



UOA DEVELOPMENT BHD
INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 31 MARCH 2021





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UOA DEVELOPMENT BHD

200401015520 (654023-V)

(Incorporated in Malaysia)

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(Cover)) Located next to the largest park in Cheras and a short distance away from downtown Kuala Lumpur, Komune Living & Wellness is an integrated wellness hub that features a holistic living environment with its comprehensive health, wellness and care services.

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UOA DEVELOPMENT BHD 200401015520 (654023-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	As At 31 March 2021 RM'000 (Unaudited)	As At 31 December 2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	416,908	420,013
Investment properties	1,364,232	1,346,419
Inventories	636,923	629,526
Equity investments	85,414	88,387
Deferred tax assets	59,830	60,093
	<u>2,563,307</u>	<u>2,544,438</u>
Current assets		
Inventories	1,333,126	1,333,950
Contract assets	96,838	185,445
Trade and other receivables	317,096	302,555
Amount owing by holding company	14	-
Amount owing by related companies	622	189
Current tax assets	47,430	45,136
Short term investments	952,669	109,002
Fixed deposits with licensed banks	249,025	931,621
Cash and bank balances	663,189	719,974
	<u>3,660,009</u>	<u>3,627,872</u>
TOTAL ASSETS	<u>6,223,316</u>	<u>6,172,310</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	2,519,752	2,519,752
Merger reserve	2,252	2,252
Fair value reserve	5,696	8,669
Retained earnings	2,926,077	2,889,633
Less : Treasury shares	(2,119)	(2,119)
Equity attributable to owners of the Company	5,451,658	5,418,187
Non-controlling interests	178,331	177,070
Total equity	<u>5,629,989</u>	<u>5,595,257</u>
Non-current liabilities		
Amount owing to non-controlling shareholders of subsidiary companies	1,908	1,884
Lease liabilities	646	822
Deferred tax liabilities	40,797	39,844
	<u>43,351</u>	<u>42,550</u>
Current liabilities		
Trade and other payables	486,348	455,360
Amount owing to holding company	562	325
Amount owing to related companies	1,724	12,016
Amount owing to non-controlling shareholders of subsidiary company	45,500	45,500
Lease liabilities	810	875
Current tax liabilities	15,032	20,427
	<u>549,976</u>	<u>534,503</u>
TOTAL LIABILITIES	<u>593,327</u>	<u>577,053</u>
TOTAL EQUITY AND LIABILITIES	<u>6,223,316</u>	<u>6,172,310</u>
Net Asset Per Share (RM)	<u>2.57</u>	<u>2.55</u>
Based on number of shares net of treasury shares	<u>2,123,771,300</u>	<u>2,123,771,300</u>

Note 1 : Included in the net carrying amount of property, plant and equipment are right-of-use assets of RM218,421,000 (2020: RM215,099,000).

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

UOA DEVELOPMENT BHD 200401015520 (654023-V)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Individual Quarter Ended		Cumulative Quarter Ended	
	31 March 2021 RM'000 (Unaudited)	31 March 2020 RM'000 (Unaudited)	31 March 2021 RM'000 (Unaudited)	31 March 2020 RM'000 (Unaudited)
Revenue	140,173	375,270	140,173	375,270
Cost of sales	(90,501)	(208,130)	(90,501)	(208,130)
Gross profit	49,672	167,140	49,672	167,140
Other income	38,622	58,769	38,622	58,769
Impairment losses of financial assets	(1,043)	(2,660)	(1,043)	(2,660)
Administrative and general expenses	(29,774)	(34,541)	(29,774)	(34,541)
Other expenses	(10,442)	(14,104)	(10,442)	(14,104)
Finance income	6,087	8,141	6,087	8,141
Finance costs	(45)	(297)	(45)	(297)
Profit before tax	53,077	182,448	53,077	182,448
Tax expense	(15,369)	(55,068)	(15,369)	(55,068)
Profit for the financial year	37,708	127,380	37,708	127,380
Other comprehensive income, net of tax				
<i>Items that will not be reclassified to profit or loss</i>				
Fair value loss on remeasuring of financial assets	(2,973)	(5,830)	(2,973)	(5,830)
Total comprehensive income for the financial year	34,735	121,550	34,735	121,550
Profit attributable to:				
Owners of the Company	36,091	124,217	36,091	124,217
Non-controlling interests	1,617	3,163	1,617	3,163
	37,708	127,380	37,708	127,380
Total comprehensive income attributable to:				
Owners of the Company	33,118	118,387	33,118	118,387
Non-controlling interests	1,617	3,163	1,617	3,163
	34,735	121,550	34,735	121,550
Earnings per share (Sen)				
- Basic earnings per share	1.70	6.32	1.70	6.32
- 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 financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

UOA DEVELOPMENT BHD 200401015520 (654023-V)
 (Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Attributable to Owners of the Company							
	Share Capital RM'000	Merger Reserve RM'000	Non-distributable Fair Value Reserve RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
Balance at 1 January 2021	2,519,752	2,252	8,669	2,889,633	(2,119)	5,418,187	177,070	5,595,257
Total comprehensive income for the financial year	-	-	(2,973)	36,091	-	33,118	1,617	34,735
Acquisition of additional shares in a subsidiary company	-	-	-	353	-	353	(356)	(3)
Balance at 31 March 2021	2,519,752	2,252	5,696	2,926,077	(2,119)	5,451,658	178,331	5,629,989
Balance at 1 January 2020	2,286,285	2,252	4,888	2,773,588	(2,119)	5,064,894	206,974	5,271,868
Total comprehensive income for the financial year	-	-	(5,830)	124,217	-	118,387	3,163	121,550
Dividend paid to non-controlling shareholders of subsidiary companies	-	-	-	-	-	-	(750)	(750)
Balance at 31 March 2020	2,286,285	2,252	(942)	2,897,805	(2,119)	5,183,281	209,387	5,392,668

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

UOA DEVELOPMENT BHD 200401015520 (654023-V)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Current Year To Date 31 March 2021 RM'000 (Unaudited)	Preceding Year To Date 31 March 2020 RM'000 (Unaudited)
OPERATING ACTIVITIES		
Profit before tax	53,077	182,448
Adjustments for:		
Non-cash items	5,503	8,042
Non-operating items	(169)	(65)
Dividend income	(690)	(753)
Net interest income	(6,042)	(7,844)
Operating profit before changes in working capital	51,679	181,828
Changes in working capital:		
Inventories	(6,573)	(22,907)
Contract assets	88,607	(156,840)
Contract liabilities	-	6,103
Receivables	(15,584)	26,797
Payables	31,234	97,993
Cash generated from operations	149,363	132,974
Interest received	2,100	4,525
Tax paid	(21,842)	(35,208)
Net cash from operating activities	129,621	102,291
INVESTING ACTIVITIES		
Advances to holding company	(14)	-
(Advances to)/repayments from related companies	(433)	42
Dividend received	690	753
Proceeds from disposal of property, plant and equipment	258	65
Acquisition of additional shares in existing subsidiary	(3)	-
Additions to investment properties	(17,813)	(6,183)
Purchase of property, plant and equipment	(1,444)	(2,055)
Interest income	3,987	3,599
Net used in investing activities	(14,772)	(3,779)
FINANCING ACTIVITIES		
Repayments to holding company	121	(44)
Repayments to related companies	(10,422)	(41,983)
Payment of lease liabilities	(241)	(349)
Dividends paid to non-controlling shareholders of subsidiary companies	-	(750)
Net repayment of borrowings	-	(18,500)
Repayments to non-controlling shareholders of subsidiary companies	-	(543)
Interest paid	(21)	(272)
Net cash used in financing activities	(10,563)	(62,441)
CASH AND CASH EQUIVALENTS		
Net changes	104,286	36,071
At beginning of financial year	1,760,438	943,239
At end of financial year	1,864,724	979,310
Represented by:		
Short term investments	952,669	206,645
Fixed deposits with licensed banks	249,025	177,495
Cash and bank balances	663,189	595,324
	1,864,883	979,464
Fixed deposit pledged	(159)	(154)
	1,864,724	979,310

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

EXPLANATORY NOTES TO THE INTERIM REPORT FOR THE QUARTER ENDED 31 MARCH 2021**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 reports should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2020 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 financial year ended 31 December 2020.

A2 CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2020. The Group adopted new standards/amendments/improvements to MFRS which are mandatory for the financial periods beginning on or after 1 January 2021.

The initial application of the new standards/amendments/improvements to the standards did not have any material impacts to the financial statements of the Group.

A3 QUALIFIED AUDIT REPORT

The auditors' report of the financial statements of the Company for the financial year ended 31 December 2020 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) Share buyback by the Company

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

(b) As at 31 March 2021, 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 2,124,905,100 ordinary shares.

A8 DIVIDENDS PAID

There were no dividends paid during the current quarter under review.

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

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 31 March 2021</u>					
Revenue					
External revenue	140,173	-	-	-	140,173
Inter-segment revenue	2,598	97,927	-	(100,525)	-
Total revenue	142,771	97,927	-	(100,525)	140,173
Results					
Segment results	46,553	19,948	(13,424)	-	53,077
Tax expense					(15,369)
Profit for the year					37,708
Segment assets	4,020,303	177,737	1,832,602	-	6,030,642
	Property development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Cumulative quarter ended 31 March 2020</u>					
Revenue					
External revenue	375,270	-	-	-	375,270
Inter-segment revenue	29,224	73,726	-	(102,950)	-
Total revenue	404,494	73,726	-	(102,950)	375,270
Results					
Segment results	136,929	48,813	(3,294)	-	182,448
Tax expense					(55,068)
Profit for the year					127,380
Segment assets	4,280,449	102,940	1,609,691	-	5,993,080

A12 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

On 31 December 2018, two of the Company's wholly-owned subsidiaries, namely Windsor Triumph Sdn. Bhd. ("Windsor") and Sunny Uptown Sdn. Bhd. ("Sunny") were served by the Inland Revenue Board of Malaysia ("IRB") with Notices of Additional Assessment for the Year of Assessment 2013, for additional income tax totalling RM25,558,750.50 and penalties totalling RM14,057,312.78 ("Cases").

The additional assessment raised against Windsor by IRB arose from an adjustment by IRB of the market value of properties that Windsor has withdrawn as an inventory to hold as investment property.

The additional assessment raised against Sunny by IRB arose from an adjustment by IRB of the selling price at market value of properties that Sunny had assigned to another wholly-owned subsidiary of the Group on an "as is" basis.

Both subsidiaries relied on valuations by a professional, independent and experienced registered valuer. These valuations were adjusted by IRB by substituting them with valuations subsequently conducted by Jabatan Penilaian dan Perkhidmatan Harta.

Upon consulting the Group's tax solicitors, the Group is of the view that there are good grounds to challenge the basis and validity of the disputed Notices of Additional Assessment raised by the IRB and the penalties imposed. Windsor and Sunny have filed their appeals with the Special Commissioners of Income Tax ("SCIT"). The appeals have now been fixed for mention before the SCIT on 25 May 2021.

The Directors are of the opinion that no provisions in respect of the tax liabilities and penalty in dispute are required to be made in the financial statements as at the reporting date.

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 31 March 2021 RM'000
Approved and contracted for	
- Purchase of plant and equipment	2,189
- Purchase of investment property	185,941
	188,130

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)
	31 March 2021	31 March 2020	
	RM'000	RM'000	%
Revenue	140,173	375,270	(62.6%)
Gross profit	49,672	167,140	(70.3%)
Profit before tax	53,077	182,448	(70.9%)
Profit after tax	37,708	127,380	(70.4%)
Profit attributable to owners of the Company	36,091	124,217	(70.9%)

The Group's revenue for the quarter ended 31 March 2021 was at RM140.2 million compared to RM375.3 million in the same quarter of the preceding year. The profit after tax after non-controlling interests for the quarter under review was at RM36.1 million compared to RM124.2 million in the same quarter of the preceding year. Total expenditure for the quarter under review of RM41.3 million comprises mainly administrative and operating expenses of RM26.1 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 Sentul Point Suite Apartments, Goodwood Residence, South Link Lifestyle Apartments and Aster Green Residence. The lower revenue and gross profit were mainly due to higher progressive recognition from United Point Residence in the corresponding quarter of the previous financial year.

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

	Current quarter ended 31 March 2021	Immediate Preceding quarter ended 31 December 2020	Increase/ (Decrease)
	RM'000	RM'000	%
Revenue	140,173	194,108	(27.8%)
Profit before tax	53,077	59,333	(10.5%)

The Group's profit before tax of RM53.1 million for the current quarter ended 31 March 2021 was lower than the immediate preceding quarter of RM59.3 million. The lower revenue and profit in the current quarter was mainly due to higher progressive recognition from South Link Lifestyle Apartments in the preceding quarter.

B3 PROSPECTS

The total new property sales for the period ended 31 March 2021 was approximately RM80.8 million. The property sales were mainly derived from Goodwood Residence, Sentul Point, Aster Green Residence and United Point Residence.

The total unbilled sales as at 31 March 2021 amounted to approximately RM225.0 million.

The Group maintains its focus on development at targeted geographical locations while exploring for strategic development lands that meets the objective of the Group.

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	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
In respect of current period				
- income tax	13,840	50,039	13,840	50,039
- deferred tax	1,216	5,098	1,216	5,098
In respect of prior period				
- income tax	313	-	313	-
- deferred tax	-	(69)	-	(69)
Tax expense for the period	15,369	55,068	15,369	55,068

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

B6 STATUS OF CORPORATE PROPOSAL

There were no 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 borrowing and debt securities as at the date of this report.

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

(i) Proposed final dividend and special dividend

The Board of Directors have proposed a first and final single-tier dividend of 14 sen and special dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2020 amounting RM318,565,695 (31 December 2019: final dividend of 14 sen per share) based on 2,123,771,300 ordinary shares (net of treasury shares at the date of this report) for shareholders' approval at the forthcoming Annual General Meeting.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final and special dividend, if approved, will be paid no later than three (3) months from the date of shareholders' approval.

The Book Closure Date will be announced by the Company after the Annual General Meeting.

(ii) Total Dividend

Total dividend for the financial year ended 31 December 2020 is as follows:

- a) Proposed single-tier final dividend of 14 sen per ordinary share, subject to shareholders' approval.
- b) Proposed single-tier special dividend of 1 sen per ordinary share, subject to shareholders' approval.

B12 PROFIT BEFORE TAX

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

	Current Quarter		Year To Date	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Interest income	(6,087)	(8,141)	(6,087)	(8,141)
Other income including investment income	(30,585)	(37,862)	(30,585)	(37,862)
Interest expense	45	297	45	297
Depreciation and amortisation	4,452	5,381	4,452	5,381
Impairment loss on receivables	1,043	2,660	1,043	2,660
Provision for and write off of inventories	-	-	-	-
(Gain)/loss on disposal				
- Quoted/unquoted investments	-	-	-	-
- Property, plant and equipment	(169)	(65)	(169)	(65)
Impairment of assets	-	-	-	-
Foreign exchange loss/(gain)	-	(2)	-	(2)
(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	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Profit attributable to owners of the Company (RM'000)	36,091	124,217	36,091	124,217
Weighted average number of ordinary shares	2,123,771,300	1,966,023,200	2,123,771,300	1,966,023,200
Basic EPS (Sen)	1.70	6.32	1.70	6.32

- 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

25 MAY 2021