



**UOA DEVELOPMENT BHD**  
INTERIM FINANCIAL REPORT  
FIRST QUARTER ENDED 31 MARCH 2018





## INTERIM FINANCIAL REPORT

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FIRST QUARTER ENDED 31 MARCH 2018

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

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(Cover) Strategically located within Bangsar South, The Sphere is set to become a lifestyle hub that complements UOA's award winning flagship integrated city development.

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**UOA DEVELOPMENT BHD (654023-V)**  
**(Incorporated in Malaysia)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

|  | <b>As At<br/>31 March 2018<br/>RM'000</b> | <b>As At<br/>31 December 2017<br/>RM'000<br/>(Restated)</b> |
|--|---|---|
| <b>ASSETS</b>  |   |   |
| <b>Non-current assets</b>  |   |   |
| Property, plant and equipment  | 293,534                                   | 297,020   |
| Investment properties  | 1,727,736                                 | 1,707,544   |
| Land held for property development                                   | 507,083                                   | 500,906   |
| Available-for-sale financial assets                                  | 22,888                                    | 25,053  |
| Deferred tax assets  | 38,140                                    | 39,840  |
|  | <u>2,589,381</u>                          | <u>2,570,363</u>  |
| <b>Current assets</b>  |   |   |
| Property development costs   | 853,813                                   | 796,932   |
| Inventories  | 950,764                                   | 969,167   |
| Amount due from contract customer                                    | 2,366                                     | -   |
| Trade and other receivables  | 628,276                                   | 642,788   |
| Amount owing by holding company                                      | -   | 10  |
| Amount owing by related company                                      | 9   | 364   |
| Current tax assets   | 51,054                                    | 42,192  |
| Short term investments   | 124,321                                   | 193,786   |
| Fixed deposits with licensed banks                                   | 172,035                                   | 151,317   |
| Cash and bank balances   | 132,743                                   | 224,598   |
|  | <u>2,915,381</u>                          | <u>3,021,154</u>  |
| <b>TOTAL ASSETS</b>  | <u><b>5,504,762</b></u>                   | <u><b>5,591,517</b></u>                                     |
| <b>EQUITY AND LIABILITIES</b>  |   |   |
| <b>Equity</b>  |   |   |
| Share capital  | 309,607                                   | 309,607   |
| Share premium  | 1,496,594                                 | 1,496,594   |
| Merger reserve   | 2,252                                     | 2,252   |
| Fair value reserve   | 4,794                                     | 6,959   |
| Unappropriated profit  | 2,562,201                                 | 2,529,929   |
| Less : Treasury shares   | (2,119)                                   | (2,119)   |
| Equity attributable to owners of the Company                         | <u>4,373,329</u>                          | <u>4,343,222</u>  |
| Non-controlling interests  | <u>247,646</u>                            | <u>257,254</u>  |
| <b>Total equity</b>  | <u><b>4,620,975</b></u>                   | <u><b>4,600,476</b></u>                                     |
| <b>Non-current liabilities</b>                                       |   |   |
| Amount owing to non-controlling shareholders of subsidiary companies | 26,963                                    | 26,630  |
| Hire purchase and finance lease liabilities                          | 2,470                                     | 3,234   |
| Long term borrowings   | 10,000                                    | 10,000  |
| Deferred tax liabilities   | 111,616                                   | 116,165   |
|  | <u>151,049</u>                            | <u>156,029</u>  |
| <b>Current liabilities</b>   |   |   |
| Trade and other payables   | 583,951                                   | 643,620   |
| Amount owing to holding company                                      | 1,624                                     | 34  |
| Amount owing to a related company                                    | 2,835                                     | 46,220  |
| Amount owing to non-controlling shareholders of subsidiary company   | 36,432                                    | 9,332   |
| Hire purchase and finance lease liabilities                          | 4,393                                     | 4,980   |
| Short term borrowings  | 93,871                                    | 108,616   |
| Current tax liabilities  | 9,632                                     | 22,210  |
|  | <u>732,738</u>                            | <u>835,012</u>  |
| <b>TOTAL LIABILITIES</b>   | <u><b>883,787</b></u>                     | <u><b>991,041</b></u>                                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  | <u><b>5,504,762</b></u>                   | <u><b>5,591,517</b></u>                                     |
| <b>Net Asset Per Share (RM)</b>                                      | <u><b>2.52</b></u>                        | <u><b>2.51</b></u>  |
| Based on number of shares net of treasury shares                     | <u><u>1,733,113,500</u></u>               | <u><u>1,733,113,500</u></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 31 MARCH 2018**

|   | Individual Quarter Ended   |   |   |
|---|----------------------------|---|---|
|   | 31 March<br>2018<br>RM'000 | 31 March<br>2017<br>RM'000<br><i>(Restated)</i> | 31 March<br>2017<br>RM'000<br><i>(As previously<br/>stated)</i> |
| Revenue   | 171,985                    | 154,602   | 155,088   |
| Cost of sales   | <u>(120,980)</u>           | <u>(76,734)</u>                                 | <u>(74,209)</u>   |
| Gross profit  | 51,005                     | 77,868  | 80,879  |
| Other income  | 55,379                     | 45,359  | 45,359  |
| Administrative and general expenses                                   | (40,255)                   | (31,329)  | (39,885)  |
| Other expenses  | (18,096)                   | (14,180)  | (14,180)  |
| Finance costs   | (2,593)                    | (1,132)   | (1,132)   |
| Share of results of associate   | -                          | 502   | 502   |
| Profit before tax   | <u>45,440</u>              | <u>77,088</u>                                   | <u>71,543</u>   |
| Tax expense   | (11,626)                   | (19,156)  | (19,156)  |
| Profit for the period   | <u>33,814</u>              | <u>57,932</u>                                   | <u>52,387</u>   |
| Other comprehensive income, net of tax                                |                            |   |   |
| <i>Items that will be reclassified subsequently to profit or loss</i> |                            |   |   |
| Fair value (loss)/gain on available-for-sale financial assets         | (2,165)                    | 1,200   | 1,200   |
| Fair value gain transferred to profit or loss upon disposal           | -                          | -   | -   |
| Total comprehensive income for the period                             | <u>31,649</u>              | <u>59,132</u>                                   | <u>53,587</u>   |
| Profit attributable to:   |                            |   |   |
| Owners of the Company   | 32,272                     | 48,979  | 43,375  |
| Non-controlling interests   | <u>1,542</u>               | <u>8,953</u>                                    | <u>9,012</u>  |
|   | <u>33,814</u>              | <u>57,932</u>                                   | <u>52,387</u>   |
| Total comprehensive income attributable to:                           |                            |   |   |
| Owners of the Company   | 30,107                     | 50,179  | 44,575  |
| Non-controlling interests   | <u>1,542</u>               | <u>8,953</u>                                    | <u>9,012</u>  |
|   | <u>31,649</u>              | <u>59,132</u>                                   | <u>53,587</u>   |
| <b>Earnings per share (Sen)</b>                                       |                            |   |   |
| - Basic earnings per share  | <u>1.86</u>                | <u>3.00</u>                                     | <u>2.66</u>   |
| - Diluted earnings per share  | <u>N/A</u>                 | <u>N/A</u>                                      | <u>N/A</u>  |

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 31 MARCH 2018**

|   | Attributable to Owners of the Company |                         |                          |                              |                                  |                           |           |                                    |                        |  |
|---|---------------------------------------|-------------------------|--------------------------|------------------------------|----------------------------------|---------------------------|-----------|------------------------------------|------------------------|--|
|   | Share Capital<br>RM'000               | Share Premium<br>RM'000 | Non-distributable        |                              |                                  | Treasury shares<br>RM'000 | Total     | Non-controlling interest<br>RM'000 | Total Equity<br>RM'000 |  |
|   | Share Capital<br>RM'000               | Share Premium<br>RM'000 | Merger Reserve<br>RM'000 | Fair Value Reserve<br>RM'000 | Unappropriated profits<br>RM'000 | shares<br>RM'000          | RM'000    | RM'000                             | 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 adoption of MFRS15   | -                                     | -                       | -                        | -                            | 55,747                           | -                         | 55,747    | 300                                | 56,047                 |  |
| Balance at 1 January 2018 (restated)                                  | 309,607                               | 1,496,594               | 2,252                    | 6,959                        | 2,529,929                        | (2,119)                   | 4,343,222 | 257,254                            | 4,600,476              |  |
| Total comprehensive income for the year                               | -                                     | -                       | -                        | (2,165)                      | 32,272                           | -                         | 30,107    | 1,542                              | 31,649                 |  |
| Dividend paid to non-controlling shareholders of subsidiary companies | -                                     | -                       | -                        | -                            | -                                | -                         | -         | (11,150)                           | (11,150)               |  |
| Balance at 31 March 2018  | 309,607                               | 1,496,594               | 2,252                    | 4,794                        | 2,562,201                        | (2,119)                   | 4,373,329 | 247,646                            | 4,620,975              |  |
| 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 adoption of MFRS15   | -                                     | -                       | -                        | -                            | 35,282                           | -                         | 35,282    | 807                                | 36,089                 |  |
| Balance at 1 January 2017 (restated)                                  | 81,623                                | 1,496,594               | 2,252                    | 7,024                        | 2,262,983                        | (2,094)                   | 3,848,382 | 124,852                            | 3,973,234              |  |
| Total comprehensive income for the year                               | -                                     | -                       | -                        | 1,200                        | 48,979                           | -                         | 50,179    | 8,953                              | 59,132                 |  |
| Purchase of Treasury shares   | -                                     | -                       | -                        | -                            | -                                | (25)                      | (25)      | -                                  | (25)                   |  |
| Balance at 31 March 2017  | 81,623                                | 1,496,594               | 2,252                    | 8,224                        | 2,311,962                        | (2,119)                   | 3,898,536 | 133,805                            | 4,032,341              |  |

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 31 MARCH 2018**

|  | <b>Current Year<br/>To Date<br/>31 March 2018<br/>RM'000</b> | <b>Preceding Year<br/>To Date<br/>31 March 2017<br/>RM'000<br/>(Restated)</b> |
|--|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |  |   |
| Profit before tax  | 45,440   | 77,088  |
| Adjustments for:   |  |   |
| Non-cash items   | 6,686  | 5,175   |
| Non-operating items  | (2)  | (718)   |
| Dividend income  | (676)  | (813)   |
| Net interest income  | (3,044)  | (2,115)   |
| Operating profit before changes in working capital                     | 48,404   | 78,617  |
| Net changes in inventories   | 18,403   | 338   |
| Net changes in property development costs                              | 6,120  | (5,363)   |
| Net changes in receivables   | 10,477   | (1,366)   |
| Net changes in payables  | (61,257)   | (110,960)   |
| Cash generated from/(used in) operations                               | 22,147   | (38,734)  |
| Interest received  | 2,674  | 1,563   |
| Tax paid   | (35,917)   | (29,829)  |
| Net cash used in operating activities                                  | (11,096)   | (67,000)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |  |   |
| Repayment from/(Advances to) holding company                           | 10   | (256)   |
| Repayment from related company   | 355  | 47  |
| Dividend received  | 676  | 813   |
| Proceeds from disposal of available for sale financial assets          | -  | 216   |
| Proceeds from disposal of property, plant and equipment                | 2  | -   |
| Acquisition of subsidiary, net of cash                                 | (60,918)   | -   |
| Additions to investment properties                                     | (20,192)   | (3,367)   |
| Purchase of property, plant and equipment                              | (1,510)  | (5,912)   |
| Additions to land held for property development                        | (6,177)  | (1,449)   |
| Proceeds from disposal of land held for property development           | -  | 7,829   |
| Interest income  | 2,963  | 1,749   |
| Net cash used in investing activities                                  | (84,791)   | (330)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |  |   |
| Advances from/(Repayment to) holding company                           | 1,590  | (18)  |
| Repayment to related companies   | (43,385)   | (101)   |
| Payment of hire purchase and finance lease liabilities                 | (1,351)  | (1,200)   |
| Dividends paid to non-controlling shareholders of subsidiary companies | (11,150)   | -   |
| Net repayment of borrowings  | (14,745)   | (10,595)  |
| Fixed deposit pledged to secure bank borrowings                        | (375)  | (14)  |
| Advances from non-controlling shareholders of subsidiary companies     | 27,100   | -   |
| Shares repurchased at cost   | -  | (25)  |
| Interest paid  | (2,774)  | (1,501)   |
| Net cash used in financing activities                                  | (45,090)   | (13,454)  |
| <b>Net decrease in cash and cash equivalents</b>                       | <b>(140,977)</b>   | <b>(80,784)</b>   |
| <b>Cash and cash equivalents at beginning of period</b>                | <b>567,053</b>   | <b>780,287</b>  |
| <b>Cash and cash equivalents at end of period</b>                      | <b>426,076</b>   | <b>699,503</b>  |
| Cash and cash equivalents at end of period comprise:                   |  |   |
| Short term investments   | 124,321  | 187,428   |
| Fixed deposits with licensed banks                                     | 172,035  | 157,172   |
| Cash and bank balances   | 132,743  | 357,489   |
|  | 429,099  | 702,089   |
| Fixed deposit pledged to secure bank borrowings                        | (3,023)  | (2,586)   |
|  | 426,076  | 699,503   |

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 31 MARCH 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 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 2              | Classification and Measurement of Share-based Payment Transactions    |
| Amendments to MFRS 4              | Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts |
| Amendments to MFRS 140            | Transfers of Investment Property                                      |
| IC Interpretation 22              | Foreign Currency Transactions and Advance Consideration               |

The adoption of the above Amendments to MFRSs does not have significant impact on 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 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) 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 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 1,734,247,300 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**

On 2 March 2018, the Company acquired a 100% equity interest in Cosmo Housing Development Sdn Bhd (“Cosmo”) for a consideration of RM65,250,000. The principle activity of Cosmo is property development.

Save as disclosed above, 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<br>development<br>RM'000 | Construction<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|---|-----------------------------------|------------------------|------------------|-----------------------|------------------------|
| <b>Cumulative quarter ended 31 March 2018</b> |                                   |                        |                  |                       |                        |
| <b>Revenue</b>                                |                                   |                        |                  |                       |                        |
| External revenue                              | 171,985                           | -                      | -                | -                     | 171,985                |
| Inter-segment<br>revenue                      | -                                 | 107,128                | -                | (107,128)             | -                      |
| <b>Total revenue</b>                          | <b>171,985</b>                    | <b>107,128</b>         | <b>-</b>         | <b>(107,128)</b>      | <b>171,985</b>         |
| <b>Results</b>                                |                                   |                        |                  |                       |                        |
| Segment results                               | 48,599                            | 631                    | (3,790)          | -                     | 45,440                 |
| Tax expense                                   |                                   |                        |                  |                       | (11,626)               |
| <b>Profit for the period</b>                  |                                   |                        |                  |                       | <b>33,814</b>          |
| <b>Segment assets</b>                         | <b>3,991,962</b>                  | <b>148,794</b>         | <b>1,251,924</b> | <b>-</b>              | <b>5,392,680</b>       |

|  | Property<br>development<br>RM'000 | Construction<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|--|-----------------------------------|------------------------|------------------|-----------------------|------------------------|
| <b>Cumulative quarter ended 31 March 2017 (Restated)</b> |                                   |                        |                  |                       |                        |
| <b>Revenue</b>   |                                   |                        |                  |                       |                        |
| External revenue   | 154,602                           | -                      | -                | -                     | 154,602                |
| Inter-segment revenue                                    | -                                 | 96,902                 | -                | (96,902)              | -                      |
| <b>Total revenue</b>                                     | <b>154,602</b>                    | <b>96,902</b>          | <b>-</b>         | <b>(96,902)</b>       | <b>154,602</b>         |
| <b>Results</b>   |                                   |                        |                  |                       |                        |
| Segment results  | 69,936                            | 12,675                 | (6,025)          | -                     | 76,586                 |
| Share of results of associate                            |                                   |                        |                  |                       | 502                    |
| Tax expense  |                                   |                        |                  |                       | (19,156)               |
| <b>Profit for the period</b>                             |                                   |                        |                  |                       | <b>57,932</b>          |
| <b>Segment assets</b>                                    | <b>3,107,748</b>                  | <b>436,674</b>         | <b>1,265,409</b> | <b>-</b>              | <b>4,809,831</b>       |

#### 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<br>31 March 2018<br>RM'000 |
|--|----------------------------------|
| Corporate guarantees given to banks to secure banking facilities granted to subsidiary companies | 237,640                          |

#### 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<br>31 March 2018<br>RM'000 |
|-----------------------------------|----------------------------------|
| Approved and contracted for       |                                  |
| - Purchase of plant and equipment | 1,177                            |
| - Purchase of investment property | 163,502                          |
|                                   | <b>164,679</b>                   |

## 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/<br>(Decrease)<br>% |
|--|--------------------------|---------------------------------------|------------------------------|
|  | 31 March 2018<br>RM'000  | 31 March 2017<br>RM'000<br>(Restated) |                              |
| Revenue  | 171,985                  | 154,602                               | 11.2%                        |
| Gross profit                                   | 51,005                   | 77,868                                | (34.5%)                      |
| Profit before tax                              | 45,440                   | 77,088                                | (41.1%)                      |
| Profit after tax                               | 33,814                   | 57,932                                | (41.6%)                      |
| Profit attributable to owner of the<br>Company | 32,272                   | 48,979                                | (34.1%)                      |

The Group's revenue for the quarter ended 31 March 2018 was at RM172.0 million, which is 11.2% higher compared to the preceding year. The profit after tax after minority interest ("PATAMI") for the quarter under review was at RM32.3 million compared to RM49.0 million in the same quarter of the preceding year. This was due, mainly, to lower profit margins in the current quarter. Total expenditure for the quarter under review of RM60.9 million comprises mainly marketing expenses of RM4.2 million and administrative and operating expenses of RM36.0 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 and South Link Lifestyle Apartments, and sale of completed units at Desa Green Serviced Apartments.

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

|                   | Current                                  | Immediate  | Increase/<br>(Decrease)<br>% |
|-------------------|--|--|------------------------------|
|                   | quarter ended<br>31 March 2018<br>RM'000 | Preceding<br>quarter ended<br>31 December 2017<br>RM'000<br>(Restated) |                              |
| Revenue           | 171,985                                  | 198,493  | (13.4%)                      |
| Profit before tax | 45,440                                   | 223,677  | (79.7%)                      |

The Group's profit before tax of RM45.4 million for the current quarter ended 31 March 2018 was lower than the immediate preceding quarter of RM223.7 million. The lower profit was mainly due to the absence of gain on remeasurement upon acquisition of an additional 35% in the paid-up share capital of an associated company and the acquisition has resulted in the associated company now becoming a subsidiary of the Group in current quarter.

### B3 PROSPECTS

The total new property sales for the year ended 31 March 2018 was approximately RM451.81 million. The property sales for the year were derived, mainly, from SouthLink, Sentul Point Suite Apartments and United Point Residence. The total unbilled sales as at 31 March 2018 amounted to approximately RM1.64 billion.

The Group's strategy remains focused on development at targeted geographical locations and continue to explore for opportune development land acquisition.

### 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<br>2018<br>RM'000 | 31 March<br>2017<br>RM'000 | 31 March<br>2018<br>RM'000 | 31 March<br>2017<br>RM'000 |
| In respect of current period      |                            |                            |                            |                            |
| - income tax                      | 14,474                     | 18,881                     | 14,474                     | 18,881                     |
| - deferred tax                    | (3,160)                    | 275                        | (3,160)                    | 275                        |
| In respect of prior period        |                            |                            |                            |                            |
| - deferred tax                    | 312                        | -                          | 312                        | -                          |
| <b>Tax expense for the period</b> | <b>11,626</b>              | <b>19,156</b>              | <b>11,626</b>              | <b>19,156</b>              |

The Group's effective tax rate for the current quarter and corresponding quarter were 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<br>31 March 2018<br>Secured<br>RM'000 | As at<br>31 December 2017<br>Secured<br>RM'000 |
|--------------------|---|--|
| <u>Current</u>     |   |  |
| Secured            |   |  |
| - Revolving credit | 61,000                                      | 60,882   |
| - Bridging loan    | 24,983                                      | 39,734   |
| - Term loan        | 6,888                                       | -  |
| Unsecured          |   |  |
| - Revolving credit | 1,000                                       | 8,000  |
|                    | 93,871                                      | 108,616  |
| <u>Non-current</u> |   |  |
| Secured            |   |  |
| - Bridging loan    | 10,000                                      | 10,000   |
|                    | 103,871                                     | 118,616  |

## 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

The Board of Directors have proposed a first and final dividend of 15 sen per share under single tier system which is tax exempt in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act, 1967 in respect of the financial year ended 31

December 2017, based on 1,733,113,500 ordinary shares (net of treasury shares at the date of this report), amounting to a net dividend payable of RM259,967,025 (31 December 2016: final dividend of 15 sen per share) for shareholders' approval.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final 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 2017 is as follows:

- a) Proposed single-tier final dividend of 15 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<br>2018<br>RM'000 | 31 March<br>2017<br>RM'000 | 31 March<br>2018<br>RM'000 | 31 March<br>2017<br>RM'000 |
| Interest income                               | (5,637)                    | (3,247)                    | (5,637)                    | (3,247)                    |
| Other income including<br>investment income   | (24,020)                   | (12,784)                   | (24,020)                   | (12,784)                   |
| Interest expense                              | 2,593                      | 1,132                      | 2,593                      | 1,132                      |
| Depreciation and amortisation                 | 1,739                      | 5,250                      | 1,739                      | 5,250                      |
| Bad and doubtful debts                        | 1,690                      | (86)                       | 1,690                      | (86)                       |
| Provision for and write off of<br>inventories | -                          | -                          | -                          | -                          |
| (Gain)/Loss on disposal                       |                            |                            |                            |                            |
| - Quoted/unquoted<br>investments              | -                          | -                          | -                          | -                          |
| - Property, plant and<br>equipment            | (2)                        | (216)                      | (2)                        | (216)                      |
| Impairment of assets                          | -                          | -                          | -                          | -                          |
| Foreign exchange (gain)/loss                  | 1                          | 2                          | 1                          | 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<br>2018 | 31 March<br>2017<br><i>(Restated)</i> | 31 March<br>2018 | 31 March<br>2017<br><i>(Restated)</i> |
| Profit attributable to owners of the Company (RM’000) | 32,272           | 48,979                                | 32,272           | 48,979                                |
| Weighted average number of ordinary shares            | 1,733,113,500    | 1,631,341,756                         | 1,733,113,500    | 1,631,341,756                         |
| Basic EPS (Sen)                                       | 1.86             | 3.00                                  | 1.86             | 3.00                                  |

- 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

24 MAY 2018