



UOA DEVELOPMENT BHD

INTERIM FINANCIAL REPORT

FOURTH QUARTER ENDED 31 DECEMBER 2017





## INTERIM FINANCIAL REPORT

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FOURTH QUARTER ENDED 31 DECEMBER 2017

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

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(Cover) Spanning 18,000 square feet, Komune stands as one of the largest and most spacious co-working offices in Kuala Lumpur. It is located in the commanding UOA Corporate Tower, which lies within the designated Multimedia Super Corridor (MSC) Malaysia Cybercentre premise of Bangsar South.

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**UOA DEVELOPMENT BHD (654023-V)**  
**(Incorporated in Malaysia)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

|  | As At<br>31 December 2017<br>RM'000 | As At<br>31 December 2016<br>RM'000<br>(Audited) |
|--|-------------------------------------|--|
| <b>ASSETS</b>  |                                     |  |
| <b>Non-current assets</b>  |                                     |  |
| Property, plant and equipment  | 297,020                             | 285,366  |
| Investment properties  | 1,668,630                           | 1,476,898  |
| Land held for property development                                   | 498,346                             | 462,939  |
| Available-for-sale financial assets                                  | 25,053                              | 30,518   |
| Investment in an associate   | -                                   | 64,149   |
| Deferred tax assets  | 39,840                              | 36,483   |
|  | <u>2,528,889</u>                    | <u>2,356,353</u>                                 |
| <b>Current assets</b>  |                                     |  |
| Property development costs   | 746,734                             | 989,186  |
| Inventories  | 1,010,641                           | 217,207  |
| Amount due from contract customer                                    | -                                   | 39,502   |
| Trade and other receivables  | 636,939                             | 568,689  |
| Amount owing by holding company                                      | 10                                  | 48   |
| Amount owing by related company                                      | 364                                 | 74   |
| Amount owing by associate  | -                                   | 3,782  |
| Current tax assets   | 42,192                              | 27,162   |
| Short term investments   | 193,786                             | 224,082  |
| Fixed deposits with licensed banks                                   | 151,317                             | 167,953  |
| Cash and bank balances   | 224,598                             | 390,824  |
|  | <u>3,006,581</u>                    | <u>2,628,509</u>                                 |
| <b>TOTAL ASSETS</b>  | <u>5,535,470</u>                    | <u>4,984,862</u>                                 |
| <b>EQUITY AND LIABILITIES</b>  |                                     |  |
| <b>Equity</b>  |                                     |  |
| Share capital  | 309,607                             | 81,623   |
| Share premium  | 1,496,594                           | 1,496,594  |
| Merger reserve   | 2,252                               | 2,252  |
| Fair value reserve   | 6,959                               | 7,024  |
| Unappropriated profit  | 2,474,182                           | 2,227,701  |
| Less : Treasury shares   | (2,119)                             | (2,094)  |
| Equity attributable to owners of the Company                         | <u>4,287,475</u>                    | <u>3,813,100</u>                                 |
| Non-controlling interests  | 256,954                             | 124,045  |
| <b>Total equity</b>  | <u>4,544,429</u>                    | <u>3,937,145</u>                                 |
| <b>Non-current liabilities</b>                                       |                                     |  |
| Amount owing to non-controlling shareholders of subsidiary companies | 26,630                              | 25,362   |
| Hire purchase and finance lease liabilities                          | 3,234                               | 7,067  |
| Long term borrowings   | 10,000                              | 18,584   |
| Deferred tax liabilities   | 116,165                             | 115,614  |
|  | <u>156,029</u>                      | <u>166,627</u>                                   |
| <b>Current liabilities</b>   |                                     |  |
| Trade and other payables   | 643,620                             | 757,192  |
| Amount owing to holding company                                      | 34                                  | 29   |
| Amount owing to a related company                                    | 46,220                              | 495  |
| Amount owing to non-controlling shareholders of subsidiary company   | 9,332                               | 6,811  |
| Hire purchase and finance lease liabilities                          | 4,980                               | 6,123  |
| Short term borrowings  | 108,616                             | 93,353   |
| Current tax liabilities  | 22,210                              | 17,087   |
|  | <u>835,012</u>                      | <u>881,090</u>                                   |
| <b>TOTAL LIABILITIES</b>   | <u>991,041</u>                      | <u>1,047,717</u>                                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  | <u>5,535,470</u>                    | <u>4,984,862</u>                                 |
| <b>Net Asset Per Share (RM)</b>                                      | <u>2.47</u>                         | <u>2.34</u>                                      |
| Based on number of shares net of treasury shares                     | <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 2016 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 YEAR ENDED 31 DECEMBER 2017**

|   | Individual Quarter Ended |                     | Cumulative Quarter Ended |                     |
|---|--------------------------|---------------------|--------------------------|---------------------|
|   | 31 December<br>2017      | 31 December<br>2016 | 31 December<br>2017      | 31 December<br>2016 |
|   | RM'000                   | RM'000              | RM'000                   | RM'000              |
| Revenue   | 199,273                  | 270,642             | 1,081,602                | 996,193             |
| Cost of sales   | (89,390)                 | (142,511)           | (496,260)                | (453,666)           |
| Gross profit  | 109,883                  | 128,131             | 585,342                  | 542,527             |
| Fair value adjustment on investment properties                        | -                        | 344,824             | -                        | 400,370             |
| Other income  | 165,889                  | 64,088              | 302,763                  | 185,635             |
| Administrative and general expenses                                   | (60,779)                 | (42,688)            | (186,612)                | (161,444)           |
| Other expenses  | (16,285)                 | (17,046)            | (62,042)                 | (52,495)            |
| Finance costs   | (1,199)                  | (1,271)             | (4,171)                  | (6,705)             |
| Share of results of associate   | 18,511                   | 616                 | 20,781                   | 21,476              |
| Profit before tax   | 216,020                  | 476,654             | 656,061                  | 929,364             |
| Tax expense   | (16,623)                 | (122,779)           | (129,283)                | (218,726)           |
| Profit for the period   | 199,397                  | 353,875             | 526,778                  | 710,638             |
| Other comprehensive income, net of tax                                |                          |                     |                          |                     |
| <i>Items that will be reclassified subsequently to profit or loss</i> |                          |                     |                          |                     |
| Fair value loss on available-for-sale financial assets                | -                        | (1,027)             | (965)                    | (426)               |
| Fair value gain transferred to profit or loss upon disposal           | -                        | -                   | 900                      | 800                 |
| Total comprehensive income for the period                             | 199,397                  | 352,848             | 526,713                  | 711,012             |
| Profit attributable to:   |                          |                     |                          |                     |
| Owners of the Company   | 191,799                  | 345,979             | 491,182                  | 676,726             |
| Non-controlling interests   | 7,598                    | 7,896               | 35,596                   | 33,912              |
|   | 199,397                  | 353,875             | 526,778                  | 710,638             |
| Total comprehensive income attributable to:                           |                          |                     |                          |                     |
| Owners of the Company   | 191,799                  | 344,952             | 491,117                  | 677,100             |
| Non-controlling interests   | 7,598                    | 7,896               | 35,596                   | 33,912              |
|   | 199,397                  | 352,848             | 526,713                  | 711,012             |
| <b>Earnings per share (Sen)</b>                                       |                          |                     |                          |                     |
| - Basic earnings per share  | 11.07                    | 21.21               | 29.26                    | 43.07               |
| - 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 2016 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 YEAR ENDED 31 DECEMBER 2017**

|   | Attributable to Owners of the Company |                         |   |                              |                                  |                           |                 |
|---|---------------------------------------|-------------------------|---|------------------------------|----------------------------------|---------------------------|-----------------|
|   | Share Capital<br>RM'000               | Share Premium<br>RM'000 | Non-distributable<br>Merger Reserve<br>RM'000 | Fair Value Reserve<br>RM'000 | Unappropriated profits<br>RM'000 | Treasury shares<br>RM'000 | Total<br>RM'000 |
| Balance at 1 January 2017   | 81,623                                | 1,496,594               | 2,252   | 7,024                        | 2,227,701                        | (2,094)                   | 3,813,100       |
| Issuance of ordinary shares pursuant to:-<br>Dividend reinvestment scheme | 227,984                               | -                       | -   | -                            | -                                | -                         | 227,984         |
| Total comprehensive income for the year                                   | -                                     | -                       | -   | (65)                         | 491,182                          | -                         | 491,117         |
| Purchase of Treasury shares   | -                                     | -                       | -   | -                            | -                                | (25)                      | (25)            |
| Dividend paid to non-controlling shareholders<br>of subsidiary companies  | -                                     | -                       | -   | -                            | -                                | -                         | -               |
| Dividend paid   | -                                     | -                       | -   | -                            | (244,700)                        | -                         | (244,700)       |
| Acquisition of additional shares in a<br>subsidiary company               | -                                     | -                       | -   | -                            | -                                | -                         | -               |
| Increase in shares in a subsidiary company                                | -                                     | -                       | -   | -                            | (1)                              | -                         | (1)             |
| Balance at 31 December 2017   | 309,607                               | 1,496,594               | 2,252   | 6,959                        | 2,474,182                        | (2,119)                   | 4,287,475       |
| Balance at 1 January 2016   | 76,039                                | 1,289,004               | 2,252   | 6,650                        | 1,778,926                        | (2,061)                   | 3,150,810       |
| Issuance of ordinary shares pursuant to:-<br>Dividend reinvestment scheme | 5,584                                 | 207,724                 | -   | -                            | -                                | -                         | 213,308         |
| Dividend reinvestment scheme share<br>issuance expenses                   | -                                     | (134)                   | -   | -                            | -                                | -                         | (134)           |
| Total comprehensive income for the year                                   | -                                     | -                       | -   | 374                          | 676,726                          | -                         | 677,100         |
| Purchase of Treasury shares   | -                                     | -                       | -   | -                            | -                                | (33)                      | (33)            |
| Dividend paid to non-controlling shareholders<br>of subsidiary companies  | -                                     | -                       | -   | -                            | -                                | -                         | -               |
| Dividend paid   | -                                     | -                       | -   | -                            | (227,951)                        | -                         | (227,951)       |
| Disposal of shares in subsidiary companies                                | -                                     | -                       | -   | -                            | -                                | -                         | -               |
| Increase in shares in a subsidiary company                                | -                                     | -                       | -   | -                            | -                                | -                         | -               |
| Balance at 31 December 2016   | 81,623                                | 1,496,594               | 2,252   | 7,024                        | 2,227,701                        | (2,094)                   | 3,813,100       |
|   |                                       |                         |   |                              |                                  |                           | 124,045         |
|   |                                       |                         |   |                              |                                  |                           | 3,937,145       |
|   |                                       |                         |   |                              |                                  |                           | 227,984         |
|   |                                       |                         |   |                              |                                  |                           | 526,713         |
|   |                                       |                         |   |                              |                                  |                           | (25)            |
|   |                                       |                         |   |                              |                                  |                           | (21,200)        |
|   |                                       |                         |   |                              |                                  |                           | (244,700)       |
|   |                                       |                         |   |                              |                                  |                           | 118,512         |
|   |                                       |                         |   |                              |                                  |                           | 1               |
|   |                                       |                         |   |                              |                                  |                           | 256,954         |
|   |                                       |                         |   |                              |                                  |                           | 4,544,429       |
|   |                                       |                         |   |                              |                                  |                           | 3,294,500       |
|   |                                       |                         |   |                              |                                  |                           | 213,308         |
|   |                                       |                         |   |                              |                                  |                           | (134)           |
|   |                                       |                         |   |                              |                                  |                           | 33,912          |
|   |                                       |                         |   |                              |                                  |                           | (33)            |
|   |                                       |                         |   |                              |                                  |                           | (53,825)        |
|   |                                       |                         |   |                              |                                  |                           | (227,951)       |
|   |                                       |                         |   |                              |                                  |                           | 218             |
|   |                                       |                         |   |                              |                                  |                           | 50              |
|   |                                       |                         |   |                              |                                  |                           | 124,045         |
|   |                                       |                         |   |                              |                                  |                           | 3,937,145       |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 YEAR ENDED 31 DECEMBER 2017**

|  | <b>Current Year<br/>To Date<br/>31 December 2017<br/>RM'000</b> | <b>Preceding Year<br/>To Date<br/>31 December 2016<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |   |   |
| Profit before tax  | 656,061   | 929,364   |
| Adjustments for:   |   |   |
| Non-cash items   | 21,858  | (376,715)   |
| Non-operating items  | (111,116)   | (23,493)  |
| Dividend income  | (1,460)   | (1,689)   |
| Net interest income  | (19,485)  | (19,900)  |
| Operating profit before changes in working capital                     | 545,858   | 507,567   |
| Net changes in inventories   | 56,622  | 8,742   |
| Net changes in property development costs                              | (67,634)  | (223,066)   |
| Net changes in receivables   | (8,771)   | 109,156   |
| Net changes in payables  | (249,414)   | 10,599  |
| Cash generated from operations   | 276,661   | 412,998   |
| Interest received  | 15,269  | 10,882  |
| Tax paid   | (147,520)   | (127,109)   |
| Net cash generated from operating activities                           | 144,410   | 296,771   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |   |   |
| Repayment from/(Advances to) holding company                           | 38  | (48)  |
| Advances to related company  | (290)   | (74)  |
| Repayment from associate company                                       | 3,782   | 4   |
| Dividend received  | 1,460   | 1,689   |
| Proceeds from disposal of available for sale financial assets          | 5,556   | 4,222   |
| Proceeds from disposal of property, plant and equipment                | 947   | 364   |
| Acquisition of subsidiary, net of cash                                 | (152,002)   | -   |
| Sale of subsidiaries, net of cash disposed                             | -   | (1,021)   |
| Acquisition of available-for-sale financial assets                     | -   | (9,000)   |
| Additions to investment properties                                     | (71,573)  | (256,894)   |
| Purchase of property, plant and equipment                              | (31,595)  | (24,884)  |
| Purchase of land held for property development                         | (62,842)  | (16,297)  |
| Interest income  | 8,452   | 15,462  |
| Net cash used in investing activities                                  | (298,067)   | (286,477)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |   |   |
| Advances from holding company  | 5   | 7   |
| Advances from related companies  | 28  | 10  |
| Payment of hire purchase and finance lease liabilities                 | (6,321)   | (8,230)   |
| Listing expenses   | -   | (134)   |
| Dividends paid to owners of the Company                                | (16,716)  | (14,643)  |
| Dividends paid to non-controlling shareholders of subsidiary companies | (21,200)  | (53,825)  |
| Issue of shares of a subsidiary to non-controlling shareholders        | -   | 50  |
| Net repayment of borrowings  | (12,487)  | (76,452)  |
| Fixed deposit pledged to secure bank borrowings                        | (76)  | (521)   |
| Repayment to non-controlling shareholders of subsidiary companies      | -   | (53,948)  |
| Shares repurchased at cost   | (25)  | (33)  |
| Interest paid  | (2,785)   | (8,403)   |
| Net cash used in financing activities                                  | (59,577)  | (216,122)   |
| <b>Net decrease in cash and cash equivalents</b>                       | <b>(213,234)</b>  | <b>(205,828)</b>  |
| <b>Cash and cash equivalents at beginning of period</b>                | <b>780,287</b>  | <b>986,115</b>  |
| <b>Cash and cash equivalents at end of period</b>                      | <b>567,053</b>  | <b>780,287</b>  |
| Cash and cash equivalents at end of period comprise:                   |   |   |
| Short term investments   | 193,786   | 224,082   |
| Fixed deposits with licensed banks                                     | 151,317   | 167,953   |
| Cash and bank balances   | 224,598   | 390,824   |
|  | 569,701   | 782,859   |
| Fixed deposit pledged to secure bank borrowings                        | (2,648)   | (2,572)   |
|  | 567,053   | 780,287   |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.

**EXPLANATORY NOTES TO THE INTERIM REPORT FOR THE QUARTER ENDED 31 DECEMBER 2017****A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134, INTERIM FINANCIAL REPORTING****A1 BASIS OF PREPARATION**

The interim financial report has been prepared in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2016 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 2016.

**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 2016, except for the adoption of the following amendments to FRSs that are relevant to its operations:

|                       |  |
|-----------------------|--|
| Amendments to FRS 107 | Disclosure Initiative                                    |
| Amendments to FRS 112 | Recognition of Deferred Tax Assets for Unrealised losses |
| Amendments to FRS 12  | Annual Improvements to FRS Standards 2014-2016 Cycle     |

The adoption of the above Amendments to FRSs does not have significant impact on the financial statements of the Group.



*Malaysian Financial Reporting Standards*

On 19 November 2011, the MASB issued a new approved accounting framework, i.e. Malaysian Financial Reporting Standards (“MFRS”). MFRS is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or Issues Committee Interpretation (“IC Interpretation”) 15 *Agreements for Construction of Real Estate*, including the entities’ parent, significant investor and venturer (herein referred to as ‘Transitioning Entities’ collectively). Transitioning Entities are allowed to defer adoption of MFRS, and continue to use the existing FRS framework until the MFRS framework is mandated by the MASB. The Group falls within the definition of Transitioning Entities and has opted to defer adoption of MFRS.

According to an announcement made by the MASB on 28 October 2015, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2018.

The Group will adopt the MFRS framework and will prepare its first set of MFRS financial statements for the financial year ending 31 December 2018. In presenting its first set of MFRS financial statements, the Group will quantify the financial effects arising from the differences between MFRS and the currently applied FRS. The majority of the adjustments required on transition are expected to be made, retrospectively, against opening retained earnings of the Group. Accordingly, the financial performance and financial position of the Group as presented in these financial statements for the year ended 31 December 2016 could be different if prepared in accordance with MFRS.

**A3 QUALIFIED AUDIT REPORT**

The auditors' report of the financial statements of the Company for the financial year ended 31 December 2016 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 December 2017, 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**

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

|   | <b>Year To Date</b>         |                             |
|---|-----------------------------|-----------------------------|
|   | <b>31 December<br/>2017</b> | <b>31 December<br/>2016</b> |
|   | <b>RM'000</b>               | <b>RM'000</b>               |
| Dividend in respect of financial year ended 31 December 2016: |                             |                             |
| - First and final single tier dividend of 15 sen per share    | 244,700                     | -                           |
| Dividend in respect of financial year ended 31 December 2015: |                             |                             |
| - First and final single tier dividend of 15 sen per share    | -                           | 227,951                     |

## A9 EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

On 4 December 2017, the Company entered into a share sale agreement with Kagic Assets Holdings Sdn Bhd (formerly known as Kencana Capital Assets Holdings Sdn Bhd) (“Kagic”) and Everise Project Sdn Bhd (“Everise Project”), a 39% owned associated company of the Company for the acquisition of 35% shares held by Kagic in Everise Project for a total consideration of RM159,535,101.27.

On 14 December 2017, a wholly owned subsidiary, UOA Properties Sdn Bhd entered into a shares sale agreement with Biomerit Sdn Bhd (“Biomerit”) to acquire Biomerit’s entire equity interest of 15% in Enchant Heritage Sdn Bhd for a cash consideration of RM1.00.

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 OPERATING 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><u>Cumulative quarter ended 31 December 2017</u></b> |                                   |                        |                  |                       |                        |
| <b>Revenue</b>  |                                   |                        |                  |                       |                        |
| External revenue  | 1,081,602                         | -                      | -                | -                     | 1,081,602              |
| Inter-segment<br>revenue                                | 612                               | 561,135                | -                | (561,747)             | -                      |
| Total revenue   | 1,082,214                         | 561,135                | -                | (561,747)             | 1,081,602              |
| <b>Results</b>  |                                   |                        |                  |                       |                        |
| Segment results   | 503,887                           | 66,289                 | 66,289           | -                     | 635,280                |
| Share of results of associate                           |                                   |                        |                  |                       | 20,781                 |
| Tax expense   |                                   |                        |                  |                       | (129,283)              |
| Profit for the period                                   |                                   |                        |                  |                       | 526,778                |

|  | 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 December 2016</b> |                                   |                        |                  |                       |                        |
| <b>Revenue</b>                                   |                                   |                        |                  |                       |                        |
| External revenue                                 | 941,720                           | 72,830                 | -                | (18,357)              | 996,193                |
| Inter-segment revenue                            | 18,720                            | 726,473                | -                | (745,193)             | -                      |
| <b>Total revenue</b>                             | <b>960,440</b>                    | <b>799,303</b>         | <b>-</b>         | <b>(763,550)</b>      | <b>996,193</b>         |
| <b>Results</b>                                   |                                   |                        |                  |                       |                        |
| Segment results                                  | 520,783                           | 97,851                 | 289,254          | -                     | 907,888                |
| Share of results of associate                    |                                   |                        |                  |                       | 21,476                 |
| Tax expense                                      |                                   |                        |                  |                       | (218,726)              |
| <b>Profit for the period</b>                     |                                   |                        |                  |                       | <b>710,638</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 December<br>2017<br>RM'000 |
|--|--|
| Corporate guarantees given to banks to secure banking facilities granted to subsidiary companies | 211,148                                |

#### 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 December<br>2017<br>RM'000 |
|-----------------------------------|--|
| Approved and contracted for       |  |
| - Purchase of plant and equipment | 8,330                                  |
| - Purchase of investment property | 180,156                                |
|                                   | 188,486                                |

## **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**

The Group's revenue for the quarter ended 31 December 2017 was at RM199.3 million, bringing the total revenue for the year to RM1.08 billion which is 8.6% higher compared to the preceding year. The profit after tax after minority interest ("PATAMI") for the quarter under review was at RM191.8 million compared to RM346.0 million in the same quarter of the preceding year. This was due, mainly, to the absence of fair value adjustments in the current quarter. Total expenditure for the quarter under review of RM78.3 million comprises mainly marketing expenses of RM25.9 million and administrative and operating expenses of RM34.8 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, Danau Kota Suite Apartments and Sentul Point Suite Apartments, and sale of completed units at Desa Green Serviced Apartments and Scenaria @ North Kiara Hills.

### **B2 MATERIAL CHANGES IN INCOME BEFORE TAX FOR THE QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER**

The Group's profit before tax of RM216.0 million for the fourth quarter ended 31 December 2017 was higher than the immediate preceding quarter of RM141.5 million. The higher profit was mainly due to the 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.

### **B3 PROSPECTS**

The total new property sales for the year ended 31 December 2017 was approximately RM1.30 billion. The property sales for the year were derived, mainly, from Sentul Point Suite Apartments, United Point Residence and UOA Business Park. The total unbilled sales as at 31 December 2017 amounted to approximately RM1.37 billion.

The Group will maintain its focus on development in Greater Kuala Lumpur and continue to source for opportune development land acquisition at strategic locations.

### **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 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 | 31 December<br>2017<br>RM'000 | 31 December<br>2016<br>RM'000 |
| In respect of current period                 |                               |                               |                               |                               |
| - income tax                                 | 31,474                        | 32,039                        | 142,019                       | 123,419                       |
| - deferred tax                               | (1,574)                       | (978)                         | (3,661)                       | (3,095)                       |
| - deferred Real Property<br>Gains Tax (RPGT) | -                             | 91,718                        | -                             | 97,498                        |
| In respect of prior period                   |                               |                               |                               |                               |
| - income tax                                 | (13,033)                      | -                             | (8,829)                       | 919                           |
| - deferred tax                               | (244)                         | -                             | (246)                         | (15)                          |
| <b>Tax expense for the period</b>            | <b>16,623</b>                 | <b>122,779</b>                | <b>129,283</b>                | <b>218,726</b>                |

The Group's effective tax rate for the current quarter and for year to date was lower than the statutory tax rate of 24% mainly due to certain income being not taxable. The Group's effective tax rate for the corresponding quarter was higher than the statutory tax rate of 24% mainly due to difference between the income tax and RPGT rates applicable on fair value adjustments on investment properties. The effective tax rate for the corresponding year to date approximated the statutory tax rate of 24%.

## 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 December<br>2017<br>Secured<br>RM'000 | As at<br>31 December<br>2016<br>Secured<br>RM'000 |
|--------------------|---|---|
| <u>Current</u>     |   |   |
| Secured            |   |   |
| - Revolving credit | 56,000  | 45,000  |
| - Bridging loan    | 39,734  | 19,000  |
| - Term loan        | 4,882   | 19,353  |
| Unsecured          |   |   |
| - Revolving credit | 8,000   | 10,000  |
|                    | 108,616   | 93,353  |
| <u>Non-current</u> |   |   |
| Secured            |   |   |
| - Bridging loan    | 10,000  | 18,584  |
|                    | 118,616   | 111,937   |

## 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 DISCLOSURE OF REALISED AND UNREALISED PROFITS

|   | As at<br>31 December<br>2017<br>RM'000 | As at<br>31 December<br>2016<br>RM'000 |
|---|--|--|
| Total retained profits of the Company and its subsidiaries            |  |  |
| - Realised  | 2,277,508                              | 1,886,582                              |
| - Unrealised  | 552,288                                | 584,894                                |
|   | <hr/> 2,829,796                        | <hr/> 2,471,476                        |
| Total share of retained profits from associate company                |  |  |
| - Realised  | 89,175                                 | 68,394                                 |
| - Unrealised  | (19,974)                               | (23,075)                               |
|   | <hr/> 69,201                           | <hr/> 45,319                           |
| Less : Consolidated adjustments                                       | (424,815)                              | (289,094)                              |
| Total Group retained profits as per consolidated financial statements | <hr/> 2,474,182                        | <hr/> 2,227,701                        |

## B11 MATERIAL LITIGATION

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

## B12 DIVIDENDS

### (i) Proposed final dividend

The Board of Directors have proposed a first and final single-tier dividend in respect of the current financial year ended 31 December 2017 of 15 sen per share 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.

**B13 PROFIT BEFORE TAX**

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

|   | Current Quarter     |                     | Year To Date        |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 31 December<br>2017 | 31 December<br>2016 | 31 December<br>2017 | 31 December<br>2016 |
|   | RM'000              | RM'000              | RM'000              | RM'000              |
| Interest income                               | (12,637)            | (7,864)             | (23,656)            | (26,605)            |
| Other income including<br>investment income   | (19,045)            | (357,787)           | (61,773)            | (445,121)           |
| Interest expense                              | 1,199               | 1,271               | 4,171               | 6,705               |
| Depreciation and amortisation                 | 4,934               | 6,576               | 20,516              | 19,690              |
| Bad and doubtful debts                        | 2,128               | 1,507               | 4,033               | (653)               |
| Provision for and write off of<br>inventories | -                   | -                   | -                   | -                   |
| (Gain)/Loss on disposal                       |                     |                     |                     |                     |
| - Quoted/unquoted<br>investments              | -                   | -                   | (156)               | (622)               |
| - Property, plant and<br>equipment            | 552                 | (140)               | (442)               | (198)               |
| Impairment of assets                          | -                   | -                   | -                   | -                   |
| Foreign exchange (gain)/loss                  | -                   | (2)                 | 1                   | (10)                |
| (Gain)/Loss on derivatives                    | -                   | -                   | -                   | -                   |
| Exceptional items                             | -                   | -                   | -                   | -                   |

# B14 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 December<br>2017 | 31 December<br>2016 | 31 December<br>2017 | 31 December<br>2016 |
| Profit attributable to<br>owners of the<br>Company (RM’000) | 191,799             | 345,979             | 491,182             | 676,726             |
| Weighted average number<br>of ordinary shares               | 1,733,113,500       | 1,631,345,200       | 1,678,740,408       | 1,571,238,489       |
| Basic EPS (Sen)   | 11.07               | 21.21               | 29.26               | 43.07               |

- 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

21 FEBRUARY 2018