



UOA DEVELOPMENT BHD

INTERIM FINANCIAL REPORT

THIRD QUARTER ENDED 30 SEPTEMBER 2018





INTERIM FINANCIAL REPORT

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UOA DEVELOPMENT BHD (654023-V)
(Incorporated in Malaysia)

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(Cover) The Goodwood Residence is a 40-storey development designed for multiple generations. It is the latest addition to Bangsar South, UOA's flagship integrated development in Kerinchi, Kuala Lumpur.

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UOA DEVELOPMENT BHD (654023-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	As At 30 September 2018 RM'000	As At 31 December 2017 RM'000 (Restated)	As At 1 January 2017 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	375,149	297,020	285,366
Investment properties	1,713,388	1,707,544	1,476,898
Land held for property development	480,366	500,906	462,939
Equity investments	21,960	25,053	30,518
Investment in an associate	-	-	64,149
Deferred tax assets	43,641	39,840	36,483
	<u>2,634,504</u>	<u>2,570,363</u>	<u>2,356,353</u>
Current assets			
Property development costs	744,773	796,932	1,021,476
Inventories	1,069,419	969,167	217,207
Amount due from contract customer	1,759	-	39,502
Trade and other receivables	819,088	642,788	572,488
Amount owing by holding company	-	10	48
Amount owing by related company	2	364	74
Amount owing by associate	-	-	3,782
Current tax assets	38,141	42,192	27,162
Short term investments	117,334	193,786	224,082
Fixed deposits with licensed banks	176,805	151,317	167,953
Cash and bank balances	148,986	224,598	390,824
	<u>3,116,307</u>	<u>3,021,154</u>	<u>2,664,598</u>
TOTAL ASSETS	<u>5,750,811</u>	<u>5,591,517</u>	<u>5,020,951</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	546,343	309,607	81,623
Share premium	1,496,594	1,496,594	1,496,594
Merger reserve	2,252	2,252	2,252
Fair value reserve	3,866	6,959	7,024
Unappropriated profit	2,499,051	2,516,549	2,254,515
Less : Treasury shares	(2,119)	(2,119)	(2,094)
Equity attributable to owners of the Company	4,545,987	4,329,842	3,839,914
Non-controlling interests	250,845	257,182	124,658
Total equity	<u>4,796,832</u>	<u>4,587,024</u>	<u>3,964,572</u>
Non-current liabilities			
Amount owing to non-controlling shareholders of subsidiary companies	5,000	26,630	25,362
Hire purchase and finance lease liabilities	2,151	3,234	7,067
Long term borrowings	-	10,000	18,584
Deferred tax liabilities	125,318	129,617	124,276
	<u>132,469</u>	<u>169,481</u>	<u>175,289</u>
Current liabilities			
Trade and other payables	570,281	643,620	757,192
Amount owing to holding company	2,537	34	29
Amount owing to related companies	43,188	46,220	495
Amount owing to non-controlling shareholders of subsidiary company	78,484	9,332	6,811
Hire purchase and finance lease liabilities	3,299	4,980	6,123
Short term borrowings	95,796	108,616	93,353
Current tax liabilities	27,925	22,210	17,087
	<u>821,510</u>	<u>835,012</u>	<u>881,090</u>
TOTAL LIABILITIES	<u>953,979</u>	<u>1,004,493</u>	<u>1,056,379</u>
TOTAL EQUITY AND LIABILITIES	<u>5,750,811</u>	<u>5,591,517</u>	<u>5,020,951</u>
Net Asset Per Share (RM)	<u>2.47</u>	<u>2.50</u>	<u>2.35</u>
Based on number of shares net of treasury shares	<u>1,843,738,100</u>	<u>1,733,113,500</u>	<u>1,631,345,200</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

UOA DEVELOPMENT BHD (654023-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2018 RM'000	30 September 2017 RM'000 (Restated)	30 September 2018 RM'000	30 September 2017 RM'000 (Restated)
Revenue	300,377	261,257	777,325	879,764
Cost of sales	(190,484)	(111,291)	(448,002)	(421,910)
Gross profit	109,893	149,966	329,323	457,854
Other income	59,814	47,885	167,100	136,718
Administrative and general expenses	(39,181)	(32,188)	(109,809)	(95,927)
Other expenses	(18,842)	(20,998)	(50,790)	(45,757)
Finance costs	(1,358)	(901)	(5,440)	(2,972)
Share of results of associate	-	1,368	-	2,270
Profit before tax	110,326	145,132	330,384	452,186
Tax expense	(13,830)	(38,489)	(69,502)	(115,612)
Profit for the period	96,496	106,643	260,882	336,574
Other comprehensive income, net of tax				
<i>Items that will not be reclassified to profit or loss</i>				
(Loss)/gain on remeasuring of equity investments	(619)	(1,701)	(3,093)	91
Total comprehensive income for the period	95,877	104,942	257,789	336,665
Profit attributable to:				
Owners of the Company	92,164	93,205	242,469	308,780
Non-controlling interests	4,332	13,438	18,413	27,794
	96,496	106,643	260,882	336,574
Total comprehensive income attributable to:				
Owners of the Company	91,545	91,504	239,376	308,871
Non-controlling interests	4,332	13,438	18,413	27,794
	95,877	104,942	257,789	336,665
Earnings per share (Sen)				
- Basic earnings per share	5.07	5.43	13.77	18.60
- Diluted earnings per share	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

UOA DEVELOPMENT BHD (654023-V)
 (Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Attributable to Owners of the Company								
	Share Capital RM'000	Share Premium RM'000	Non-distributable			Treasury shares RM'000	Total RM'000	Non-controlling interest RM'000	Total Equity RM'000
			Merger Reserve RM'000	Fair Value Reserve RM'000	Unappropriated profits RM'000				
Balance at 1 January 2018	309,607	1,496,594	2,252	6,959	2,474,182	(2,119)	4,287,475	256,954	4,544,429
Effects of adopting MFRS	-	-	-	-	42,367	-	42,367	228	42,595
Balance at 1 January 2018 (restated)	309,607	1,496,594	2,252	6,959	2,516,549	(2,119)	4,329,842	257,182	4,587,024
Issuance of ordinary shares pursuant to:- Dividend reinvestment scheme	236,736	-	-	-	-	-	236,736	-	236,736
Total comprehensive income for the year	-	-	-	(3,093)	242,469	-	239,376	18,413	257,789
Dividend paid to non-controlling shareholders of subsidiary companies	-	-	-	-	-	-	-	(24,750)	(24,750)
Dividend paid	-	-	-	-	(259,967)	-	(259,967)	-	(259,967)
Balance at 30 September 2018	546,343	1,496,594	2,252	3,866	2,499,051	(2,119)	4,545,987	250,845	4,796,832
Balance at 1 January 2017	81,623	1,496,594	2,252	7,024	2,227,701	(2,094)	3,813,100	124,045	3,937,145
Effects of adopting MFRS	-	-	-	-	26,814	-	26,814	613	27,427
Balance at 1 January 2017 (restated)	81,623	1,496,594	2,252	7,024	2,254,515	(2,094)	3,839,914	124,658	3,964,572
Issuance of ordinary shares pursuant to:- Dividend reinvestment scheme	227,984	-	-	-	-	-	227,984	-	227,984
Total comprehensive income for the year	-	-	-	91	308,780	-	308,871	27,794	336,665
Derecognition upon disposal of equity investment	-	-	-	(156)	156	-	-	-	-
Purchase of Treasury shares	-	-	-	-	-	(25)	(25)	-	(25)
Dividend paid to non-controlling shareholders of subsidiary companies	-	-	-	-	-	-	-	(21,201)	(21,201)
Dividend paid	-	-	-	-	(244,700)	-	(244,700)	-	(244,700)
Balance at 30 September 2017	309,607	1,496,594	2,252	6,959	2,318,751	(2,119)	4,132,044	131,251	4,263,295

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

UOA DEVELOPMENT BHD (654023-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Current Year To Date 30 September 2018 RM'000	Preceding Year To Date 30 September 2017 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	330,384	452,186
Adjustments for:		
Non-cash items	20,111	14,404
Non-operating items	(22)	(3,264)
Dividend income	(1,301)	(1,460)
Net interest income	(6,071)	(8,047)
Operating profit before changes in working capital	343,101	453,819
Net changes in inventories	99,274	28,858
Net changes in property development costs	(8,631)	(51,310)
Net changes in receivables	(178,188)	(342,817)
Net changes in payables	(119,951)	(75,477)
Cash generated from operations	135,605	13,073
Interest received	4,674	5,498
Tax paid	(67,835)	(89,719)
Net generated from/(cash used) in operating activities	72,444	(71,148)
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment from/(Advances to) holding company	10	(270)
Repayment from related company	362	65
Dividend received	1,301	1,460
Proceeds from disposal of equity investment	-	5,556
Proceeds from disposal of property, plant and equipment	37	1,024
Acquisition of subsidiary, net of cash	(61,124)	-
Additions to investment properties	(63,101)	(28,975)
Purchase of property, plant and equipment	(35,257)	(29,164)
Additions to land held for property development	(15,734)	(25,559)
Proceeds from disposal of land held for property development	-	7,829
Interest income	6,834	5,582
Net cash used in investing activities	(166,672)	(62,452)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from holding company	2,503	-
(Repayment to)/Advances from related companies	(3,022)	265
Payment of hire purchase and finance lease liabilities	(3,918)	(4,953)
Dividends paid to owners of the Company	(23,231)	(16,716)
Dividends paid to non-controlling shareholders of subsidiary companies	(24,750)	(21,201)
Net repayment of borrowings	(22,820)	(22,897)
Fixed deposit pledged to secure bank borrowings	614	(54)
Advances from non-controlling shareholders of subsidiary companies	46,523	-
Shares repurchased at cost	-	(25)
Interest paid	(3,633)	(3,336)
Net cash used in financing activities	(31,734)	(68,917)
Net decrease in cash and cash equivalents	(125,962)	(202,517)
Cash and cash equivalents at beginning of period	567,053	780,287
Cash and cash equivalents at end of period	441,091	577,770
Cash and cash equivalents at end of period comprise:		
Short term investments	117,334	62,252
Fixed deposits with licensed banks	176,805	95,242
Cash and bank balances	148,986	422,902
	443,125	580,396
Fixed deposit pledged to secure bank borrowings	(2,034)	(2,626)
	441,091	577,770

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

EXPLANATORY NOTES TO THE INTERIM REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements prepared in accordance with MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards, retrospective adjustments have been made on the comparative financial information other than those exempted under MFRS 1. The interim financial reports should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the year ended 31 December 2017.

A2 CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the year ended 31 December 2017, except for the adoption of the following MFRSs and amendments to MFRSs that are relevant to its operations:

Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 15	Clarification to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Except as otherwise indicated below, the adoption of the above MFRSs and amendments to MFRSs does not have significant impact on the financial statements of the Group.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in a difference in the timing of revenue recognition as compared with current accounting policies.

The Group assessed expenses incurred by the Group in securing contracts with customers will now be capitalised as costs to obtain contract. The cost to obtain contract will be amortised to profit or loss by reference to the progress towards completing the performance obligation under the contract. In addition, legal fees borne by the Group in securing contracts with customers will be accounted for as a reduction against the gross development value of the project.

The Group adopted the standard using the full retrospective approach, requiring the restatement of comparative period presented in the financial statements.

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group chose to make the irrevocable election on transition to classify these investments as Equity instruments at fair value through other comprehensive income (Equity FVTOCI) as permitted by MFRS 9.

The following tables summaries the impacts of adopting MFRS on the Group's consolidated financial statements.

Effects on Condensed Consolidated Statement of Comprehensive Income

	Individual quarter ended 30 September 2017			Cumulative quarter ended 30 September 2017		
	As		As	As		As
	previously stated RM'000	MFRS RM'000		previously stated RM'000	MFRS RM'000	
Revenue	261,630	(373)	261,257	882,329	(2,565)	879,764
Cost of sales	(107,985)	(3,306)	(111,291)	(406,870)	(15,040)	(421,910)
Gross profit	153,645	(3,679)	149,966	475,459	(17,605)	457,854
Other income	47,885	-	47,885	136,874	(156)	136,718
Administrative and general expenses	(39,519)	7,331	(32,188)	(125,833)	29,906	(95,927)
Other expenses	(20,998)	-	(20,998)	(45,757)	-	(45,757)
Finance costs	(901)	-	(901)	(2,972)	-	(2,972)
Share of results of associate	1,368	-	1,368	2,270	-	2,270
Profit before tax	141,480	3,652	145,132	440,041	12,145	452,186
Tax expense	(37,612)	(877)	(38,489)	(112,660)	(2,952)	(115,612)
Profit for the period	103,868	2,775	106,643	327,381	9,193	336,574

Other comprehensive income, net of tax

Items that will not be reclassified to profit or loss

(Loss)/Gain on remeasuring of equity investment	-	(1,701)	(1,701)	-	91	91
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Items that will be reclassified subsequently to profit or loss

Fair value (loss)/gain on available-for-sale financial assets	(1,701)	1,701	-	(965)	965	-
Fair value gain transferred to profit or loss upon disposal	-	-	-	900	(900)	-
Total comprehensive income for the period	102,167	2,775	104,942	327,316	9,349	336,665

	Individual quarter ended 30 September 2017			Cumulative quarter ended 30 September 2017		
	As		As	As		As
	previously stated RM'000	MFRS RM'000		previously stated RM'000	MFRS RM'000	
Profit attributable to:						
Owners of the Company	90,357	2,848	93,205	299,383	9,397	308,780
Non-controlling interests	13,511	(73)	13,438	27,998	(204)	27,794
	103,868	2,775	106,643	327,381	9,193	336,574
Total comprehensive income attributable to:						
Owners of the Company	88,656	2,848	91,504	299,318	9,553	308,871
Non-controlling interests	13,511	(73)	13,438	27,998	(204)	27,794
	102,167	2,775	104,942	327,316	9,349	336,665
Earnings per share (Sen)						
- Basic earnings per share	5.26	0.17	5.43	18.03	0.57	18.60

Effects on Condensed Consolidated Statement of Financial Position

	As at 1 January 2017			As at 31 December 2017		
	As		As	As		As
	previously stated RM'000	MFRS RM'000		previously stated RM'000	MFRS RM'000	
Current assets						
Property development costs	989,186	32,290	1,021,476	746,734	50,198	796,932
Trade and other receivables	568,689	3,799	572,488	636,939	5,849	642,788
Non-Current liability						
Deferred tax liability	115,614	8,662	124,276	116,165	13,452	129,617
Equity						
Unappropriated profit	2,227,701	26,814	2,254,515	2,474,182	42,367	2,516,549
Non-controlling interest	124,045	613	124,658	256,954	228	257,182
Net Asset Per Share (Sen)	2.34	0.01	2.35	2.47	0.03	2.50

Effects on Condensed Consolidated Statement of Cash Flows

	As at 30 September 2017		
	As previously stated	MFRS	As restated
	RM'000	RM'000	RM'000
Cash Flows from Operating Activities			
Profit before tax	440,041	12,145	452,186
Adjustments for:			
Non-operating items	(3,420)	156	(3,264)
Net changes in property development costs	(40,081)	(11,229)	(51,310)
Net changes in receivables	(341,745)	(1,072)	(342,817)

A3 QUALIFIED AUDIT REPORT

The auditors' report of the financial statements of the Company for the financial year ended 31 December 2017 was not qualified.

A4 COMMENTS ON SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

A5 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the quarter under review.

A6 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have had a material effect in the current quarter results.

A7 ISSUES, CANCELLATION, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and/or equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter.

(a) Issuance of shares pursuant to the Dividend Reinvestment Scheme

The issued and paid-up share capital of the Company has increased from RM309,606,842 to RM546,343,486 by the issuance of 110,624,600 new ordinary shares in the Company at an issue price of RM2.14 per share pursuant to the Dividend Reinvestment Scheme of the Company.

(b) Share buyback by the Company

During the current quarter, there was no buyback of shares nor resale or cancellation of treasury shares.

(c) As at 30 September 2018, the Company has 1,133,800 ordinary shares held as treasury shares and the issued and paid-up share capital of the Company remained unchanged at 1,844,871,900 ordinary shares.

A8 DIVIDENDS PAID

The total dividend paid out of shareholders' equity for the ordinary shares during the year is as follows:

	Year To Date	
	30 September 2018 RM'000	30 September 2017 RM'000
Dividend in respect of financial year ended 31 December 2017:		
- First and final single tier dividend of 15 sen per share	259,967	-
Dividend in respect of financial year ended 31 December 2016:		
- First and final single tier dividend of 15 sen per share	-	244,700

A9 EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

There were no material events as at the latest practicable date from the date of this report.

A10 EVENTS AFTER THE END OF THE INTERIM PERIOD

The Company incorporated three wholly owned subsidiaries known as UOA Southlink Sdn Bhd (“Southlink”), UOA Southview Sdn Bhd (Southview) and UOA Golden Pines Sdn Bhd (“Golden Pines”) as private limited companies under the Companies Act 2016.

Southlink and Golden Pines were both incorporated on 1 October 2018 and Southview was incorporated on 2 October 2018. The respective issued and paid up capital is Ringgit Malaysia One only comprising one ordinary share each. Their principal activity is property investment. The shares of the said three subsidiaries are held by UOA Properties Sdn Bhd, a wholly owned subsidiary of the Company.

Save as disclosed above, there were no material events as at the latest practicable date from the date of this report.

A11 SEGMENT INFORMATION

	Property development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Cumulative quarter ended 30 September 2018</u>					
Revenue					
External revenue	777,325	-	-	-	777,325
Inter-segment revenue	2,006	488,674	-	(490,680)	-
Total revenue	779,331	488,674	-	(490,680)	777,325
Results					
Segment results	305,110	29,201	(3,927)	-	330,384
Tax expense					(69,502)
Profit for the period					260,882
Segment assets	4,143,686	204,490	1,298,893	-	5,647,069

	Property development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Cumulative quarter ended 30 September 2017 (Restated)</u>					
Revenue					
External revenue	879,764	-	-	-	879,764
Inter-segment revenue	-	368,833	-	(368,833)	-
Total revenue	879,764	368,833	-	(368,833)	879,764
Results					
Segment results	427,378	43,252	(20,714)	-	449,916
Share of results of associate					2,270
Tax expense					(115,612)
Profit for the period					336,574
Segment assets	3,461,062	373,031	1,273,694	-	5,107,787

A12 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The contingent liabilities of the Company as at the end of the current quarter are as follows:

	As at 30 September 2018 RM'000
Corporate guarantees given to banks to secure banking facilities granted to subsidiary companies	192,267

A13 RELATED PARTY TRANSACTIONS

There were no significant related party transactions as at the date of this announcement.

A14 CAPITAL COMMITMENTS

The Group has the following capital commitments:

	As at 30 September 2018 RM'000
Approved and contracted for	
- Purchase of plant and equipment	94,812
- Purchase of investment property	146,362
	241,174

B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

	Individual quarter ended		Increase/ (Decrease)
	30 September 2018 RM'000	30 September 2017 RM'000 (Restated)	%
Revenue	300,377	261,257	15.0%
Gross profit	109,893	149,966	(26.7%)
Profit before tax	110,326	145,132	(24.0%)
Profit after tax	96,496	106,643	(9.5%)
Profit attributable to owners of the Company	92,164	93,205	(1.1%)

The Group's revenue for the quarter ended 30 September 2018 was at RM300.4 million compared to RM261.3 million in the preceding year. The profit after tax after minority interest ("PATAMI") for the quarter under review was at RM92.2 million compared to RM93.2 million in the same quarter of the preceding year. Total expenditure for the quarter under review of RM59.4 million comprises mainly administrative and operating expenses of RM36.1 million.

The Group's revenue and profit attributable to the Company for the quarter under review were mainly derived from the progressive recognition of the Group's on-going development projects namely United Point Residence, Sentul Point Suite Apartments, South Link Lifestyle Apartments and sale of stocks.

B2 MATERIAL CHANGES IN PROFIT BEFORE TAX FOR THE CURRENT QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

	Current quarter ended 30 September 2018 RM'000	Immediate Preceding quarter ended 30 June 2018 RM'000	Increase/ (Decrease) %
Revenue	300,377	304,963	(1.5%)
Profit before tax	110,326	174,618	(36.8%)

The Group's profit before tax of RM110.3 million for the current quarter ended 30 September 2018 was lower than the immediate preceding quarter of RM174.6 million. The higher profit in preceding quarter was mainly due to the higher contribution from Sentul Point Suite Apartments and Southbank Residence, and sales of stocks including one office tower at Horizon Bangsar South.

B3 PROSPECTS

The total new property sales for the period ended 30 September 2018 was approximately RM1.14 billion. The property sales for the year were derived, mainly, from South Link Lifestyle Apartments, United Point Residence and Sentul Point Suite Apartments.

The total unbilled sales as at 30 September 2018 amounted to approximately RM1.67 billion.

The Group will continue its focus on development at targeted geographical locations and continue to assess opportunities for land acquisitions that meet the criteria.

B4 VARIANCES BETWEEN ACTUAL PROFIT AND FORECAST PROFIT

Not applicable as no profit forecast was published.

B5 TAX EXPENSE

The breakdown of the tax components is as follows:

	Current Quarter		Year To Date	
	30	30	30	30
	September	September	September	September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		<i>(Restated)</i>		<i>(Restated)</i>
In respect of current period				
- income tax	27,165	36,713	87,572	110,545
- deferred tax	(3,341)	(2,426)	(8,388)	865
In respect of prior period				
- income tax	(9,971)	4,204	(9,971)	4,204
- deferred tax	(23)	(2)	289	(2)
Tax expense for the period	13,830	38,489	69,502	115,612

The Group's effective tax rate for the current quarter and year to date was lower than statutory tax rate of 24% mainly due to certain income not subjected to tax. The Group's effective tax rate for the corresponding quarter and year to date for the preceding year was higher than the statutory tax rate of 24% mainly due to certain expenses being not tax deductible.

B6 STATUS OF CORPORATE PROPOSAL

Save as disclosed below, there were no other corporate proposals announced but not completed during the current financial quarter and financial period to date under review.

B7 BORROWINGS AND DEBT SECURITIES

The Group does not have any debt securities. The Group borrowings are denominated in Ringgit Malaysia ("RM") as follows:

	As at 30 September 2018 Secured RM'000	As at 31 December 2017 Secured RM'000
<u>Current</u>		
Secured		
- Revolving credit	81,000	60,882
- Bridging loan	-	39,734
- Term loan	4,796	-
Unsecured		
- Revolving credit	10,000	8,000
	<u>95,796</u>	<u>108,616</u>
<u>Non-current</u>		
Secured		
- Bridging loan	-	10,000
	<u>95,796</u>	<u>118,616</u>

B8 DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments as at the date of this report.

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value at the date of this report.

B10 MATERIAL LITIGATION

There was no pending material litigation as at the latest practicable date from the date of issuance of this report.

B11 DIVIDENDS

The Board does not recommend any dividend for the current quarter under review.

B12 PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Current Quarter		Year To Date	
	30	30	30	30
	September	September	September	September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Interest income	(2,813)	(3,793)	(11,511)	(11,019)
Other income including investment income	(28,016)	(15,454)	(76,377)	(42,728)
Interest expense	1,358	901	5,440	2,972
Depreciation and amortisation	5,172	4,933	15,381	15,582
Bad and doubtful debts	1,574	1,390	4,587	1,905
Provision for and write off of inventories	-	-	-	-
(Gain)/Loss on disposal				
- Quoted/unquoted investments	-	-	-	-
- Property, plant and equipment	(20)	(759)	(22)	(994)
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	2	(1)	7	1
(Gain)/Loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B13 EARNINGS PER SHARE

- a) The basic earnings per share ("EPS") is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Current Quarter		Year to Date	
	30	30	30	30
	September	September	September	September
	2018	2017	2018	2017
		(Restated)		(Restated)
Profit attributable to owners of the Company (RM'000)	92,164	93,205	242,469	308,780
Weighted average number of ordinary shares	1,817,284,392	1,717,625,498	1,761,478,782	1,660,416,876
Basic EPS (Sen)	5.07	5.43	13.77	18.60

- b) The Company does not have any diluted earnings per share.

BY ORDER OF THE BOARD

YAP KAI WENG
Company Secretary
UOA DEVELOPMENT BHD
Kuala Lumpur

27 NOVEMBER 2018