiary, UEM Land, 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. On 4 September 2012, the High Court ruled in favour of BND and declared that the IRB had no legal basis to raise the additional tax assessment.

12. Capital commitments

There are no material capital commitments except as disclosed below:

	RM’mil
Approved and contracted for	<u>1.1</u>
Approved but not contracted for	<u>4.7</u>



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

13. **Income tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2012 RM'000	Preceding year corresponding quarter 31/12/2011 RM'000	Twelve months to 31/12/2012 RM'000	Twelve months to 31/12/2011 RM'000
Malaysian & foreign income tax:				
- current year	(34,921)	(27,990)	(103,235)	(97,018)
- over provision in prior years	1,816	998	537	4,832
Deferred tax	9,760	12,944	15,428	39,882
	<u>(23,345)</u>	<u>(14,048)</u>	<u>(87,270)</u>	<u>(52,304)</u>

The Group's effective tax rate is lower compared to the statutory tax rate mainly due to the effect arising from the share of profits from associates and joint ventures which are net of tax.

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 15 February 2013, 910 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.
- b) 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.
- c) A Facilities Maintenance and Management 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.
- d) 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 for an aggregate consideration of RM100.0 million ("Lease Consideration"). 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.



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

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

d) (cont'd)

On 19 January 2012, NLSB paid RM13.5 million, being the balance 90% of the Lease Consideration attributable to the additional 500,000 square feet of Gross Floor Area allocated to Lot A3B, to IHH pursuant to the approval from the relevant authorities. On 8 March 2012, NLSB paid RM51.03 million, being the balance 90% of the Lease Consideration attributable to Lot A3B, to IHH.

e) 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.

The Proposed ESOS was implemented with effect from 9 April 2012, and the first grant of options ("Options") was made on the same date for a total number of 151,670,000 ESOS Shares to the Eligible Employees. On 9 October 2012, the Company made the second grant of Options for a total number of 10,894,800 ESOS Shares to the Eligible Employees.

f) 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 ("Desaru Lands").

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

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

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 for a total consideration of RM485.3 million.

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 was paid by the Dev Cos to the relevant DDC Cos. On 30 July 2012, the Company subscribed for cash 51% equity interest in the issued and paid-up share capital of the Dev Cos.

g) On 23 October 2012, the Company announced that its wholly owned subsidiary, UEM Land, had entered into a Master Agreement ("MA") with Ascendas Land (Malaysia) Sdn Bhd ("Ascendas") to undertake the development of an integrated tech park over approximately 519 acres of land in Gerbang Nusajaya ("Lands"), Nusajaya, Johor Darul Ta' zim, Malaysia ("Proposed Development") broken down as follows:

- (i) Phase 1 Lands measuring approximately 205 acres and further broken down into two plots identified as Plot A with an estimated area of 120 acres ("Plot A") and Plot B with an estimated area of 85 acres ("Plot B") (collectively "Phase 1 Lands") to be held by Company A;
- (ii) Phase 2 Lands measuring approximately 166 acres to be held by Company B ("Phase 2 Lands"); and
- (iii) Phase 3 Lands measuring approximately 148 acres to be held by Company C ("Phase 3 Lands").



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

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

g) (cont'd)

UEM Land and Ascendas shall enter into Subscription Agreements ("SA") to regulate their initial share subscription into Company A, Company B and Company C (all of which are special purpose companies that have been or are to be established by UEM Land and are to be collectively referred to as the "Companies") and Shareholders' Agreement ("SHA") to govern the parties' relationship as shareholders of the Companies. The equity ratio of the parties in the companies shall be 60% : 40% (Ascendas : UEM Land) unless otherwise agreed by the parties in accordance with the terms of the Shareholders' Agreement. Company A has been incorporated on 28 September 2012 under the name of Suasana Prisma Sdn Bhd ("SPSB").

Pursuant to the MA, UEM Land also agrees to:

- (i) Cause the transfer of Plot A to Company A; and
- (ii) Grant to Ascendas the options to:
 - Agree to Company A completing the purchase of Plot B; and
 - Purchase the Phase 2 Lands and Phase 3 Lands via Company B and Company C respectively, and for UEM Land and Ascendas to subscribe for the shares for Company B and/or Company C as per the terms provided in the MA.

The options are exercisable within nine (9) years from the date of the MA. The options shall automatically lapse if not exercised within the option period. The transactions are subject to various regulatory approvals and conditions precedent, including but not limited to the approval for the transfer of the lands into the companies, the planning approvals and the approval for the conversion of the lands for industrial use.

On 26 December 2012, the following agreements have been signed in accordance with the MA to effect the Proposed Development of the Phase 1 Lands:

- (i) SA between UEM Land, Ascendas and SPSB;
- (ii) SHA between UEM Land, Ascendas and SPSB; and
- (iii) Sale & Purchase Agreement between SPSB and Nusajaya Rise Sdn Bhd, the registered proprietor of Phase 1 Lands.

As at 15 February 2013, the conditions precedent to the SA, SHA and SPA in relation to the Proposed Development of the Phase 1 Lands are still outstanding.

- h) On 4 December 2012, the Company announced that its wholly owned subsidiary, UEM Land, had signed a Joint Venture Agreement ("JVA") with Fastrack Autosports Pte Ltd ("FAPL") to jointly develop a Motorsports City over approximately 270 acres of land in Gerbang Nusajaya, Nusajaya, Johor Darul Takzim ("Land") ("Proposed Development").

FAPL and UEM Land will purchase and jointly develop the Land which forms part of the Gerbang Nusajaya development in Nusajaya, through the participation of FAPL in the special purpose company established by UEM Land called Crimson Carnival Sdn Bhd ("CCSB").

CCSB is presently a wholly-owned subsidiary of UEM Land. Within 14 business days from the unconditional date of the JVA, UEM Land and FAPL will subscribe to CCSB's shares in accordance to the agreed proportion of 30 : 70 (UEM Land : FAPL).

CCSB entered into a Sale & Purchase Agreement ("SPA") on 4 December 2012 to purchase the Land from Nusajaya Rise Sdn Bhd, a wholly-owned subsidiary of UEM Land, for a total consideration of RM223.5 million to be satisfied within 3 months from the unconditional date of the agreements.



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

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

h) (cont'd)

The JVA and SPA are conditional upon, amongst others, the receipt of the relevant authorities' approval, the issuance, transfer and registration of the title for the Land and the satisfactory results of due diligence performed on CCSB. As at 15 February 2013, the conditions precedent to the JVA and SPA are still outstanding.

i) On 8 January 2013, the Company announced that its wholly-owned subsidiaries, UEM Land and BND had, on 14 December 2012 and 8 January 2013, entered into the following agreements:

- (i) Sale and Purchase Agreement dated 14 December 2012 between UEM Land, BND and Liberty Bridge Sdn Bhd ("LBSB") for the disposal by UEM Land of approximately 28.979 acres of land in Commercial North, Puteri Harbour, Nusajaya, Johor Darul Takzim ("Lands 1") to LBSB for a cash consideration of RM211,154,356.00 ("SPA 1"); and
- (ii) Sale and Purchase Agreement dated 8 January 2013 between UEM Land, BND and LBSB for the disposal by UEM Land of additional land parcels measuring approximately 14.659 acres in Commercial North, Puteri Harbour, Nusajaya, Johor Darul Takzim ("Lands 2") to LBSB for a cash consideration of RM189,641,331.00 ("SPA 2")

SPA 1 and SPA 2 are conditional upon the receipt of the relevant authorities' approval. As at 15 February 2013, the conditions precedent to SPA 1 and SPA 2 are still outstanding.

15. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 December 2012 are as follows:

	Long term borrowings			Short term borrowings		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Domestic						
- Term & bridging loans	46,712	-	46,712	-	-	-
- Loan from immediate holding company	262,331	-	262,331	-	-	-
- Islamic Medium Term Notes	-	800,000	800,000	-	-	-
- Term loan	471,173	-	471,173	100,000	-	100,000
- Revolving credits	-	-	-	7,000	15,000	22,000
- Bank overdrafts	9,769	-	9,769	-	2,972	2,972
TOTAL	789,985	800,000	1,589,985	107,000	17,972	124,972

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 year and the comparative year. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.



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

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

	As at current financial year end 31/12/2012 (RM'000)	As at preceding financial year end 31/12/2011 (RM'000)
Total retained profits of the Company and its subsidiaries:		
- Realised	1,038,405	594,919
- Unrealised	47,790	28,880
	1,086,195	623,799
Total share of retained profits / (accumulated losses) of associates:		
- Realised	47,041	27,948
- Unrealised	(132)	(256)
Total shares of retained profits of joint ventures:		
- Realised	100,802	38,152
- Unrealised	1,670	499
	1,235,576	690,142
Less : Consolidated adjustments	(197,422)	(100,346)
Total group retained profits as per consolidated statement of financial position	1,038,154	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 Commercial & Industrial Pty Ltd ("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 has been terminated by ROC on 16 November 2010 due to non-performance by VLC. In view thereof, applications to set aside the court order had been filed by ROC on 1 October 2012. To date, no date has been fixed for hearing of the applications.



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

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

	Current quarter 31/12/2012 RM'000	Immediate preceding quarter 30/9/2012 RM'000
Revenue	691,733	433,380
Profit from operations	198,933	99,750
Finance costs	(10,675)	(10,247)
Share of results of associates/joint ventures	35,497	19,936
Profit before income tax	223,755	109,439

The Group achieved increased sales and higher progress claims from its on-going developments in East Ledang, Nusa Idaman, Nusa Bayu, Summer Suites and MK 28 during this quarter. Several developed land sales were concluded during this quarter as well. MK28 was completed on time and was handed over to the buyers in December 2012. These factors contribute to a higher revenue in the current quarter as compared to the immediate preceding quarter.

The higher rate of increase in profit before income tax as compared to the immediate preceding quarter is mainly due to the developed land sales and higher contribution from our associate company's development in Horizon Hills during the quarter.

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

	Current year quarter 31/12/2012 RM'000	Preceding year corresponding quarter 31/12/2011 RM'000	Twelve months to 31/12/2012 RM'000	Twelve months to 31/12/2011 RM'000
Revenue	691,733	597,802	1,939,676	1,703,172
Profit from operations	198,933	149,731	487,171	364,116
Finance costs	(10,675)	(11,700)	(41,372)	(51,402)
Share of results of associates/joint ventures	35,497	17,437	89,334	42,532
Profit before income tax	223,755	155,468	535,133	355,246

The Group recorded higher revenue in the current quarter and financial year as compared to the preceding year corresponding quarter and financial year. This is primarily due to increase in sales and construction progress contributed by on-going developments in East Ledang, Nusa Bayu, Nusa Idaman, Symphony Hills, Summer Suites, MK 28 and Quintet. MK28 was completed on time and handed over to the buyers in December 2012.

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



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

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
		31/12/2012	31/12/2011	31/12/2012	31/12/2011
		RM’000	RM’000	RM’000	RM’000
<u>Net operating profit after tax (“NOPAT”) computation:</u>					
Earnings before interest and tax (“EBIT”)		185,425	123,847	433,176	294,109
Adjusted tax		(46,356)	(30,962)	(108,294)	(73,528)
NOPAT		139,069	92,885	324,882	220,581
<u>Economic charge computation:</u>					
Average invested capital	1	6,551,504	4,534,293	6,551,504	4,534,293
Weighted average cost of capital (“WACC”) (%)	2	12.4%	12.4%	12.4%	12.4%
Economic charge		(203,097)	(140,563)	(812,387)	(562,252)
Economic loss		(64,028)	(47,678)	(487,505)	(341,671)

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.

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 next financial year**

The completion of the catalysts projects such as Legoland, Puteri Harbour Family Theme Park and Marlborough College as well as participation by Singaporean investors has generated a lot of interests and demand for our properties in Nusajaya. The Group will meet this demand by launching several phases of residential developments in East Ledang, Nusa Idaman and Puteri Harbour in 2013. Apart from projects in Nusajaya, it is also planning to launch several other residential developments in Bangi, Kajang and MK22 in Mont’Kiara.

Recent launches such as Arcoris in Mont’Kiara, Teega in Puteri Harbour, Verdi Eco-dominiums in Cyberjaya are at an early stage of construction. They are expected to contribute favourably to the Group’s financial performance in 2013.

Ongoing projects such as Summer Suites and those in Nusajaya are progressing well and on schedule.

Quintet, our development in Vancouver, Canada is progressing well and on schedule. Phase 1 is nearing completion whilst Phase 2 has just commenced construction works. It is on target for completion in 2015.



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

23. **Prospects for the next financial year (cont'd)**

The Group's on-going projects have an unbilled sales of RM2.3 billion as at 31 December 2012.

The Board is therefore, optimistic of the Group's prospects in 2013 and its ability to improve on its previous year's financial performance.

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 31/12/2012 RM'000	Preceding year corresponding quarter 31/12/2011 RM'000	Twelve months to 31/12/2012 RM'000	Twelve months to 31/12/2011 RM'000
(a) Basic earnings per share				
Profit for the period/year attributable to Owners of the Parent	201,274	140,562	448,358	301,712
Weighted average number of ordinary shares in issue ('000)	4,327,900	4,323,569	4,327,086	4,169,922
Basic earnings per share	<u>4.65 sen</u>	<u>3.25 sen</u>	<u>10.36 sen</u>	<u>7.24 sen</u>
(b) Diluted earnings per share				
Profit for the period/year attributable to Owners of the Parents	201,274	140,562	448,358	301,712
Profit of subsidiaries attributable to non-controlling interests arising from dilutive impact of convertible securities issued by a subsidiary	<u>(12,558)</u>	<u>(11,311)</u>	<u>(37,058)</u>	<u>(26,067)</u>
Diluted profit attributable to Owners of the Parent	<u>188,716</u>	<u>129,251</u>	<u>411,300</u>	<u>275,645</u>
Diluted weighted average number of ordinary shares in issue ('000)	<u>4,825,361</u>	<u>4,826,096</u>	<u>4,824,548</u>	<u>4,672,449</u>
Diluted earnings per share	<u>3.91 sen</u>	<u>2.68 sen</u>	<u>8.53 sen</u>	<u>5.90 sen</u>

Kuala Lumpur
21 February 2013

By Order of the Board
TAN HWEE THIAN (MIA 1904)
WONG MAY FUN (MAICSA 7018697)
Company Secretaries