

**Company Name** : UOA Development Bhd  
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## **CIMB Research Keeps UOA Devt Top Pick In Property Sector**

KUALA LUMPUR: CIMB Equities Research is maintaining UOA Dev as its top pick in the property sector for its attractive valuations. It is also keeping its target price of RM2.18.

“The stock is trading at FY12-14 P/Es of 6-8 times and offers 6%-7% dividend yield, the highest in the sector,” it said on Friday after the company announced a strong set of financial results in the second quarter ended June 30, 2012.

CIMB Research said UOA's interims were in line with its expectations but beat consensus.

The first half net profit made up 49% of our full-year forecast and 53% of consensus and it expected H2 profits to be slightly stronger.

“It locked in RM900mil new sales in H1, exceeding the RM848mil sales for the whole of 2011. We retain our forecasts, Trading Buy call and target basis of 20% discount to RNAV,” it said.

CIMB Research said one of the reasons for the strong new sales is UOA Dev's ability to adapt to changing market conditions.

“Even in the office space market where there is a glut, Vertical is selling very well. Also, the group has spent the last two years accumulating landbank in the periphery of KL for the development of medium-cost residential properties priced around RM500,000, which are in demand.

“This lays the foundations for strong new sales over the next few years. We believe that the strong sales are sustainable this year and next,” said the research house.