



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

THE FIGURES HAVE NOT BEEN AUDITED

I (A) CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
		30/9/2011	30/9/2010	30/9/2011	30/9/2010
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
1. (a) Revenue		408,282	65,674	1,105,370	193,376
(b) Cost of sales		(289,541)	(44,019)	(760,861)	(127,855)
(c) Gross profit		118,741	21,655	344,509	65,521
(d) Other income		13,280	3,851	44,123	37,139
(e) Expenses		(66,095)	(19,732)	(174,247)	(55,416)
(f) Finance costs		(11,273)	(1,400)	(39,702)	(6,982)
(g) Share of results of associates		10,348	5,744	14,577	9,405
(h) Share of results of joint ventures		2,429	3,884	10,518	9,571
(i) Profit before income tax		67,430	14,002	199,778	59,238
(j) Income tax	13	(12,305)	2,496	(38,256)	1,055
(k) Profit for the period		55,125	16,498	161,522	60,293
Attributable to:					
(l) Owners of the Parent		54,610	15,688	161,150	59,176
(n) Non-controlling Interests		515	810	372	1,117
		55,125	16,498	161,522	60,293
2. Earnings per share based on 1(l) above (Note 27):					
(a) Basic earnings per share:		1.31 sen	0.43 sen	3.91 sen	1.90 sen
(b) Diluted earnings per share:		1.01 sen	0.34 sen	3.17 sen	1.69 sen

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



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

I.(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2011 RM'000	Preceding year corresponding quarter 30/9/2010 RM'000	Nine months to 30/9/2011 RM'000	Nine months to 30/9/2010 RM'000
Profit for the period	55,125	16,498	161,522	60,293
Other comprehensive income for the period, net of tax				
- Foreign currency translation differences for foreign operations	2,090	38	3,515	(1,630)
- Loss on fair value changes	-	-	(208)	-
- Share of other comprehensive income of associates	(5)	(206)	(86)	(210)
Total comprehensive income for the period	57,210	16,330	164,743	58,453
Attributable to:				
Owners of the Parent	56,695	15,520	164,371	57,336
Non-controlling Interests	515	810	372	1,117
	57,210	16,330	164,743	58,453

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



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

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter	As at preceding financial year end
	30/9/2011	31/12/2010
	RM'000	RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	176,594	62,037
Investment properties	503,036	30,615
Land use rights	317	324
Land held for property development	2,572,411	1,797,695
Investment in associates	102,324	87,063
Investment in joint ventures	122,526	101,383
Long term receivables	201,812	68,766
Goodwill	621,409	39,223
Deferred tax assets	16,031	-
Non-current deposits	1,418	1,418
	4,317,878	2,188,524
2. Current assets		
Property development costs	1,075,220	769,146
Inventories	116,564	42,252
Receivables	786,079	456,933
Amount due from associates	898	898
Amount due from joint ventures	168,680	75,484
Financial assets available for sale	121,107	7
Cash, bank balances and deposits	1,187,027	437,889
	3,455,575	1,782,609
Total assets	7,773,453	3,971,133



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

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

	Unaudited	Audited
	As at end of	As at preceding
	current quarter	financial year end
	30/9/2011	31/12/2010
	RM'000	RM'000
EQUITY AND LIABILITIES		
3. Equity attributable to Owners of the Parent		
Share capital	2,163,323	1,822,681
Reserves		
Share premium	1,898,161	513,124
Merger relief reserves	34,330	34,330
Equity component of redeemable convertible preference shares ("RCPS")	120,543	-
Other reserves	32,496	29,275
Retained profits	449,235	288,084
	4,698,088	2,687,494
4. Non-controlling interests	459,329	454,456
Total equity	5,157,417	3,141,950
5. Non-current liabilities		
Borrowings	1,220,903	408,185
Long term payable	24,822	24,407
Liability component of RCPS	384,308	-
Deferred tax liabilities	263,008	136,727
	1,893,041	569,319
6. Current liabilities		
Provisions	144,628	22,903
Payables	434,188	155,669
Borrowings	116,253	-
Amount due to immediate holding company	-	69,402
Tax payable	27,926	11,890
	722,995	259,864
Total liabilities	2,616,036	829,183
Total equity and liabilities	7,773,453	3,971,133
7. Net assets per share attributable to Owners of the Parent	RM1.09	RM0.74

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



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

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Unaudited
	Nine	Nine
	months to	months to
	30/9/2011	30/9/2010
	RM'000	RM'000
Operating activities		
Cash receipts from customers	1,032,862	337,050
Cash receipts from joint ventures	5,034	14,878
Cash payments to suppliers	(212,584)	(45,920)
Cash payments to contractors	(474,005)	(178,218)
Cash payments for land and development related costs	(26,641)	(11,040)
Cash payments to other related parties	(16,468)	(108,032)
Cash payments to employees and for expenses	(200,531)	(73,116)
Cash generated from/(used in) operations	107,667	(64,398)
Net income tax paid	(3,778)	(6,452)
Interest received	11,290	2,437
Net cash generated from/(used in) operating activities	115,179	(68,413)
Investing activities		
Dividend received from associates	2,700	3,700
Capital distribution from an associate	-	2,407
Proceeds from disposal of		
- property, plant and equipment	554	-
- short term investments	1,653	-
- associate	-	33,407
Purchase of property, plant and equipment	(3,237)	(877)
Cash and cash equivalents of subsidiary acquired	163,952	-
Advance to associate	(16)	-
Advance to joint venture	(2,600)	(9,426)
Investment in land held for property development	(16,918)	(27,269)
Investment in associate	-	(13)
Investment in joint venture	(7,490)	-
Investment in short term investments	(120,730)	-
Net cash generated from investing activities	17,868	1,929



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

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

	Note	Unaudited Nine months to 30/9/2011 RM'000	Unaudited Nine months to 30/9/2010 RM'000
Financing activities			
Drawdown of term loan and revolving credit		93,286	-
Drawdown of Islamic medium term notes		100,000	-
Proceeds from rights issue of ordinary shares		-	338,292
Proceeds from conversion of RCPS		544,995	-
Net (payment to)/advance from immediate holding company		(75,219)	3,864
Repayment of revolving credit		(43,413)	-
Repayment of term and bridging loans		(10,594)	(59,062)
Net cash generated from financing activities		609,055	283,094
Net change in cash and cash equivalents		742,102	216,610
Effects of foreign exchange rate changes		5,828	(46)
Cash and cash equivalents at beginning of financial period		437,889	135,884
Cash and cash equivalents at end of financial period	(a)	1,185,819	352,448
(a) Cash and cash equivalents comprise the following amounts:			
Current cash, bank balances and deposits			
Unrestricted		850,454	321,065
Restricted		336,573	30,470
		1,187,027	351,535
Cash, bank balances and deposits included in assets of disposal group classified as held for sale			
Unrestricted		-	913
Bank overdrafts (included in short term borrowings)		(1,208)	-
Cash and cash equivalents		1,185,819	352,448

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



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 →			→			
	Share Capital	Share Premium	Merger Relief Reserves	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine months to 30 September 2011 (unaudited)								
Balance as at 1 January 2011	1,822,681	513,124	34,330	29,275	288,085	2,687,495	454,457	3,141,952
Total comprehensive income for the period	-	-	-	3,221	161,150	164,371	372	164,743
Shares issued for acquisition of a subsidiary	130,939	548,941	-	-	-	679,880	-	679,880
Equity component of redeemable convertible preference shares ("RCPS") issued for acquisition of a subsidiary	-	-	-	120,543	-	120,543	-	120,543
Conversion of RCPS to ordinary shares	209,703	836,096	-	-	-	1,045,799	-	1,045,799
Acquisition of a subsidiary	-	-	-	-	-	-	4,500	4,500
Balance as at 30 September 2011	<u>2,163,323</u>	<u>1,898,161</u>	<u>34,330</u>	<u>153,039</u>	<u>449,235</u>	<u>4,698,088</u>	<u>459,329</u>	<u>5,157,417</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.



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 RM'000	Share Premium RM'000	Merger Relief Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000			
Nine months to 30 September 2010 (unaudited)								
Balance as at 1 January 2010 (as previously stated)	1,215,637	153,365	34,330	53,242	69,332	1,525,906	453,306	1,979,212
Effect of adopting FRS 139	-	-	-	-	1,635	1,635	-	1,635
Balance as at 1 January 2010 (restated)	1,215,637	153,365	34,330	53,242	70,967	1,527,541	453,306	1,980,847
Total comprehensive income for the period	-	-	-	(1,840)	59,176	57,336	1,117	58,453
Rights issue of ordinary shares	607,045	359,759	-	-	-	966,804	-	966,804
Balance as at 30 September 2010	<u>1,822,682</u>	<u>513,124</u>	<u>34,330</u>	<u>51,402</u>	<u>130,143</u>	<u>2,551,681</u>	<u>454,423</u>	<u>3,006,104</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 2010 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 2010.

1. Accounting policies and methods of computation

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

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

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

(a) FRS 127: Consolidated and Separate Financial Statements

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

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

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

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

2. Audit report in respect of the 2010 financial statements

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



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

3. Seasonal or cyclical factors

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

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

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

5. Material changes in estimates used

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

6. Debt and equity securities

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 Sept 2011 except as follows:-

The Group's issued and paid-up ordinary share capital increased from RM1,821,132,683 to RM2,161,774,362 during the current period as a result of issuance of 681,283,358 ordinary shares of RM0.50 each at an issue price of RM2.10 and RM2.30 per share in respect of the conditional take-over of Sunrise Berhad (refer to Note 10) as follows:

	Redeemable Convertible Preference Shares ("RCPS") of RM0.01 each (Number of shares)	Ordinary shares of RM0.50 each (Number of shares)
Issuance of debt and equity securities (RM2.10 per share) as considerations for the conditional take-over of Sunrise Berhad	837,093,777	261,877,362
Cash conversion by tendering 1 RCPS with cash subscription of RM1.30 per RCPS for 1 ordinary share	(419,227,165)	419,227,165
Non-cash conversion by tendering 2.3 RCPS for 1 ordinary share	(411,320)	178,831
Total	417,455,292	681,283,358

7. Dividend

The Directors do not recommend the payment of any interim dividend for the current financial period ended 30 Sept 2011 (2010 : Nil).

8. Segment information for the current financial period

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



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

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 Sept 2011 to the date of this announcement which would substantially affect the financial results of the Group for the financial period ended 30 Sept 2011 that have not been reflected in the condensed financial statements.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposal of subsidiaries and long term investments, restructuring or discontinued operations as at the date of this announcement since the preceding year ended 31 December 2010 except the following :

- a) Acquisition of a subsidiary, Sunrise Berhad ("Sunrise"), a property development and investment holding company. On 4 November 2010, CIMB Investment Bank Berhad, on behalf of the Company, served a notice of conditional take-over offer on the Board of Sunrise to notify them of the Company's intention to acquire all the ordinary shares of RM1.00 each in Sunrise (excluding treasury shares) not already owned by the Company ("Offer Shares"), at an offer price of RM2.80 per Offer Share to be satisfied in either of the following manner at the election of the holder of Offer Shares ("Holder"):
- (i) through the issuance of ordinary shares of RM0.50 each in the Company ("ULHB Shares") at an issue price of RM2.10 ("Consideration Shares"), where the Holders will receive approximately 1.33 Consideration Shares for every 1 Offer Share surrendered ("Share Alternative"); or
 - (ii) through the issuance of redeemable convertible preference shares of RM0.01 each in the Company ("RCPS") at an issue price of RM1.00 ("Consideration RCPS"), where the Holders will receive 2.8 Consideration RCPS for every 1 Offer Share surrendered ("RCPS Alternative").

(referred to as the "Offer")

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

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

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

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

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

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



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

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

a) cont'd

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

	Fair values recognised on acquisition RM'000	Acquiree's carrying amounts RM'000
Assets		
Property, plant and equipment	99,236	85,001
Investment properties	424,648	345,951
Land held for property development	861,354	741,611
Investment in associates	3,455	3,455
Investment in joint ventures	6,133	6,133
Deferred tax assets	15,495	15,495
Property development costs	355,407	355,407
Inventories	57,478	57,478
Trade and sundry receivables	289,829	289,829
Amount due from joint venture	87,901	87,901
Financial assets available for sale	1,679	1,679
Cash, bank balances and deposits	163,952	163,952
Total Assets	<u>2,366,567</u>	<u>2,153,892</u>
Liabilities		
Borrowings	741,807	741,807
Trade and sundry payables	376,980	376,980
Deferred tax liabilities	138,281	-
Provision for taxation	7,293	7,293
Total Liabilities	<u>1,264,361</u>	<u>1,126,080</u>
Total Net Assets	1,102,206	<u>1,027,812</u>
Add : Goodwill on acquisition of Sunrise	582,186	
Purchase consideration	1,684,392	
Less : Consideration settled by debts and equity securities	(1,684,392)	
Consideration settled in cash	-	
Cash and cash equivalents of subsidiary acquired	163,952	
Net cash inflow on acquisition	<u>163,952</u>	

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

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

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



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

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

a) cont'd

The acquisition related costs are as follows:

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

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

	RM'000
Revenue	631,593
Profit for the period	92,176

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

- b) On 17 June 2011, Sunrise MS Pte. Ltd. ("Sunrise MS") was incorporated in the Republic of Singapore under the Companies Act, (Cap.50). Sunrise MS is wholly owned by Sunrise, which in turn is a wholly owned subsidiary of the Company.
- c) On 22 June 2011, the Company subscribed for 5,500,000 ordinary shares of RM1.00 per share in Nusajaya Lifestyle Sdn Bhd ("NLSB"), a newly incorporated company, for a total cash consideration of RM5,500,000.00. Pursuant to the completion of the acquisition, NLSB became a 55% owned subsidiary of the Company.
- d) Grand Influx 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 16 June 2011.
- e) Renong College Berhad, 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 23 August 2011.

11. **Contingent liabilities**

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2010 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 consultants, 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.



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

12. **Capital commitments**

There are no material capital commitments except as disclosed below:

	RM'mil
Approved and contracted for	237.3
Approved but not contracted for	4.7

13. **Income tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2011 RM'000	Preceding year corresponding quarter 30/9/2010 RM'000	Nine months to 30/9/2011 RM'000	Nine months to 30/9/2010 RM'000
Malaysian income tax:				
- Current year	(24,684)	(4,325)	(69,027)	(5,882)
- Under provision in prior years	5,106	39	3,833	39
Deferred tax	7,273	6,782	26,938	6,898
	(12,305)	2,496	(38,256)	1,055

The Group's effective tax rate for the current period is lower compared to the statutory tax rate mainly due to the recognition of deferred tax assets on previous years unabsorbed tax losses.

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

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

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

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

16. **Investments in quoted securities**

Total investments in quoted securities are as follows:

	As at 30/9/2011 RM'000
Total investments at cost	41
Total investments at book value net of accumulated impairment loss	12
Total investments at market value	12



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

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

All corporate proposals announced are completed as at the date of this announcement, except as disclosed below:

- a) A development agreement dated 16 June 2005 (“HHDSB Development Agreement”) between Nusajaya Greens Sdn Bhd (“NGSB”) and Horizon Hills Development Sdn Bhd (“HHDSB”), a 50:50 joint venture company between UEM Land Berhad (“UEM Land”) and Gamuda Berhad, for the development of approximately 1,227 acres of land in Nusajaya into a mixed development and 18-hole golf course, clubhouse and facilities together with the appropriate primary and secondary infrastructure, and other types of complementary developments, which was announced on 16 June 2005 by UEM World Berhad (now known as Global Converge Sdn Bhd). As part of the HHDSB Development Agreement, the said land will be acquired by HHDSB for the development known as Horizon Hills, which is currently ongoing. As at 24 November 2011, 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.
- c) A development agreement and a supplemental development agreement dated 19 December 2007 and 4 November 2010, respectively, between UEM Land, BND and Haute Property Sdn Bhd (“HPSB”) for the development of a high end residential enclave over 111 acres held under H.S.(D) 453895, PTD 154910, Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim.
- d) A sale and purchase agreement dated 23 December 2010 between UEM Land, BND and Nusajaya Consolidated for the disposal of a parcel of land measuring approximately 6.698 acres in Puteri Harbour, Nusajaya for a cash consideration of RM49,600,730 pursuant to the exercise of the purchase option by Nusajaya Consolidated. The sale and purchase agreement has become unconditional on 30 December 2010.

Nusajaya Consolidated has on 25 October 2011, entered into a Serviced Residence Management Agreement with Clear Dynamic Sdn Bhd, a wholly-owned subsidiary of Nusajaya Consolidated 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. Nusajaya Consolidated 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 sale and purchase agreement dated 30 December 2010 between UEM Land and Inch Kenneth Kajang Rubber Public Limited Company (“IncKen”) for the acquisition of approximately 448.61 acres of land in Mukim Semenyih, Daerah Ulu Langat, Selangor for a cash consideration of approximately RM259.9 million (Proposed Acquisition”). IncKen has received the approval from the Selangor State Land Board (“ELB”) for the Proposed Acquisition as stated in the ELB certificate dated 10 October 2011. On 28 October 2011, the Proposed Acquisition has been completed following the payment of the balance amount due to IncKen.
- f) 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.
- g) A Shareholders’ Agreement dated 9 June 2011 between ULHB 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 Takzim into a mixed development predominantly in the retail segment (“Retail Mall”).



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

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

g) (cont'd)

The Retail Mall is to be developed by Nusajaya Lifestyle Sdn Bhd ("NLSB"), held by ULHB 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.

17. (B) **Utilisation of Rights Issue Proceeds**

On 29 April 2010, the Company completed its rights issue exercise involving the issuance of 1,214,088,456 new ordinary shares of RM0.50 each in the Company ("ULHB Shares") ("Rights Shares") on the basis of 1 Rights Share for every 2 existing ULHB Shares, at an issue price of RM0.80 per Rights Share ("Rights Issue"). The utilisation status of the proceeds of the Rights Issue as at 17 November 2011 (being a date not earlier than 7 days from the date of this quarterly report) is as follows:-

Purpose	Proposed utilisation RM mil	Actual utilisation RM mil	Timeframe for utilisation	Deviation		Explanation
				RM mil	%	
Settlement of the UEMG Term Loan	633.0	633.0	Upon completion of the Rights Issue	-	-	The repayment of the UEMG Term Loan was effected by way of setting-off the UEMG Term Loan amount against the corresponding amount payable by UEMG as part of the full subscription of its entitlement under the Rights Issue.
Part payment to Setia Haruman Sdn Bhd for the acquisition of freehold land in the Mukim of Dengkil, Sepang, Selangor Darul Ehsan ("1 st Tranche Payment")	65.1	65.1	Within 1 month from completion of the Rights Issue	-	-	The 1 st Tranche Payment was made on 30 April 2010
Estimated expenses in relation to the Rights Issue	5.0	4.5	Within 1 month from completion of the Rights Issue	0.5	10.0	The expenses in relation to the Rights Issue has been fully paid. The deviation in balance will be adjusted to the amount allocated for general working capital as stated in the Abridged Prospectus dated 5 April 2010
Payment of outstanding trade payables	66.2	66.2	Within 1 month from completion of the Rights Issue	-	-	RM66.2 mil has been utilised to pay outstanding trade payables as stated in the Abridged Prospectus dated 5 April 2010.
Property development expenditure and general working capital of the Group	202.0	202.5	As and when required	(0.5)	(0.3)	The balance proceeds have been used for working capital and property development expenditure as per Abridged Prospectus dated 5 April 2010
Total gross proceeds	971.3	971.3		-	-	



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

18. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 30 Sept 2011 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic						
- Islamic term financing	155,733	-	155,733	-	-	-
- Bridging and term loan	23,113	-	23,113	-	-	-
- Loan from immediate holding company	265,667	-	265,667	-	-	-
- Islamic Medium Term Notes	-	200,000	200,000	-	-	-
- Term loan	446,679	-	446,679	-	-	-
- Revolving credits	120,000	-	120,000	7,000	108,000	115,000
- Bank overdrafts	9,711	-	9,711	-	1,208	1,208
- Hire purchase & lease	-	-	-	45	-	45
TOTAL	1,020,903	200,000	1,220,903	7,045	109,208	116,253

19. **Derivatives**

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

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

	As at end of current quarter 30/9/2011 (RM'000)	As at preceding financial year end 31/12/2010 (RM'000)
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(286,616)	(928,111)
- Unrealised	29,648	68,614
	<u>(256,968)</u>	<u>(859,497)</u>
Total share of retained profits / (accumulated losses) of associates:		
- Realised	19,647	11,837
- Unrealised	(256)	-
Total shares of retained profits / (accumulated losses) of joint ventures:		
- Realised	31,630	21,836
- Unrealised	373	13
	<u>(205,574)</u>	<u>(825,811)</u>
Less : Consolidation adjustments	654,809	1,113,895
Total group retained profits as per consolidated statement of financial position	<u>449,235</u> =====	<u>288,084</u> =====



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

21. **Material litigation**

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

Renong Overseas Corporation Sdn Bhd (“ROC”), a wholly-owned subsidiary of UEM Land Berhad (“UEM Land”), entered into an agreement (“Agreement”) to dispose its entire interests in Renong Overseas Corporation S.A. (Proprietary) Limited (“ROCSA”), a foreign subsidiary of ROC, on 8 January 2007 with Bonatla Property Holdings Limited (“Bonatla”). The agreement was later novated to VLC Commercial & Industrial (Pty) Ltd (“VLC”).

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

The Applicants are companies incorporated in South Africa and hold direct and indirect interest in ROC-Union (Proprietary) Limited, a subsidiary of ROCSA, which in turn is a wholly-owned subsidiary of ROC. ROCSA and Vulindlela Investments (Pty) Limited respectively hold 80.4% and 19.6% equity interest in ROC-Union (Proprietary) Limited.

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

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

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

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

	Current quarter 30/9/2011 RM’000	Immediate preceding quarter 30/6/2011 RM’000
Revenue	408,282	509,403
Profit from operations	65,926	116,491
Finance costs	(11,273)	(15,069)
Share of results of associates/joint ventures	12,777	4,609
Profit before income tax	67,430	106,031



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

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

The Group recorded lower revenue in the current quarter mainly due to

- Lower revenue of RM290.8 million from the Group's various direct development projects compared to the immediate preceding quarter of RM372.8 million mainly due to lower contribution from the overall developments.
- Lower developed land sales of RM84.2 million compared to immediate preceding quarter of RM122.1 million mainly due to stronger sales performance for the Southern Industrial & Logistics Clusters ("SiLC") project in the immediate preceding quarter.

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

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

	Current year quarter 30/9/2011 RM'000	Preceding year corresponding quarter 30/9/2010 RM'000	Nine months to 30/9/2011 RM'000	Nine months to 30/9/2010 RM'000
Revenue	408,282	65,674	1,105,370	193,376
Profit from operations	65,926	5,774	214,385	21,685
Gain on disposal of an associate	-	-	-	25,559
Finance costs	(11,273)	(1,400)	(39,702)	(6,982)
Share of results of associates/joint ventures	12,777	9,628	25,095	18,976
Profit before income tax	67,430	14,002	199,778	59,238

The Group recorded higher revenue in the current quarter and period as compared to the preceding year corresponding quarter and period mainly due to improved performance from the Group's developed land sales, SiLC and direct development projects, namely East Ledang, Nusa Idaman, Symphony Hills and Nusa Bayu. The current quarter also includes the consolidation of the results from a new subsidiary, Sunrise.

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



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

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
		30/9/2011	30/9/2010	30/9/2011	30/9/2010
		RM'000	RM'000	RM'000	RM'000
<u>Net operating profit/(loss) after tax (“NOPAT”) computation:</u>					
Earnings before interest and tax (“EBIT”)		52,646	1,923	170,262	10,105
Adjusted tax		(13,162)	(481)	(42,566)	(2,526)
NOPAT/(NOLAT)		39,484	1,442	127,696	7,579
<u>Economic charge computation:</u>					
Average invested capital	1	4,360,926	2,888,135	4,360,926	2,888,135
Weighted average cost of capital (“WACC”) (%)	2	11.8	10.3	11.8	10.3
Economic charge		(128,647)	(74,369)	(385,942)	(223,108)
Economic loss		(89,163)	(72,927)	(258,246)	(215,529)

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 and period as compared to the preceding year corresponding quarter and period mainly due to higher economic charge with the increase in average invested capital and weighted average cost of capital following the acquisition of a subsidiary, Sunrise Berhad on 6 January 2011.

Note 1:

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

Note 2:

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



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

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

Despite the uncertainties in the global economic outlook, whilst the Board is confident that the Company is on track to achieve its Headline KPI target for Revenue Growth, the Board acknowledges that it will be challenging for the Company to achieve its Headline KPI target for Return on Equity. The total unbilled sales of RM1,731.3 million as at 30 September 2011 will support the Company's revenue for the current and subsequent financial years.

26. **Profit forecast**

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

27. **Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2011 RM'000	Preceding year corresponding quarter 30/9/2010 RM'000	Nine months to 30/9/2011 RM'000	Nine months to 30/9/2010 RM'000
(a) Basic earnings per share				
Profit attributable to Owners of the Parent	54,610	15,688	161,150	59,176
Weighted average number of ordinary shares in issue ('000)	4,174,369	3,642,265	4,118,143	3,117,495
Basic earnings per share	<u>1.31 sen</u>	<u>0.43 sen</u>	<u>3.91 sen</u>	<u>1.90 sen</u>
(b) Diluted earnings per share				
Profit for the period attributable to Owners of the Parent	54,610	15,688	161,150	59,176
Profit of subsidiaries attributable to non-controlling interests arising from dilutive impact of convertible securities issued by a subsidiary	(7,594)	(3,216)	(14,756)	(5,267)
Diluted profit attributable to Owners of the Parent	<u>47,016</u>	<u>12,472</u>	<u>146,394</u>	<u>53,909</u>
Diluted weighted average number of ordinary shares in issue ('000)	4,676,942	3,712,362	4,620,716	3,187,591
Diluted earnings per share	<u>1.01 sen</u>	<u>0.34 sen</u>	<u>3.17 sen</u>	<u>1.69 sen</u>

Kuala Lumpur
24 November 2011

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