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A member of UEM Group

UEM LAND HOLDINGS BERHAD

(Company No.: 830144-W)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES OF RM0.50 EACH IN UEM LAND HOLDINGS BERHAD TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM970 MILLION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



CIMB Investment Bank Berhad (18417-M)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("EGM") and the Proxy Form are set out in this Circular. Our EGM will be held as follows:

Date and time of EGM	: Thursday, 25 February 2010 at 10.00 a.m., or at any adjournment
Venue of EGM	: Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan
Last day and time for lodging the Proxy Form	: Tuesday, 23 February 2010 at 10.00 a.m.

This Circular is dated 10 February 2010

DEFINITIONS

The following definitions shall apply throughout this Circular unless the context requires otherwise:

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
BND	:	Bandar Nusajaya Development Sdn Bhd, our indirect wholly-owned subsidiary
Board	:	Board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad
CIMB	:	CIMB Investment Bank Berhad
Cyberjaya Land Acquisition	:	The acquisition by UEM Land from Setia Haruman of the Land Parcels for a total purchase consideration of approximately RM102.5 million
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Our shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date in order to be entitled under the Proposed Rights Issue
Entitlement Basis	:	The entitlement basis under the Proposed Rights Issue which will be determined by our Board and announced closer to the implementation of the Proposed Rights Issue
Entitlement Date	:	A date to be determined by our Board and announced later, on which the names of our shareholders must be registered in our Company's Record of Depositors as at 5.00 p.m. in order to be entitled under the Proposed Rights Issue
Intended Gross Proceeds	:	Gross proceeds intended to be raised by our Company under the Proposed Rights Issue of approximately RM970 million
Issue Price	:	The issue price for each Rights Share which will be determined by our Board and announced closer to the implementation of the Proposed Rights Issue
Khazanah	:	Khazanah Nasional Berhad, our ultimate holding company
Land Parcels	:	Approximately 98.037 acres of freehold land identified as Blocks 20, 21, 22, 23 and 24 situated in the Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan
LPD	:	31 January 2010, being the latest practicable date before the printing of this Circular
MCRPS	:	Mandatory convertible redeemable preference shares of RM0.01 each in our Company
MCRPS Adjustments	:	Adjustments to be made to the conversion price of the MCRPS and/or number of ULHB Shares to be issued arising from the conversion of the MCRPS pursuant to the Proposed Rights Issue
Minimum Issue Price	:	Minimum issue price of the Rights Shares of RM0.50, being the par value of ULHB Shares, in compliance with legal and regulatory requirements
Proposed Rights Issue	:	Proposed renounceable rights issue of Rights Shares to raise gross proceeds of approximately RM970 million
Rights Shares	:	New ULHB Shares to be issued under the Proposed Rights Issue
Setia Haruman	:	Setia Haruman Sdn Bhd, our 25%-owned associate company
Term Loan Amount	:	The outstanding principal and interest accrued on the UEMG Term Loan of approximately RM633.0 million as at 31 December 2009
TERP	:	Theoretical ex-rights price
UEMG	:	UEM Group Berhad, our immediate holding company

DEFINITIONS (cont'd)

UEMG Term Loan	:	7-year term loan granted by UEMG to BND on 9 August 2005, details of which are set out in Section 3.2 of this Circular
UEMG Undertaking	:	Irrevocable written undertaking from UEMG to our Company to subscribe in full and/or procure the subscription in full of its entitlement under the Proposed Rights Issue
UEM Land	:	UEM Land Berhad, our wholly-owned subsidiary
ULHB Shares	:	Ordinary shares of RM0.50 each in our Company
VWAMP	:	Volume-weighted average market price
1 st Tranche Payment	:	1 st instalment of the purchase consideration of approximately RM65.1 million to be paid by UEM Land under the Cyberjaya Land Acquisition

CURRENCY

RM and sen	:	Ringgit Malaysia and sen respectively
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All references to “**our Company**” or “**ULHB**” in this Circular are to UEM Land Holdings Berhad, and references to “**our Group**” are to our Company and our subsidiaries. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and, where the context otherwise requires, our subsidiaries.

All references to “**you**” in this Circular are to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any reference to time of day in this Circular is a reference to Malaysian time.

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A member of UEM Group

UEM LAND HOLDINGS BERHAD

(Company No.: 830144-W)
(Incorporated in Malaysia under the Act)

Registered office:

19-2, Mercu UEM
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur

10 February 2010

Directors:

Tan Sri Dr Ahmad Tajuddin Ali (*Chairman/Non-Independent Non-Executive Director*)

Wan Abdullah Wan Ibrahim (*Managing Director/Chief Executive Officer*)

Dato' Mohd Izzaddin Idris (*Non-Independent Non-Executive Director*)

Abdul Kadir Md Kassim (*Non-Independent Non-Executive Director*)

Md Ali Md Dewal (*Senior Independent Non-Executive Director*)

Oh Kim Sun (*Independent Non-Executive Director*)

Dato' Ikmal Hijaz Hashim (*Independent Non-Executive Director*)

Omar Siddiq Amin Noer Rashid (*Non-Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam

PROPOSED RIGHTS ISSUE

1. INTRODUCTION

On 11 January 2010, CIMB, on behalf of our Board, announced that we propose to undertake a renounceable rights issue to raise gross proceeds of approximately RM970 million.

On 9 February 2010, CIMB, on behalf of our Board, announced that Bursa Securities had granted its approval for the listing of and quotation for the Rights Shares as well as the additional ULHB Shares to be issued upon full conversion of the MCRPS pursuant to the MCRPS Adjustments on the Main Market of Bursa Securities.

The purpose of this Circular is to provide you with the details of the Proposed Rights Issue and to seek your approval for the resolution pertaining to the Proposed Rights Issue to be tabled at our forthcoming EGM. The Notice of EGM and the Proxy Form are enclosed with this Circular.

WE ADVISE YOU TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED RIGHTS ISSUE

2.1 We are proposing to undertake the Proposed Rights Issue to raise gross proceeds of approximately RM970 million. The Entitlement Basis and the Issue Price have not been fixed at this juncture to provide flexibility to our Board in respect of pricing of the Rights Shares and the number of Rights Shares to be issued.

2.2 Notwithstanding the above, the Intended Gross Proceeds have been determined upfront to provide clarity to our shareholders with respect to the capital outlay required to fully subscribe for their respective entitlements under the Proposed Rights Issue, which can be approximated by multiplying the Intended Gross Proceeds with their respective percentage shareholding in our Company (i.e. number of ULHB Shares held by an Entitled Shareholder divided by the existing 2,428,176,911 ULHB Shares in issue).

For illustration purposes only, based on the manner of computation set out above, the estimated capital outlay required from an Entitled Shareholder holding 100 ULHB Shares who wishes to fully subscribe for his entitlement to the Rights Shares is approximately RM39.95.

2.3 The Issue Price will be fixed, and accordingly the Entitlement Basis will be determined by our Board and announced closer to the implementation of the Proposed Rights Issue, after taking into consideration, amongst others, the then prevailing market conditions and market price of ULHB Shares as well as the resultant TERP of ULHB Shares.

The Issue Price is expected to be fixed at a discount of not less than 30% to the TERP of ULHB Shares immediately before the price fixing date, but shall in no event be lower than the Minimum Issue Price. After taking into consideration recent rights issue exercises by other listed issuers on Bursa Securities, the discount of 30% contemplated above was determined by the Board as a level which is expected to encourage full take up (including excess application) by the Entitled Shareholders and/or their renouncee(s).

The Entitlement Basis and the corresponding number of Rights Shares to be issued cannot be determined at this juncture and can only be determined in conjunction with the fixing of the Issue Price such that approximately RM970 million gross proceeds is raised. It is the intention of the Board to fix an Entitlement Basis which minimises the occurrence of odd lots and fractional entitlements.

For illustrative purposes only, based on the Minimum Issue Price and the Intended Gross Proceeds, a maximum of 1,940.0 million Rights Shares may be issued pursuant to the Proposed Rights Issue.

2.4 In line with its confidence in and continuing support of our Company, UEMG (a major shareholder of our Company) has, via its letter to our Company dated 11 January 2010, provided its irrevocable written undertaking to subscribe in full and/or procure the subscription in full of its entitlement under the Proposed Rights Issue. As at the LPD, UEMG holds directly 1,873,053,712 ULHB Shares, representing a 77.14% equity interest in our Company.

Pursuant to the UEMG Undertaking, UEMG's minimum subscription amount will be approximately RM748.2 million.

2.5 It is the intention of our Board to procure underwriting arrangements in respect of the remaining portion of Rights Shares that are not covered under the UEMG Undertaking. Such underwriting arrangements are expected to be in place prior to the implementation of the Proposed Rights Issue. Further information on the underwriting arrangement will be made available in the Abridged Prospectus to be issued by our Company at a later date.

2.6 UEMG confirms, and CIMB has verified, that UEMG has sufficient financial resources for the full subscription of its entitlement under the Proposed Rights Issue pursuant to the UEMG Undertaking after taking into consideration that part of UEMG's total subscription amount under the Proposed Rights Issue will be set-off against the Term Loan Amount.

Please refer to Section 3.2 below in relation to the details of the UEMG Term Loan and arrangements for the repayment of the same.

- 2.7 The UEMG Undertaking will not give rise to any take-over implications pursuant to Part II of the Malaysian Code on Take-overs and Mergers, 1998 as UEMG already holds more than 50% of the issued and paid-up voting share capital of our Company.
- 2.8 The Rights Shares will be provisionally allotted to the Entitled Shareholders. Fractional entitlements under the Proposed Rights Issue, if any, will be dealt with in such manner as our Board in its absolute discretion deems fit and in the best interest of our Company.
- 2.9 The Proposed Rights Issue is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part.
- 2.10 The Rights Shares which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by our Board and announced later.
- 2.11 The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing ULHB Shares except that the Rights Shares will not be entitled to any dividend, right, allotment and/or other distribution, in respect of which the entitlement date is before the allotment date of the Rights Shares.

3. PROPOSED UTILISATION OF PROCEEDS

- 3.1 The Intended Gross Proceeds are proposed to be used in the following manner:

	RM million	Timeframe for utilisation
Repayment of the UEMG Term Loan ⁽¹⁾	633.0	Upon completion of the Proposed Rights Issue
Payment of the 1 st Tranche Payment or any bridging loan taken in relation thereto	65.1	} Within 1 month from completion of the Proposed Rights Issue
Estimated expenses in relation to the Proposed Rights Issue ⁽²⁾	5.7	
Property development expenditure, payment of outstanding trade payables ⁽³⁾ and general working capital of our Group	266.2	As and when required
Total gross proceeds under the Proposed Rights Issue⁽⁴⁾	<u>970.0</u>	

Notes:

⁽¹⁾ As at the LPD, our Group has total borrowings of approximately RM1,034.4 million (which includes the Term Loan Amount and interest-bearing shareholder's advances of approximately RM335.1 million). The UEMG Term Loan was proposed to be repaid instead of other borrowings, in view that it forms the majority of our Group's borrowings and carries the highest interest cost.

⁽²⁾ Any difference between the actual expenses in relation to the Proposed Rights Issue and the estimated amount will be correspondingly adjusted to the amount allocated for property development, payment of outstanding trade payables and general working capital of our Group.

⁽³⁾ As at the LPD, our Group has outstanding trade payables of approximately RM214.3 million, for which only approximately RM66.2 million is proposed to be paid for with the proceeds raised under the Proposed Rights Issue. The balance will be paid for via internally generated funds and/or borrowings.

⁽⁴⁾ *The actual gross proceeds to be raised cannot be determined at this juncture as it would depend on the final Issue Price and Entitlement Basis. However, the proceeds raised are expected to approximate the Intended Gross Proceeds.*

Any difference between the actual gross proceeds to be raised and the Intended Gross Proceeds will be correspondingly adjusted to the amount allocated for property development expenditure, payment of outstanding trade payables and general working capital of our Group.

3.2 UEMG Term Loan

On 24 June 2005, Khazanah transferred its loan agreement with BND inclusive of all outstanding amounts owing by BND to Khazanah amounting to approximately RM891.7 million, to UEMG. In consideration, UEMG disposed of 297,239,694 ordinary shares of RM0.25 each in PLUS Expressways Berhad to Khazanah.

Following the said transfer and to refinance the outstanding amounts owing by BND to UEMG, UEMG and BND had, on 9 August 2005, entered into, amongst others, the UEMG Term Loan, the principal terms of which are as follows:

Principal	: RM470.7 million.
Interest Rate	: 7.5% per annum compounded annually.
Start Date	: 28 November 2005.
Tenure	: 7 years.
Maturity Date	: Bullet repayment on 27 November 2012.
Interest payment	: Capitalised annually and payable upon maturity.

The outstanding principal and interest accruing on the UEMG Term Loan up to 31 December 2009 amounts to approximately RM633.0 million. In connection with the Proposed Rights Issue, UEMG has agreed that effective 1 January 2010, any interest on the Term Loan shall cease, subject to the Term Loan Amount being fully repaid by 30 April 2010 ("**Settlement Arrangement**").

To facilitate the UEMG Undertaking and the Settlement Arrangement, the repayment of the UEMG Term Loan will be effected by way of setting-off the Term Loan Amount against the corresponding amount payable by UEMG as part of the full subscription of its entitlement under the Proposed Rights Issue.

The UEMG Term Loan is proposed to be repaid to reduce the interest cost of our Group whilst achieving a more robust capital structure notwithstanding that the UEMG Term Loan is only due for repayment on 27 November 2012.

3.3 Cyberjaya Land Acquisition and 1st Tranche Payment

On 31 December 2008, we announced that our wholly-owned subsidiary, UEM Land, proposed to acquire the Land Parcels from Setia Haruman for a total purchase consideration of approximately RM102.5 million.

The 1st Tranche Payment of approximately RM65.1 million represents the 1st instalment of the purchase consideration under the Cyberjaya Land Acquisition to be paid by UEM Land. In the event that the Proposed Rights Issue is not implemented, the 1st Tranche Payment will be paid for via internally generated funds and/or borrowings.

The Cyberjaya Land Acquisition became unconditional on 4 December 2009 and the 1st Tranche Payment is due and payable by 31 March 2010, as mutually agreed between UEM Land and Setia Haruman.

The Land Parcels are located in Cyberjaya within the Malaysia Multimedia Super Corridor and are situated approximately 26 kilometres from the Kuala Lumpur City Centre. The Land Parcels are highly accessible and well connected by a network of highways including the North-South Expressway, the North-South Expressway Central Link (which connects Kuala Lumpur and Petaling Jaya to the Kuala Lumpur International Airport), and the Maju Expressway.

The development on the Land Parcels is called Symphony Hills and it will be developed into a high end neighbourhood with design focused on creating a community which promotes neighbourly interaction, exclusivity and privacy. It is conceptualised as a 'Gated Community Scheme' that emphasises on safety with various security features including state-of-the-art security system, guardhouse, perimeter fencing, patrolling guards, closed-circuit television and emergency response unit.

Symphony Hills is divided into several parcels with each having a different theme and design concept. It is planned to have in total 1,867 residential units of landed and high rise strata and limited commercial components. An exclusive clubhouse will be developed to provide facilities for the residents of Symphony Hills. A green walkway will also be created within the residential area leading to the clubhouse to promote a healthy lifestyle within a safe and secure environment.

The development of the Land Parcels which commenced in 2009, mainly involved earthworks and main infrastructure works for the 1st phase of Symphony Hills which covers an area of approximately 50 acres. Works on a show village have also started with launch targeted for the 1st half of 2010. Symphony Hills is expected to have a gross development value of approximately RM1.0 billion and a development period spanning approximately 10 years.

4. RATIONALE FOR THE PROPOSED RIGHTS ISSUE

The Proposed Rights Issue is undertaken with the following objectives:

- (i) to enable our Company to raise funds for the repayment of the UEMG Term Loan of approximately RM633.0 million to reduce the interest cost of our Group whilst achieving a more robust capital structure.

In addition to reducing debt, the Proposed Rights Issue will also increase our Group's shareholders' funds, which would improve our gearing level. In this respect, our Group is also expected to be better-positioned to obtain debt funding for our future business development and expansion activities, should the need arise;

- (ii) to enable our Company to raise funds (without incurring interest costs) to part finance the Cyberjaya Land Acquisition and for property development expenditure, payment of outstanding trade payables and general working capital purposes which are expected to contribute positively to the future profitability and/or cashflow position of our Group.

In addition, the Cyberjaya Land Acquisition is expected to provide further diversification of our Group's future earnings; and

- (iii) as compared to a private placement of new equity securities in our Company, the Proposed Rights Issue would allow all of our shareholders to participate in an equity offering on a pro-rata basis to avoid dilution of interest and to acquire new ULHB Shares at a discount to prevailing market prices.

Based on the above and after taking into consideration the other options available, our Board is of the view that fund raising by way of the Proposed Rights Issue is in the best interest of our Company.

5. INDUSTRY REVIEW AND FUTURE PROSPECTS OF OUR GROUP

5.1 Overview of the Malaysian Economy

Malaysia being an open economy is adversely affected with exports contracting sharply, following the global financial crisis and economic downturn. The significant decline in exports in turn affected domestic demand. Consequently, economic growth contracted 6.2% in the 1st quarter of 2009. However, the gross domestic product ("GDP") recorded a smaller decline of 3.9% in the 2nd quarter, aided by speedy and effective implementation of stimulus packages as well as monetary easing. Economic performance is expected to improve in the 2nd half of 2009 supported by counter-cyclical measures and reinforced by stabilisation on the global economic environment. As such, the economy is expected to turn around in the 4th quarter of 2009, though for the year it is estimated to contract by 3%.

The economy is expected to benefit from stabilising global economic conditions, augmented by fiscal measures and accommodative monetary policy. GDP growth is forecast to turn around to 2.0 - 3.0% in 2010 (2009: -3.0%) driven by domestic demand, particularly private expenditure and supported by expected recovery in external demand. The broad-based recovery with positive contribution from all sectors in the economy is expected to raise nominal per capita gross national product by 2.5% to RM24,661 (2009: -6.7%; RM24,055).

(Source: Economic Report 2009/2010, Ministry of Finance Malaysia)

5.2 Overview of the Malaysian Property Sector

The residential sub-sector grew 3.6% (January - June 2008: 3.5%) during the 1st half of 2009. Despite the sluggish private housing activity, the high-end property segment performed better, with new launched condominiums and apartments registering higher take-up rate of 32.0% to 1,178 units during the 1st half of 2009 (January - June 2008: 1,029 units). With developers being cautious, new units were lower at 16,069 units (January - June 2008: 36,033 units). During the period, 55,682 units were completed, resulting in an increase of total stock by 3.2% to 4,264,649 units. Given the lower supply and increased sales of high-end properties, the property overhang improved to 21,467 units as at end-June 2009 (end-December 2008: 26,029 units).

The non-residential sub-sector expanded 6.3% (January - June 2008: 1.6%) driven by ongoing construction activities of commercial properties, especially purpose-built offices and hotels. Occupancy rate of purpose-built office in the 2nd quarter of 2009 increased to 85.7% (1st quarter of 2009: 85.2%) following improved business confidence in the 2nd quarter of 2009. During the 1st half of 2009, 19 new shopping complexes offering 224,175 square metres ("sm") of new retail space were completed (July - December 2008: 16; 273,236 sm). Consequently, the stock of retail space expanded 2.7% to 9.98 million sm as at end-June 2009 (end-March 2009: 2.9%; 9.72 million sm). Despite slower economic activity, occupancy rate of retail space remained high at 81.7% in the 2nd quarter of 2009 (1st quarter of 2009: 81.6%), reflecting sustained consumer and business sentiments in the retail trade.

(Source: Economic Report 2009/2010, Ministry of Finance Malaysia)

On the whole, prices of all property types remained stable with isolated movements noted in selected locations. Generally, prices of landed residential property held firm at 2008 prices, even in the face of the country's economic downturn. On the other hand, stratified residential properties saw some decline even in good locations. Notwithstanding this, the on-going promotion of properties on the international platform has brought forth positive results. The announcement of substantial liberalisation in the service sector in April 2009 and the lifting of the 30.0% Bumiputera equity requirement for newly listed companies in June 2009 should make Malaysia more attractive to foreign investors; therefore foreign direct investment is expected to increase. Going forward, the property sector should see the market remain stable through the year. Performance would be further enhanced should external business environments and the country's economic position improve.

(Source: Property Market Report, First Half 2009, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.3 Prospects of our Group

Our Company is the flagship company for the real estate investment and development businesses of UEMG and Khazanah. Our Group's operations span across a broad range of real estate business activities, from conceptualisation, planning and design right up to the development and marketing of our property development projects.

The jewel in our Group's portfolio is Nusajaya, an integrated modern city being developed in Johor. Nusajaya has been identified as one of the 5 flagship zones of Iskandar Malaysia, an initiative by the Malaysian Government to enhance infrastructure development, foreign investment and economic growth and transform South Johor into a new economic and development region.

Nusajaya spans a total land area of 23,875 acres and is currently under various stages of development. By the end of 2012, Nusajaya will comprise a wide range of properties, including the Johor State Government and the Malaysian Federal Government offices, Puteri Harbour waterfront development, industrial properties, healthcare and educational facilities including universities and international schools, as well as other commercial, residential and mixed-use properties catering to a wide range of local, regional and international demand.

Nusajaya's development potential is supported by several key competitive advantages:

- (i) **Strategic location:** Nusajaya enjoys the benefit of its strategic location at the southwestern tip of Johor and its close proximity to Singapore. It has direct access to existing infrastructure and is linked by a comprehensive network of roads and expressways to cargo hubs, 2 international airports and 5 seaports. With its strategic location, Nusajaya is well positioned to attract investors and end-users not only from Malaysia, but also from Singapore and other countries in the region.
- (ii) **Iskandar Malaysia:** The Malaysian Government has demonstrated its strong and continuous commitment for Iskandar Malaysia with the implementation of various infrastructure projects such as new highways, sewerage systems and river cleaning and security services for the region. A special authority, the Iskandar Regional Development Authority, has also been established to promote, stimulate and facilitate all economic developments in Iskandar Malaysia. The positive investment climate created by the Iskandar Malaysia initiative will help encourage investment and development from both domestic and international investors and boost Nusajaya's development progress.
- (iii) **Investor reach:** Nusajaya is being positioned to cater for both local and regional markets. Nusajaya's development components such as Puteri Harbour, East Ledang and Horizon Hills as well as the Southern Industrial and Logistics Clusters ("SiLC") industrial park are designed to attract not only Malaysian investors but also regional investors.

- (iv) **Catalyst developments as engines of growth:** Recognising that Nusajaya is a greenfield area, several catalyst development projects have been put in place in the Development Master Plan for Nusajaya to become the key drivers in creating economic activities and employment opportunities that are necessary for the sustained growth of Nusajaya. Significant progress has been made on all these catalyst projects, such as Kota Iskandar (the Johor State New Administrative Centre), Puteri Harbour, SiLC as well as those catalyst projects undertaken by others developers such as the EduCity and Medini. Nusajaya is expected to enjoy the spill-over benefits once all of these projects are completed.

We believe that the above advantages will help make Nusajaya a compelling investment proposition, particularly for long term investors looking to tap a growing and increasingly affluent population and our Company, as the master developer and major landowner in Nusajaya, will stand to benefit from this.

In addition to Nusajaya, our Company is also looking to diversify into other strong and well established local growth areas such as the Klang Valley and Penang to help expand and diversify our land bank and property development activities. This process has recently been initiated with the Cyberjaya Land Acquisition and whilst Nusajaya will remain our key focus in the short to medium term, our Group will continue to evaluate potential acquisitions of strategic land parcels in line with our ambition to further expand and grow our business to create sustainable return on investment for our shareholders.

6. EFFECTS OF THE PROPOSED RIGHTS ISSUE

Where applicable, the proforma effects of the Proposed Rights Issue in this Section 6 are illustrated based on the assumption that the Issue Price is fixed at the par value of ULHB Shares of RM0.50 (being the Minimum Issue Price), which in turn would result in the maximum issuance of 1,940.0 million Rights Shares such that the Intended Gross Proceeds of RM970.0 million is raised ("**Assumption**").

We wish to emphasise that the proforma effects in this Section 6 are illustrated based on the Assumption with the intention of demonstrating the maximum number of ULHB Shares to be issued and should not be regarded as an indication or reference to the final Issue Price or Entitlement Basis, which will be determined by our Board and announced closer to the implementation of the Proposed Rights Issue.

6.1 Share Capital

Based on the Assumption, the effects of the Proposed Rights Issue on the issued and paid-up ordinary share capital of our Company are as follows:

	No. of ULHB Shares million	RM million
Issued and paid-up ordinary share capital as at the LPD	2,428.2	1,214.1
To be issued pursuant to the Proposed Rights Issue	1,940.0	970.0
Enlarged issued and paid-up ordinary share capital	<u>4,368.2</u>	<u>2,184.1</u>

6.2 Net Assets (“NA”) and Gearing

Based on the Assumption and our Company’s audited consolidated balance sheet as at 31 December 2008, the proforma effects of the Proposed Rights Issue (including the repayment of the outstanding amount on the UEMG Term Loan as at 31 December 2008) on our Company’s consolidated NA and gearing are as set out below:

	Audited as at 31 December 2008 RM million	After the Proposed Rights Issue ⁽¹⁾ RM million
Share capital	1,214.1	2,184.1
Reserves	81.4	81.4
Accumulated losses	(45.3)	(45.3)
Shareholders’ funds / NA	<u>1,250.2</u>	<u>2,220.2</u>
No. of ULHB Shares in issue (<i>million</i>)	2,428.2	4,368.2
NA per ULHB Share (<i>RM</i>)	0.51	0.51
Total borrowings (<i>RM million</i>)	787.2	⁽²⁾ 198.4
Gearing (<i>times</i>)	0.63	0.09

Notes:

⁽¹⁾ The proforma effects above have not taken into consideration any expenses in relation to the Proposed Rights Issue, which may be deducted against the share premium account arising from the issuance of the Rights Shares (if any).

⁽²⁾ As the proforma effects have been illustrated based on the audited accounts of our Company as at 31 December 2008, the amount relating to the 2009 Interest (as defined below) has not been incorporated in the proforma effects as such amount was not in existence as at 31 December 2008. Accordingly, only RM588.8 million, being the outstanding UEMG Term Loan amount as at 31 December 2008, has been illustrated as being repaid in the proforma effects.

The outstanding UEMG Term Loan amount as at 31 December 2008 is derived as follows:

	RM million
Outstanding UEMG Term Loan amount as at 31 December 2009	633.0
Less: Interest accrued on the UEMG Term Loan from 1 January to 31 December 2009 (“2009 Interest”)	<u>(44.2)</u>
Outstanding UEMG Term Loan amount as at 31 December 2008	<u>588.8</u>

6.3 Earnings Per Share (“EPS”) and Earnings

Our consolidated EPS is expected to be diluted as a result of the increase in the number of ULHB Shares in issue after the Proposed Rights Issue, which will be dependent on the final Entitlement Basis and the corresponding number of Rights Shares to be issued. Based on the Assumption, the maximum dilution factor contemplated is approximately 44.4%. Purely for illustration purposes, based on our audited consolidated financial results for the financial year ended 31 December 2008, our consolidated EPS (before taking into consideration effects arising from the utilisation of proceeds) would decrease from 3.09 sen to 1.72 sen.

Notwithstanding the above, on a full-year basis, the interest cost savings arising from the repayment of the UEMG Term Loan is expected to be approximately RM47.5 million for the financial year ending 31 December 2010. As highlighted in Section 3 above, pursuant to the Settlement Arrangement, UEMG has agreed that effective 1 January 2010, any interest on the UEMG Term Loan shall cease, subject to the Term Loan Amount being fully repaid by 30 April 2010.

If such interest cost is to subsist and be capitalised to land held for property development and property development cost in accordance with our Group's current accounting policy, our Group will be required to recognise a higher cost of sales as and when future revenue is recorded pursuant to the sale of developed property and/or land. As such, the full repayment of the UEMG Term Loan is expected to effectively enhance our Group's future earnings as our cost base will not continuously increase.

In addition to the above, given that part of the proceeds raised will be used in relation to the Cyberjaya Land Acquisition and property development expenditure, the Proposed Rights Issue is also expected to contribute positively to future earnings of our Group as and when the benefits arising from such use of funds are realised.

6.4 Convertible Securities

As at the LPD, save for 154,914,002 MCRPS in issue, our Company has no other convertible securities. The maximum number of ULHB Shares which may be issued arising from the conversion of the MCRPS ("**Conversion Shares**") is 154,914,002 ULHB Shares. The MCRPS are not listed on any exchange.

The existing terms relating to the conversion of the MCRPS are as follows:

MCRPS Issue Price : RM1.00 per MCRPS

Conversion Price : RM2.21 per Conversion Share

Mode of conversion : The MCRPS shall be convertible into Conversion Shares during the conversion period from 8 January 2012 to 7 January 2014 (both dates inclusive) with the following modes of conversion:

- (i) by tendering 1 MCRPS with cash subscription of RM1.21 per MCRPS for every 1 Conversion Share; or
- (ii) by tendering such amount of MCRPS that are equal to the Conversion Price for every Conversion Share ("**Non-Cash Conversion**") computed as follows:

$$\text{No. of Conversion Shares} = \frac{\text{MCRPS Issue Price} \times \text{no. of MCRPS}}{\text{Conversion Price}}$$

All outstanding MCRPS as at the maturity date of the MCRPS (being 7 January 2014) shall be mandatorily converted into Conversion Shares computed in the same manner as the Non-Cash Conversion method.

Fractions of Conversion Shares arising from the conversion shall be dealt with at the discretion of our Board.

Article 16A of our Company's Articles of Association provides for adjustments to be made to the conversion price of the MCRPS ("**Conversion Price**") and/or number of Conversion Shares pursuant to the Proposed Rights Issue, provided that under no circumstances will any adjustment result in the Conversion Price falling below the par value of ULHB Shares for the time being. No adjustment to the Conversion Price and/or number of Conversion Shares shall be made unless it has been certified by a merchant bank, universal broker or an auditor.

Accordingly, the MCRPS Adjustments will be as follows:

Adjusted Conversion Price = Existing Conversion Price multiplied by the Adjustment Factor (rounded-down to the nearest sen)

Adjusted number of Conversion Shares = Existing number of Conversion Shares divided by the Adjustment Factor (rounded-up to the nearest integer)

Adjustment Factor = $\frac{C - [(C - E) / (F + 1)]}{C}$ = $\frac{T}{C}$

where:

C = The closing price of ULHB Shares prior to the date for the adjustment for ex-rights trading ("Effective Date")

E = Issue Price of the Rights Share

F = The number of ULHB Shares necessary to be entitled to 1 Rights Share

T = Resultant TERP of ULHB Shares based on the parameters above

Save for the MCRPS Adjustments, the rights and obligations of the MCRPS holders and the other provisions of our Company's Articles of Association relating to the MCRPS will remain unchanged. The MCRPS Adjustments shall be effective on the Effective Date.

In view that all the parameters relating to the Adjustment Factor are not available and/or have not been fixed at this juncture, the actual MCRPS Adjustments cannot be determined at this juncture. The actual MCRPS Adjustments will be announced on Bursa Securities upon finalisation of the same.

6.5 Substantial Shareholders' Shareholdings

In the event that our Company's substantial shareholders subscribe for their full entitlement under the Proposed Rights Issue, there will be no effect on the shareholding of our Company's substantial shareholders in our Company save for the proportionate increase in the total number of ULHB Shares held by such substantial shareholder following the Proposed Rights Issue.

7. APPROVALS REQUIRED

The Proposed Rights Issue is subject to approvals being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for the Rights Shares; and
- (ii) our shareholders for the Proposed Rights Issue at our forthcoming EGM to be convened.

Bursa Securities had, through its letter dated 9 February 2010, granted its approval for the listing of and quotation for the Rights Shares as well as the additional Conversion Shares pursuant to the MCRPS Adjustment, subject to, amongst others, a confirmation from CIMB that our Company's public shareholding spread after the Proposed Rights Issue is in compliance with Paragraph 8.02 of the Main Market Listing Requirements of Bursa Securities.

8. HISTORICAL SHARE PRICE

The monthly high and low prices of ULHB Shares traded on the Main Market of Bursa Securities from February 2009 up to January 2010 are as follows:

	High RM	Low RM
2009		
February	0.805	0.71
March	0.775	0.635
April	1.08	0.71
May	1.75	1.04
June	2.01	1.28
July	1.80	1.32
August	1.74	1.51
September	1.71	1.54
October	1.80	1.51
November	1.77	1.47
December	1.55	1.39
2010		
January	1.63	1.45

Last transacted market price of ULHB Shares on 11 January 2010, being the last trading day prior to the date of announcement of the Proposed Rights Issue 1.59

Last transacted market price of ULHB Shares on 29 January 2010 being the last trading day prior to the LPD 1.48

(Source: Bloomberg)

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

None of our Directors or major shareholders, and persons connected to them have any interest, direct or indirect, in the Proposed Rights Issue, other than their respective entitlements under the Proposed Rights Issue as our shareholders (where applicable), which shall also be made available to all our shareholders.

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to our shareholders approval being obtained, the tentative timetable for the implementation of the Proposed Rights Issue is as set out below.

Key Milestones	Tentative Period
Announcement of the Entitlement Date	End February 2010
Issuance of the Abridged Prospectus	Mid March 2010
Trading of rights entitlement	Mid March 2010
Acceptance of rights and excess application	Mid to end March 2010
Listing and quotation of the Rights Shares	Early April 2010

11. DIRECTORS' RECOMMENDATION

Our Directors, after having considered all aspects of the Proposed Rights Issue, are of the opinion that the Proposed Rights Issue is in the best interest of our Company and recommend that you vote in favour of the resolution pertaining to the Proposed Rights Issue to be tabled at our forthcoming EGM.

12. EGM

Our EGM will be held on Thursday, 25 February 2010 at 10.00 a.m., or at any adjournment, at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan for the purpose of considering and if thought fit, passing with or without modifications, the resolution on the Proposed Rights Issue. The Notice of EGM and Proxy Form are enclosed in this Circular.

If you are unable to attend and vote in person at our EGM, you are requested to complete and return the enclosed Proxy Form in accordance with the instructions printed on it, so as to arrive at our Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time set for convening the EGM. You may attend and vote in person at the EGM, if you wish to do so, even if you have completed and returned the Proxy Form so long as you have revoked the appointment of your proxy prior to the EGM.

13. FURTHER INFORMATION

Please refer to the attached appendix for further information.

Yours faithfully

For and on behalf of the Board of Directors of
UEM LAND HOLDINGS BERHAD

Wan Abdullah Wan Ibrahim
Managing Director / Chief Executive Officer

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information in this Circular. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make a statement in this Circular false or misleading.

2. WRITTEN CONSENT

CIMB has given and have not subsequently withdrawn its written consent to include its name and all references thereto in this Circular in the form and context in which they appear.

3. DECLARATION OF CONFLICT OF INTEREST

CIMB is not aware of any situation which gives or is likely to give rise to a conflict of interest situation in relation to its role as the Principal Adviser to our Company for the Proposed Rights Issue.

However, in the ordinary course of business, CIMB and its related companies do engage in transactions with and perform services for our Group. CIMB and its related companies have extended credit facilities and/or have engaged and in the future may engage in private banking, commercial banking and investment banking transactions in their ordinary course of business with our Group. Further, CIMB and its related companies may, in the ordinary course of business, hold equity exposure in our Company as a result of investment decisions made by the equity derivatives and proprietary trading desks.

4. MATERIAL LITIGATION

As at the LPD, save as disclosed below, neither we nor any of our subsidiaries are engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may affect our income from, title to, or possession of any of their assets and/or business, and we are not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may affect the income from, title to, or possession of any of the assets and/or business of our Group:

(a) *Legal action by Vulindlela Holdings (Pty) Limited and Vulindlela Investments (Pty) Ltd against Renong Overseas Corporation Sdn Bhd ("ROC").*

On 4 August 2008, 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 Ltd ("**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 High Court of South Africa 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.

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

The Johor State Authority has acquired 206 acres of our land on 14 plots for the purpose of the proposed Johor Bahru-Nusajaya Coastal Highway project. As at 4 November 2008, the land administrator has made an award of compensation totalling RM56,609,191 to our Group. We have put forward an appeal for a higher compensation amount and the matter is referred to the Johor Bahru High Court as land reference case. The court has fixed 9 March 2010 for mention.

5. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

5.1 Capital commitments

As at 31 December 2009, save as disclosed below, our Board is not aware of any capital commitments incurred or known to be incurred by our Group in relation to property, plant and equipment.

	RM million
Approved and contracted for	7.3
Approved but not contracted for	9.9
	<u>17.2</u>

5.2 Contingent liabilities

As at the LPD, save as disclosed below and the material litigation set out in Section 4 of this Appendix I, our Board is not aware of any material contingent liabilities, which may, upon being enforceable, have a material adverse effect on our Group's profits or net assets.

(a) Potential compensation payable to Felcra Berhad ("Felcra**") settlers**

- (i) A group of 38 Felcra settlers ("**Plaintiffs-1**") has collectively served an originating summons against Felcra, the District Land Administrator ("**DLA**") and the Johor State Government (collectively, "**Defendants**"). The summons pertain to 198 acres of land previously owned by the Johor State Government, developed by Felcra and subsequently alienated to BND for the development of Nusajaya.

BND is not directly involved in this litigation, but by virtue of a novation agreement dated 2 December 1994 entered into between BND, UEMG and the Johor State Authority ("**1994 Novation Agreement**"), is responsible for the additional land cost of land alienated to it, which includes the amounts claimed by the Plaintiffs-1, in the event their claims are successful.

The Plaintiffs-1 seek, inter-alia, an additional total sum of RM54.0 million and an acre of land to each Plaintiff-1 from the Defendants.

On 12 January 2010, the High Court of Malaya ("**High Court**") has made a decision against Felcra for breach of contract and dismissed the Plaintiffs-1's action against the DLA and the Johor State Government.

- (ii) Another group of 200 Felcra settlers ("**Plaintiffs-2**") has collectively served an originating summons against the Defendants. The summons pertain to 904 acres of land previously owned by the Johor State Government, developed by Felcra and subsequently alienated to BND for the development of Nusajaya.

The Plaintiffs-2 seek, inter-alia, for the Defendants to pay to each of the Plaintiff-2 a sum of RM70,000 per acre, instead of RM29,162 (on average) as awarded by the Johor State Government. The indicative contingent liability to BND (if successful) will be in the region of RM37 million.

BND is not directly involved in this litigation, 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-2, in the event their claims are successful.

On 3 September 2009, consent judgement was recorded whereby Plaintiffs-2 accepted the out-of-court settlement pursuant to which BND has paid RM4.7 million to the Johor State Government.

(b) Potential compensation payable to the previous landowners

There are altogether 50 cases referred to the High Court involving claims against the Johor State Government for additional compensation amounting to RM634.8 million by the previous landowners of lands acquired for the Malaysia-Singapore Second Crossing Project.

When these 50 cases were heard at the High Court, the High Court maintained the amount of compensation awarded by the DLA in 15 cases, whilst increasing the amount of compensation in 35 others. The parties involved have made further appeals to the Court of Appeal for higher compensation. However, the Court of Appeal ordered that all land acquisition appeals to be transferred to the Federal Court.

Of these 50 cases:

- (i) 1 had been heard and dismissed by the Court of Appeal;
- (ii) 4 had been heard and dismissed by the Federal Court;
- (iii) 2 had accepted an out-of-court settlement proposed by the Johor State Legal Adviser's Chamber;
- (iv) 4 had withdrawn their cases against the DLA; and
- (v) 2 had been granted additional compensation amounting to RM19.5 million by the Federal Court.

The total land appeal cases pending are 37 and the contingent liability is RM201.3 million.

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

To date, no date has been fixed for hearing.

(c) Tax returns

On 16 January 2007, UEM Land received a notice of additional assessment from the Inland Revenue Board for additional tax payable and tax penalty in respect of years of assessment 2003 and 2004, which would have resulted in an additional expense to UEM Land of RM37,640,702.65. UEM Land has started the appeal process against the additional assessment.

On 29 May 2008, the Director of Technical Department of the Inland Revenue Board has informed UEM Land that the said appeal has been forwarded to the Special Commissioners of Income Tax. As of 31 December 2009, UEM Land has fully paid the additional tax payable and penalty of RM37,640,702.65 to the Inland Revenue Board.

Based on the tax agent's advice received, no provision for income tax expense has been made by our Group for this additional tax assessment and penalty thereon as our Directors believed that the grounds for the appeal are valid. The hearing of the case by the Special Commissioners of Income Tax is scheduled for 15 and 16 July 2010.

(d) Third party charge

On 18 May 2007, Horizon Hills Development Sdn Bhd ("HHDSB"), our 50%-owned joint venture company with Gamuda Berhad, entered into the following:

- (i) the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic Securities of up to RM270 million nominal value by HHDSB, comprising:
 - (aa) up to 12-year Islamic Bank Guarantee Medium-Term Notes Programme of up to RM200 million nominal value under the principles of Murabahah ("IMTN Programme"); and
 - (bb) up to 7-year Islamic Commercial Papers Programme of up to RM70 million nominal value under the principles of Murabahah; and
- (ii) a Kafalah (bank guarantee) facility of up to RM205 million to guarantee the nominal value of the IMTN Programme of up to RM200 million and one profit payment in respect of the IMTN Programme of up to RM5 million,

(collectively referred to as the "Facilities").

In this respect, Nusajaya Greens Sdn Bhd ("NGSB"), our indirect wholly-owned subsidiary, had provided a third party charge over approximately 1,227 acres of land in favour of the security trustee for the Facilities ("Charge"). As at the LPD, 699 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.

In connection with the Facilities, UEM Land has also provided an undertaking to inject equity into HHDSB with an aggregate amount of RM155 million in circumstances where HHDSB is unable to meet certain financial obligations.

6. CORPORATE EXERCISES/SCHEMES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Rights Issue and as disclosed below, we have not announced any other corporate exercise/scheme which has yet to be completed as at the LPD:

- (i) A development agreement ("**Panoramic Development Agreement**") and an option to purchase agreement ("**Panoramic Option Agreement**"), both dated 31 May 2004, between BND and Panoramic Industrial Development Sdn Bhd ("**Panoramic**"), a wholly-owned subsidiary of Crescendo Corporation Berhad, for the proposed development of an industrial park on 8 parcels of land, collectively measuring 341.88 acres in Nusajaya, which was announced on 1 June 2004 by UEM World Berhad ("**UEM World**"), the previous holding company of UEM Land. On 30 November 2009, Panoramic exercised its option to acquire all the remaining lands under the Panoramic Option Agreement ("**Final Exercise**"). The Panoramic Development Agreement and Panoramic Option Agreement will be completed upon receipt of the final payment from Panoramic pursuant to the Final Exercise, which is due on or before 31 March 2010.
- (ii) A development agreement dated 16 June 2005 ("**HHDSB Development Agreement**") between NGSB and 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 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 LPD, 699 acres out of the total of 1,227 acres have been purchased and paid for by HHDSB.
- (iii) An option to purchase agreement dated 14 October 2008 ("**NCSB Option Agreement**") between UEM Land, BND and Nusajaya Consolidated Sdn Bhd ("**NCSB**"), a 50:50 joint venture company between UEM Land and United Malayan Land Bhd, for NCSB to acquire 2 pieces of land in Puteri Harbour, Nusajaya with a total area measuring approximately 8.8 acres at the option price of RM67,154,274, which we announced on 14 October 2008. NCSB had on 10 November 2009, exercised the option to purchase the 1st piece of land measuring approximately 2.2 acres with a consideration of approximately RM16.3 million. The parties to the NCSB Option Agreement had also agreed on 21 December 2009 to extend the option period for the remaining piece of land to 31 December 2010;
- (iv) The Cyberjaya Land Acquisition; and
- (v) 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 we announced on 9 November 2009.

The Proposed Rights Issue is not conditional upon any other corporate exercise/scheme.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office at 19-2, Mercuri UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur during office hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our EGM:

- (i) Memorandum and Articles of Association of our Company;
- (ii) our audited consolidated financial statements for the financial year ended 31 December 2008 as well as our latest unaudited quarterly results for the 9-month financial period ended 30 September 2009;
- (iii) the audited consolidated financial statements of UEM Land for the financial year ended 31 December 2007;
- (iv) letter of consent referred to in Section 2 of Appendix I of this Circular; and
- (v) cause papers for the material litigations referred to in Section 4 of Appendix I of this Circular.

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A member of UEM Group

UEM LAND HOLDINGS BERHAD

(Company No.: 830144-W)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“EGM”) of UEM Land Holdings Berhad (“ULHB” or “Company”) will be held on Thursday, 25 February 2010 at 10.00 a.m., or at any adjournment, at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan for the purpose of considering and if thought fit, passing with or without modifications the following resolution:

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF ORDINARY SHARES OF RM0.50 EACH IN ULHB (“ULHB SHARES”) TO RAISE GROSS PROCEEDS OF APPROXIMATELY RM970 MILLION (“PROPOSED RIGHTS ISSUE”)

THAT approval be and is hereby given to the Board of Directors of the Company (“Board”), to allot (provisionally or otherwise) by way of a renounceable rights issue of up to 1,940.0 million new ULHB Shares (“Rights Shares”) to the shareholders of the Company, whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced by the Board, or their renounee(s), to be credited as fully paid-up upon full payment of the issue price, on an entitlement basis and at an issue price to be determined and announced later by the Board;

THAT the Board be and is hereby empowered and authorised to deal with any fractional entitlement that may arise from the Proposed Rights Issue in such manner as they shall in their absolute discretion deem fit and in the best interest of the Company;

THAT the Rights Shares shall, upon allotment and issuance, rank equally in all respects with the then existing ULHB Shares, except that the Rights Shares shall not be entitled to any dividend, right, allotment and/or other distribution, in respect of which the entitlement date is before the allotment date of the Rights Shares;

THAT any Rights Share which is not taken up or validly taken up shall be made available for excess applications in such manner as the Board shall determine in a fair and equitable manner;

THAT approval be and is hereby given for the proceeds of the Proposed Rights Issue to be utilised by the Company for the purposes as set out in Section 3 of the Circular to Shareholders of the Company dated 10 February 2010, and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit and in the best interest of the Company;

AND THAT in order to implement, complete and give full effect to the Proposed Rights Issue, approval be and is hereby given to the Board to do or to procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Rights Issue, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Proposed Rights Issue and in the best interest of the Company.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the EGM, the Company shall request from Bursa Malaysia Depository Sdn Bhd in accordance with the provisions under Articles 58 and 59 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors ("**General Meeting ROD**") as at 19 February 2010. Only a depositor whose name appears on the General Meeting ROD as at 19 February 2010 shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.

BY ORDER OF THE BOARD

Tan Hwee Thian (MIA 1904)
Mohd Nor Azam Mohd Salleh (MAICSA 7028137)
Company Secretaries

Kuala Lumpur, Malaysia
10 February 2010

Notes:

1. *Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.*
2. *To be valid, the original form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time of holding the Extraordinary General Meeting.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.*
4. *If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.*
5. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the Extraordinary General Meeting will act as your proxy.*
6. *A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at the Extraordinary General Meeting who shall represent all the shares held by such member. A member holding more than one thousand (1,000) ordinary shares may appoint up to ten (10) proxies to attend and vote at the same meeting and each proxy appointed, shall represent a minimum of one thousand (1,000) ordinary shares. Where a member appoints one (1) or more proxies to attend and vote at the same meeting, such appointment(s) shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.*



A member of UEM Group
UEM LAND HOLDINGS BERHAD
 (Company No.: 830144-W)
 (Incorporated in Malaysia under the Companies Act, 1965)

Number of ordinary shares held:
CDS Account No.:

PROXY FORM

I/We,
 (FULL NAME IN CAPITAL LETTERS)

of
 (FULL ADDRESS)

being a member/members of **UEM LAND HOLDINGS BERHAD** ("Company"), hereby appoint.....

 (FULL NAME IN CAPITAL LETTERS)

of
 (FULL ADDRESS)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Banquet Hall, Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 February 2010 at 10.00 a.m., or at any adjournment.

My/Our proxy is to vote as indicated below:

		FOR	AGAINST
ORDINARY RESOLUTION	PROPOSED RIGHTS ISSUE		

(Please indicate with a "✓" or "X" in the boxes provided above how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature
 (If shareholder is a corporation, this part should be executed under seal)

Dated this day of 2010 Telephone no.:

Notes:

- Every member is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with.
- To be valid, the original form of proxy duly completed must be deposited at the Share Registrar's office, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time of holding the Extraordinary General Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of its attorney.
- If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- If no name is inserted in the space provided for the name of your proxy, the Chairman of the Extraordinary General Meeting will act as your proxy.
- A member holding one thousand (1,000) ordinary shares or less may appoint only one (1) proxy to attend and vote at the Extraordinary General Meeting who shall represent all the shares held by such member. A member holding more than one thousand (1,000) ordinary shares may appoint up to ten (10) proxies to attend and vote at the same meeting and each proxy appointed, shall represent a minimum of one thousand (1,000) ordinary shares. Where a member appoints one (1) or more proxies to attend and vote at the same meeting, such appointment(s) shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.



Fold this flap for sealing

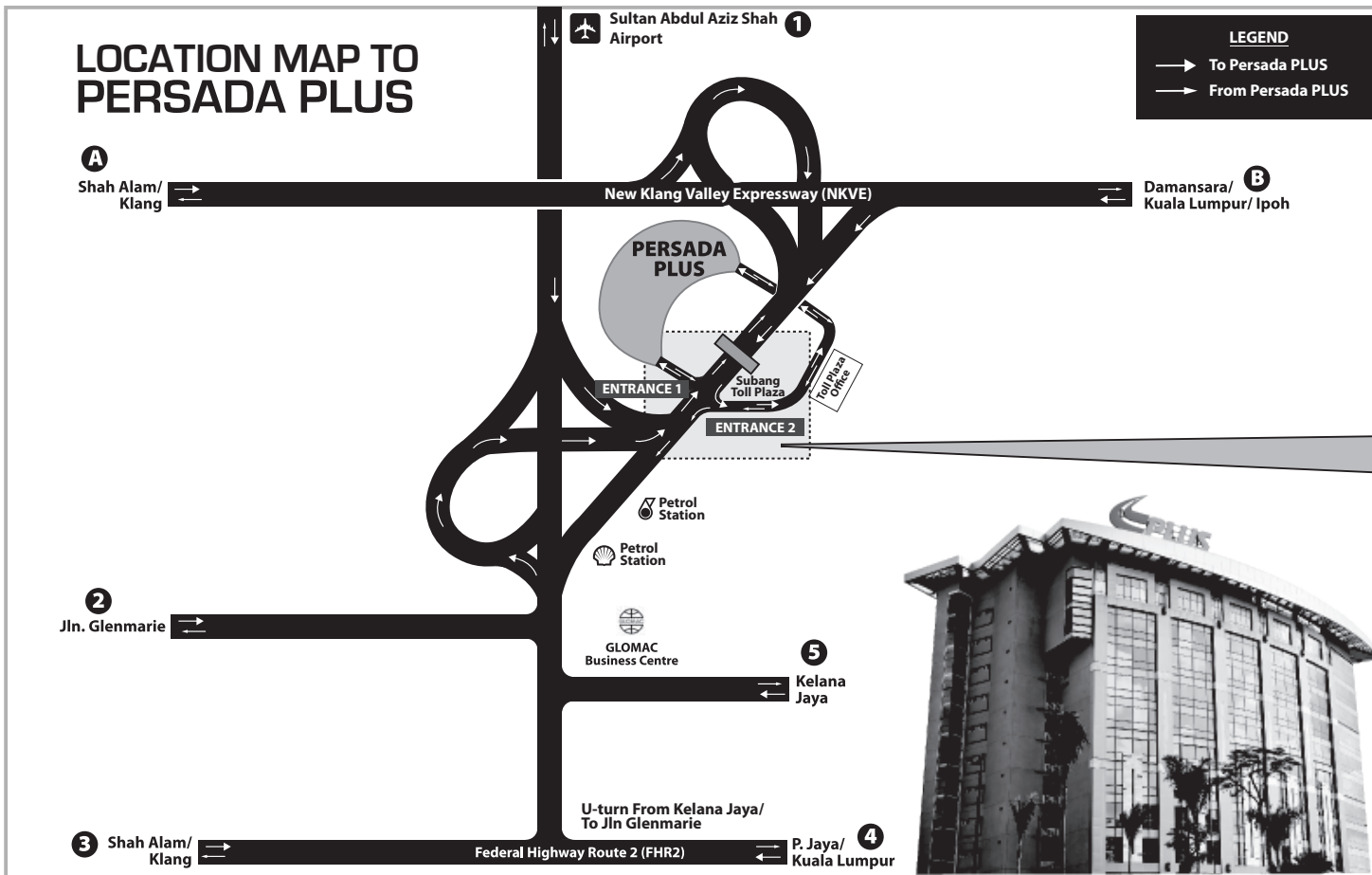
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AFFIX
STAMP

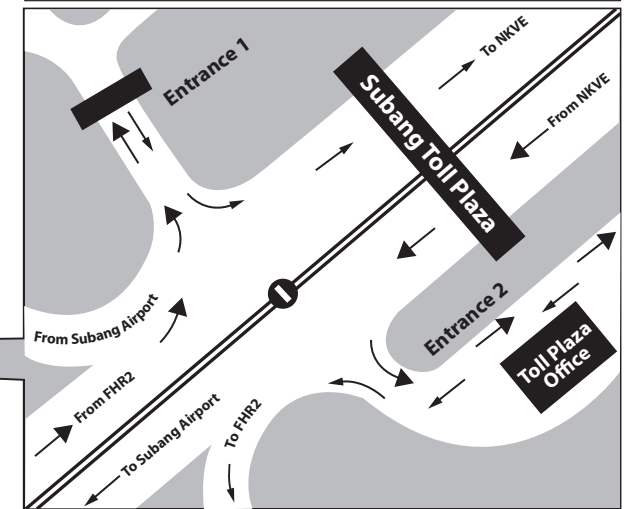
THE SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd (378993-D)
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

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USE ENTRANCE 1
 If you are from **1 2 3 4 5**
 If you are heading to **A B**



USE ENTRANCE 2
 If you are from **A B**
 If you are heading to **1 2 3 4 5**

Menara Korporat, Persada PLUS, Persimpangan Bertingkat Subang, KM15, Lebuhraya Baru Lembah Klang, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 Tel : +603 7666 4666 Fax : +603 7666 4400
 Website : www.plus.com.my

Extraordinary General Meeting

Date and Time of EGM : Thursday, 25 February 2010 at 10.00 am.

Venue of EGM : Banquet Hall, Menara Korporat
 Persada PLUS
 Persimpangan Bertingkat Subang
 KM15, Lebuhraya Baru Lembah Klang
 47301 Petaling Jaya
 Selangor Darul Ehsan

Free Shuttle Service : Shuttle bus service is available from Kelana Jaya LRT Station to Persada PLUS on 25 February 2010.

Departure Time : **8.30 am and 9.00 am**
 Please call the following on or before **22 February 2010**, if you wish to use the shuttle service:-

Cik Darlina Ishak / En. Hezrin Ali
 Tel : 03- 27276015/6017 (during office hours); or
 Email : darlina@uemland.uemnet.com
hezrin@uemland.uemnet.com

