



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010

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
		30/6/2010	30/6/2009	30/6/2010	30/6/2009
		RM'000	RM'000	RM'000	RM'000
1. (a) Revenue		88,003	68,686	127,702	125,197
(b) Cost of sales		(56,933)	(52,130)	(83,836)	(95,308)
(c) Gross profit		31,070	16,556	43,866	29,889
(d) Other income		29,694	3,884	33,288	5,726
(e) Expenses		(21,311)	(12,620)	(35,684)	(23,087)
(f) Finance costs		(2,539)	(1,364)	(5,582)	(3,083)
(g) Share of results of associates		1,312	1,208	3,661	1,906
(h) Share of results of joint ventures		3,042	1,284	5,687	2,180
(i) Profit before income tax		41,268	8,948	45,236	13,531
(j) Income tax	14	(920)	(3,332)	(1,441)	(4,339)
(k) Profit for the period		40,348	5,616	43,795	9,192
Profit attributable to:					
(n) Owners of the Company		40,346	5,907	43,488	8,538
(o) Minority interests		2	(291)	307	654
		40,348	5,616	43,795	9,192
2. Earnings per share based on 1(n) above (Note 27):					
(a) Basic earnings per share:		1.23 sen	0.21 sen	1.53 sen	0.30 sen
(b) Diluted earnings per share:		1.16 sen	0.15 sen	1.42 sen	0.19 sen



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I.(B) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	Note 30/6/2010 RM'000	30/6/2009 RM'000	30/6/2010 RM'000	30/6/2009 RM'000
Profit for the period	40,348	5,616	43,795	9,192
Other comprehensive income for the period, net of tax				
- Foreign currency translation differences for foreign operations	(1,360)	5,899	(1,668)	5,892
- Share of other comprehensive income of associates	(4)	118	(4)	118
Total comprehensive income for the period	38,984	11,633	42,123	15,202
Total comprehensive income attributable to:				
Owners of the Company	38,982	11,924	41,816	14,548
Minority interests	2	(291)	307	654
	38,984	11,633	42,123	15,202

The condensed Consolidated Income Statement and Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009 and Note 1 of this quarterly announcement.



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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As at end of current quarter 30/6/2010 RM'000	Audited As at preceding financial year end 31/12/2009 RM'000
ASSETS			
1. Non-current assets			
Property, plant and equipment		60,085	56,968
Investment property		29,971	28,848
Prepaid land lease payments		354	372
Land held for property development		1,820,386	1,840,256
Investment in associates		35,050	43,997
Investment in joint ventures		62,225	55,339
Financial asset available for sale		33,636	33,636
Long term receivables		64,223	64,223
Goodwill		39,223	39,223
Non-current deposits		1,418	1,418
		2,146,571	2,164,280
2. Current assets			
Property development costs		650,860	594,867
Inventories		12,457	19,569
Receivables		490,886	499,494
Amount due from associates		898	535
Amount due from joint ventures		79,309	75,292
Financial asset available for sale		7	7
Cash, bank balances and deposits		326,929	142,990
		1,561,346	1,332,754
3. Assets of disposal group classified as held for sale	11	33,820	35,978
Total assets		3,741,737	3,533,012



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

		Unaudited	Audited
		As at end of current quarter	As at preceding financial year end
		30/6/2010	31/12/2009
	Note	RM'000	RM'000
EQUITY AND LIABILITIES			
4.	Equity attributable to owners of the Company		
	Share capital	1,821,133	1,214,088
	Preference shares	1,549	1,549
	Reserves		
	Share premium	513,353	153,365
	Merger relief reserves	34,330	34,330
	Other reserves	51,570	53,242
	Retained profits	114,455	69,332
		<u>2,536,390</u>	<u>1,525,906</u>
5.	Minority interests	453,613	453,306
	Total equity	<u>2,990,003</u>	<u>1,979,212</u>
6.	Non-current liabilities		
	Long term borrowings	299,000	690,979
	Long term payables	23,866	24,960
	Deferred tax liabilities	150,196	150,312
		<u>473,062</u>	<u>866,251</u>
7.	Current liabilities		
	Provisions	23,716	24,315
	Payables	159,222	332,620
	Short term borrowings	2,902	9,141
	Amount due to immediate holding company	91,889	319,361
	Tax payable	77	1,195
		<u>277,806</u>	<u>686,632</u>
8.	Liabilities of disposal group classified as held for sale	11 866	917
	Total liabilities	<u>751,734</u>	<u>1,553,800</u>
	Total equity and liabilities	<u>3,741,737</u>	<u>3,533,012</u>
9.	Net assets per share attributable to owners of the Company	<u>RM0.70</u>	<u>RM0.63</u>

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009 and Note 1 of this quarterly announcement.



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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Unaudited
	Six	Six
	months to	months to
Note	30/6/2010	30/6/2009
	RM'000	RM'000
Operating activities		
Cash receipts from customers	144,746	121,387
Cash receipts from joint ventures	14,805	-
Cash payments to suppliers	(23,329)	(17,074)
Cash payments to contractors	(249,492)	(88,853)
Cash payment for land and development related costs	(11,093)	(12,229)
Cash payments to employees and for expenses	(44,796)	(32,224)
Cash used in operations	(169,159)	(28,993)
Net income tax paid	(3,514)	(19,796)
Interest income received	1,525	95
Net cash used in operating activities	(171,148)	(48,694)
Investing activities		
Dividend received from associates	2,350	1,300
Capital distribution from an associate	2,407	-
Proceeds from disposal of		
- property, plant and equipment	-	9
- long term investments	-	392
- an associate	33,407	-
Purchase of property, plant and equipment	(651)	(391)
Investment in land held for property development	(14,136)	(7,243)
Advances to joint ventures	(9,426)	-
Net cash generated from/(used in) investing activities	13,951	(5,933)
Financing activities		
Proceeds from rights issue of ordinary shares	338,292	-
Net advance from immediate holding company	9,072	50,000
Net repayment of bridging loan	(1,065)	(1,262)
Net cash generated from financing activities	346,299	48,738
Net change in cash and cash equivalents	189,102	(5,889)
Effects of foreign exchange rate changes	(46)	910
Cash and cash equivalents at beginning of the period	135,884	24,819
Cash and cash equivalents at end of the period	324,940	19,840

(a)



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

		Unaudited	Unaudited
		Six	Six
		months to	months to
	Note	30/6/2010	30/6/2009
		RM'000	RM'000
(a) Cash and cash equivalents comprise the following amounts:			
Current cash, bank balances and deposits			
Unrestricted		300,419	14,407
Restricted		26,510	12,514
		326,929	26,921
Cash, bank balances and deposits included in assets of disposal group classified as held for sale			
Unrestricted	11	913	957
Bank overdrafts (included in short term borrowings)		(2,902)	(8,038)
Cash and cash equivalents		324,940	19,840

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009 and Note 1 of this quarterly announcement.



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to Owners of the Company →				→	Minority 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
Six months to 30 June 2010 (unaudited)							
Balance as at 1 January 2010	1,215,637	153,365	34,330	53,242	69,332	1,525,906	453,306
Effect of adopting FRS 139	-	-	-	-	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
Total comprehensive income for the period	-	-	-	(1,672)	43,488	41,816	307
Rights issue of ordinary shares	607,045	359,988	-	-	-	967,033	-
Balance as at 30 June 2010	1,822,682	513,353	34,330	51,570	114,455	2,536,390	453,613

Included in the minority 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 Company →					Total	Minority Interests *	Total Equity
	Share Capital	Share Premium	Merger Relief Reserves	Other Reserves	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Six months to 30 June 2009 (unaudited)								
Balance as at 1 January 2009	1,214,088	-	34,330	47,027	(45,290)	1,250,155	452,380	1,702,535
Total comprehensive income for the period	-	-	-	6,010	8,538	14,548	654	15,202
Issue of mandatory convertible redeemable preference shares	1,549	153,365	-	-	-	154,914	-	154,914
Balance as at 30 June 2009	<u>1,215,637</u>	<u>153,365</u>	<u>34,330</u>	<u>53,037</u>	<u>(36,752)</u>	<u>1,419,617</u>	<u>453,034</u>	<u>1,872,651</u>

Included in the minority interests is the Redeemable Convertible Preference Share of a subsidiary amounting to RM450 million held by the immediate holding company.

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 2009 and Note 1 of 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 2009.

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”) effective 1 January 2010 as disclosed below:

FRS 7 : Financial Instrument : Disclosure

FRS 8: Operating Segments

FRS 101 (Revised): Presentation of Financial Statements

FRS 123 (Revised): Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs ‘Improvements to FRSs (2009)’

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

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

(a) FRS 139: Financial Instruments: Recognition and Measurement

(i) Accounting policies

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of financial instruments and the new accounting policies are as follows:

(aa) Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, financial assets held-to-maturity, loans and receivables or financial assets available-for-sale.

When financial assets are recognised initially, they are measured at fair value. However in the case of investments not carried at fair value through profit or loss, it is measured at fair value plus direct attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where appropriate, re-evaluates this designation at each financial year-end.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are categorised as financial assets at fair value through profit or loss. Financial assets are held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in the income statement.



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1. Accounting policies and methods of computation (cont'd)

(a) FRS 139: Financial Instruments: Recognition and Measurement (cont'd)

(i) Accounting policies (cont'd)

(aa) Financial assets (cont'd)

Financial assets at fair value through profit or loss (cont'd)

Derivatives are also classified as held for trading unless they form part of a designated and effective hedging instruments. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement for the period.

Financial assets held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the expressed intention and ability to hold to maturity.

Investments that are intended to be held-to-maturity are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income statement when the investments are de-recognised or impaired, as well as through the amortisation process.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial assets available-for-sale

Financial assets available-for-sale are non-derivative financial assets that are not classified as fair value through profit or loss, held-to-maturity or loans and receivables. After initial recognition, financial assets available-for-sale are measured at fair value with gains or losses being recognised in a reserve until the investment is sold or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



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1. Accounting policies and methods of computation (cont'd)

(a) FRS 139: Financial Instruments: Recognition and Measurement (cont'd)

(i) Accounting policies (cont'd)

(bb) Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost using the effective interest method. Financial liabilities at fair value are held for trading if the financial liabilities are incurred with the intention of repurchasing them in the near term. Derivative liability are at fair value through profit or loss unless it forms part of a designated and effective hedging relationship.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(ii) Financial impact

In accordance with the transitional provisions of FRS 139 for first-time adoption, adjustments arising from the change in accounting policies and remeasuring the financial instruments at the beginning of the financial period are recognised as adjustments to the opening balance of retained profits as follows, whilst adjustment to comparatives are not required:-

	RM'000
As at 1 January 2010, as previously stated	69,332
Adjustment arising from adoption of FRS 139 :-	
- Fair value adjustments on long term payables*	1,635
As at 1 January 2010, as restated	<u>70,967</u>

* Prior to the adoption of FRS 139, long term payables were recognized at contract dates based on the nominal values. With the adoption of FRS 139, financial liabilities are measured at their fair value which is the difference between the nominal value and the net present value of the long term payables. Long term payables, which are classified as other financial liabilities are to be carried at amortised cost. The present value adjustment is computed based on estimated future cash flows discounted at the Group's cost of borrowing.

(b) FRS 101 (revised) – Presentation of Financial Statements

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. Pursuant to the revised standard, the Group presents all non-owner changes in equity separately in the consolidated statement of comprehensive income.

Comparative information has also been re-presented in conformity with the revised standard.



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2. Audit report in respect of the 2009 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2009 was not qualified.

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 periods 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 2010 except as follows:-

- a) The Renounceable Rights Issue of 1,214,088,456 new ordinary shares of RM0.50 each of the Company at an issue price of RM0.80 per Rights Shares ("Rights Issue") which has been completed following the listing of and quotation for the Rights Shares on the Main Board of Bursa Malaysia Securities Berhad on 29 April 2010.
- b) The full settlement of the term loan owing to UEM Group Berhad ("UEMG") of RM633 million ("UEMG Term Loan") on 29 April 2010 by way of set-off against a portion of UEMG's subscription amount of the Rights Issues.

7. Dividend

The Directors do not recommend the payment of any interim dividend for the current financial period ended 30 June 2010 (2009 : Nil).

8. Segment information for the current financial period

There was no disclosure and presentation of segment information as the Group's activities are carried out within Malaysia and the Group is involved in property development and related activities.

9. Material events subsequent to the end of the current financial quarter

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 2010 to the date of this announcement which would substantially affect the financial results of the Group for the financial period ended 30 June 2010 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 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 2009 except the following:-

- a) On 14 May 2010, the following dormant/inactive subsidiaries held through UEM Land Berhad (“UEM Land”) and Renong Ventures Sdn Bhd ceased as subsidiaries following the receipt of a notice dated 26 April 2010 from the Registrar of Companies Malaysia informing that the names of the companies have been struck-off from the Schedule of the Registrar pursuant to Section 308 (4) of the Companies Act, 1965:-
 - i. Mangrove Riviera Sdn Bhd
 - ii. Merak Indera Sdn Bhd
- b) A conditional sale and purchase agreement dated 28 April 2010 between the Company and PLUS Expressways Berhad (“PEB”) for the disposal of the Company’s entire 20% equity interest in Touch ‘n Go Sdn Bhd (“TnG”) to PEB for a cash consideration of RM33,406,680 (“Disposal”) (“Agreement”). The Disposal was completed on 11 June 2010 and TnG ceased as an associate of the Company.

11. Discontinued operations and assets classified as held for sale

Renong Overseas Corporation Sdn Bhd (“ROC”), a wholly-owned subsidiary of UEM Land, entered into an 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”). This agreement is currently in abeyance pending determination of the interlocutory proceedings filed by Vulindlela Holdings (Pty) Limited and Vulindlela Investments (Pty) Limited (“Applicants”) as disclosed in Note 21 (i).

There were no results and cash flow movements for the period of the disposal group classified as held for sale.

The major classes of assets and liabilities of the disposal group classified as held for sale on the consolidated Statement of Financial Position were as follows:

	As at 30/6/2010 RM’000	As at 31/12/2009 RM’000
Assets		
Investment in associate	32,742	34,394
Receivables	165	611
Cash and bank balances	913	973
Assets of disposal group classified as held for sale	<u>33,820</u>	<u>35,978</u>
Liabilities		
Payables	866	917
Liabilities directly associated with the assets classified as held for sale	<u>866</u>	<u>917</u>
Net assets attributable to discontinued operations	<u>32,954</u>	<u>35,061</u>



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12. **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 2009 except the following:-

- i) A group of thirty eight (38) Felcra settlers (“the Plaintiffs”) has collectively served an originating summons against Felcra Berhad (“Felcra”), District Land Administrator (“DLA”) and the Johor State Government (“State Government”) (collectively the “Defendants”). The Summons pertain to 198 acres of land previously owned by the State Government, developed by Felcra and subsequently alienated to Bandar Nusajaya Development Sdn Bhd (“BND”), for the development of Nusajaya. The Plaintiffs seek, inter-alia, for the Defendants to pay an additional total sum of RM54.0 million for the 198 acres and an acre of land to each Plaintiff.

On 12 January 2010, the High Court of Malaya (“High Court”) made a decision against Felcra for breach of contract and dismissed the Plaintiffs’ action against the DLA and the State Government. However, the Plaintiffs on 8 February 2010 filed a notice of appeal to the Court of Appeal to appeal against the decision of the High Court on the quantum against Felcra and the dismissal of the action against the DLA and the State Government.

BND is not directly involved in these litigations, but by virtue of the 1994 Novation Agreement, is responsible for the additional land cost of land alienated to it, which includes the amounts claimed by the Plaintiffs, in the event their claims are successful.

13. **Capital commitments**

There are no material capital commitments except as disclosed below:

	RM’ mil
Approved and contracted for	7.3
Approved but not contracted for	5.7

14. **Income tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2010	30/6/2009	30/6/2010	30/6/2009
	RM’000	RM’000	RM’000	RM’000
Malaysian taxation				
- Current taxation	(866)	(1,154)	(1,557)	(1,925)
- Under provision in prior years	-	-	-	(15)
- Deferred taxation	(54)	(2,178)	116	(2,399)
	<u>(920)</u>	<u>(3,332)</u>	<u>(1,441)</u>	<u>(4,339)</u>



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2010 RM'000	Preceding year corresponding quarter 30/6/2009 RM'000	Six months to 30/6/2010 RM'000	Six months to 30/6/2009 RM'000
Gain on disposal of unquoted investments	25,559	2,700	25,559	2,900

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

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

17. **Investments in quoted securities**

Details of the financial assets available for sale held by the Group are as follows:

	As at 30/6/2010 RM'000
Total investments at cost	36
Total investments at book value net of accumulated impairment loss	7
Total investments at market value	7

18. (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 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 development, which was announced on 16 June 2005 by UEM World. 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 the current financial period, 699 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.
- b) A sale and purchase agreement dated 7 November 2009 between UEM Land, BND and Themed Attractions and Resorts Sdn Bhd (“TAR”), for TAR to acquire 2 parcels of land in Puteri Harbour, Nusajaya, Johor with a total area measuring approximately 4.221 acres for a cash consideration of RM26,661,440, which was announced on 9 November 2009.
- c) A sale and purchase agreement dated 22 April 2010 between UEM Land and Encorp Iskandar Development Sdn Bhd, a wholly-owned subsidiary of Encorp Berhad, for the disposal of a parcel of land in Puteri Harbour, Nusajaya, Johor with a total land area of approximately 3.3 acres for a cash consideration of RM25,890,321.60.



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18.(B) Utilisation of Rights Issue Proceeds

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

Purpose	Proposed utilisation RM mil	Actual utilization 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 on completion of 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	9.4	As and when required	192.6	95.3	The balance proceeds will be used for working capital and property development expenditure as per Abridged Prospectus dated 5 April 2010.
Total gross proceeds	971.3	778.2		193.1	19.9	



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19. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 30 June 2010 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						
- Banks	58,000	-	58,000	-	-	-
- Loan from immediate holding company	241,000	-	241,000	-	-	-
- Overdrafts	-	-	-	2,902	-	2,902
TOTAL	299,000	-	299,000	2,902	-	2,902

20. **Derivatives**

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

21. **Material litigation**

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

As disclosed in Note 11 above, 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 Renong Overseas Corporation S.A. (Proprietary) Limited (“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 are requesting 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. In the event the Applicants’ action is successful, the sale of shares to Bonatla which is expected to realise a gain on disposal of approximately RM35 million will have to be aborted.

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 parties are still in negotiations to settle the matter out-of-court.

(ii) **Appeal against the amount of compensation awarded for the land acquired for the proposed Johor Bahru-Nusajaya Coastal Highway**

In 2008, the State Authority acquired approximately 205 acres of the Group’s land on 14 plots for the purpose of the proposed Johor Bahru-Nusajaya Coastal Highway project. Up to 4 November 2008, the land administrator made an award of compensation totalling RM56,609,191 to the Group. The Group put forward an appeal for a higher compensation amount and the matter was referred to the Johor Bahru High Court as land reference case. The court fixed 20 August 2010 for the next Case Management and 27 August 2010 for matters to be heard.



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

	Current quarter 30/6/2010 RM'000	Immediate preceding quarter 31/3/2010 RM'000
Revenue	88,003	39,699
Profit from operations	13,894	2,017
Gain on disposal of an associate	25,559	-
Finance costs	(2,539)	(3,043)
Share of results of associates/joint ventures	4,354	4,994
Profit before income tax	41,268	3,968

The Group recorded higher revenue in the current quarter compared to the immediate preceding quarter mainly due to higher revenue from sales of industrial land in Southern Industrial Logistics Clusters ("SiLC"), developed land sales in Puteri Harbour and higher sales of development properties in Nusa Idaman.

The Group recorded higher profit before income tax in the current quarter compared to the immediate preceding quarter in line with higher revenue and gain of RM25.6 million on the disposal of its 20% equity interest in an associate, TnG to PEB.

23. **Review of performance for the current quarter and year-to-date**

	Current year quarter 30/6/2010 RM'000	Preceding year corresponding quarter 30/6/2009 RM'000	Six months to 30/6/2010 RM'000	Six months to 30/6/2009 RM'000
Continuing Operations				
Revenue	88,003	68,686	127,702	125,197
Profit from operations	13,894	7,820	15,911	12,528
Gain on disposal of an associate	25,559	-	25,559	-
Finance costs	(2,539)	(1,364)	(5,582)	(3,083)
Share of results of associates/joint ventures	4,354	2,492	9,348	4,086
Profit before income tax	41,268	8,948	45,236	13,531

The Group recorded higher revenue in the current quarter as compared to the preceding year corresponding quarter mainly due to higher revenue from sales of industrial land in Southern Industrial Logistics Clusters ("SiLC"), developed land sales in Puteri Harbour and higher sales of development properties in Nusa Idaman. This is partially offset by lower strategic land sales and contribution from Kota Iskandar Phase 1 following the completion of the project in the preceding year in the current quarter as compared to the preceding year corresponding quarter.

The Group recorded higher profit before income tax in the current quarter as compared to the preceding year corresponding quarter is in line with higher revenue and gain of RM25.6 million on the disposal of an associate, TnG to PEB.



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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
		30/6/2010	30/6/2009	30/6/2010	30/6/2009
		RM'000	RM'000	RM'000	RM'000
<u>Net operating (loss)/profit after tax (“NOPAT”) computation:</u>					
Earnings before interest and tax (“EBIT”)		9,759	3,936	8,182	6,802
Adjusted tax		(2,046)	(984)	(2,046)	(1,701)
NOPAT		7,713	2,952	6,136	5,101
<u>Economic charge computation:</u>					
Average invested capital	1	2,907,461	2,632,161	2,907,461	2,632,161
Weighted average cost of capital (“WACC”) (%)	2	10.1	9.8	10.1	9.8
Economic charge		(73,413)	(64,488)	(146,827)	(128,976)
Economic loss		(65,700)	(61,536)	(140,691)	(123,875)

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/period as compared to the preceding year corresponding quarter/period mainly due to higher economic charge with the increase in average invested capital and weighted average cost of capital following the completion of Rights Issue on 29 April 2010.

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 as at end of the period.



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

The Group is confident that the property market will continue its recovery in line with the encouraging Gross Domestic Product (“GDP”) growth achieved by the country for the first half of 2010. The property market in Johor generally, and Iskandar Malaysia specifically is expected to further benefit from the recent increase in interest from Singapore.

We expect the Group to benefit from this positive sentiment and will continue to launch new residential projects in Nusajaya, as well as launching new phases of our existing residential projects in Nusajaya and Cyberjaya in the coming months. Further, the Group will continue to evaluate opportunities to acquire strategic land parcels outside Nusajaya to further expand and grow our business to create sustainable return on investment for our shareholders.

Whilst it will be challenging, the Group will continue to strive to achieve the Headline KPI targets as previously announced.

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 30/6/2010 RM'000	Preceding year corresponding quarter 30/6/2009 RM'000	Six months to 30/6/2010 RM'000	Six months to 30/6/2009 RM'000
(a) Basic earnings per share				
Profit attributable to owners of the Company	40,346	5,907	43,488	8,538
Weighted average number of ordinary shares in issue ('000)	3,268,700	2,846,142	2,850,760	2,846,142
Basic earnings per share	1.23 sen	0.21 sen	1.53 sen	0.30 sen



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27. **Earnings per share (cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2010	30/6/2009	30/6/2010	30/6/2009
	RM'000	RM'000	RM'000	RM'000
(b) Diluted earnings per share				
Profit for the period attributable to owners of the Company	40,346	5,907	43,488	8,538
Profit of subsidiaries attributable to minority interests arising from dilutive impact of convertible securities issued by a subsidiary	(1,654)	(1,598)	(2,051)	(2,918)
Diluted profit attributable to owners of the Company	38,692	4,309	41,437	5,620
Diluted weighted average number of ordinary shares in issue ('000)	3,338,797	2,916,239	2,920,857	2,916,239
Diluted earnings per share	1.16 sen	0.15 sen	1.42 sen	0.19 sen

Kuala Lumpur
27 August 2010

By Order of the Board
TAN HWEE THIAN (MIA 1904)
MOHD NOR AZAM MOHD SALLEH
(MAICSA 7028137)
Company Secretaries