



UOA DEVELOPMENT BHD

(Company No.: 654023-V)
(Incorporated in Malaysia under the Companies Act, 1965)

THE INITIAL PUBLIC OFFERING (“IPO” OR “OFFERING”) OF UP TO 407.00 MILLION ORDINARY SHARES OF RM 0.05 EACH IN UOA DEVELOPMENT BHD (“UOA DEVELOPMENT”) (“SHARES”), IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR 1,195.86 MILLION SHARES ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD, COMPRISING:

- (I) OFFER FOR SALE OF UP TO 120.00 MILLION EXISTING SHARES (“OFFER SHARES”) COMPRISING:
- INSTITUTIONAL OFFERING OF UP TO 50.00 MILLION OFFER SHARES TO MALAYSIAN AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING (“INSTITUTIONAL PRICE”) PAYABLE IN FULL UPON ALLOCATION; AND
 - RETAIL OFFERING OF 70.00 MILLION OFFER SHARES TO THE MALAYSIAN PUBLIC, ELIGIBLE DIRECTORS OF UOA DEVELOPMENT, ELIGIBLE EMPLOYEES OF UOA DEVELOPMENT AND ITS SUBSIDIARIES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF UOA DEVELOPMENT AND ITS SUBSIDIARIES AT THE RETAIL PRICE OF RM2.90 PER SHARE (“RETAIL PRICE”), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE, IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE; AND
- (II) PUBLIC ISSUE OF 287.00 MILLION NEW SHARES TO MALAYSIAN AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY AT THE INSTITUTIONAL PRICE PAYABLE IN FULL UPON ALLOCATION,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AND OVER-ALLOTMENT OPTION (AS DEFINED HEREIN). THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF (I) THE RETAIL PRICE; AND (II) 97.00% OF THE INSTITUTIONAL PRICE, SUBJECT TO ROUNDING TO THE NEAREST SEN.

Principal Adviser, Sole Bookrunner, Managing Underwriter and Joint Underwriter



CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

*Joint Underwriters for the Retail Offering
(In alphabetical order)*



Hong Leong Investment Bank Berhad (43526-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



HwangDBS Investment Bank Berhad (14389-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



OSK Investment Bank Berhad (14152-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



RHB Investment Bank Berhad (19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Bangsar South

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER, SEE “RISK FACTORS” IN SECTION 5 OF THIS PROSPECTUS.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Some of Our Past & Current Development Projects

Villa Yarl



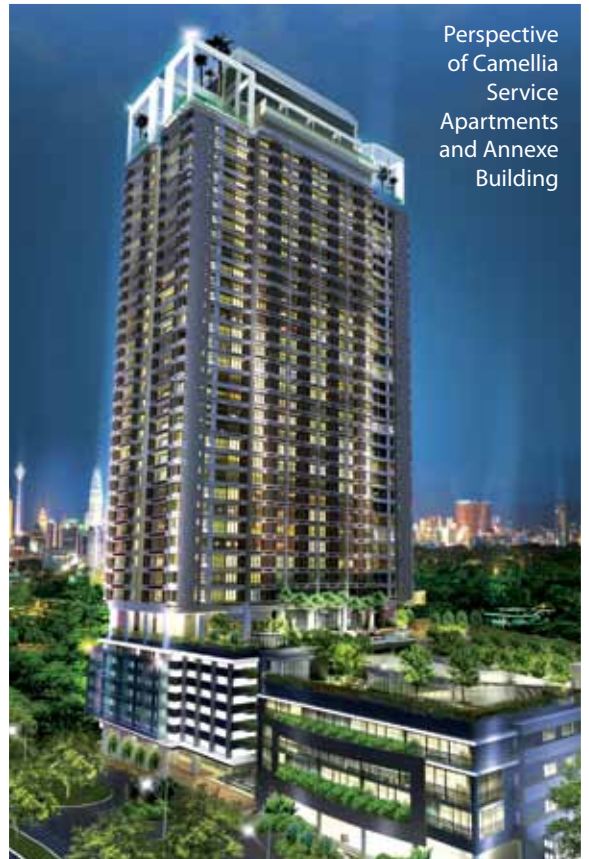
Perspective of Binjai 8



Menara UOA Bangsar



Perspective of Camellia Service Apartments and Annexe Building



The Horizon Phase 1



The photographs depicted on the cover of this prospectus are for the purpose of illustration only and do not purport to indicate that the properties or assets depicted in the photographs belong to UOA Development Bhd.

Our Directors, the Promoters and the Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB Investment Bank Berhad ("**CIMB**"), as the Principal Adviser to our initial public offering ("**IPO**"), the Sole Bookrunner for the Institutional Offering and Managing Underwriter and Joint Underwriter for the Retail Offering in relation to our IPO, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts in connection with our IPO.

The Securities Commission of Malaysia ("**SC**") has approved this IPO and a copy of this Prospectus has been registered with the SC. The approval and registration of this Prospectus should not be taken to indicate that the SC recommends the IPO or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus. The SC has not, in any way, considered the merits of our Shares being offered for investment.

The SC is not liable for any non-disclosure in this Prospectus by us. The SC also takes no responsibility for the contents of this Prospectus and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss that you may suffer as a result of your reliance on the whole or any part of the contents of this Prospectus.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE IPO AND AN INVESTMENT IN US. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS BEFORE APPLYING FOR OUR SHARES.

The valuation utilised for the purpose of the IPO should not be construed as an endorsement by the SC on the value of the subject assets.

Our Company has obtained an approval from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for our Shares. Our admission to the official list of Bursa Securities is not to be taken as an indication of the merits of the IPO, our Company or of our Shares.

You are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 248, 249 and 357 of the Capital Markets and Services Act, 2007 ("**CMSA**").

This Prospectus and the accompanying application forms, have also been lodged with the Registrar of Companies of Malaysia who takes no responsibility for its contents. This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com.

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning the IPO for which the persons set out in Section 236 of the CMSA, e.g. Directors and Advisers, are responsible.

Our Shares are classified as Shariah-compliant by the Shariah Advisory Council of the SC based on our combined financial information for the financial year ended 31 December 2010 and this classification remains valid until the next Shariah compliance review is undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah-compliant securities on the last Friday of May and November of each year.

You should not take the agreement by the Managing Underwriter and Joint Underwriters to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with our IPO. Our Shares being offered in the IPO are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, the Promoters, the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Managing Underwriter and the Joint Underwriters have not authorised anyone to provide any information or to make any representation not contained in this document, and any information or representation must not be relied upon as having been authorised by our Company, the Promoters and the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Managing Underwriter and the Joint Underwriters, any of their respective Directors, or any other person involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia except insofar as it is a part of the Offering Memorandum distributed to foreign institutional investors outside Malaysia in connection with the IPO. Our Company, the Promoters, the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Managing Underwriter and the Joint Underwriters have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia except insofar as it is a part of the Offering Memorandum distributed to foreign institutional investors outside Malaysia in connection with the IPO. No action has been taken to permit a public offering of our Shares in any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase, any Shares under our IPO ("**IPO Shares**") in any jurisdiction in which such offer or invitation in any jurisdiction or in any circumstances in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

Our Shares have not been and will not be registered under the United States of America ("**United States**") Securities Act of 1933, as amended ("**the US Securities Act**") and may not be offered, sold, pledged or transferred within the United States, except outside the United States in accordance with Regulation S under the US Securities Act ("**Regulation S**"). Our IPO Shares are being offered and sold to certain persons in offshore transactions in reliance on Regulation S.

ELECTRONIC PROSPECTUS

The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same. You may view a copy of the Electronic Prospectus (as defined herein below), from the website of CIMB at www.eipocimb.com. In addition, you may also view a copy of the Electronic Prospectus from the website of CIMB Bank Berhad at www.cimbclicks.com.my.

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institution. These risks cannot be borne by the Internet Participating Financial Institution. If you doubt the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House, a paper/printed copy of the Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (i) we do not endorse and are not affiliated in any way to the Third Party Internet Sites. Accordingly, we are not responsible for the availability of or the content or any data, files or other material provided on the Third Party Internet Sites. You bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, file or other material provided by such parties; and
- (iii) any data, file or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institution, you are advised that:

- (i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the content of the Electronic Prospectus on the web server of the Internet Participating Financial Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of an Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium.

The Internet Participating Financial Institution is not liable (whether in tort or contracts or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Date
Opening of Institutional Offering*	16 May 2011
Opening of Retail Offering	10.00 a.m., 18 May 2011
Closing of Retail Offering	5.00 p.m., 25 May 2011
Closing of Institutional Offering	26 May 2011
Price Determination Date	26 May 2011
Balloting of applications for the Offer Shares under the Retail Offering	27 May 2011
Allotment/Transfer of the IPO Shares to successful applicants	6 June 2011
Listing	8 June 2011

Note:

* *The date of commencement of bookbuilding.*

Under the Institutional Offering, our Directors, the Selling Shareholders and the Sole Bookrunner may decide in their absolute discretion to vary the closing date for applications to any other date or dates. Under the Retail Offering, our Directors, the Selling Shareholders, the Managing Underwriter and the Joint Underwriters may decide in their absolute discretion to extend the closing time and date for applications to any later date or dates. If they decide to vary the closing date for the applications, the Price Determination Date and dates for the balloting of applications for the Offer Shares under the Retail Offering, the allotment/transfer of the IPO Shares to successful applicants and our Listing will be varied accordingly. We will announce any variation in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information", "Definitions" and "Glossary of Technical Terms" commencing on pages (ix), (xi) and (xx) respectively.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” and “UOA Development” in this Prospectus are to UOA Development Bhd. All references to “UOA Development Group” and “the Group” in this Prospectus are to our Company, our Subsidiaries and Associated Company taken as a whole and references to “we”, “us” and “our” are to our Company, our Subsidiaries and Associated Company, save where the context otherwise requires. Unless the context otherwise requires, references to “Management” are to our Directors and key management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of UOA Development.

In this Prospectus, references to “UOA Holdings” are to UOA Holdings Sdn Bhd, references to “UOA” are to United Overseas Australia Limited and references to “Selling Shareholders” are to both UOA and UOA Holdings and references to “Promoters” are to UOA, UOA Holdings, Mr Kong Chong Soon @ Chi Suim and Mr Kong Pak Lim, collectively.

In this Prospectus, references to the “Government” are to the Government of Malaysia; references to “Ringgit Malaysia”, “RM” and “sen” are to the currency of Malaysia. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of the stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of the stock exchange for the time being in force.

All references to dates and times are references to dates and times in Malaysia.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is acknowledged in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the report prepared by CB Richard Ellis (Malaysia) Sdn Bhd (“**CBRE**”) for inclusion in this Prospectus. We have appointed CBRE to provide an independent market and industry review. In compiling their data for the review, CBRE relied on industry sources, published materials, its own private databanks and direct contacts within the industry. The information on the industry as contained in this Prospectus and the other statistical data and projections cited in this Prospectus is intended to help prospective investors understand the major trends in the industry in which we operate. However, our Company, the Promoters, the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Managing Underwriter and the Joint Underwriters and their respective advisers have not independently verified these figures.

Neither we nor the Promoters, the Selling Shareholders, the Principal Adviser, the Sole Bookrunner, the Managing Underwriter and the Joint Underwriters and their respective advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly, prospective investors should not place undue reliance on the statistical data cited in this Prospectus. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurances are or can be given that estimated figures will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

References to the “Latest Practicable Date” in this Prospectus are to 31 March 2011, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) the demand for our products and general industry environment;
- (ii) our business strategies, trends and competitive position;
- (iii) our plans and objectives for future operations;
- (iv) our financial position;
- (v) the regulatory environment and the effects of future regulation; and
- (vi) our future earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the general economic, business, social, political and investment environment in Malaysia and globally;
- (ii) government policy, legislation or regulation;
- (iii) interest rates and tax rates;
- (iv) the competitive environment in our industry;
- (v) delays, cost overruns, shortages in labour or problems with the execution of our development projects;
- (vi) fixed and contingent obligations and commitments; and
- (vii) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 5 of this Prospectus entitled "Risk Factors" and Section 8.2 of this Prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus. Save as required by Section 238(1) of the CMSA, we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Acquisitions	:	The acquisitions by our Company of: (i) the remaining 50 shares in UOA Properties; and (ii) the 39.00% shareholding in the Associated Company, as further described in Section 12.1.3 of this Prospectus entitled "Pre-IPO Restructuring"
Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
AEC	:	Allied Engineering Construction Sdn Bhd
Application Form	:	Application form for the application of the Offer Shares under the Retail Offering
Articles	:	Articles of Association of our Company
ASIC	:	Australian Securities and Investments Commission
Associated Company	:	Everise Project
ASX	:	Australian Securities Exchange Limited
ATM	:	Automated teller machine
Audit Committee	:	The audit committee of our Company
Bangsar South City	:	Bangsar South City Sdn Bhd
BLR	:	Base lending rate
Board	:	Our Board of Directors
Bumiputera	:	Malays, aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Bursa Securities LR	:	Main Market Listing Requirements of Bursa Securities
CD-ROM	:	Compact Disc (Read-Only Memory)
CDS	:	Central Depository System
Ceylon Hills	:	Ceylon Hills Sdn Bhd (formerly known as Muncul Warisan Sdn Bhd)

DEFINITIONS (cont'd)

CIDB	:	Construction Industry Development Board of Malaysia
CIMB	:	CIMB Investment Bank Berhad
CMSA	:	Capital Markets and Services Act, 2007, as amended, from time to time and any re-enactment thereof
COF	:	Cost of funds
Cornerstone Investor	:	Employees Provident Fund Board
Dats Management	:	Dats Management Sdn Bhd, a company which UOA Holdings is deemed interested pursuant to Section 6A of the Act
DBKL	:	Dewan Bandaraya Kuala Lumpur (also known as Kuala Lumpur City Hall)
Directors	:	The directors of our Company as at the date of this Prospectus, unless otherwise stated or otherwise required by the context
Dream Legacy	:	Dream Legacy Sdn Bhd
Dynasty Portfolio	:	Dynasty Portfolio Sdn Bhd
EBITDA	:	Earnings before interest income, interest expenses, taxation, depreciation and amortisation
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs
Electronic Share Application	:	Application for the Offer Shares under the Retail Offering through a Participating Financial Institution's ATMs
Enchant Heritage	:	Enchant Heritage Sdn Bhd
EPS	:	Earnings per share
Equity Guidelines	:	Equity Guidelines issued by the SC
Everise Project	:	Everise Project Sdn Bhd
Everise Tiara	:	Everise Tiara (M) Sdn Bhd
Executive Directors	:	The executive Directors of our Company as at the date of this Prospectus, unless stated or otherwise required by the context
Final Retail Price	:	The final price per Offer Share to be paid by investors pursuant to the Retail Offering, equivalent to RM2.90 per Share or 97.00% of the Institutional Price, whichever is lower, to be determined on the Price Determination Date in accordance with Section 4.9 of this Prospectus entitled "Basis of Arriving at the Retail Price, Final Retail Price, Institutional Price and Refund Mechanism"
FRS	:	Malaysian Financial Reporting Standards
FYE	:	Financial year ended, or as the case may be, ending 31 December

DEFINITIONS (cont'd)

GAAP	:	Generally accepted accounting principles
GDP	:	Gross Domestic Product
GNP	:	Gross National Product
GP	:	Gross profit
Griyajaya	:	Griyajaya Sdn Bhd
HDA	:	Housing Development (Control and Licensing) Act, 1966, as amended from time to time and any re-enactment thereof
IDP Industrial Development	:	IDP Industrial Development Sdn Bhd
Independent Market Researcher or CBRE	:	CB Richard Ellis (Malaysia) Sdn Bhd
Institutional Offering	:	Offering of up to 337.00 million IPO Shares, subject to clawback and reallocation, to the following: <ul style="list-style-type: none"> (i) Malaysian institutional and selected investors including Bumiputera investors approved by MITI; and (ii) Institutional and selected investors outside the United States in reliance on Regulation S
Institutional Price	:	Price per IPO Share to be paid by investors pursuant to the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution	:	The participating financial institution for Internet Share Application
Internet Share Application	:	Application for the Offer Shares under the Retail Offering through an Internet Participating Financial Institution
IPO	:	Initial public offering comprising the Offer for Sale and Public Issue
IPO Shares	:	Collectively, the Offer Shares and the Issue Shares
Issue Shares	:	New Shares to be issued pursuant to the Public Issue
Issuing House or MIH	:	Malaysian Issuing House Sdn Bhd
IWK	:	Indah Water Konsortium Sdn Bhd
Joint Underwriters	:	Collectively, CIMB, Hong Leong Investment Bank Berhad, HwangDBS Investment Bank Berhad, OSK Investment Bank Berhad and RHB Investment Bank Berhad, being the joint underwriters for the Retail Offering
KESAS Highway	:	Lebuhraya Shah Alam
KL	:	Kuala Lumpur
KL City Centre	:	Kuala Lumpur city centre

DEFINITIONS (cont'd)

Kumpulan Sejahtera	:	Kumpulan Sejahtera Sdn Bhd
Latest Practicable Date or LPD	:	31 March 2011, being the latest practicable date prior to the registration of this Prospectus
LDP	:	Lebuhraya Damansara Puchong
Lencana Harapan	:	Lencana Harapan Sdn Bhd
Listing	:	Listing of and quotation for all of our issued and paid-up share capital on the Main Market of Bursa Securities
LRT	:	Light Rail Transit
Macrolantic Technology	:	Macrolantic Technology Sdn Bhd
Magna Kelana Development	:	Magna Kelana Development Sdn Bhd
Magna Tiara Development	:	Magna Tiara Development Sdn Bhd
Mahareno	:	Mahareno Sdn Bhd
Managing Director	:	Managing director of our Company
Managing Underwriter	:	CIMB
Market Day	:	A day on which Bursa Securities is open for securities trading
MDC	:	Multimedia Development Corporation Sdn Bhd
Memorandum	:	Memorandum of Association of our Company
Menara UOA Bangsar	:	Menara UOA Bangsar, the commercial building located at No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
Metrowana Development	:	Metrowana Development Sdn Bhd
MITI	:	Ministry of International Trade and Industry
MSC	:	Multimedia Super Corridor
N/A	:	Not applicable
NA	:	Net assets
Nasib Unggul	:	Nasib Unggul Sdn Bhd
NBV	:	Net book value
Neg	:	Negligible
NTA	:	Net tangible assets

DEFINITIONS (cont'd)

Offer for Sale	:	Offer for sale of up to 120.00 million Offer Shares comprising: <ul style="list-style-type: none"> (i) Institutional Offering of up to 50.00 million Offer Shares at the Institutional Price to be determined by way of bookbuilding, payable in full upon allocation; and (ii) Retail Offering at the Retail Price, payable in full upon application and subject to refund of the difference, in the event that the Final Retail Price is less than the Retail Price
Offer Shares	:	Existing Shares held by the Selling Shareholders to be offered pursuant to the Offer for Sale
Offering Memorandum	:	The offering memorandum issued by our Company in respect of the IPO under Regulation S
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Over-allotment Option	:	Over-allotment option granted by UOA Holdings to the Stabilising Manager (on behalf of the placement manager) as set out in Section 4.3.4 of this Prospectus entitled "Over-allotment Option"
Paramount Hills	:	Paramount Hills Sdn Bhd
Paramount Properties	:	Paramount Properties Sdn Bhd
Participating Financial Institutions	:	Participating financial institutions for Electronic Share Application
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price-earnings multiple
Peninsular Home	:	Peninsular Home Sdn Bhd
Placement Agreement	:	The placement agreement to be entered into by our Company, the Selling Shareholders, the Sole Bookrunner and the placement manager in respect of such number of Shares to be offered under the Institutional Offering
PPE	:	Property, plant and equipment
Pre-IPO Restructuring	:	Collectively, the Acquisitions and the Share Split
Price Determination Date	:	Date on which the Institutional Price will be determined
Promoters	:	Collectively, UOA, UOA Holdings, Kong Chong Soon @ Chi Suim and Kong Pak Lim
Prospectus	:	This Prospectus dated 18 May 2011 issued by our Company in respect of the IPO

DEFINITIONS (cont'd)

Prospectus Guidelines	:	Prospectus Guidelines – Equity and Debt issued by the SC
Public Issue	:	Public issue of 287.00 million Issue Shares to Malaysian and foreign institutional and selected investors at the Institutional Price
R&D	:	Research and development
Regulation S	:	Rules governing offers and sales made outside the United States without registration under the US Securities Act
REIT	:	Real Estate Investment Trust
Reorganisation	:	The reorganisation exercise that involved the acquisition of certain companies by our Company, as further described in Section 12.1.2 of this Prospectus entitled “Reorganisation”
Retail Offering	:	Offering of 70.00 million Offer Shares, subject to clawback and reallocation, to the Malaysian public, eligible Directors of our Company, eligible employees of UOA Development and our Subsidiaries and persons who have contributed to the success of UOA Development and our Subsidiaries
Retail Price	:	The initial price of RM2.90 per Offer Share to be fully paid upon application pursuant to the Retail Offering subject to adjustment as described in Section 4.9 of this Prospectus entitled “Basis of Arriving at the Retail Price, Final Retail Price, Institutional Price and Refund Mechanism”
Retail Underwriting Agreement	:	Retail Underwriting Agreement dated 30 April 2011, entered into between our Company, the Selling Shareholders, Managing Underwriter and Joint Underwriters for the underwriting of the Retail Offering
ROC	:	Registrar of Companies, Malaysia
RPS	:	Redeemable preference shares
SAC of the SC	:	Shariah Advisory Council of the SC
Sagaharta	:	Sagaharta Sdn Bhd
SARS	:	Severe acute respiratory syndrome
Saujanis	:	Saujanis Sdn Bhd
SC	:	Securities Commission of Malaysia
Scenic Point Development	:	Scenic Point Development Sdn Bhd
Selling Shareholders	:	Collectively, UOA and UOA Holdings, the parties undertaking the Offer for Sale
Seri Tiara Development	:	Seri Tiara Development Sdn Bhd
SGX	:	Singapore Exchange Securities Trading Limited

DEFINITIONS (cont'd)

Share Lending Agreement	:	The agreement to be entered into by the UOA Holdings and the Stabilising Manager under which UOA Holdings will lend Shares to the Stabilising Manager to cover over-allotments, if any
Share Split	:	The share split involving the sub-division of the par value of the ordinary share of RM1.00 each in our Company to RM0.05 each which was completed on 26 April 2011
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Sole Bookrunner	:	CIMB
Stabilising Manager	:	A person to be appointed under the Capital Markets and Services (Price Stabilisation Mechanism) Regulations 2008 to undertake a stabilising action on behalf of our Company
Subsidiaries	:	AEC, Bangsar South City, Ceylon Hills, Dynasty Portfolio, Enchant Heritage, Everise Tiara, IDP Industrial Development, Kumpulan Sejahtera, Lencana Harapan, Magna Kelana Development, Magna Tiara Development, Nasib Unggul, Paramount Hills, Paramount Properties, Peninsular Home, Sagaharta, Saujanis, Scenic Point Development, Seri Tiara Development, Sunny Uptown, Tiarawoods, Tunjang Idaman, UOA Properties, URC Engineering and Windsor Triumph
Sunny Uptown	:	Sunny Uptown Sdn Bhd
Syabas	:	Syarikat Bekalan Air Selangor Sdn Bhd
TBD	:	To be determined
The Clubhouse	:	The three-storey clubhouse to be developed at the northern boundary of the residential development at Bangsar South
The Horizon	:	Collectively, The Horizon Phase I and The Horizon Phase II
The Horizon Phase I	:	The Horizon Phase I, located within the commercial development of Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
The Horizon Phase II	:	The Horizon Phase II, located within the commercial development of Bangsar South City, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur
The Klang Valley	:	Federal Territory of Kuala Lumpur and the state of Selangor
The Park Residences	:	Collectively, The Park Residences Phase I, The Park Residences Phase II and the Park Residences Phase III
The Park Residences Phase I	:	The Park Residences Phase I, located within the residential development of Bangsar South City, No. 2A, Jalan 1/112H, Bangsar South, Off Jalan Kerinchi, 59200 Kuala Lumpur
The Park Residences Phase II	:	The Park Residences Phase II, located within the residential development of Bangsar South
The Park Residences Phase III	:	The Park Residences Phase III, located within the residential development of Bangsar South

DEFINITIONS (cont'd)

The Sphere	:	A two storey building occupied by a supermarket, shops and restaurants, located within the commercial development of Bangsar South, Avenue 1, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
The Vertical	:	Collectively, The Vertical – Phase I (Medical Specialist Centre) and The Vertical – Phase II
The Vertical – Phase I (Medical Specialist Centre)	:	The Vertical Phase I, located within the commercial development of Bangsar South
The Vertical – Phase II	:	The Vertical Phase II, located within the commercial development of Bangsar South
The Village	:	The Village, a three-storey commercial centre providing facilities such as property gallery, show units of future developments, F&B outlets, meeting rooms and basement car park located at the Village, No. 2, Bangsar South, Jalan 1/22H, Off Jalan Kerinchi, 59200 Kuala Lumpur
Tiarawoods	:	Tiarawoods Sdn Bhd
TNB	:	Tenaga Nasional Berhad
Transmetro	:	Transmetro Sdn Bhd
Transmetro Corporation	:	Transmetro Corporation Sdn Bhd
Tunjang Idaman	:	Tunjang Idaman Sdn Bhd
UK	:	United Kingdom of Great Britain and Northern Ireland
United States	:	United States of America
UOA or Parent Company	:	United Overseas Australia Limited
UOA II	:	Wisma UOA II, the commercial building located at No. 21, Jalan Pinang, 50450 Kuala Lumpur
UOA Centre	:	Wisma UOA Centre, the commercial building located at No. 19, Jalan Pinang, 50450 Kuala Lumpur
UOA Corporation	:	UOA Corporation Bhd
UOA Damansara	:	Wisma UOA Damansara, the commercial building located at No. 50, Jalan Dungun, 50490 Kuala Lumpur
UOA Damansara II	:	Wisma UOA Damansara II, the commercial building located at No. 6, Jalan Changkat Semantan, 50490 Kuala Lumpur
UOA Development or Company	:	UOA Development Bhd
UOA Development Group or Group	:	UOA Development, its Subsidiaries and Associated Company

DEFINITIONS *(cont'd)*

UOA Development Shares or Shares	:	Ordinary shares of RM0.05 each in our Company
UOA Group or Parent Group	:	UOA, its subsidiaries and its associated companies which includes our Group
UOA Holdings	:	UOA Holdings Sdn Bhd
UOA Pantai	:	Wisma UOA Pantai, the commercial building located at No. 11, Jalan Pantai Jaya, 59200 Kuala Lumpur
UOA Properties	:	UOA Properties Bhd
UOA REIT	:	UOA Real Estate Investment Trust
URC Engineering	:	URC Engineering Sdn Bhd
US Securities Act	:	United States Securities Act of 1933, as amended, from time to time and any re-enactment thereof
Windsor Triumph	:	Windsor Triumph Sdn Bhd
Wisma UOA Bangsar	:	Wisma UOA Bangsar, the commercial building located at No. 7, Lorong Maarof, 59100 Kuala Lumpur

Currency, Unit and Others:

AUD	:	Australian Dollar
RM and sen	:	Ringgit Malaysia and sen
SGD	:	Singapore Dollar
USD	:	United States Dollar
%	:	Per centum
Amp	:	Ampere
km	:	Kilometres
psf	:	Per square feet
sq ft	:	Square feet
sq m	:	Square metres

Conversion rate

1 sq m	=	10.76391 sq ft
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GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description of the technical terms and abbreviations commonly found in our industry. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms:

build-and-sell	:	Basis of sale whereby development units are sold once the advertising permit is obtained prior to obtaining certificate of fitness
build-then-sell	:	Basis of sale whereby development units are sold only after the certificate of fitness is obtained
business suite	:	Self-contained offices with ensuite facilities
CCC	:	Certificate of completion and compliance confirming that a property has received all the necessary approvals from the relevant authorities and is ready for occupancy
CCTV	:	Close circuit television
CONQUAS	:	The Construction Quality Assessment System administered by the Singapore Building and Construction Authority
DIBS	:	Developer interest bearing scheme
DO	:	Development order
F&B	:	Food and beverage
gated community	:	A landed fenced residential development characterised by a controlled entrance for visitors and staffed by full-time security guards
GDC	:	Gross development cost
GDV	:	Gross development value
GFA	:	Gross floor area
Green Building	:	Environmental friendly building
ISF	:	Improvement service fund
lettable area	:	Area in a building that is to be let or leased or occupied
M&E	:	Mechanical and electrical
potential saleable area	:	The intended floor area for sale that may have been submitted to the relevant authorities for approval and is pending approval
PV	:	Present value
saleable area	:	The floor area that has been approved by the relevant authorities for sale
SMATV	:	Satellite master antenna television
SoHo	:	Small Office / Home Office

1. INTRODUCTION

This Prospectus is dated 18 May 2011.

We have registered this Prospectus with the SC. We have also lodged a copy of this Prospectus together with the Application Forms with the ROC, who takes no responsibility for its contents.

We received the SC's approval for our IPO on 18 April 2011. The approval of the SC shall not be taken to indicate that the SC recommends our IPO. On 27 April 2011, the SAC of the SC, for the purpose of our IPO, classified our Shares as Shariah-compliant based on our combined financial information for FYE 2010. This classification will remain valid until the next Shariah compliance review is undertaken by the SAC of the SC. Updates on the classification will be released in the updated list of Shariah-compliant securities on the last Friday of the month of May and November of each year. **You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of our IPO and an investment in our Company.**

We have applied to Bursa Securities and received its approval on 10 May 2011 for the admission of our Shares to the Official List of the Main Market of Bursa Securities and for permission to deal in and the listing of and quotation for all our Shares, including the IPO Shares. Our Shares will be admitted to the Official List of the Main Market of Bursa Securities and official quotation will commence upon receipt of confirmation from Bursa Depository that all the IPO Shares have been credited into the respective CDS accounts of the successful applicants and the notices of allotment of the Issue Shares and notices of transfer of the Offer Shares have been despatched to all successful applicants. Admission to the Official List of the Main Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares or our IPO.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a prescribed security. Consequently, our Shares will be deposited directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

Pursuant to the Bursa Securities LR, at least 25.00% of the total number of Shares for which listing is sought must be held by at least 1,000 public shareholders holding not less than 100 shares each at the point of our Listing. We expect to achieve this at the time of our Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the Listing. Should such an event occur, we will return in full, without interest, monies paid in respect of all applications and if such monies are not returned in full within 14 days after we and the Selling Shareholders become liable to do so, in accordance with the provision of subsection 243(2) of the CMSA, in addition to the liability of our Company and the Selling Shareholders, the officers of our Company and Selling Shareholders shall be jointly and severally liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be prescribed by the SC from the expiration of that period.

1. INTRODUCTION (cont'd)

In the case of an application by way of Application Form, you should state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you must open a CDS account at an ADA before making an application for the Offer Shares. For an application by way of Electronic Share Application, only an applicant who has a CDS account number can make an Electronic Share Application and you should furnish your CDS account number to a Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen at which you submit your Electronic Share Application requires you to do so. In the case of an application by way of Internet Share Application, only an applicant who has a CDS account opened with an Internet Participating Financial Institution can make an Internet Share Application. Arising therewith, your CDS account number will automatically appear in the electronic IPO online Application Form. A corporation or institution cannot apply for the Offer Shares by way of Electronic Share Application or Internet Share Application.

IF YOU ARE IN ANY DOUBT ABOUT THIS DOCUMENT OR IN CONSIDERING YOUR INVESTMENT OR AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR ANY OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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2. CORPORATE DIRECTORY

DIRECTORS

Name	Address	Occupation	Nationality
Tan Sri Dato' Alwi bin Jantan (Chairman / Independent Non-Executive Director)	Unit 30, Impian Bukit Tunku No. 8, Jalan Tunku Bukit Tunku 50480 Kuala Lumpur	Company director	Malaysian
Kong Chong Soon @ Chi Suim (Managing Director)	F73-2, Bangsar Indah Lorong Maarof Off Jalan Bangsar 59100 Kuala Lumpur	Company director	Malaysian
Kong Pak Lim (Executive Director)	32-1-1, Desa Bangsar Ria Jalan Kapas Bukit Bandaraya 59100 Kuala Lumpur	Company director	Malaysian
Tan Chok Kian Alphonsus (Independent Non-Executive Director)	2, Windsor Park Hill Singapore 574196	Company director	Singaporean
Alan Charles Winduss (Non-Independent Non- Executive Director)	102, Stanley St. Scarborough Western Australia 6019 Australia	Accountant	Australian

AUDIT COMMITTEE

Name	Designation	Directorship
Tan Chok Kian Alphonsus	Chairman	Independent Non-Executive Director
Tan Sri Dato' Alwi bin Jantan	Member	Independent Non-Executive Director
Alan Charles Winduss	Member	Non-Independent Non- Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Tan Chok Kian Alphonsus	Chairman	Independent Non-Executive Director
Tan Sri Dato' Alwi bin Jantan	Member	Independent Non-Executive Director
Alan Charles Winduss	Member	Non-Independent Non- Executive Director

2. CORPORATE DIRECTORY (cont'd)

- COMPANY SECRETARY** : Yap Kai Weng
(MAICSA 74580)
190 Jalan Impian Gemilang 3/1
Saujana Impian
43000 Kajang
Selangor
- Wong Yoke Leng
(MAICSA 7032314)
109-10-07 Pudu Impian 1
Jalan Pudu Ulu
56100 Kuala Lumpur
- REGISTERED OFFICE** : No 9, Jalan Indah 16
Taman Cheras Indah
56100 Kuala Lumpur
Tel. No.: +603 9287 1000
Fax No.: +603 9287 2000
- HEAD OFFICE** : Wisma UOA Bangsar South, Tower 1
Avenue 3, The Horizon
Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Tel. No.: +603 2245 9188
Fax. No.: +603 2245 1862
Website address: www.uoadev.com.my
Email address: uoacare@uoa.com.my
- SELLING SHAREHOLDERS** : United Overseas Australia Limited
Suite 1, 467 Scarborough Beach Road
Osbourne Park
Western Australia
6017 Australia
Tel. No.: +618 9217 9800
Fax. No.: +618 9217 9899
- UOA Holdings Sdn Bhd
Avenue 3, The Horizon
Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Tel. No.: +603 2245 9188
Fax. No.: +603 2241 4682
- SHARE REGISTRAR** : Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Tel. No.: +603 7841 8000

2. CORPORATE DIRECTORY (cont'd)

AUDITORS AND REPORTING ACCOUNTANTS : MAZARS Chartered Accountants (AF1954)
Wisma Selangor Dredging
7th Floor, South Block, 142-A, Jalan Ampang
50450 Kuala Lumpur
Tel. No.: +603 2161 5222

PRINCIPAL BANKERS
(in alphabetical order) : AmBank Berhad
Level 18, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel. No.: +603 2026 3939

HSBC Bank Malaysia Berhad
Main Office
2, Leboh Ampang
50100 Kuala Lumpur
Tel. No.: +603 2050 7676

RHB Bank Berhad
Corporate & Investment Banking
Level 7, Tower 3
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel. No.: +603 9280 6445

United Overseas Bank (M) Bhd
Commercial Banking, Level 17
Menara UOB, Jalan Raja Laut,
P.O Box 11212
50738 Kuala Lumpur
Tel. No.: +603 2692 7722

PRINCIPAL ADVISER, SOLE BOOKRUNNER, MANAGING UNDERWRITER AND JOINT UNDERWRITER : CIMB Investment Bank Berhad
10th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel. No.: +603 2084 8888

JOINT UNDERWRITERS FOR THE RETAIL OFFERING
(in alphabetical order) : Hong Leong Investment Bank Berhad
Level 23, Menara HLA,
No. 3, Jalan Kia Peng
50450 Kuala Lumpur
Tel. No.: +603 2176 2799

HwangDBS Investment Bank Berhad
Suite 23-01, 23rd Floor, Menara Keck Seng,
203, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel. No.: +603 9195 6888

2. CORPORATE DIRECTORY (cont'd)

JOINT UNDERWRITERS FOR THE RETAIL OFFERING (cont'd)	OSK Investment Bank Berhad 20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel. No.: +603 2333 8333
	RHB Investment Bank Berhad Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400, Kuala Lumpur Tel. No.: +603 9287 3888
LEGAL ADVISERS	: <i>To the Company as to Malaysian laws</i> Adnan, Sundra & Low Level 11, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2070 0466
	<i>To the Joint Underwriters as to Malaysian laws</i> Zaid Ibrahim & Co Level 19 Menara Milenium Pusat Bandar Damansara 50490 Kuala Lumpur Tel. No.: +603 2087 9999
VALUER	: PA International Property Consultants (KL) Sdn Bhd 29A & 31A, Jalan 52/1 Petaling Jaya New Town 46200 Petaling Jaya Selangor Tel. No.: +603 7958 5933
INDEPENDENT MARKET RESEARCHER	: CB Richard Ellis (Malaysia) Sdn Bhd #9-1, Level 9, Menara Millennium Jalan Damanlela, Bukit Damansara 50490 Kuala Lumpur Tel. No.: +603 2092 5955
ISSUING HOUSE	: Malaysian Issuing House Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel. No.: +603 7841 8000
LISTING SOUGHT	: Main Market of Bursa Securities
SHARIAH STATUS	: Approved by the SAC of the SC

3. SUMMARY

This section is only a summary of the salient information about us and the IPO and is extracted and summarised from the full text of this Prospectus. You should read and understand this section together with the entire Prospectus before you decide as to whether or not to invest in our Shares. Prospective investors are advised to read the risk factors described in Section 5 of this Prospectus for an understanding of the risks associated with the investment in our Company.

3.1 OVERVIEW

We are one of the leading property developers in KL and one of the few development companies in Malaysia who has a comprehensive integrated in-house Development and Construction Departments which allows us to execute our developments efficiently on a “fast-track basis”, i.e. within a shorter development cycle. We were established as part of our Parent Group to undertake property development activities. Our Parent Group has an established track record of more than 21 years for both residential and commercial properties.

We have a diversified product portfolio which ranges from the development of residential and commercial properties to industrial properties for medium to high-income customers. As at the Latest Practicable Date, we have a total saleable and lettable area of approximately 329,733 sq m of properties currently under development, with an estimated GDV of RM2.07 billion, to be completed over the next three years. We have a further total potential saleable and lettable area of approximately 1,278,891 sq m being held for future development projects.

Our Group consists of 25 Subsidiaries and an Associated Company. Please refer to our Group structure after the Reorganisation and Pre-IPO Restructuring set out under Section 12.1 of this Prospectus entitled “History and Background”.

3.2 COMPETITIVE STRENGTHS AND ADVANTAGES, BUSINESS STRATEGIES AND FUTURE PLANS

3.2.1 Competitive Strengths and Advantages

As one of the leading property developers in KL and one of the few development companies in Malaysia who has a comprehensive integrated in-house Development and Construction Departments, we are able to execute our developments efficiently on a “fast-track basis”. Our experienced management team has successfully led our operations through rapid organic growth and progressively expanded our portfolio of high-quality development projects. We further benefit from our Parent Company’s presence as one of the leading Malaysian property developer in this region which has proven to be a valuable advantage in marketing our development projects abroad.

Our principal competitive strengths and advantages can be summarised as follows:

- (i) established track record and brand loyalty;
- (ii) our current and future development projects are located in strategic locations;
- (iii) experienced and established management team;
- (iv) focus on diversified product portfolio;
- (v) in-house planning, development and construction; and
- (vi) strong parentage and UOA REIT.

3. SUMMARY (cont'd)

3.2.2 Business Strategies and Future Plans

The future plans of our Group are focused in the following key areas:

- (i) we will continue to focus on future property development projects in the Klang Valley;
- (ii) continue to develop and enhance the value of Bangsar South, our flagship development project;
- (iii) continue to focus on development projects in matured markets;
- (iv) focus on fast and efficient delivery turnaround of development projects;
- (v) future overseas expansion and diversification of earning base;
- (vi) future collaboration with our Parent Group (excluding our Group); and
- (vii) future growth in rental income and capital value.

For detailed information on our competitive strengths and business strategies and future plans, please refer to Sections 7.2 and 7.3 of this Prospectus entitled "Competitive Strengths and Advantages" and "Business Strategies and Future Plans" respectively.

3.3 FINANCIAL INFORMATION

3.3.1 Financial and Operating Data

The following tables present our combined financial and operating data for FYE 2008, FYE 2009 and FYE 2010.

The combined financial and operating data are prepared on a combined basis by aggregating the financial information extracted from audited financial statements of our Company and our Subsidiaries and Associated Company, unless otherwise stated.

The combined financial and operating data have been carved out from the consolidated financial statements of UOA Group and, where appropriate, adjustments have been made to specifically present only the combined financial position, results of operations and cash flows of our Group. The combined financial information has been prepared as if the UOA Development Group as depicted by the group structure shown in Section 12 of this Prospectus entitled "Information on Our Group" had operated as a single economic entity since 1 January 2008.

The accounting policies used in the preparation of the combined financial information are consistent with the accounting policies adopted and used by UOA Development, our Subsidiaries and our Associated Company.

You should read the operating results of our Group together with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Accountants' Report as set out in Section 8.2 and Section 9, respectively, of this Prospectus.

3. SUMMARY (cont'd)

Operating results of our Group

	FYE		
	2008	2009	2010
	RM 000	RM 000	RM 000
Revenue	492,841	427,776	375,229
Cost of sales	(282,391)	(186,161)	(192,148)
Gross profit	210,450	241,615	183,081
Fair value adjustment on investment properties	14,294	(3,761)	178,250
Other income	22,790	14,006	24,807
General and administrative expenses	(25,183)	(10,706)	(38,871)
Other expenses	(2,049)	(2,943)	(3,946)
Profit from ordinary activities before tax and finance costs⁽¹⁾	220,302	238,211	343,321
Finance cost	(2,155)	(1,746)	(2,762)
Profit before income tax	218,147	236,465	340,559
Income tax expense	(56,696)	(58,870)	(54,727)
Profit for the year	161,451	177,595	285,832
Other comprehensive income, net of tax			
Fair value adjustment on available for sale financial assets	-	-	3,930
Total comprehensive income for the year	161,451	177,595	289,762
Profit attributable to:			
UOA	129,323	146,393	278,684
Non-controlling interest	32,128	31,202	7,148
	161,451	177,595	285,832
Total comprehensive income attributable to:			
UOA	129,323	146,393	282,614
Non-controlling interest	32,128	31,202	7,148
	161,451	177,595	289,762
No. of Shares assumed in issue (000) ⁽²⁾	874,200	875,100	875,100
Gross EPS (sen) ⁽³⁾	24.95	27.02	38.92
Net EPS (sen) ⁽⁴⁾	14.79	16.73	32.66
Fully diluted EPS (sen)	N/A	N/A	N/A
EBITDA ⁽⁵⁾	223,650	242,818	348,375
Interest expense	2,155	1,746	2,762
Depreciation	3,348	4,607	5,054
GP margin (%)	42.70	56.48	48.79
PBT margin (%)	44.26	55.28	90.76
PAT margin (%)	32.76	41.52	76.18

3. SUMMARY (cont'd)

Notes:

- (1) *Profit from ordinary activities before tax and finance costs includes the fair value adjustment on investment properties after taking into account our revenue, cost of sales, other income, general and administrative expenses and other expenses*
- (2) *Based on the issued and paid-up share capital in issue after the Reorganisation and Pre-IPO Restructuring.*
- (3) *Computed as PBT (which includes the fair value adjustment on investment properties) divided by the corresponding year's number of Shares assumed in issue.*
- (4) *Computed as PAT (which includes the fair value adjustment on investment properties) divided by the corresponding year's number of Shares assumed in issue.*
- (5) *EBITDA refers to earnings (which includes the fair value adjustment on investment properties) before interest expenses, taxation, depreciation and amortisation.*

Our EBITDA presented in this Prospectus is a supplemental measure of our performance and liquidity and is not required by, or presented in accordance with FRS in Malaysia and should not be considered as an alternative to PAT, operating income, or any other performance measures derived in accordance with FRS in Malaysia or as an alternative to our cash flows or as a measure of our liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

The presentation of EBITDA facilitates the operating performance comparisons from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods of companies of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets (affecting relative depreciation expense).

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3. SUMMARY (cont'd)

Financial position of our Group

	As at 31 December		
	2008	2009	2010
	RM 000	RM 000	RM 000
Assets			
Land held for property development	57,686	57,686	78,343
Property, plant and equipment	26,648	51,405	50,932
Investment properties	77,973	84,329	354,783
Investment in associates	-	-	18,570
Available for sale financial assets	21,483	24,612	26,797
Deferred tax asset	8,869	6,661	8,929
Total non-current assets	192,659	224,693	538,354
Inventories	259,442	390,047	519,261
Trade and other receivables	183,474	122,011	212,890
Cash and cash equivalents	45,343	79,336	38,196
Total current assets	488,259	591,394	770,347
Total assets	680,918	816,087	1,308,701
Equity			
Reserves attributable to UOA	273,181	420,074	699,480
Non-controlling interests	38,948	27,697	21,059
Total equity	312,129	447,771	720,539
Liabilities			
Trade and other payables	275,775	282,264	381,837
Interest bearing liabilities	52,977	29,651	151,806
Current tax liabilities	21,181	8,952	2,468
Total current liabilities	349,933	320,867	536,111
Trade and other payables	2,284	31,742	36,948
Deferred tax liabilities	625	553	10,498
Interest bearing liabilities	15,947	15,154	4,605
Total non-current liabilities	18,856	47,449	52,051
Total liabilities	368,789	368,316	588,162
Total equity and liabilities	680,918	816,087	1,308,701

3. SUMMARY (cont'd)

3.3.2 Capitalisation and Indebtedness

The following table shows our cash and cash equivalents, indebtedness and capitalisation as at 31 December 2010 on actual basis and as adjusted to give effect to the issue of 287.00 million Issue Shares pursuant to our IPO and illustrative net proceeds from our IPO of approximately RM807.30 million, after deducting estimated expenses related to our IPO.

	FYE 2010 ⁽¹⁾	Proforma I After Pre-IPO Restructuring	Proforma II After Proforma I and IPO ⁽²⁾
	RM 000	RM 000	RM 000
Cash and cash equivalents	37,842	845,142	845,142
Indebtedness			
Short term borrowings			
Secured			
Bridging loan	237	237	237
Revolving Credit	17,695	17,695	17,695
Finance lease liabilities	2,374	2,374	2,374
Unsecured			
Revolving Credit	131,500	131,500	131,500
Amounts due to related companies	221,762	221,762	221,762
Total current borrowings	373,568	373,568	373,568
Long term borrowings			
Secured			
Revolving credit	2,065	2,065	2,065
Finance lease liabilities	2,540	2,540	2,540
Unsecured			
Amounts due to non-controlling interests	36,948	36,948	36,948
Total non-current borrowings	41,553	41,553	41,553
Total Indebtedness	415,121	415,121	415,121
Shareholders' equity	680,910	699,480	1,506,780
Total capitalisation and indebtedness	1,096,031	1,114,601	1,921,901
Gearing ratio (times)⁽³⁾	0.61	0.59	0.28

Notes:

(1) Derived from audited financial statements.

(2) Before adjusting for the intended utilisation of the illustrative net proceeds from our IPO.

(3) The gearing ratio is calculated by dividing total indebtedness with shareholders' equity.

For our detailed financial information, please refer to Section 8 of this Prospectus entitled "Financial Information".

3. SUMMARY (cont'd)

3.4 PROFORMA CONSOLIDATED NTA AS AT 31 DECEMBER 2010

	After Reorganisation, Pre-IPO Restructuring and Public Issue	
	Illustration I	Illustration II
Proforma consolidated NTA (RM 000)	1,506,780	2,153,833
NTA per Share (RM)	1.26	1.80

The above proforma consolidated NTA is based on the enlarged issued and paid-up share capital of 1,195,860,000 Shares in our Company.

Detailed calculations of the proforma consolidated NTA are set out in Section 8.9 of this Prospectus entitled "Reporting Accountants' Letter on the Proforma Consolidated Statements of Financial Position" and Section 8.10 of this Prospectus entitled "Proforma Consolidated NTA as at 31 December 2010", respectively.

3.5 DIVIDEND POLICY

The declaration and recommendation of interim and final dividends are subject to the discretion of our Board and any final dividend for a particular year is subject to the approval of our shareholders after recommendation by our Board. It is our Board's intention to pay dividends to our shareholders to allow them to participate in our profits. However, our ability to pay dividends or make other distributions to our shareholders will depend upon a number of factors, including our earnings, capital requirements, general financial conditions, both nationally and internationally, our distributable reserves and other factors which may be considered relevant by our Board.

Our Board intends to adopt a policy of active capital management. We propose to pay dividends out of cash generated from our operations after setting aside necessary funding for capital expenditure and working capital requirements. As part of this policy, our Company targets a payout ratio of 30.00% to 50.00% of actual realised operating profits before fair value adjustments (after taking into account the aforementioned) from our consolidated PAT under Malaysian GAAP in each calendar year, beginning financial year ending 31 December 2011.

For detailed information on our dividend policy, please refer to Section 8.11 of this Prospectus entitled "Dividend Policy".

3. SUMMARY (cont'd)

3.6 DETAILS OF THE IPO

Our IPO consists of an Institutional Offering and a Retail Offering, totaling up to 407.00 million IPO Shares pursuant to (i) the Offer for Sale of up to 120.00 million Offer Shares by the Selling Shareholders and (ii) the offering by our Company of 287.00 million Issue Shares. The 120.00 million Offer Shares offered by the Selling Shareholders represent up to 10.04% of the enlarged issued and paid-up share capital of our Company.

3.6.1 Institutional Offering

Institutional Offering to investors at an Institutional Price payable in full upon allocation and determined by way of bookbuilding.

Institutional Offering of up to 337.00 million IPO Shares, representing up to 28.18% of the enlarged issued and paid-up share capital of our Company, at the Institutional Price to be determined by way of bookbuilding, subject to clawback and reallocation and Over-allotment Option, to be allocated in the following manner:

- (i) Malaysian institutional and selected investors (including the Cornerstone Investor) of which 119.59 million IPO Shares, representing 10.00% of the enlarged issued and paid-up share capital of our Company, are to be placed to Bumiputera investors approved by MITI; and
- (ii) institutional and selected investors outside the United States in reliance on Regulation S.

3.6.2 Retail Offering

Retail Offering at the Retail Price of RM2.90 per Offer Share, payable in full upon application and subject to refund of the difference in the event the Final Retail Price is less than the Retail Price.

Retail Offering of 70.00 million Offer Shares, representing 5.86% of the enlarged issued and paid-up share capital of our Company at the Retail Price, subject to clawback and reallocation and Over-allotment Option, to be allocated in the following manner:

- (i) 10.00 million Offer Shares, representing 0.84% of the enlarged issued and paid-up share capital of our Company, have been reserved for the eligible Directors of our Company, eligible employees of our Company and our Subsidiaries and persons who have contributed to the success of our Company and our Subsidiaries; and
- (ii) 60.00 million Offer Shares, representing 5.02% of the enlarged issued and paid-up share capital of our Company, are available for application as follows:
 - (a) 30.00 million Offer Shares, representing 2.51% of the enlarged issued and paid-up share capital of our Company, are set aside for Bumiputera individuals, companies, co-operatives, societies and institutions; and
 - (b) 30.00 million Offer Shares, representing 2.51% of the enlarged issued and paid-up share capital of our Company, are available to Malaysian citizens, companies, co-operatives, societies and institutions.

3. SUMMARY (cont'd)

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

- (i) the Retail Price; and
- (ii) 97.00% of the Institutional Price;

subject to rounding to the nearest sen.

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants of the Retail Offering, without any interest thereon. The refund in the form of cheques will be despatched to the successful applicants at their own risk.

Any Offer Shares not taken up by investors under Section 3.6.2 (i) will be made available for application by investors under Section 3.6.2 (ii) with any remaining amounts under the Retail Offering thereafter underwritten by the Joint Underwriters, subject to the clawback and reallocation provisions in Section 4.3.3 of this Prospectus entitled "Clawback and Reallocation".

The completion of the Retail Offering and Institutional Offering are inter-conditional and subject to the minimum subscription amount as set out in Section 4.11 of this Prospectus entitled "Minimum Subscription Amount".

3.7 UTILISATION OF PROCEEDS

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of up to RM348.00 million⁽¹⁾ arising from the Offer for Sale of up to 120.00 million Offer Shares will accrue entirely to the Selling Shareholders.

The expected gross proceeds of RM832.30 million⁽¹⁾ (subject to clawback and reallocation provisions) arising from the Public Issue are expected to be utilised in the following manner:

Details of utilisation of proceeds	Estimated timeframe for utilisation upon Listing	RM 000	%
Repayment of inter-company borrowings	Within 12 months	365,911	43.97
Repayment of bank borrowings	Within 12 months	95,059	11.42
Working capital requirements and general corporate purposes	Within 12 months	346,330	41.61
Estimated listing expenses	Within 12 months	25,000	3.00
Total gross proceeds		832,300	100.00

Note:

- (1) We have assumed the Institutional Price and the Final Retail Price will be the Retail Price of RM2.90 per Share in arriving at this figure.

For detailed information on the utilisation of proceeds from our Public Issue, please refer to Section 4.12 of this Prospectus entitled "Utilisation of Proceeds".

3. SUMMARY (cont'd)

3.8 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risks of such an investment as summarised below. The following is not an exhaustive list of challenges that we currently face or that may develop in the future.

3.8.1 Risks Relating to Our Business

- (i) Our revenue fluctuates from period to period and the fluctuations make it difficult to predict our future performance;
- (ii) We face significant risks before we realise any benefits from our property developments;
- (iii) A decline in rental or occupancy levels, or difficulties in securing tenants may materially and adversely affect our financial performance;
- (iv) We may not be successful in implementing our business expansion plans;
- (v) We may be adversely affected by unsold properties;
- (vi) We may not be able to generate adequate returns on our properties held for long-term investment purposes;
- (vii) Fluctuations in the fair value of our investment properties may have a significant impact on our net asset value and profitability;
- (viii) We depend on key personnel for our continued success, and may not be able to replace them if they cease to work for us;
- (ix) We are subject to risks in relation to the failure or delay in the delivery of our properties;
- (x) We may be unable to identify or acquire land for development at commercially viable prices;
- (xi) We may not have adequate resources to finance land acquisitions or property developments;
- (xii) Failure by our independent sub-contractors to complete their work based on agreed time schedule and to the specification required may materially and adversely affect our ability to deliver completed properties to our end-buyers in a timely manner and to the specification required;
- (xiii) Unforeseen material expenditures may materially and adversely affect our financial resources and financial performance;
- (xiv) We depend on our suppliers for raw materials and do not typically have long-term supply contracts with them;
- (xv) We are subject to risks in relation to interest rate movements;
- (xvi) Our results of operations may be adversely affected if we fail to obtain, or if there are material delays in obtaining, requisite governmental approvals for our property developments and construction activities;

3. SUMMARY (cont'd)

- (xvii) We do not have insurance to cover potential losses and claims arising from certain events such as typhoon, war and civil disorder;
- (xviii) The accounting outcomes of our Group may be affected as a result of any change to the FRS and related interpretations after the date of this Prospectus;
- (xix) We may be involved in legal and other proceedings arising from our operations from time to time; and
- (xx) We may encounter problems with our joint ventures that may adversely affect our business.

3.8.2 Risks Relating to the Property Industry

- (i) We face competition that could adversely affect our business;
- (ii) Environmental, health and safety laws could impose material liabilities on our Group and could require us to incur material capital and operational costs;
- (iii) We face risks related to health epidemics and other outbreaks;
- (iv) Our business is dependent on the performance of the Malaysian property sector and may be affected by changes in the social, political and economic conditions in Malaysia;
- (v) There may be a general lack of updated information on property market conditions in Malaysia; and
- (vi) Changes in tax laws, regulations, policies, concessions and treatment may materially and adversely affect our financial condition and results of operations.

3.8.3 Risks Relating to Our Shares

- (i) There has been no prior market for our Shares;
- (ii) Our Share price may be volatile;
- (iii) There may be a delay or failure in trading of our Shares;
- (iv) We may not be able to pay dividends;
- (v) We are a holding company and, as a result, are dependent on dividends from our Subsidiaries and Associated Company to meet our obligations and to provide funds for payment of dividends on our Shares; and
- (vi) The sale or the possible sale of a substantial number of our Shares in the public market following the IPO could adversely affect the price of our Shares.

3.8.4 Other Risk

Forward-looking statements in this Prospectus may not be accurate.

For a detailed discussion on the risks associated with investing in our Company, please refer to Section 5 of this Prospectus entitled "Risk Factors".

4. DETAILS OF OUR INITIAL PUBLIC OFFERING

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, the IPO Shares are expected to be allocated/transferred in the manner described below, subject to the clawback and reallocation provisions and Over-allotment Option as set out in Sections 4.3.3 and 4.3.4 of this Prospectus entitled “Clawback and Reallocation” and Over-allotment Option” respectively.

4.1 OPENING AND CLOSING OF APPLICATIONS

Applications for the Offer Shares under the Retail Offering will open at 10.00 a.m. on 18 May 2011 and will remain open until 5.00 p.m. on 25 May 2011 or such other date or dates as our Directors, the Selling Shareholders, the Managing Underwriter and the Joint Underwriters may mutually decide in their absolute discretion.

4.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Date
Opening of Institutional Offering*	16 May 2011
Opening of Retail Offering	10.00 a.m., 18 May 2011
Closing of Retail Offering	5.00 p.m., 25 May 2011
Closing of Institutional Offering	26 May 2011
Price Determination Date	26 May 2011
Balloting of applications for the Offer Shares under the Retail Offering	27 May 2011
Allotment/Transfer of the IPO Shares to successful applicants	6 June 2011
Listing	8 June 2011

Note:

* The date of commencement of bookbuilding.

Under the Institutional Offering, our Directors, the Selling Shareholders and the Sole Bookrunner may decide in their absolute discretion to vary the closing date for applications to any other date or dates. Under the Retail Offering, our Directors, the Selling Shareholders, the Managing Underwriter and the Joint Underwriters may decide in their absolute discretion to extend the closing time and date for applications to any later date or dates. If they decide to vary the closing date for the applications, the Price Determination Date and dates for the balloting of applications for the Offer Shares under the Retail Offering, the allotment/transfer of the IPO Shares to successful applicants and our Listing will be varied accordingly. We will announce any variation in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

4.3 OUR IPO

Our IPO consists of an Institutional Offering and a Retail Offering, totaling up to 407.00 million IPO Shares pursuant to (i) the Offer for Sale of up to 120.00 million Offer Shares by the Selling Shareholders and (ii) the offering by our Company of 287.00 million Issue Shares. The 120.00 million Offer Shares offered by the Selling Shareholders represent up to 10.04% of the enlarged issued and paid-up share capital of our Company, details as set out below:

Selling Shareholders	No. of Offer Shares	Percentage of enlarged issued and paid-up share capital of the Company %
UOA	100,927,990	8.44
UOA Holdings	19,072,010	1.60
Total	120,000,000	10.04

4.3.1 Institutional Offering

Institutional Offering to investors at an Institutional Price payable in full upon allocation and determined by way of bookbuilding.

Institutional Offering of up to 337.00 million IPO Shares, representing up to 28.18% of the enlarged issued and paid-up share capital of our Company, at the Institutional Price to be determined by way of bookbuilding, subject to clawback and reallocation and Over-allotment Option, to be allocated in the following manner:

- (i) Malaysian institutional and selected investors (including the Cornerstone Investor) of which 119.59 million IPO Shares, representing 10.00% of the enlarged issued and paid-up share capital of our Company are to be placed to Bumiputera investors approved by MITI; and
- (ii) institutional and selected investors outside the United States in reliance on Regulation S.

On 29 April 2011, the Selling Shareholders entered into cornerstone placing agreement with our Company, CIMB and the Cornerstone Investor whereby the Cornerstone Investor has agreed to acquire from the Selling Shareholders, such number of Shares, which represents less than 5.00% of our Company's enlarged issued and paid-up share capital, at the Institutional Price, subject to the terms and conditions contained therein. The Cornerstone Investor is allowed to acquire additional IPO Shares (not as part of the cornerstone placing agreement). The cornerstone placing agreement is conditional upon the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

4.3.2 Retail Offering

Retail Offering at the Retail Price of RM2.90 per Offer Share, payable in full upon application and subject to refund of the difference in the event the Final Retail Price is less than the Retail Price.

Retail Offering of 70.00 million Offer Shares, representing 5.86% of the enlarged issued and paid-up share capital of our Company at the Retail Price, subject to clawback and reallocation and Over-allotment Option, to be allocated in the following manner:

- (i) 10.00 million Offer Shares, representing 0.84% of the enlarged issued and paid-up share capital of our Company, have been reserved for the eligible Directors of our Company, eligible employees of our Company and our Subsidiaries and persons who have contributed to the success of our Company and our Subsidiaries; and
- (ii) 60.00 million Offer Shares, representing 5.02% of the enlarged and paid-up share capital of our Company, are available for application as follows:
 - (a) 30.00 million Offer Shares, representing 2.51% of the enlarged and paid-up share capital of our Company, are set aside for Bumiputera individuals, companies, co-operatives, societies and institutions; and
 - (b) 30.00 million Offer Shares, representing 2.51% of the enlarged and paid-up share capital of our Company, are available to Malaysian citizens, companies, co-operatives, societies and institutions.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

- (i) the Retail Price; and
- (ii) 97.00% of the Institutional Price,

subject to rounding to the nearest sen.

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants of the Retail Offering, without any interest thereon. The refund in the form of cheques will be despatched to the successful applicants at their own risk.

Any Issue Shares not taken up by investors under Section 4.3.2(i) will be made available for application by investors under Section 4.3.2(ii) with any remaining amounts under the Retail Offering thereafter underwritten by the Joint Underwriters, subject to the clawback and reallocation provisions in Section 4.3.3 of this Prospectus entitled "Clawback and Reallocation".

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

In summary, the IPO Shares will be allocated and allotted (subject to clawback and reallocation provisions and Over-allotment Option) in the following manner:

Categories	Offer Shares		Issue Shares		Total	
	No. of UOA Development Shares 000	% of enlarged share capital %	No. of UOA Development Shares 000	% of enlarged share capital %	No. of UOA Development Shares 000	% of enlarged share capital %
Retail Offering:						
Malaysian public (via balloting)						
- Bumiputera	30,000	2.51	-	-	30,000	2.51
- Non-Bumiputera	30,000	2.51	-	-	30,000	2.51
Eligible Directors of our Company, eligible employees of our Company and its Subsidiaries and persons who have contributed to the success of our Company and its Subsidiaries	10,000	0.84	-	-	10,000	0.84
	70,000	5.86	-	-	70,000	5.86
Institutional Offering:						
MITI approved Bumiputera investors	-	-	119,586	10.00	119,586	10.00
Other institutional investors	50,000	4.18	167,414	14.00	217,414	18.18
	50,000	4.18	287,000	24.00	337,000	28.18
Total	120,000	10.04	287,000	24.00	407,000	34.04

The completion of the Retail Offering and Institutional Offering are inter-conditional and subject to the minimum subscription amount as set out in Section 4.11 of this Prospectus entitled "Minimum Subscription Amount".

4.3.3 Clawback and Reallocation

Any of the Offer Shares not taken up by any of the eligible Directors of our Company, eligible employees of our Company and our Subsidiaries and persons who have contributed to the success of our Company and our Subsidiaries will first be re-offered to other eligible Directors of our Company, eligible employees of our Company and our Subsidiaries and persons who have contributed to the success of our Company and our Subsidiaries. Thereafter, if any such re-offered Offer Shares are not taken up, such re-offered Offer Shares will be made available for application by Malaysian citizens, companies, co-operatives, societies and institutions under the Retail Offering.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

The Retail Offering and Institutional Offering shall be subject to the following clawback and reallocation provisions:

- (i) if the IPO Shares allocated to the Bumiputera investors approved by MITI are not fully taken up by the said Bumiputera investors and if there is an over-application by Bumiputera investors under Section 4.3.2(ii)(a) above ("**Bumiputera Public Investors**"), the IPO Shares which are not taken up will be allocated to the Bumiputera Public Investors;
- (ii) subject to Section 4.3.3(i) above, any IPO Shares not fully taken up by the Bumiputera investors approved by MITI will be allocated to Malaysian and foreign institutional and selected investors (as set out in Section 4.3.1 above) (excluding allocation via MITI to MITI approved Bumiputera investors);
- (iii) subject to Section 4.3.3(ii) above, if there is an under-application in the Institutional Offering and there is a corresponding over-application in the Retail Offering, the IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iv) if there is an under-application in the Retail Offering and there is a corresponding over-application in the Institutional Offering, the IPO Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

Subject to the clawback and reallocation provisions above, the clawback and reallocation provisions set out in Section 4.3.3(iii) and (iv) shall not apply in the event of over-application in both the Retail Offering and the Institutional Offering.

4.3.4 Over-allotment Option

UOA Holdings, one of the Selling Shareholders, may grant an Over-allotment Option to the Stabilising Manager (on behalf of the placement manager for the Institutional Offering) and may appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may at their absolute discretion, over-allot Shares (on behalf of the placement manager) and subsequent thereto, effect transactions which may stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market. Such transactions consist of bids or purchases to peg, fix or maintain the price of the Shares. If the Stabilising Manager creates a short position in the Shares in connection with the Institutional Offering and Retail Offering, the Stabilising Manager may reduce that short position by purchasing Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option.

If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one or more occasions, by giving written notice to the Selling Shareholder at any time, within 30 days from the date of Listing, to purchase from the Selling Shareholder up to an aggregate of 61.05 million Shares at the Institutional Price for each Share, representing up to 15.00% of the total number of IPO Shares offered, solely for purposes of covering over-allotments of our Shares (if any).

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the placement manager) enter into the Share Lending Agreement with UOA Holdings to borrow up to 61.05 million Shares to cover over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to UOA Holdings either through the purchase of Shares in the open market by the Stabilising Manager in the conduct of stabilisation activities or through the exercise of the Over-allotment Option by the Stabilising Manager, or a combination of both. The exercise of the Over-allotment Option will not increase the total number of Shares issued.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder. The number of Shares that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may buy to undertake stabilising action, shall not exceed an aggregate of 61.05 million Shares, representing 15.00% of the total number of IPO Shares.

However, there is no obligation on the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) to undertake any such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market of Bursa Securities and, if commenced, may be discontinued at any time and cannot be effected after the earliest of (i) the date falling 30 days from the commencement of trading of the Shares on the Main Market of Bursa Securities or (ii) the date when the Stabilising Manager has bought, on the Main Market of Bursa Securities, an aggregate of 61.05 million Shares representing 15.00% of the total number of IPO Shares to undertake stabilising action.

Neither our Company, UOA Holdings nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Shares. In addition, neither our Company, UOA Holdings, nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will not be discontinued without notice (unless such notice is required by law).

4.3.5 Details of Allocation to Eligible Directors of Our Company, Employees and Persons who have Contributed to the Success of Our Company and Our Subsidiaries

The eligible Directors of our Company, eligible employees of our Company and our Subsidiaries and persons who have contributed to the success of our Company and our Subsidiaries are allocated 10.00 million Offer Shares under the IPO, which was approved by our Board.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

The summary of allocation of the 10.00 million Offer Shares to the eligible Directors of our Company, eligible employees of our Company and our Subsidiaries and persons who have contributed to the success of our Company and our Subsidiaries respectively are as follows:

Eligibility	Number of eligible persons	Aggregate number of Offer Shares allocated
Eligible Directors of our Company ⁽¹⁾	3	1,100,000
Eligible employees of our Company and our Subsidiaries ⁽²⁾	164	2,913,500
Eligible persons who have contributed to the success of our Company and our Subsidiaries ⁽³⁾	232	5,986,500
Total	399	10,000,000

Notes:

- (1) *The criteria for allocation to our eligible Directors is based on amongst others, length of service, recent and past contribution to our Company, designation as executive or non-executive.*

	No. of Shares
Tan Sri Dato' Alwi bin Jantan	700,000
Tan Chok Kian Alphonsus	300,000
Alan Charles Winduss	100,000
Total	1,100,000

- (2) *The criteria for allocation to our eligible employees is based on amongst others, their staff grade and seniority, and length of service in our Company and our Subsidiaries.*
- (3) *The criteria for allocation to eligible persons who have contributed to the success of our Company and our Subsidiaries is based on amongst others, the nature and terms of their business relationship and the duration of their respective relationship with our Company and our Subsidiaries.*

4.4 SHARE CAPITAL

Upon the completion of the IPO, our share capital would be as follows:

	No. of Shares	RM
Authorised		
2,000,000,000 Shares	2,000,000,000	100,000,000
Issued and fully paid-up as at the date of this Prospectus	908,860,000	45,443,000
To be issued and fully paid-up pursuant to the Public Issue	287,000,000	14,350,000
Enlarged share capital upon Listing	1,195,860,000	59,793,000

Note:

The Offer for Sale would not have an effect on our issued and paid-up share capital as the Offer Shares are already in existence prior to the IPO.

Based on the Retail Price, the market capitalisation of our Company on the Main Market of Bursa Securities upon Listing would be approximately RM3.47 billion.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING *(cont'd)*

4.5 CLASSES OF SHARES AND RANKINGS

As at the date of this Prospectus, we only have one class of shares, being ordinary shares of RM0.05 each. The Issue Shares will, upon allotment and issue, rank equally in all respects with our other existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and distribution that may be declared subsequent to the date of allotment of the Issue Shares.

The Offer Shares will rank equally in all respects with our existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and distribution that may be declared.

Upon allotment and issue, and subject to any special rights attaching to any shares that we may issue in the future, our shareholders shall in proportion to the amount paid-up on the Shares held by them, be entitled to share in the profits paid out by us in the form of dividends and other distributions and any surplus in the event of our liquidation, in accordance with our Articles.

At every general meeting, each of our shareholders shall be entitled to vote in person, by proxy or by attorney, and on a show of hands, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote and on a poll, every one of our shareholders present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each Share held. A proxy may but need not be a member of our Company.

4.6 BROKERAGE, PLACEMENT FEE AND UNDERWRITING FEE

4.6.1 The Selling Shareholders will pay brokerage fees in respect of the Offer Shares under the Retail Offering at the rate of 1.00% of the Final Retail Price per Offer Share for all successful applications which bear the stamp of CIMB or any other members of Bursa Securities, Association of Banks in Malaysia and Malaysian Investment Banking Association or the Issuing House.

The Sole Bookrunner will be entitled to charge brokerage fees of up to 1.00% to successful applicants under the Institutional Offering. For avoidance of doubt, any brokerage fees under the Institutional Offering will not be payable by us nor the Selling Shareholders.

4.6.2 The Selling Shareholders will pay the Managing Underwriter and the Joint Underwriters a managing underwriting fee and underwriting fee, respectively, to the aggregate of up to 2.20% of the value of the Retail Offering (being the number of Offer Shares in the Retail Underwriting multiplied by the Retail Price) in accordance with the terms of the Retail Underwriting Agreement.

4.6.3 We in respect of the Issue Shares will pay to the Sole Bookrunner a placement fee of up to 2.20% of the amount equal to the Institutional Price multiplied by the number of Offer Shares placed pursuant to the Institutional Offering to Bumiputera investors approved by MITI in accordance with the terms of the Placement Agreement.

The Selling Shareholders in respect of the Offer Shares and we in respect of the Issue Shares, will pay the Sole Bookrunner a placement fee of up to 2.20% of the amount equal to the Institutional Price multiplied by the number of Offer Shares and Issue Shares (as the case may be) placed pursuant to the Institutional Offering to Malaysian and foreign institutional and selected investors (excluding allocation via MITI to MITI approved Bumiputera investors) in accordance with the terms of the Placement Agreement.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING *(cont'd)*

In addition, the Selling Shareholders and us may pay to the Sole Bookrunner, a discretionary fee of up to 0.75% on the total proceeds raised.

4.7 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.7.1 Underwriting

We and the Selling Shareholders have entered into the Retail Underwriting Agreement with the Managing Underwriter and the Joint Underwriters to underwrite 70.00 million Offer Shares under the Retail Offering (the "**Underwritten Shares**") subject to clawback and reallocation provisions and the Over-allotment Option set out in Sections 4.3.3 and 4.3.4 of this Prospectus.

Details of the Underwriting Commission and Retail Underwriting Agreement are set out in Sections 4.6 and 15 of this Prospectus, respectively.

4.7.2 Placement

We and the Selling Shareholders expect to enter into a Placement Agreement with the Sole Bookrunner and the placement manager in relation to the Institutional Offering on terms to be mutually agreed. Each of us and the Selling Shareholders will be requested to give various representations, warranties and undertakings and provide an indemnity against all claims, actions, enquiries, investigations, liabilities, demands, proceedings or judgments threatened, brought or established against certain parties including the placement manager under the Placement Agreement arising out of, among other things, untrue statements of a material fact in this Prospectus and other offering documents in relation to the Institutional Offering, any breach or failure by us or the Selling Shareholders to perform our obligations under the Placement Agreement or any breach of our respective warranties set out thereunder.

4.7.3 Lock-up Arrangements

- (i) We have entered into a lock-up agreement pursuant to which we have agreed that we shall not, without the prior written consent of the Sole Bookrunner, for the period commencing on the date of the lock-up agreement and ending on the date falling 180 days from the date of Listing:
- offer, pledge, sell, contract to sell, mortgage, charge, assign, issue, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase, lend, subscribe for, hypothecate or create any encumbrance or otherwise transfer or dispose of, directly or indirectly, conditionally or unconditionally, any Shares (or any securities convertible into or exercisable or exchangeable for Shares) whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;
 - enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, the Shares) whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; or

4. DETAILS OF OUR INITIAL PUBLIC OFFERING *(cont'd)*

- agree to do or announce any intention to do any of the above or an offering or sale of, any of the Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Shares (or any interest therein or in respect thereof) or file any registration statement under the US Securities Act with respect to any of the foregoing.
- (ii) UOA Holdings, one of our Selling Shareholders, has entered into a shareholder lock-up agreement under which it has agreed that it shall not, and shall procure that its associates, affiliates, nominees and/or trustees holding Shares on trust for it or on its behalf shall not, without the prior written consent of the Sole Bookrunner, for the period commencing on the date of the shareholder lock-up agreement and ending on the date falling 180 days from the date of Listing:
- offer, pledge, sell, contract to sell, mortgage, charge, assign, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase, lend, subscribe for, hypothecate or create any encumbrance or otherwise transfer or dispose of, directly or indirectly, conditionally or unconditionally, any Shares (or any securities convertible into or exercisable or exchangeable for Shares), whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;
 - enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, the Shares) whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise;
 - agree to do or announce any intention to do any of the above or an offering or sale of, any of the Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Shares (or any interest therein or in respect thereof) or file any registration statement under the US Securities Act, with respect to any of the foregoing; or
 - sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of the Shares.

The restrictions above shall apply to all Shares (or any securities convertible into or exercisable or exchangeable for Shares) (i) held by UOA Holdings as at the date of the lock-up agreement or (ii) acquired by UOA Holdings after the date of the lock-up agreement and until and including the date of Listing.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

The restrictions above do not apply to (i) Shares to be sold pursuant to our IPO, (ii) the additional Shares that are sold pursuant to the Over-allotment Option to be granted by UOA Holdings to the Stabilising Manager and (iii) the transfer of Shares by UOA Holdings as contemplated under the Share Lending Agreement, provided, that, these restrictions will apply to the Shares returned to UOA Holdings pursuant to the Share Lending Agreement.

- (iii) Kong Chong Soon @ Chi Suim (our Managing Director) and Kong Pak Lim (our Executive Director) have each entered into a shareholder lock-up agreements under which they have agreed that they shall not, and shall procure that their associates, affiliates, nominees and/or trustees, shall not, without the consent of the Sole Bookrunner, for the period commencing on the date of the shareholder lock-up agreement and ending on the date falling 180 days from the date of Listing, unless it is to facilitate a transfer or disposal to a trust under which he is a beneficiary:
- offer, pledge, sell, contract to sell, mortgage, charge, assign, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase, lend, subscribe for, hypothecate or create any encumbrance or otherwise transfer or dispose of, directly or indirectly, conditionally or unconditionally, any shares in any company or other entity controlled by them, their associates and/or affiliates which has a direct, indirect or deemed interest in the Shares (“**Relevant Shares**”, which definition shall include any securities convertible into or exercisable or exchangeable for the Relevant Shares), whether any such transaction is to be settled by delivery of the Relevant Shares or such other securities, in cash or otherwise;
 - enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, the Relevant Shares) whether any such transaction is to be settled by delivery of the Relevant Shares or such other securities, in cash or otherwise;
 - agree to do or announce any intention to do any of the above or an offering or sale of, any of the Relevant Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Relevant Shares (or any interest therein or in respect thereof) or file any registration statement under the US Securities Act, with respect to any of the foregoing; or
 - sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by them which is directly, or through another company or other entity indirectly, the beneficial owner of the Relevant Shares.

The restrictions above shall apply to all Relevant Shares (or any securities convertible into or exercisable or exchangeable for Relevant Shares) (i) held by each of Kong Chong Soon @ Chi Sium and Kong Pak Lim, their respective associates, affiliates, nominees and/or trustees as at the date of the lock-up agreements or (ii) acquired by each of them, their respective associates, affiliates, nominees and/or trustees after the date of their respective lock-up agreements and until and including the date of Listing.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING *(cont'd)*

- (iv) UOA has entered into a shareholder lock-up agreement under which it has agreed that it shall not, and shall procure that its associates, affiliates, nominees and/or trustees holding shares of UOA Holdings (the “**UOA Holdings Shares**”) on trust for it or on its behalf, shall not, without the prior written consent of the Sole Bookrunner, from the date of the shareholder lock-up agreement and ending on the date falling 180 days from the date of Listing:
- offer, pledge, sell any UOA Holdings Shares, enter into a contract to sell or pledge, mortgage, charge, assign any UOA Holdings Shares, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase any of the UOA Holdings Shares or to lend, subscribe for, hypothecate or create any encumbrance or otherwise transfer or dispose of, directly or indirectly, conditionally or unconditionally, any UOA Holdings Shares (or any securities convertible into or exercisable or exchangeable for UOA Holdings Shares) whether any such transaction is to be settled by delivery of UOA Holdings Shares or such other securities, in cash or otherwise;
 - enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the UOA Holdings Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, the UOA Holdings Shares) whether any such transaction is to be settled by delivery of UOA Holdings Shares or such other securities, in cash or otherwise; or
 - agree to do or announce any intention to do any of the above or an offering or sale of, any of the UOA Holdings Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such UOA Holdings Shares (or any interest therein or in respect thereof) or file any registration statement under the US Securities Act, with respect to any of the foregoing.

The restrictions above shall apply to all UOA Holdings Shares (or any securities convertible into or exercisable or exchangeable for UOA Holdings Shares) (i) held by UOA as at the date of this agreement or (ii) acquired by UOA after the date of this agreement and until and including the date of Listing.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

- (v) Each of Griyajaya, Dream Legacy, Mahareno, Transmetro, Transmetro Corporation, Metrowana Development and Macrolantic Technology (which are associates of our Executive Directors) has entered into shareholder lock-up agreements under which they have agreed that they shall not, and shall procure that their associates, affiliates, nominees and/or trustees holding shares of UOA (the "UOA Shares") shall not, without the prior written consent of the Sole Bookrunner from the date of the shareholder lock-up agreements and ending on the date falling 180 days from the date of Listing unless it is to facilitate a transfer or disposal to a trust under which it is a beneficiary:
- offer, pledge, sell, contract to sell, mortgage, charge, assign, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase, lend, subscribe for, hypothecate or create any encumbrance or otherwise transfer or dispose of, directly or indirectly, conditionally or unconditionally, any UOA Shares (or any securities convertible into or exercisable or exchangeable for UOA Shares) whether any such transaction is to be settled by delivery of UOA Shares or such other securities, in cash or otherwise;
 - enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the UOA Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, the UOA Shares) whether any such transaction is to be settled by delivery of UOA Shares or such other securities, in cash or otherwise;
 - agree to do or announce any intention to do any of the above or an offering or sale of, any of the UOA Shares or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such UOA Shares (or any interest therein or in respect thereof) or file any registration statement under the US Securities Act, with respect to any of the foregoing; or
 - sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by them which is directly, or through another company or other entity indirectly, the beneficial owner of the UOA Shares.

The restrictions above shall apply to all UOA Shares (or any securities convertible into or exercisable or exchangeable for UOA Shares) (i) held by each of them, their respective associates, affiliates, nominees and/or trustees as at the date of this agreement or (ii) acquired by each of them, their respective associates, affiliates, nominees and/or trustees after the date of their respective agreements and until and including the date of Listing.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING *(cont'd)*

4.8 OBJECTIVES OF OUR IPO

Our IPO will allow our Company to access the Malaysian capital markets thus facilitating financial flexibility for us to pursue business expansion opportunities. Please refer to Section 4.12 of this Prospectus entitled "Utilisation of Proceeds" for details on utilisation of proceeds raised from the Public Issue.

We further believe that the IPO would provide liquidity to our Shares and enhance our profile as one of the leading property developers in Malaysia as well as provide investors and members of the public an opportunity to participate in the equity of our Company.

4.9 BASIS OF ARRIVING AT THE RETAIL PRICE, FINAL RETAIL PRICE, INSTITUTIONAL PRICE AND REFUND MECHANISM

4.9.1 Retail Price

The Retail Price of RM2.90 per Offer Share was determined and agreed upon by our Directors, the Principal Adviser, the Sole Bookrunner, the Managing Underwriter, the Joint Underwriters and the Selling Shareholders after taking into consideration the following factors:

- (i) our financial performance and operating history as described in Sections 7, 8 and 9 of this Prospectus entitled "Business of Our Group", "Financial Information" and "Accountants' Report" respectively; and
- (ii) our competitive strengths and advantages and business strategies and future plans as outlined in Sections 7.2 and 7.3 of this Prospectus entitled "Competitive Strengths and Advantages" and "Business Strategies and Future Plans" respectively.

The Final Retail Price will be determined after the Institutional Price is determined on the Price Determination Date, and will be the lower of:

- (i) the Retail Price; and
- (ii) 97.00% of the Institutional Price;

subject to rounding to the nearest sen.

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants, without any interest thereon. For further details on the refund mechanism, refer to Section 4.9.3 of this Prospectus entitled "Refund Mechanism".

Prospective retail investors should be aware that the Final Retail Price will not in any event be higher than the Retail Price of RM2.90 per Share nor lower than the par value of the Shares.

The Final Retail Price and the Institutional Price are expected to be announced within two Market Days from the Price Determination Date in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price together with the notices of allotment/transfer.

Applicants should also note that the market price of the Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the price of the Shares.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

4.9.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional investors will be invited to bid for portions of the Institutional Offering by specifying the number of IPO Shares they would be prepared to acquire and the price they would be prepared to pay for the acquisition. This bookbuilding process commenced on 16 May 2011 and will end on 26 May 2011 or such time, date or dates as the Directors, the Selling Shareholders and Sole Bookrunner in their absolute discretion may decide. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by us and the Selling Shareholders in consultation with the Sole Bookrunner on the Price Determination Date.

4.9.3 Refund Mechanism

In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to successful applicants of the Retail Offering without any interest thereon. The refund will be made by cheques, which will be despatched by ordinary mail to the address of successful applicants as stated in Bursa Depository's records for applications made via the Application Form, Electronic Share Application or Internet Share Application, within 10 Market Days from the final ballot of the application, at the successful applicants' own risk.

Prior to the IPO, there has been no trading market for our Shares within or outside Malaysia. You should also note that the market price of our Shares upon the Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to consider carefully the risk factors as set out in Section 5 of this Prospectus entitled "Risk Factors".

4.10 DILUTION

Dilution is the amount by which the price paid by retail and institutional investors for our Shares exceeds our NTA per Share after the IPO. Our proforma consolidated NTA per Share as at 31 December 2010 adjusted for the Reorganisation and Pre-IPO Restructuring was RM0.77 per Share.

After the issuance of 287.00 million Issue Shares under the Public Issue, and after further adjusting for the estimated listing expenses, our proforma consolidated NTA per Share as at 31 December 2010 (based on our enlarged issued and paid-up share capital of 1,195,860,000 Shares) would be RM1.26 per Share. This represents an immediate increase in NTA per Share of RM0.49 to our existing shareholders and an immediate dilution in NTA per Share of RM1.64, representing 56.55% of the Retail Price and the Institutional Price (assuming the Institutional Price and the Final Retail Price will be the Retail Price), to our retail and institutional investors. For NTA per Share figures, please refer to Section 8.1 of this Prospectus entitled "Historical Financial Information".

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and Institutional Price:

	<u>RM</u>
Retail Price	2.90
Institutional Price	2.90
Proforma consolidated NTA per Share as at 31 December 2010 (as adjusted for the Reorganisation and Pre-IPO Reorganisation)	0.77
Proforma consolidated NTA per Share as at 31 December 2010 (as adjusted for the IPO)	1.26
Increase in proforma consolidated NTA per Share to existing shareholders	0.49
Dilution in proforma consolidated NTA per Share to retail / institutional investors	1.64
Dilution in proforma consolidated NTA per Share to retail / institutional investors as a percentage to the Retail / Institutional Price	56.55%

Save as disclosed below, none of our Directors or key management, or persons connected to them have acquired any Shares in our Company in the past three years prior to the Latest Practicable Date:

	<u>No. of ordinary shares in our Company</u>		<u>Consideration</u> RM 000	<u>Average price per share</u>	
	<u>Before Share Split⁽¹⁾</u>	<u>After Share Split⁽²⁾</u>		<u>Before Share Split⁽¹⁾</u> RM	<u>After Share Split⁽²⁾</u> RM
UOA	5,046,400	100,928,000	55,500	11.00	0.55
UOA Holdings	2,659,824	53,196,400	28,258	11.00	0.55

Notes:

(1) *Actual*

(2) *Proforma*

The acquisitions of ordinary shares of RM1.00 each in our Company by UOA and UOA Holdings are pursuant to the new shares issued in relation to the Reorganisation and Pre-IPO Restructuring. For further details of the Reorganisation and Pre-IPO Restructuring, please refer to Sections 12.1.2 and 12.1.3 of this Prospectus entitled "Reorganisation" and "Pre-IPO Restructuring" respectively.

4.11 MINIMUM SUBSCRIPTION AMOUNT

There is no minimum subscription to be raised from the IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders of our Company to comply with public spread requirements as per the Bursa Securities LR or as approved by Bursa Securities.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

4.12 UTILISATION OF PROCEEDS

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds from the Offer for Sale of up to RM348.00 million⁽¹⁾ arising from the Offer for Sale of up to 120.00 million Offer Shares will accrue entirely to the Selling Shareholders.

The expected gross proceeds of RM832.30 million⁽¹⁾ arising from the Public Issue are expected to be utilised in the following manner:

Details of utilisation of proceeds	Estimated timeframe for utilisation upon Listing	RM 000	%
Repayment of inter-company borrowings ⁽²⁾	Within 12 months	365,911	43.97
Repayment of bank borrowings ⁽³⁾	Within 12 months	95,059	11.42
Working capital requirements and general corporate purposes ⁽⁴⁾	Within 12 months	346,330	41.61
Estimated listing expenses ⁽⁵⁾	Within 12 months	25,000	3.00
Total gross proceeds		832,300	100.00

Notes:

- (1) We have assumed the Institutional Price and the Final Retail Price will be the Retail Price of RM2.90 per Share in arriving at this figure.
- (2) We intend to use part of the proceeds raised from the Public Issue for repayment of our inter-company borrowings owed to various companies within UOA and its subsidiaries (excluding our Group). As at the LPD, our inter-company borrowings amounted to approximately RM365.91 million which can be analysed as follows:

	Purpose	RM 000
UOA Holdings Sdn Bhd	Financing of operations	355,718
Wisma UOA Sdn Bhd	Financing of operations	7,716
UOA Corporation Bhd	Financing of operations	1,899
United Overseas Australia Ltd	Financing of operations	577
Rich Accomplishment Sdn Bhd	Financing of operations	1
Total		365,911

We expect to utilise the proceeds from the Public Issue to repay our inter-company borrowings within 12 months from the date of Listing. If the actual repayment are higher than budgeted, the deficit will be funded out of working capital. However, if the actual repayment are lower than budgeted, the excess will be utilised for general working capital requirements for our Group.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

- (3) We intend to use part of the proceeds raised from the Public Issue for repayment of our Group's bank borrowings. As at the LPD, our Group's total bank borrowings were approximately RM95.06 million which can be analysed as follows:

<u>Name of Lender</u>	<u>Interest Rate</u>	<u>Purpose of Facility</u>	<u>Maturity</u>	<u>Outstanding as at the LPD</u> <u>RM 000</u>
RHB Bank Berhad	4.70%	To finance the purchase of land	Short tenure of one month subject to rollover	77,000
BI Credit & Leasing Berhad	3.00%	To finance construction costs	18 August 2011	11,195
Amlslamic Bank Berhad	4.88%	To finance operations	Short tenure of one month subject to rollover	6,627
United Overseas Bank (M) Bhd	4.55%	To finance the construction of project Binjai 8	November 2013	237
Total				95,059

We expect to utilise the proceeds from the Public Issue to repay our Group's bank borrowings within 12 months from the date of Listing. If the actual repayment are higher than budgeted, the deficit will be funded out of working capital. However, if the actual repayment are lower than budgeted, the excess will be utilised for general working capital requirements for our Group.

- (4) We intend to use part of the proceeds raised from the Public Issue for our working capital requirements to fund our business operations which include financing of daily operations, administration expenses such as salaries and wages, office maintenance and utilities, and other operating expenses such as advertising and promotions as well as construction costs.
- (5) The expenses in relation to the Public Issue to be borne by us are estimated to be RM25.00 million which can be analysed as follows:

	<u>RM 000</u>
Estimated professional fees	3,000
Brokerage, placement fee and selling commission	18,500
Other fees and expenses such as printing, advertising, travel and roadshow expenses	3,000
Miscellaneous expenses and contingencies	500
Total estimated listing expenses	25,000

We expect to utilise the proceeds from the Public Issue to defray estimated expenses of the IPO within 12 months from the date of Listing. If the actual expenses are higher than budgeted, the deficit will be funded out of working capital. However, if the actual expenses are lower than budgeted, the excess will be utilised for general working capital requirements for our Group.

Pending full utilisation of the gross proceeds received, we intend to place the proceeds raised from our IPO (including accrued interest, if any) or the balance thereof in interest-bearing fixed deposit accounts with licensed financial institution(s) or in short-term money-market instruments.

Our Selling Shareholders will be bearing all professional fees and miscellaneous expenses (such as printing, advertising and travelling expenses) in respect of the Offer for Sale. The brokerage fee, underwriting commission and placement fee, which are also to be borne by our Selling Shareholders are set out in Section 4.6 of this Prospectus entitled "Brokerage, Placement Fee and Underwriting Fee".

4. DETAILS OF OUR INITIAL PUBLIC OFFERING *(cont'd)*

4.13 FINANCIAL IMPACT FROM UTILISATION OF PROCEEDS

Our utilisation of proceeds from the Public Issue is expected to have the following financial impact on our Group:

(i) Enhancement of working capital

We will utilise part of the proceeds from the Public Issue for our working capital requirements which includes the payment of creditors such as sub-contractors and consultants, salaries, purchase of raw materials, operating and marketing expenses. Our cash and cash equivalent, based on the balance as at 31 December 2010, will increase to approximately RM845.12 million after the Listing (after deducting estimated expenses related to our IPO and before repayment of inter-company loans and bank borrowings).

(ii) Repayment of inter-company loans and bank borrowings

As at the Latest Practicable Date, we have RM365.91 million inter-company loans due to UOA Holdings and our related companies and RM100.02 million bank borrowings including finance lease liabilities which are outstanding. The proceeds from the Public Issue will be utilised to repay all of the inter-company loans and to reduce the bank borrowings as at LPD to RM4.96 million. The average interest rate savings as a result of the repayment of the inter-company loans and bank borrowings is expected to be approximately RM4.29 million per annum.

As a result, our Group's gearing would be reduced from 0.64 times as at the Latest Practicable Date to 0.07 times.

4.14 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon the Listing, the IPO Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository for the operation of CDS accounts, as amended from time to time and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers for, or purchasers of, the IPO Shares.

Beneficial owners of Shares are required under the Rules of Bursa Depository to maintain the IPO Shares in CDS accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Records of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

4. DETAILS OF OUR INITIAL PUBLIC OFFERING (cont'd)

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that the Shares offered in the IPO will not commence trading on Bursa Securities until approximately 12 Market Days after the close of the Retail Offering. Subscribers of the Shares will not be able to sell or otherwise deal in the Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that our operations are subject to the legal, regulatory and business environment in Malaysia. Our business is subject to a number of factors, many of which are outside our control. Before making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations set out below. The risks and investment considerations set out below are not an exhaustive list of the challenges that we currently face or that may develop in the future. These and other risks, whether known or unknown, may have a material adverse effect on us or our Shares.

5.1 RISKS RELATING TO OUR BUSINESS

5.1.1 Our revenue fluctuates from period to period and the fluctuations make it difficult to predict our future performance

Our revenue may fluctuate from period to period in the future. As we derive a significant portion of our total revenue from the sale and rental of properties, our results of operations are affected by the demand for our properties, the price at which we are able to sell and rent them, the timing of the launch of our properties and the fair value of our investment properties. The demand for and pricing of the properties are in turn, to a large extent, affected by the general conditions of the property market in Malaysia.

Our revenue and profit during any given period also generally reflect property investment decisions made by purchasers some significant time in the past, typically in at least the prior fiscal period. As a result, our revenue and profits for any period are not necessarily indicative of revenues and profits that may be expected for any future period.

5.1.2 We face significant risks before we realise any benefits from our property developments

Our primary business is the development of residential, commercial and integrated properties. Property developments typically require substantial capital outlay during the land acquisition and construction phases and may take one or more years before positive cashflows are generated through sales of completed property developments. As such, there is no assurance that we will not experience negative operating cash flow in the future. Depending on the size of the development, the time span for completing a property development usually lasts for more than a year. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the development, which in turn has a direct impact on the profitability of the project. Factors that may affect the cost of development and profitability of a project include the shortage of skilled labour, the rise in the cost of building materials and equipment such as steel and cement, adverse weather conditions, industrial accidents, disputes with sub-contractors, delays in obtaining government approvals, failure to complete construction according to original specifications on schedule and within budget and lacklustre sales.

The sales and the value of a property development project may be adversely affected by a number of factors, including but not limited to the international, regional and local economic climate, local property conditions, perceptions of property buyers, businesses, retailers or shoppers in terms of the convenience and attractiveness of the projects, competition from other available property developments, changes in market rental rates for comparable properties and increased operating costs.

5. RISK FACTORS (cont'd)

If any of the property development risks described above materialises, our returns on investments may be lower than originally expected and our financial performance will be materially and adversely affected.

5.1.3 A decline in rental or occupancy levels, or difficulties in securing tenants may materially and adversely affect our financial performance

Property investments are subject to varying degrees of risk. The returns from such investments depend largely on the amount of income earned and capital appreciation generated by the properties. If the properties do not generate sufficient revenue to meet operating expenses, including debt service and capital expenditure, the ability to make distributions to shareholders will be adversely affected. The revenues and values of investment properties may be adversely affected by a number of factors, including: international, regional and local economic climate; local real estate conditions; perceptions by businesses, retailers or shoppers of the attractiveness of the development projects; competition from other available properties; changes in market rates for comparable sales and rental; inability to collect rent due to bankruptcy or insolvency of tenants or otherwise; the need for periodical repair and re-let space and the costs thereof and, as the properties get older, the need to undertake major renovations that necessitates capital expenditure and that may result in loss of income during the period of renovation; casualty losses due to fire, floods and other natural and man-made disasters; the ability of an owner to provide adequate maintenance and insurance; and increased operating costs.

Property investments are also affected by such factors as changes in interest rates; the availability of funds; changes in governmental regulations; changes in tax laws or rates; and potential environmental or other legal liabilities. Certain significant expenditure associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) generally are not reduced when circumstances cause a reduction in revenue from the investment.

5.1.4 We may not be successful in implementing our business expansion plans

We intend to expand our business operations in Kuala Lumpur and, when appropriate, expand to other Malaysian and overseas cities such as Ho Chi Minh City and Singapore. As at the Latest Practicable Date, we have a total saleable and lettable area of approximately 329,733 sq m of properties under development. We have a further total potential saleable and lettable area of approximately 1,278,891 sq m being held for future development.

Our experience and track record stem predominantly from our business in the Klang Valley. The cities (other than Kuala Lumpur) and regions (other than the Klang Valley) in which we may expand our business to in the future may differ from the Klang Valley in terms of the level and pace of economic development, culture, regulatory practices, topography, our familiarity with sub-contractors, suppliers and other partners, business practice, customs, and customer tastes, preferences and behaviour. Accordingly, our experience in the Klang Valley may not be applicable to such cities and regions. We cannot assure you that our residential or commercial developments outside the Klang Valley which we may undertake from time to time will achieve the same level of success that our residential and commercial developments in the Klang Valley have attained. If our expansion into new cities is not successful, our reputation, business, prospects, results of operations and financial condition may be materially and adversely affected.

5. RISK FACTORS (cont'd)

5.1.5 We may be adversely affected by unsold properties

In the event that we are unable to sell a significant portion of our properties, our financial results will be materially and adversely affected. Furthermore, the unsold properties that we continue to hold for sale post-completion may be relatively illiquid, which will limit our ability to realise cash from unsold units at short notice. Such illiquidity may also have a negative effect on the prices of unsold units in the event that we are required to sell the unsold properties urgently, and limits our ability to vary our portfolio of properties held for sale in response to changes in economic, political, social or regulatory conditions in a timely manner. In such an event, our cash flow and financial performance may be adversely affected.

5.1.6 We may not be able to generate adequate returns on our properties held for long-term investment purposes

We develop commercial and residential properties, a portion of which we currently intend to hold as long term investment. Property investment is subject to varying degrees of risk. The investment returns available from commercial and/or residential property investments depend, to a large extent, on the amount of capital appreciation generated, income earned from the rental of the relevant properties as well as the expenses incurred. Maximising yields from such properties held for long-term investment also depend to a large extent on active ongoing management and maintenance of the properties. The ability to eventually dispose these investment properties will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation. The revenue derived from and the value of property investment may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to collect rent due to bankruptcy or insolvency of tenants and the costs resulting from periodic or ad-hoc maintenance, repair and re-letting. If we expand the property investment aspect of our business but are unable to generate adequate returns, our overall financial condition and results of operations may be adversely affected.

5.1.7 Fluctuations in the fair value of our investment properties may have a significant impact on our net asset value and profitability

Our net asset value and profitability are affected by the valuations of our investment properties. We assess the fair value of our investment properties annually. In line with industry practice, we apply the fair value model when accounting for all our investment properties. Our investment properties are independently revalued on a yearly basis on an open-market basis, with such valuations representing the amounts for which the assets could be exchanged between a knowledgeable buyer and a knowledgeable seller in an arms length transaction at valuation date. Our Directors assess the valuation of each investment property at each financial reporting date to ensure that the carrying amount of each investment property reflects the market conditions at the financial reporting dates. The value of our investment properties may fluctuate from time to time due to market and other conditions, including changes in the supply and demand of properties as well as rental and occupancy levels. Such adjustments to the fair value of our investment properties could have an adverse effect on our net asset value and our profitability.

5. RISK FACTORS (cont'd)

5.1.8 We depend on key personnel for our continued success, and may not be able to replace them if they cease to work for us

Our success to date can largely be attributed to the contributions and expertise of our key management team, most of whom have been with us for more than 15 years. Our continued success will depend, to a large extent, on our ability to retain the services of our key management team. The loss of the services of our key management without suitable and timely replacement, or the inability to attract and retain other qualified personnel, could adversely affect our operations and hence, our revenue and profitability.

5.1.9 We are subject to risks in relation to the failure or delay in the delivery of our properties

We sell some of our properties prior to completion. Failure to complete a property development on time may be attributed to factors such as the time taken and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents and changes in government priorities and policies. If the delay in delivery extends beyond the contractually specified period, the purchasers may also be entitled to claim liquidated damages calculated from day to day at a certain percentage rate of the purchase price until delivery of the property to the purchaser under the terms of the sale and purchase agreement. The purchasers may also choose to terminate the sale and purchase agreement and claim refunds of monies paid, damages and compensation for total failure of delivery of our properties. There is no assurance that we will not experience significant delays in completion or delivery. In the event that we encounter any delays in the delivery of our build and sell properties and incur or suffer any of the aforesaid damages and compensation requirements, the results of our operations, our profitability and our reputation may be adversely affected.

Our comprehensive integrated in-house Construction Department has to-date enabled us to execute our development projects efficiently on a "fast-track basis" and all of our development projects have been satisfactorily completed ahead of schedule without compromising on quality. However, there can be no assurance that the factors mentioned above may not adversely affect our operations, profitability and reputation.

5.1.10 We may be unable to identify or acquire land for development at commercially viable prices

To sustain our growth, it is critical to maintain a sizeable and high-quality land bank for future development. We cannot assure you that we will be able to identify and acquire attractive sites in the future at commercially acceptable prices. Our inability to identify and acquire attractive new sites at commercially acceptable prices could impair our ability to compete with other property developers and could materially and adversely affect our ability to grow our business and maintain our profitability.

5. RISK FACTORS *(cont'd)*

5.1.11 We may not have adequate resources to finance land acquisitions or property developments

Property development is capital intensive. The availability of adequate financing is crucial to our ability to acquire land and to complete our development projects according to plan. We finance our land acquisitions and property development projects from a combination of internal funds, shareholders' loans and bank borrowings. In addition, our property development projects may also be funded partly by sale proceeds.

We cannot assure you that we will have sufficient internal funds available for land acquisition or property developments or that we will be able to achieve sufficient sales to fund some of our major property developments. In addition, we may not be able to secure adequate financing, if at all, or renew credit facilities granted by banks and financial institutions. As at the Latest Practicable Date, our outstanding bank borrowings including finance lease liabilities amounted to RM100.02 million. Our ability to arrange adequate financing for land acquisition or property developments on terms that will allow us to achieve a commercially acceptable return depends on a number of factors that are beyond our control, including general economic and political conditions, the terms on which financial institutions are willing to extend credit to us and the availability of other sources of debt or equity financing.

If we do not have adequate resources to finance land acquisitions or property development or find appropriate alternatives (including collaboration with our Parent Group (excluding our Group)), our business and financial condition as well as future growth and prospects may be materially and adversely affected.

5.1.12 Failure by our independent sub-contractors to complete their work based on agreed time schedule and to the specification required may materially and adversely affect our ability to deliver completed properties to our end-buyers in a timely manner and to the specification required

We engage independent third-party sub-contractors to provide various services in respect of our construction and development business, including design, construction, piling and foundation, building and property fit-out works, installation of air-conditioning units and elevators, and interior decoration. We invite sub-contractors to tender bids according to their reputation for quality and track record. We cannot assure you that the services rendered by independent third-party sub-contractors will be satisfactory or match the quality level we require. Moreover, sub-contractors may experience financial or other difficulties such as procuring foreign labour that may affect their ability to carry out the work for which they were contracted, thus delaying the completion of our property development projects and resulting in additional costs to us. Any of these factors could adversely affect the results of our operations and reputation.

We also engage independent third-party sub-contractors to provide supply of labour for our construction activities. We cannot assure you that the supply of labour will be satisfactory or continuous. Any interruption in the supply of labour may adversely affect and in turn delay the completion of our property developments or result in additional expenditure, thereby adversely affecting our financial performance.

Any such disruptions experienced in the past have not resulted in a delay in the completion of any of our completed property developments.

5. RISK FACTORS (cont'd)

5.1.13 Unforeseen material expenditures may materially and adversely affect our financial resources and financial performance

We may incur unforeseen expenditures in relation to our development projects and ongoing maintenance and refurbishment of, and repairs to, our property investments. Inability to adequately finance unforeseen material expenditures in relation to our development projects may result in delays to our projects and may have an adverse impact on our financial performance and cashflow. In addition, if we are unable to properly maintain, refurbish, repair or replace our property investments, this may adversely affect our ability to attract tenants, maintain rental levels or sell the relevant property asset or investment or to use it as security for borrowings.

5.1.14 We depend on our suppliers for raw materials and do not typically have long-term supply contracts with them

We depend on our suppliers for raw materials, such as cement and steel. To maintain competitive operations, we must obtain from our suppliers, in a timely manner, sufficient quantities of quality materials at acceptable prices. We obtain most of our materials, including cement and steel, from a limited number of suppliers. We purchase all of our materials on a purchase order basis. We do not have typically long-term contracts with any of our suppliers. In the past, suppliers have extended lead times or limited the supply of required materials because of their capacity constraints. Consequently, from time to time, we have experienced difficulty obtaining quantities of raw materials needed on a timely basis.

In addition, we may, at times, reject materials that do not meet our quality specifications. There can be no assurance that we will be able to obtain sufficient quantities of raw materials and other supplies of an acceptable quality. If our ability to obtain sufficient quantities of raw materials and other supplies in a timely manner is substantially diminished or if there are significant increases in the costs of raw materials, it could have a material adverse effect on our operations and financial condition. Fluctuations caused by the volatility of the price of the raw materials could also result in increased costs and result in a material adverse effect on our financial condition.

5.1.15 We are subject to risks in relation to interest rate movements

We face risks in relation to interest rate movements, in particular, as a result of the borrowings undertaken by us to finance our land acquisition and property developments. Changes in interest rates will affect our interest income and finance costs in the short term. This could in turn have a material adverse effect on our overall net profits arising from a reduction in our interest income and an increase in our finance costs. Furthermore, an increase in interest rates may also adversely affect our ability to service our loans and other borrowings and may also adversely affect our ability to raise and service long-term debts.

5. RISK FACTORS *(cont'd)*

5.1.16 Our results of operations may be adversely affected if we fail to obtain, or if there are material delays in obtaining, requisite governmental approvals for our property developments and construction activities

Malaysian property developers must comply with various requirements mandated by applicable laws and regulations, including the policies and procedures established by local authorities designed for the implementation of such laws and regulations. In order to develop and complete a property development, a property developer must obtain various permits, licences, certificates and other approvals ("**Development Approvals**") from the relevant authorities at various stages of the property development process, including environmental approvals, planning permits, construction permits, advertisement and sale permits and CCC. Each Development Approval is dependent on the satisfaction of the applicable conditions. Our construction subsidiaries also possess various licences ("**Construction Licences**") that are renewable prior to the expiry of the validity period of the construction licences. We cannot assure you that we will not encounter problems in obtaining such Development Approvals or Construction Licences or in fulfilling the conditions required for obtaining the same, or that we will be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the property development industry in general. If we fail to obtain the relevant Development Approvals or fulfill the conditions of the Development Approvals for a significant number of our property developments, these developments may not proceed on schedule, and our business, financial condition and results of operations as well as our prospects may be adversely affected.

As at the Latest Practicable Date, we have obtained the approvals, major licenses and permits issued to our Group in order for us to carry out our operations as disclosed under Section 10 of this Prospectus entitled "Major Licences". To the best of our knowledge, we believe we will be able to continue obtaining all applicable approvals for our development projects. However, no assurance can be given that all approvals will be given or that they will be given on a timely basis so as not to adversely impact on our projected or targeted timeline. In addition, we do not give any assurance that there will be no change to the current approval regime and law or regulatory requirements that may have an impact on our business and possibly profitability.

5.1.17 We do not have insurance to cover certain potential losses and claims arising from certain events such as typhoon, war and civil disorder

There are certain losses for which insurance is not available on commercially practicable terms, such as losses suffered due to typhoon, war and civil disorder. If we suffer any uninsured losses, damages and liabilities in the course of our operations and property development, we may not have sufficient funds to cover any such losses, damages or liabilities or to replace any property development that has been destroyed. In addition, any payment we make to cover any losses, damages or liabilities could have a material adverse effect on our business, operations and financial condition.

5. RISK FACTORS (cont'd)

In addition, our properties may suffer physical damage caused by fire and other causes, resulting in losses that may not be fully compensated by insurance. Should a loss in excess of insured limits occur, we may lose capital invested in the affected property as well as anticipated future revenue from that property. We could also remain liable for any debt or other financial obligation relating to that property (if relevant). In the last three FYE 2010, we have not incurred any such losses which are material to our business, financial condition and results of operations. However, no assurance can be given that material losses in excess of insurance proceeds will not occur in the future. Any such losses may have a material adverse effect on our financial position and performance. Please refer to Section 7.13 of this Prospectus entitled "Risk Management and Insurance" for further details of the insurance policies taken out by our Group.

5.1.18 The accounting outcomes of our Group may be affected as a result of any change to the FRS and related interpretations after the date of this Prospectus

Our Group's financial reporting is made in accordance with the FRS. The FRS and related interpretations may change after the date of this Prospectus. In particular, it is noted that the Malaysian Accounting Standards Board has a number of ongoing projects to review the FRS and may release additional FRS or modify the existing FRS requirements from time to time. Any such additional standards or modifications may affect our accounting policies and accounting outcomes. Accordingly, different interpretations of the FRS may arise from time to time, and such change in interpretations may result in different accounting outcomes for our Group.

In particular, the coming into effect of IC Interpretation 15 "Agreements for the Construction of Real Estate" ("IC 15") issued by the IFRS Interpretations Committee of the International Accounting Standards Board on 1 January 2012 may affect the accounting outcomes of our Group. There is currently no official interpretation of IC 15 from the Malaysian accounting authorities. However, the industry representative, Real Estate Housing Development Association (REHDA), stated in its April 2010 bulletin that it believes that the percentage-of-completion method is the appropriate method of revenue recognition for property developers in Malaysia. The application of IC 15 will result in the Group's revenue being recognised only upon completion of projects. Whilst the timing of recognition of revenue may be different (delayed), the overall amount of profits earned in respect of such projects should not be materially affected.

5.1.19 We may be involved in legal and other proceedings arising from our operations from time to time

We may be involved from time to time in disputes with various parties involved in the development and sale of our properties such as sub-contractors, suppliers, purchasers and other partners. These disputes may lead to legal and other proceedings, and may cause us to suffer additional costs and delays. In addition, we may have disagreements with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavourable decrees or directives that result in financial losses and delay in the construction or completion of our projects. As at 30 April 2011, our Group is not engaged in any material litigation, whether as plaintiff or defendant and our Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial and/or business operations. However, there can be no assurance that there will be no proceedings in the future that could adversely affect the operations and profitability of our Group.

5. RISK FACTORS *(cont'd)*

5.1.20 We may encounter problems with our joint ventures that may adversely affect our business

We may in the future have interests in joint venture entities in connection with our property development and expansion plans. If there are disagreements between our joint venture partners and us regarding the business and operations of the joint ventures, we cannot assure you that we will be able to resolve these disagreements in a manner favourable to us. In addition, our joint venture partners may (i) have economic or business interests or goals that are inconsistent with ours; (ii) take actions contrary to our instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfill their obligations; (iv) experience financial difficulties; or (v) have disputes with us as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the performance of our joint ventures, which may in turn materially and adversely affect our financial condition and results of operations.

5.2 RISKS RELATING TO THE PROPERTY INDUSTRY

5.2.1 We face competition that could adversely affect our business

There is a large number of local and foreign property developers undertaking property development and investment projects in Malaysia. Many of these property developers have significant financial, managerial, marketing and other resources, as well as experience in property and land development. Competition among property developers may result in, among others, increased acquisition costs of land for development, oversupply of properties in certain parts of Malaysia, a decrease in property prices, a slowdown in the rate at which new property developments will be approved and/or reviewed by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality sub-contractors and qualified employees. Any such effect may adversely affect our business, results of operations and financial position. In addition, the property market in Malaysia is rapidly changing. If we cannot respond to changes in market conditions more swiftly or effectively than our competitors, our ability to generate revenue, our financial condition and our results of operations as well as future growth and prospects may be adversely affected.

5.2.2 Environmental, health and safety laws could impose material liabilities on our Group and could require us to incur material capital and operational costs

Our Group is subject to environmental, health and safety laws and regulations in Malaysia. In general, the Environmental Quality Act 1974 ("EQA") and various subsidiary regulations contain provisions restricting the emission of environmentally hazardous substances including the emission of noise into the environment. The EQA further provides the power to specify what are acceptable conditions for such emissions into the environment and may set aside any area where such emissions are restricted. A licence may be required under the EQA in certain situations if emissions are not within acceptable conditions.

Although we are within acceptable conditions as provided for in the EQA and are not required to obtain a licence and therefore have not been subjected to any penalties in the past, our failure to comply with any of these laws or regulations in the future could cause us to incur material liabilities and costs to comply with the same. In addition, the adoption of new laws and regulations or any modification to the existing laws and regulations may result in our Group having to incur additional compliance costs and expenses, the curtailment of our operations and the restriction in our ability to expand our business. Accordingly, our Group's business, financial position, future growth and prospects may in turn be adversely and materially affected.

5. RISK FACTORS (cont'd)

5.2.3 We face risks related to health epidemics and other outbreaks

Our business operations could be adversely and materially affected by any prolonged recurrence of avian flu, SARS or other adverse public health developments in Malaysia. These could include temporary closure of our construction sites. Such closures would severely delay the construction and delivery schedules of our projects and adversely affect our results of operations and our ability to fulfill our contractual obligations to the purchasers of our properties. We have not adopted any written preventive measures or contingency plans to combat any future outbreak of avian flu, SARS or any other epidemic.

5.2.4 Our business is dependent on the performance of the Malaysian property sector and may be affected by changes in the social, political and economic conditions in Malaysia

All of our current and proposed property development projects and property investments are located in Kuala Lumpur and Selangor. Our business is hence dependent on the continuing growth of the Malaysian economy generally and the property sector of Malaysia specifically. The property development and rental market may be adversely affected by economic, political, social, regulatory or diplomatic developments in or affecting the Malaysian property sector generally. Our business may be adversely affected by changes in inflation, interest rates, taxation, or other regulatory, political, social or economic factors affecting Malaysia, and any adverse developments in property prices or in the supply and demand of building materials and property units. Our business is also subject to fluctuations in the property industry, and is hence vulnerable to any downturn in the residential and/or commercial property demand and rental market in Malaysia.

5.2.5 There may be a general lack of updated information on property market conditions in Malaysia

We are subject to property market conditions in Malaysia generally. Currently, up-to-date information may not generally be available in Malaysia on the amount and nature of property development and investment activities, the demand and absorption rates for such developments, the supply of new properties being developed or the availability of land and buildings suitable for development and investment. Consequently, our investment and business decisions may not always have been, and may not be in the future, based on accurate, complete and timely information. Inaccurate or incomplete information may adversely affect our business decisions, which could materially and adversely affect our results of operations and financial condition as well as our future growth and prospects.

5.2.6 Changes in tax laws, regulations, policies, concessions and treatment may materially and adversely affect our financial condition and results of operations

The property development industry in Malaysia is subject to governmental regulations. Such regulations include those affecting land and title acquisition, development planning, design and construction as well as mortgage financing and refinancing. There is no assurance that any changes in such regulations or policies imposed by the Malaysian government from time to time will not have an adverse effect on our business, financial performance, future growth and prospects.

5. RISK FACTORS (cont'd)

In particular, the following changes/proposed changes in the regulations, policies, concessions and treatment in the property development industry in Malaysia by the authorities may materially and adversely affect our financial condition and the results of our operations:

- (i) the proposed introduction of the build-then-sell concept by the Malaysian government on all residential development projects:

The imposition of the build-then-sell concept by the Malaysian government on all residential development projects will increase financing costs and may possibly reduce profits (though some of the increased costs may be passed through to the purchasers) for our Group as construction must now be internally financed or through bank borrowings and not through progress billings to end-purchasers. Our Group's development lands are mostly acquired using internally generated funds and are free from encumbrances. If the build-then-sell concept were to be imposed, our Group may scale down the size of the development projects undertaken by our Group to avoid having to borrow or to minimise funding needs so as to reduce financing costs.

The imposition of the build-then-sell concept will have an impact on our Group's timing of recognition of revenue as our Group will no longer be able to recognise revenue on a progressive basis (as it has been doing so before the imposition of the build-then-sell concept) but in one lump sum at the point of sale after the development projects have been completed. Whilst the timing of recognition of revenue may be different (delayed), the overall amount of profits earned in respect of such projects should not be materially affected.

- (ii) the imposition by Bank Negara Malaysia ("**BNM**") of a maximum loan-to-value ("**LTV**") ratio of 70% for third home loans:

BNM has, with effect from 3 November 2010, imposed the LTV ratio of 70% for third home-financing facility taken by end-purchasers in a bid to curb excessive investment and speculative activity in the residential property market. As the financing facilities for the purchase of the first and second homes are not affected by this ruling, the introduction of this new ruling should not have a material and adverse effect on our financial condition and the results of our operations. We cannot however assure any investor that the ruling will not have some impact on our residential developments though we do not view that the impact will be material or adverse on our financial condition and our residential development operations.

- (iii) any increase in the deposit required to be made by a development company with the Controller of Housing pursuant to Section 6 of the HDA:

In the event the Malaysian government were to raise the deposit which currently amounts to not less than RM200,000 in cash (or in such other form as the Minister of Housing and Local Government may determine), then, depending on the level of such increase, our cash flow may be affected. However, our Group is of the opinion that we would be able to raise sufficient funds for the deposit requirements and as such, any increase in such deposit will not have a material and adverse effect on our financial condition and results of operations.

5. RISK FACTORS *(cont'd)*

5.3 RISKS RELATING TO OUR SHARES

5.3.1 There has been no prior market for our Shares

There has been no prior market for our Shares and there can be no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares. Neither we nor the Promoters, the Selling Shareholders, the Sole Bookrunner, the Managing Underwriter and Joint Underwriters have an obligation to make a market in our Shares.

Relevant documents will be submitted to Bursa Securities for the listing of and quotation for our entire share capital (including the IPO Shares) on the Main Market and it is expected that there will be an approximate 12 Market Days gap between closing of the Retail Offering and trading of our Shares. We cannot assure you that there will be no event or occurrence that will have an adverse impact on the securities markets, our industry or us during this period that would adversely affect the market price of our Shares when they begin trading.

5.3.2 Our Share price may be volatile

The market price of our Shares could be affected by numerous factors, including:

- (i) general market, political and economic conditions;
- (ii) trading liquidity of our Shares;
- (iii) changes in earnings estimates and recommendations by financial analysts;
- (iv) changes in market valuations of listed shares in general and other securities exchanges' shares in particular;
- (v) changes in government policy, legislation or regulation; and
- (vi) general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of our Shares. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Institutional Price or the Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that have affected the share prices of many companies. Share prices of many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. There can be no assurance that the price and trading of our Shares will not be subject to fluctuation.

5. RISK FACTORS *(cont'd)*

5.3.3 There may be a delay or failure in trading of our Shares

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

- (i) we are unable to meet the minimum public spread requirements as determined by Bursa Securities, i.e. having at least 25.00% of our issued and paid-up Shares in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of Listing; or
- (ii) we are not able to submit the required documents to Bursa Securities for the Listing for whatever reason.

In such an event, investors will not receive any IPO Shares and we and the Selling Shareholders will be jointly and severally liable to return in full, all monies paid in respect of any application for the IPO Shares. If such monies are not paid within 14 days after we and the Selling Shareholders become liable to repay it, then pursuant to sub-section 243(2) of the CMSA, we and the Selling Shareholders will become jointly and severally liable to repay the monies with interest at the rate of 10.00% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

5.3.4 We may not be able to pay dividends

We intend to adopt a policy of active capital management. We propose to pay dividends out of cash generated by our operations after setting aside necessary funding for capital expenditures and working capital needs.

Dividend payments are not guaranteed and our Board may decide, at its sole absolute discretion, at any time and for any reason, not to pay dividends or to pay lower dividends than we currently propose. If we do not pay dividends, or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of the investment in our Shares may be reduced.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditures as well as our ability to make interest and principal repayments on our debt. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be possible on favourable terms or at all. Further, some of our existing borrowings are, and any new borrowings which we may incur subsequent to the Listing, may contain covenants restricting our ability to pay and/or the amount of dividends payable.

5.3.5 We are a holding company and, as a result, are dependent on dividends from our Subsidiaries and our Associated Company to meet our obligations and to provide funds for payment of dividends on our Shares

We are a holding company and conduct substantially all of our operations through our Subsidiaries and our Associated Company. Accordingly, dividends and other distributions received from our Subsidiaries and our Associated Company are our principal source of income. Consequently, the amount of these dividends and distributions are an important factor in our ability to pay dividends on our Shares (to the extent declared by our Board). The ability of our Subsidiaries and our Associated Company to pay dividends or make other distributions to us is subject to the availability of distributable reserves, applicable legal restrictions contained in their loan agreements and to these companies' having sufficient funds that are not needed to fund their operations, other obligations or business plans.

5. RISK FACTORS *(cont'd)*

In addition, changes in FRS may affect the ability of our Subsidiaries and our Associated Company (and consequently us) to declare and pay dividends. As we are a shareholder of our Subsidiaries and Associated Company, our claims as a shareholder will generally rank junior to all claims of our Subsidiaries' and our Associated Company's creditors and claimants. In the event of a liquidation of a subsidiary or associated company, there may not be sufficient assets for us to recoup our investment in that subsidiary or associated company (as the case may be).

5.3.6 **The sale or the possible sale of a substantial number of our Shares in the public market following the IPO could adversely affect the price of our Shares**

Following the sale of up to 407.00 million IPO Shares, up to 34.04% of our Shares will be publicly held by investors participating in the IPO. The IPO Shares sold in the IPO will be tradable on the Main Market of Bursa Securities without restriction following the Listing. Our Shares will not be sold in the United States but may be sold outside the United States subject to the restrictions of Regulation S. We have entered into lock-up arrangements as described in Section 4.7.3 of this Prospectus entitled "Lock-up Arrangements". Both UOA Holdings and UOA, as the Promoters and Selling Shareholders, are subject to moratorium in accordance with the SC's requirements and the lock-up arrangements described in Section 4.7.3 of this Prospectus entitled "Lock-up Arrangements".

In addition, notwithstanding our Group's existing level of cash and cash equivalents, we may issue additional Shares after the end of the lock-up period in connection with financing activities or otherwise, and it is possible that UOA Holdings may dispose of some or all of their Shares after the end of the moratorium and lock-up period, pursuant to their own investment objectives. If UOA Holdings sell or are perceived as intending to sell a substantial amount of Shares or if we issue additional new shares, the market price for our Shares could be adversely affected.

5.4 OTHER RISK

Forward-looking statements in this Prospectus may not be accurate

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and prospects of our management for future operations are forward-looking statements. Such forward-looking statements are made based on assumptions that we believe to be reasonable as at the date hereof. Forward-looking statements can be identified by the use of forward-looking terminology such as words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of our Group, or industry results, to be materially different from any results, performance expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, inter-alia, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and the Government of Malaysia's initiatives.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

6. INDUSTRY OVERVIEW

(Prepared for inclusion in this Prospectus)

CB Richard Ellis (Malaysia) Sdn Bhd
Company Number : 333510 P

CBRE
CB RICHARD ELLIS

29 April 2011

The Board of Directors
UOA Development Bhd
Wisma UOA, Bangsar South
Tower 1, Avenue 3
Bangsar South City
No.8, Jalan Kerinchi
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Malaysia

#9-1, Level 9, Menara Millennium
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T: 603 2092 5955
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Dear Sirs,

INDEPENDENT MARKET RESEARCH REPORT ON THE MALAYSIAN PROPERTY MARKET PREPARED FOR UOA DEVELOPMENT BHD ("UOA DEVELOPMENT") FOR THE PURPOSE OF INITIAL PUBLIC OFFERING

We, CB Richard Ellis (Malaysia) Sdn Bhd ("CBRE"), have prepared the Independent Market Research report ("Report") on the Malaysian property industry for inclusion in UOA Development's prospectus ("Prospectus") in relation to the forthcoming initial public offering ("IPO") and listing on the Main Market of Bursa Malaysia Securities Berhad.

We are aware that this Report will be included in the Prospectus and we further confirm that we are aware of our responsibilities under Section 214 of the Capital Markets and Services Act, 2007.

This research is undertaken with the purpose of providing an overview of the Malaysian property industry.

We acknowledge that if we are aware of any significant changes affecting the content of this Report between the date hereof and the issue date of the Prospectus, we have an on-going obligation to cause this Report to be updated for the changes and, where applicable, cause UOA Development to issue a supplementary prospectus, or withdraw our consent to the inclusion of this Report in the Prospectus.

This Report is subject to the following limiting conditions:

- Neither the whole nor any part of this Report or any reference to it may be included in any published document, circular to statement nor published in any way without CBRE's prior written approval of the form and context in which it may appear (other than in respect of any documents / information necessary to facilitate the IPO);
- Where it is stated in the Report that information has been supplied to CBRE by another party, this information is believed to be reliable by CBRE. Other information is derived from sources which we believe to be reliable to the best of our ability. We can accept no responsibility if this should prove not to be so;
- Our Report is made solely for the use of the party to whom it is addressed and to their professional advisors for the specific purpose to which it refers. CBRE disclaims all responsibility and will accept no liability to any other party.
- Any plan or map in this Report is included to assist the reader in visualising the property. We have made no survey of the property and assume no responsibility in connection with such matters.



DIRECTORS

Christopher Boyd FISM, FRICS, AAPI, MSISV Allan Soo MISM, MRICS Paul Khong MISM, MRICS Wee Soon Chit MISM, MRICS

Formerly



6. INDUSTRY OVERVIEW (cont'd)



CBRE has prepared this Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the Report. We believe that this Report presents a true and fair view of the industry within limitations of amongst others, our primary and secondary research. We are not responsible for the decisions and/or actions of the readers of this Report. This Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

For an on behalf of CB Richard Ellis (Malaysia) Sdn Bhd,

A handwritten signature in black ink, appearing to read "Chris Boyd", with a stylized flourish at the end.

CHRISTOPHER BOYD
Executive Chairman

6. INDUSTRY OVERVIEW (cont'd)

Chapter 1 Introduction

1.0 INTRODUCTION

CB Richard Ellis ("CBRE") was commissioned by UOA Development Bhd (hereinafter referred to as "UOA Development") to provide an Independent Market Research report ("Report") for the purpose of UOA Development's Initial Public Offering ("IPO") and listing on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Report aims to satisfy the following scope of work:

(A) **Economic Overview and Outlook:** An overview of the Malaysian economy focusing on macroeconomic indicators will be presented in this section.

(B) **Property Market Overview and Outlook:** CBRE will carry out an assessment of the relevant property market sectors in Klang Valley (i.e. Kuala Lumpur and Selangor). This includes an overview of demand and supply as well as outlook of the residential (condominiums/apartments and landed residential houses), commercial (office and SoHo), and the industrial sectors in Klang Valley in general.

(C) **Business Overview and Prospects:** This section of the report provides a general commentary on UOA Development's and UOA Group's completed and ongoing property projects, as well as its future proposed developments.

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6. INDUSTRY OVERVIEW (cont'd)

Chapter 2

Economic Overview and Outlook

2.0 ECONOMIC OVERVIEW AND OUTLOOK

2.1 Gross Domestic Product (GDP)

■ Table 2.1: Malaysia's GDP

MALAYSIA	2005	2006	2007	2008	2009 ^p	2010 ^f
Real GDP at Constant 2000 Prices (RM billion)	449.3	474.4	504.9	528.3	521.1	552.1
Real GDP Growth (%)	5.3	5.8	6.2	4.6	-1.7	7.0

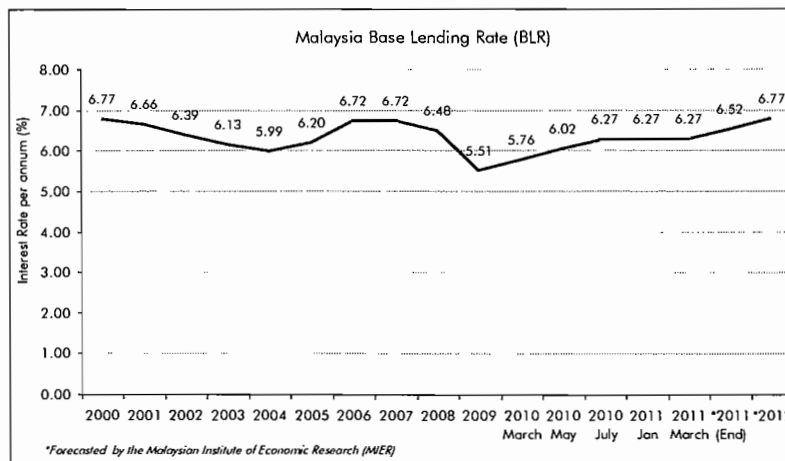
Note: P = Preliminary F = Forecast

Source: Department of Statistics Malaysia, Ministry of Finance Malaysia, Economic Planning Unit

- Malaysia's GDP registered a strong growth of 6.2% in 2007, well ahead of the 5.3% to 5.8% recorded over 2005-2006. Although the Malaysian economy initially appeared to be the most sheltered in the region from the global downturn, it nevertheless encountered a drop to below 5.0% in GDP in Q3 2008 and 0.1% in Q4 2008.
- In a bid to avoid a possible recession, the government introduced two economic stimulus packages to counter the slowing growth – RM7.0 billion in November 2008 and RM60.0 billion in March 2009.
- The first three quarters of 2009 registered negative growth indicating the country was well into a recession. Nevertheless, the contraction was at reducing rates in Q2 and Q3 2009. In Q4 2009, the economy rebounded at a GDP growth rate of 4.5% amid strengthened domestic demand, bringing the GDP growth rate for the entire year in 2009 to -1.7%.
- GDP for Q1 2010 and Q2 2010 were registered at 10.1% and 8.9% growth respectively, before reducing to 5.3% in Q3 2010 and 4.8% in Q4 2010. In the recent Budget 2011 announcement, the Malaysian Government estimated the GDP growth for 2010 at 7.0%.

2.2 Base Lending Rate (BLR)

■ Chart 2.2: Malaysia BLR



Source: Bank Negara Malaysia (BNM)

6. INDUSTRY OVERVIEW (cont'd)

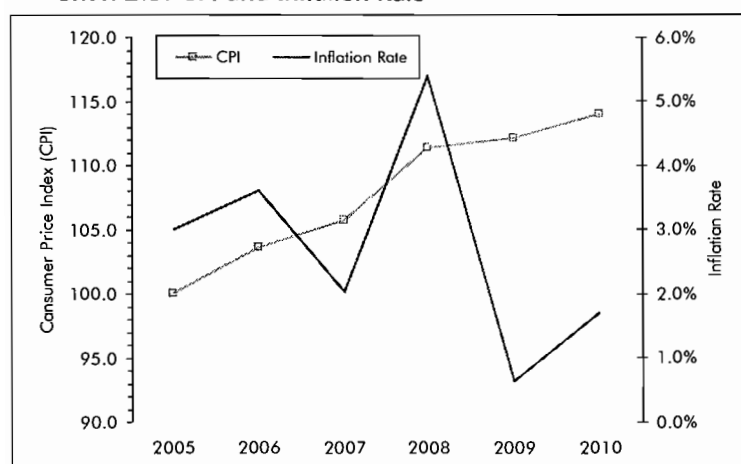
Chapter 2

Economic Overview and Outlook

- In 2005, the average BLR in Malaysia was recorded at 6.20% in 2005 and gradually increased to a peak of 6.72% over 2006-2007 before decreasing slightly to 6.48% in 2008. Following the economic downturn, the average BLR was on a declining trend and recorded a low of 5.51% in August 2009.
- The Overnight Policy Rate ("OPR") has been raised thrice by Bank Negara Malaysia ("BNM") since March 2010 (unchanged at 2.00% for seven consecutive monetary policy committee meetings since April 2009). The first announcement on raising the OPR was in March 2010 by 25 basis points to 2.25%, followed by another revision to 2.50% in May 2010 before the third announcement in July 2010 of another 25 basis points to 2.75%, bringing the current BLR to 6.27%, rounded up to 6.30%. Nonetheless, the interest rate hikes have yet to reach the year 2007 pre-crisis BLR level of 6.72%, with BNM explaining these recent hikes as the "normalisation" of interest rates in support of the growth of a recovering economy. The current BLR remained at 6.27% as BNM has kept the key OPR unchanged at 2.75% in its meeting in January and March 2011. To help keep inflation in check, the Malaysian Institute of Economic Research ("MIER") is forecasting an increase in BNM's key overnight rate to 3.00% in 2011 and a further increase in the benchmark rate to 3.25% in 2012. This forecast would take the BLR up to 6.52% in 2011 and 6.77% in 2012.

2.3 Consumer Price Index (CPI) and Inflation Rate

■ Chart 2.3: CPI and Inflation Rate



Source: Department of Statistics Malaysia, Ministry of Finance Malaysia, Economic Planning Unit

- Malaysia's Consumer Price Index ("CPI") has increased from 100.0 in 2005 to 103.6 in 2006. The CPI recorded at 105.7 in 2007 and continued its uptrend to 111.4 in 2008, 112.1 in 2009 and 114.0 in 2010.
- Domestic headline inflation is measured as an annual percentage increase from the CPI. Malaysia's average inflation rate was 3.0% in 2005 and 3.6% in 2006. However, it decreased to 2.0% in 2007 before peaking at 5.4% in 2008 due to the impact from a fuel price hike in mid-2008. The average inflation rate then shrunk to 0.6% in 2009 in tandem with the slower economic growth rate. However, the average inflation rate increased again in 2010 to 1.7%.

6. INDUSTRY OVERVIEW (cont'd)

Chapter 2

Economic Overview and Outlook

- According to the Monetary Policy Statement dated 11 March 2011 by BNM, the domestic headline inflation has increased to 2.4% in January 2011. BNM expects consumer prices to continue to rise as they are driven primarily by significant increases in global commodity and energy prices.

2.4 Population and Demographics

- Table 2.4a: Malaysia's Population, 2000 & 2010

STATE	Census 2000		Census 2010	
	Total ('000)	Percentage of Total	Total ('000)	Percentage of Total
Selangor	3,941.32	17.76%	5,411.32	19.63%
Johor	2,585.00	11.65%	3,233.43	11.73%
Sabah	2,468.25	11.12%	3,120.04	11.32%
Sarawak	2,009.89	9.05%	2,420.01	8.78%
Perak	1,973.37	8.89%	2,258.43	8.19%
Kedah	1,571.08	7.08%	1,890.10	6.86%
W.P.Kuala Lumpur	1,305.79	5.88%	1,627.17	5.90%
Kelantan	1,287.37	5.80%	1,459.99	5.30%
Pulau Pinang	1,231.21	5.55%	1,520.14	5.51%
Pahang	1,229.10	5.54%	1,443.37	5.24%
Terengganu	880.23	3.97%	1,015.78	3.68%
N.Sembilan	829.77	3.74%	997.07	3.62%
Melaka	605.24	2.73%	788.71	2.86%
Perlis	198.29	0.89%	227.03	0.82%
W.P.Labuan	70.87	0.32%	85.27	0.31%
W.P.Putrajaya	11.50	0.05%	67.96	0.25%
Malaysia	22,198.28	100.00%	27,565.82	100.00%

Source: Population and Housing Census of Malaysia Preliminary Count Report 2010 from Department of Statistics, Malaysia

- **Total Population:** Based on the Population and Housing Census of Malaysia Preliminary Count Report 2010 dated 15 November 2010, the total population in Malaysia stands at 27.57 million. The state of Selangor has the largest population in the country at 5.41 million, equivalent to 19.63% of the country's total population. Population in the country's capital city of Kuala Lumpur stands at about 1.63 million in 2010. The combined total population of Selangor and Kuala Lumpur stands at 7.04 million.
- **Average Household Size:** The average population per household in the country is 4.31 according to the Preliminary Count Report from Department of Statistics Malaysia. Kuala Lumpur has an average population per household of 3.72 whilst Selangor has an average of 3.93 persons per household.
- **Population by Age Group:** The composition of the Malaysian population by age group has been consistent over the past ten years. As at July 2010, about 52.00% of the Malaysian total population is aged between 20 to 59 years. About 41.00% below 19 years whilst only 7.00% are at 60 years and above. These figures are almost similar to the Kuala Lumpur and

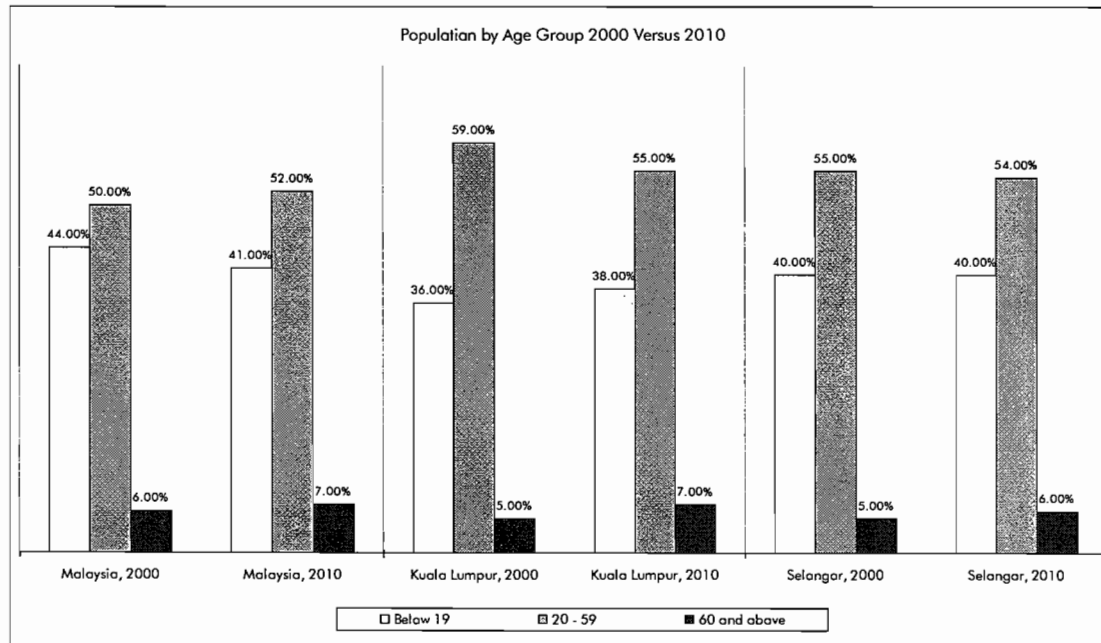
6. INDUSTRY OVERVIEW (cont'd)

Chapter 2

Economic Overview and Outlook

Selangor population by age group, where 54.00%-55.00% are aged between 20 to 59 years, 38.00%-40.00% are below 19 years, and 6.00%-7.00% are at 60 years and above.

■ Chart 2.4b: Malaysia and Klang Valley's Population by Age Group, 2000 versus 2010



Source: Department of Statistics, Malaysia

2.5 Unemployment Rate

■ Table 2.5: Malaysia's Labour Force

Year	2004	2005	2006	2007	2008	2009
Malaysia						
Labour Force (Million)	10.8	11.3	11.5	11.8	12.0	12.1
Employed (Million)	10.5	10.9	11.2	11.4	11.5	11.6
Unemployment Rate (%)	3.5	3.5	3.3	3.2	3.3	3.7

Source: Department of Statistics Malaysia

- Malaysia's unemployment rate has remained stable at 3.5% since 2004 before decreasing to 3.3% in 2006 and 3.20% in 2007. However, the unemployment rate increased slightly to 3.7% in 2009 due to the slowdown in economic activities.

2.6 Mean Gross Monthly Household Income

- Based on the Household Income Survey carried out by the Department of Statistics, the national mean gross monthly household income has increased from RM2,472 in 1999 to RM4,025 in 2009 at a compounded annual growth rate ("CAGR") of 5.00%.

6. INDUSTRY OVERVIEW (cont'd)

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Economic Overview and Outlook

■ Table 2.6: Malaysia and Klang Valley's Mean Gross Monthly Household Income

State / RM	1999	2004	2007	2009	Compounded Annual Growth Rate (1999 – 2009)
Malaysia	2,472	3,249	3,686	4,025	5.00%
Kuala Lumpur	4,105	5,011	5,322	5,488	2.95%
Selangor	3,702	5,175	5,580	5,962	4.88%

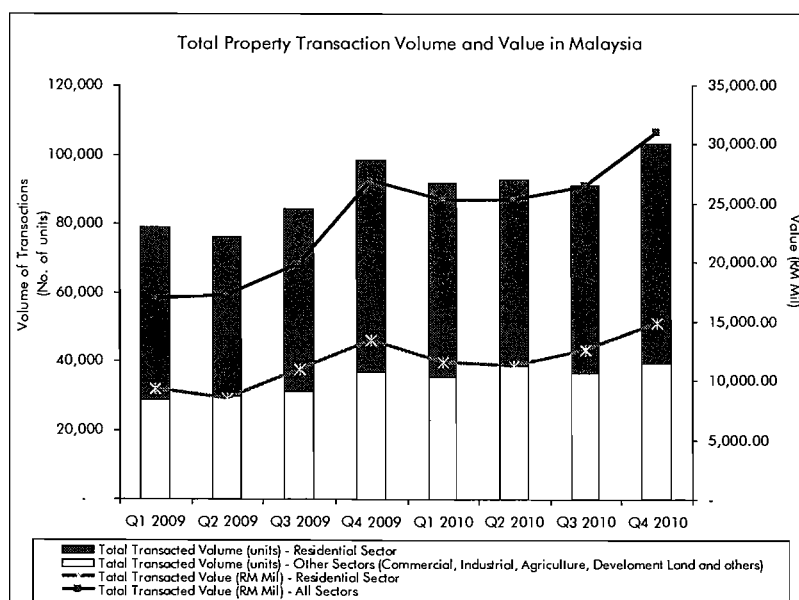
Source: Economic Planning Unit and Department of Statistics, Malaysia Household Income Survey

- The mean gross monthly household income in Kuala Lumpur and Selangor was RM5,488 and RM5,962 respectively in 2009, both of which were higher than the national average of RM4,025. Both states recorded a CAGR of 2.95% and 4.88% respectively from 1999 to 2009.

2.7 Performance of Real Estate Market

- The Malaysian property market recorded a modest performance in 2009 with a total of 337,859 property transactions worth a total of RM80.99 billion (2008: 340,240 transactions worth RM88.34 billion).
- Residential properties made up 62.6% of the total transactions worth RM41.84 billion (2008: 216,702 transactions worth RM41.30 billion) whilst commercial properties recorded 33,329 transactions worth RM16.39 billion (2008: 31,749 transactions worth RM16.62 billion).
- Although the overall market volume and value in 2009 were marginally below that of 2008, there were clear signs of recovery as total market activity and value increased especially in Q4 2009 to 98,262 transactions worth RM26.91 billion. The overall market in 2010 was performing better than in 2009, as visualised in the chart below:-

■ Chart 2.7: Malaysia's Volume & Value of Property Transactions (Q1 2009 – Q4 2010)



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

6. INDUSTRY OVERVIEW (cont'd)

Chapter 2

Economic Overview and Outlook

2.8 Federal Government Initiatives

- 2009 marked significant changes in the history of Malaysia's economic development with the government's unveiling of a comprehensive package of economic liberalisation measures. The new policies are wide in scope and will have a significant impact on the real estate sector as they remove most restrictions on the purchase of properties by foreign investors. Other measures will widen and diversify the base of the nation's economy by encouraging the growth of the service and financial sectors whilst also creating new opportunities for international investment.
- **Repeal of the Foreign Investment Committee Guidelines:** Effective 30 June 2009, the former Foreign Investment Committee ("FIC") guidelines were repealed, resulting in the abolition of most restrictions on the purchase of properties by foreign investors. Previously under the FIC all property acquisitions by a foreign investor were subject to FIC approval. Some minor restrictions remain however: Approval from the Economic Planning Unit ("EPU") is required where a direct or indirect property transaction involves the dilution of Bumiputera (indigenous and ethnic Malay) or government interest for properties valued at RM20 million and above, while foreign investors are allowed to purchase properties other than residential priced above RM500,000 per unit and residential properties priced above RM250,000 per unit, with the latter proposed to increase to RM500,000 per unit in 2010. These measures are designed to increase the number and volume of deals completed, attracts more foreign investment, and should reduce risk for foreign investors who are considering entering the Malaysian real estate market for the first time or further expanding their existing foothold.
- **Liberalisation Measures on Services and Financial Sector:** Other measures have focused on the service and financial sectors. In the case of the former, the government aims to increase the service sector's contribution to Malaysia's GDP from 55% to 60% and intends to achieve this by progressively liberalising various service sub-sectors. Its first step has been to remove with immediate effect the 30% Bumiputera equity condition on 27 sub-sectors of the service sector including business services, computer and related services, health and social services, sporting and other recreational services, tourism services and transport services. The financial liberalisation measures, which are to be implemented over the next three years, include the issuance of Islamic and commercial banking licences to allow more foreign companies to operate in the Malaysian financial services sector, a step which should provide the impetus to create new demand in the office sector as economic conditions improve. Seven new foreign banks, including two mega-Islamic institutions, will be permitted to operate by 2012. In addition to the removal of the former FIC guidelines covering property acquisition by foreigners, those relating to the acquisition of equity stakes, mergers and takeovers were also repealed, meaning that, with a few exceptions, there will no longer be a general 30% Bumiputera equity condition imposed by the FIC, although regulators of certain strategic sectors will still be able to continue to impose equity conditions on companies operating within them. The new measures are expected to have a positive medium term impact and spur interest on the part of foreign and local institutional property funds and Real Estate Investment Trusts ("REITs") in entering the Malaysian real estate market. The removal of the 30% Bumiputera equity condition in certain sectors of the economy is particularly significant: the

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existence of this regulation had formerly deterred many foreign institutional investors from investing in Malaysia but its rolling back for the first time puts the country's policies on an even footing with those found in Hong Kong and Singapore and sets Malaysia apart from some of the still emerging economies elsewhere in Southeast Asia.

- **Multimedia Super Corridor (MSC) Status Office Buildings** were first introduced in 1996, being designated physical areas and environments that catalyse and support the growth of information communication technology industries. Among such MSC Cybercentres in Klang Valley include Technology Park Malaysia, UPM-MTDC Technology Centre @ Universiti Putra Malaysia, KLCC Tower 2; Plaza Sentral, Quill 7 and 1 Sentral @ KL Sentral; Menara TM, The Gardens @ Mid Valley (North & South Tower), CityPark @ i-City; IBM & KPMG Tower, 1 Tech Park, and 1 First Avenue @ Bandar Utama; The Horizon in Bangsar South City, and GTower. These, as well as multimedia faculties located in institutions of higher learning outside the cybercities, are eligible for the following incentives/facilities and benefits:

- Pioneer Status with income tax exemption of 100% of the statutory income for a period of ten years or Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of five years to be offset against 100% of statutory income for each year of assessment
- Eligibility for research and development grants (for majority Malaysian-owned MSC Status companies)
- Duty-free import of multimedia equipment
- Intellectual property protection and a comprehensive framework of cyberlaws
- No censorship of the Internet
- World-class physical and IT infrastructure
- Globally competitive telecommunication tariffs and services
- Consultancy and assistance by the Multimedia Development Corporation to companies within the MSC
- High quality, planned urban development
- Excellent research and development facilities
- Green and protected environment
- Import duty, excise duty and sales tax exemption on machinery, equipment and materials

- **Incentives for Green Building Development:** The launch of Malaysia's very own green building rating system, The Green Building Index ("GBI"), in May 2009 has been heralded as a major step towards promoting the construction of environmentally-friendly buildings in the country. The GBI rates buildings according to six key criteria: Energy Efficiency; Indoor Environmental Quality; Sustainable Site Planning and Management; Material and Resources; Water Efficiency; and Innovation. According to the GBI assessment framework, achieving points in these categories will mean that the building is likely be more environmentally-friendly than those that do not address such issues. The GBI methodology involves an assessment at the design stage leading to the award of the provisional GBI rating. The final award is not issued until one year after the building is first occupied. The scheme requires buildings to be re-assessed every three years in order to maintain their GBI rating so as to ensure they are properly managed and well-maintained. Buildings are awarded Platinum, Gold, Silver or Certified ratings depending on the results they attain in the six categories. The Malaysian government has swung its weight behind the drive towards green buildings and green technology and its Budget 2010 was the first one ever to give priority to the procurement of goods and services that are environmentally friendly. The budget contained the pledge to create a fund of no less than RM1.50 billion to be given as soft loans to companies that supply

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and utilise green technology. The scheme commenced on 1 January 2010 and is expected to benefit 140 companies. The government has also granted tax breaks and stamp duty exemptions respectively to building owners obtaining GBI certificates and buyers purchasing buildings with GBI certificates. Building owners obtaining GBI certificates between 24 October 2009 and 31 December 2014 are entitled to income tax exemption equivalent to the additional capital expenditure incurred in obtaining the certificates, while buyers purchasing buildings with GBI Certificates from developers are entitled to be given stamp duty exemption on instruments of transfer of ownership. The exemption amount will be equivalent to the additional cost incurred in obtaining the GBI certificates, and is given to buyers who successfully execute sales and purchase agreements from 24 October 2009 until 31 December 2014. The GBI has already gained significant momentum in the months since its introduction and the development industry in Malaysia has responded rapidly and favourably to the call for more environmentally-friendly buildings.

- **New Economic Model (NEM):** The first quarter of 2010 ended on a positive note with the announcement by Malaysia's Prime Minister on the NEM; a framework that is expected to set the course for Malaysia's path towards becoming a high-income economy by the year 2020. One of the key strategies targeted under NEM to improve the financial services sector includes promoting the country as a hub for integrated Islamic financial services. The Malaysian government has recently unveiled its plans to build an Islamic financial district in the capital city known as Kuala Lumpur Islamic Financial District.
- **Tenth Malaysia Plan (10MP):** The Prime Minister tabled the 10MP for the period of 2011 to 2015, which highlights the country's approaches towards becoming a high income and high productivity economy. Among the property-related highlights of the 10MP includes:-
 - Redevelopment of pockets of land in Kuala Lumpur which includes land in the vicinity of Kampung Baru and Sungai Besi airport, the latter of which will be a mixed development known as Bandar 1Malaysia and has been entrusted to a consortium of companies which includes 1Malaysia Development Berhad ("1MDB"), Lembaga Tabung Angkatan Tentera and Qatar Investment Authority;
 - The development of the RM26 billion KL International Financial District via a joint venture between 1MDB and Mubadala Development Company (an Abu Dhabi government investment vehicle); and
 - The creation of a Facilitation Fund worth RM20 billion to help the private sector finance projects such as land reclamation in Westport, Port Klang, the Malaysia Truly Asia Tourism Centre in Kuala Lumpur and Senai High Technology Park in Iskandar Malaysia, Johor.
- **Budget 2011:** On 15 October 2010, the Prime Minister presented the annual Budget which featured major public-private investment-driven infrastructure projects to push the country towards becoming a high-income nation. Among the highlights include:-
 - Six new highways to be constructed i.e. Ampang-Cheras-Pandan Elevated Highway, Guthrie-Damansara Expressway, Damansara-Petaling Jaya Highway, Pantai Barat-Banting-Taiping Highway, Sungai Dua-Juru Highway and Paroi-Senawang-KLIA Highway;

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- The Greater Kuala Lumpur Mass Rapid Transit ("MRT") project to be implemented from 2011 and completed by 2020, with an estimated private investment of RM40 billion;
- Pemodalan Nasional Berhad to develop Warisan Merdeka, a new 100-storey landmark skyscraper costing RM5 billion, to be located within the enclave of the Merdeka Stadium and Stadium Negara, and expected to be completed by 2020;
- Incentives for first-time home buyers:-
 - Introduction of the new My First House Scheme (Skim Rumah Pertamaku) which allows first-time buyers to obtain 100% loan if they have a family income of less than RM3,000.00 per month, with the 10% downpayment to be guaranteed by Cagamas Berhad for houses priced below RM220,000;
 - 50% stamp duty exemption for first-time home buyers on instruments of transfer for residences priced not more than RM350,000; and
 - 50% stamp duty exemption for loan agreement instruments to finance first-time purchasers.
- Housing loan for civil servants increased from RM360,000 to a maximum of RM450,000, effective 1st January 2011;
- Setting-up of a syariah-compliant Bumiputera Property Trust scheme in 2010 with a size of RM1 billion, to enable bumiputera ownership of prime commercial properties in the Klang Valley through a group ownership scheme;
- RM10 billion to build affordable housing, commercial and industrial properties in the 3,000-acre Malaysian Rubber Research Institute land in Sungai Buloh, to be undertaken by Employees Provident Fund and completed by 2025; and
- RM50 million government funding to build shaded walkways in the KLCC-Bukit Bintang vicinity and RM85 million to facilitate construction of hotels and resorts in remote areas.

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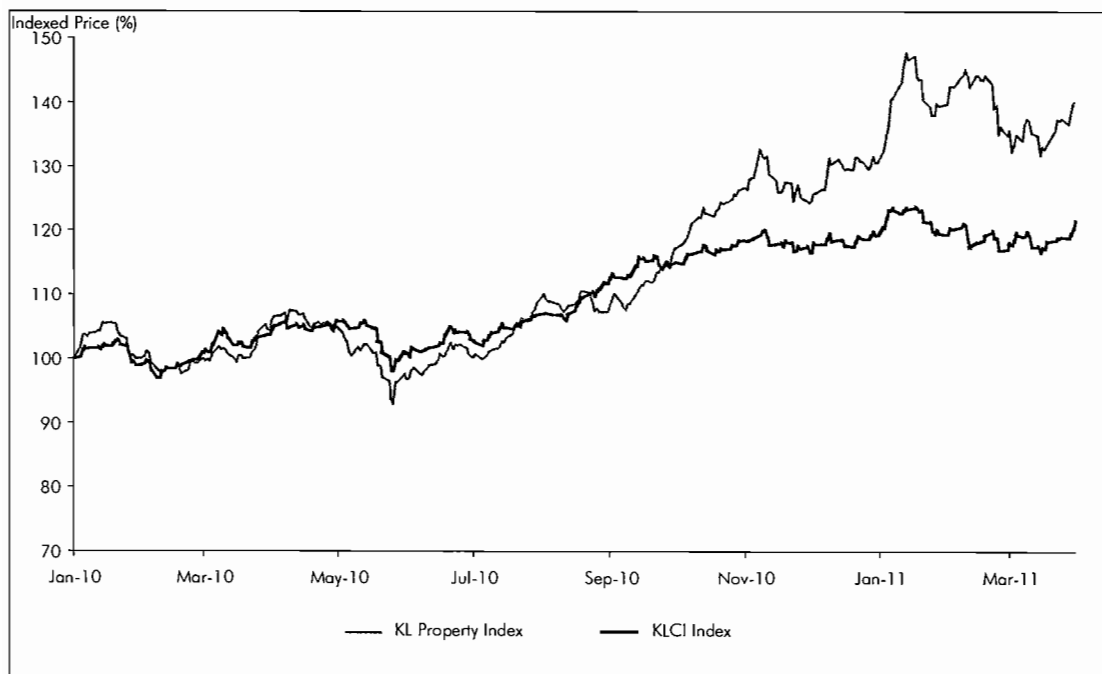
Property Market Overview and Outlook

3.0 PROPERTY MARKET OVERVIEW AND OUTLOOK

- The property development industry in Malaysia is generally segregated into residential, commercial, industrial and agricultural sectors.
- UOA Development focuses on developing residential and commercial properties in Kuala Lumpur. They also have land bank in Selangor, proposed for a future commercial development.
- The following sections of the report analyse the supply (existing and future) and demand (absorption rates) of the residential, commercial and industrial sectors of the Klang Valley.

3.1 Property Market Activities in Kuala Lumpur and Selangor

■ Chart 3.1a: KLPRP and FBM KLCI



Source: Bloomberg

- The Kuala Lumpur Property Index ("KLPRP") outperformed the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") as of end March 2011, having ended 2010 as one of the best performing sectors in Malaysia. KLPRP started to outperform in 2H 2010 on the back of announcements of record profits and sales by major developers, land bank acquisitions, as well as sustained property sales amid low financing rates, improving sentiments and high affordability. The property sector is anticipated to witness more merger and acquisition activities and strong property sales. (Source: Analyst research reports)

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■ Table 3.1b: Various Indices

Index	31 Dec 2008	31 Dec 2009	30 Dec 2010	1-year change	2-year change
KLTIN Index	231.01	291.81	648.46	122.2%	180.7%
FBM70 Index	5,442.06	8,269.22	10,897.90	31.8%	100.3%
KLPRP Index	515.61	781.71	1,020.86	30.6%	98.0%
KLCON Index	164.18	224.29	285.01	27.1%	73.6%
KLPLN Index	4,142.80	6,362.91	8,036.25	26.3%	94.0%
KLFIN Index	6,791.71	11,053.40	13,856.32	25.4%	104.0%
FBMSC Index	6,552.82	10,165.81	12,625.36	24.2%	92.7%
FBMEMAS Index	5,726.46	8,507.61	10,374.98	21.9%	81.2%
FBM100 Index	5,613.94	8,308.89	10,116.56	21.8%	80.2%
KLCSU Index	282.03	372.39	450.45	21.0%	59.7%
FBMKLCI Index	876.75	1,272.78	1,518.91	19.3%	73.2%
KLSEI Index	117.91	160.94	191.15	18.8%	62.1%
FBMFL Index	5,420.98	7,421.81	8,715.74	17.4%	60.8%
FBMHS Index	6,640.04	9,312.02	10,456.86	12.3%	57.5%
KLIND Index	2,063.85	2,654.51	2,832.95	6.7%	37.3%
KLTEC Index	13.69	18.14	18.46	1.8%	34.8
FBMMES Index	3,333.59	4,299.58	4,347.56	1.1%	30.4%

Source: Bloomberg

- In terms of property transactions, the total volume of transactions in Kuala Lumpur has shown an increase each year since 2007. However, the value of transactions dropped in 2009 to RM13,787.84 million from RM17,128.11 million in 2008. This was likely due to the global financial crisis that hit in the last quarter of 2008 and generally impacted property values in the country.

■ Table 3.1c: Volume & Value of Property Transactions in Kuala Lumpur, 2007 – 2010

Sector	Transaction volume & value of principal property sectors, 2007 – 2010							
	KUALA LUMPUR				KUALA LUMPUR			
	Volume (No. of units)				Value (RM Million)			
	2007	2008	2009	2010	2007	2008	2009	2010
Residential	15,076	18,840	20,220	21,263	6,177.85	8,215.89	7,883.90	10,387.45
Commercial	2,809	3,796	4,489	5,509	5,111.87	4,547.76	4,025.00	6,434.65
Industrial	271	280	229	250	354.20	484.02	166.11	232.04
Agriculture	0	0	0	0	0.00	0.00	0.00	0.00
Development land	581	497	384	351	3,978.76	3,879.98	1,712.83	2,974.64
Others	0	1	0	0	0.00	0.46	0.00	0.00
TOTAL	18,737	23,414	25,322	27,373	15,622.68	17,128.11	13,787.84	20,028.78

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

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- However, total transaction volume in 2010 showed that 27,373 units worth a total of RM20,208.78 million changed hands, in which the average value per property transacted in 2010 was higher than that of properties transacted in the entire year of 2009. This shows that the property market picked up in 2010, with the residential sector continuing to dominate the property market, contributing about 77.68% of the total transaction volume worth RM10,387,45 million.

- Table 3.1d: Volume & Value of Property Transactions in Selangor, 2007 – 2010

Sector	Transaction volume & value of principal property sectors, 2007 – 2010							
	SELANGOR				SELANGOR			
	Volume (No. of units)				Value (RM Million)			
	2007	2008	2009	2010	2007	2008	2009	2010
Residential	61,364	64,175	64,727	59,457	15,020.89	15,980.67	16,834.90	20,186.68
Commercial	5,814	6,539	6,880	9,000	3,830.17	4,983.35	5,077.00	7,509.15
Industrial	3,097	2,812	2,700	3,128	3,757.59	4,103.23	3,486.94	5,054.80
Agriculture	3,925	4,605	5,048	5,906	972.63	1,057.99	1,044.58	1,676.06
Development land	2,004	2,518	2,513	2,137	2,209.92	1,573.15	1,592.98	2,065.00
Others	2	1	11	36	0.60	2.20	3.04	122.80
TOTAL	76,206	80,650	81,879	90,428	25,791.8	27,700.59	30,048.44	36,614.49

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- In Selangor, total transaction volume and value also showed an increase every year since 2007. A total of 90,428 units worth RM36,614.49 million changed hands in 2010, averaging RM404,902.00 per transaction.
- Every property sub-sector showed an improvement year-on-year in terms of transaction volume and value with the exception of the industrial sector, which reduced by about 3.98% and 15.02% in volume and value respectively in 2009 from 2008. However, the total transaction volume and value of Industrial Sector was picking up again in 2010.

3.2 Residential Property Market in Kuala Lumpur and Selangor

3.2.1 Demand of Residential Properties in Kuala Lumpur and Selangor

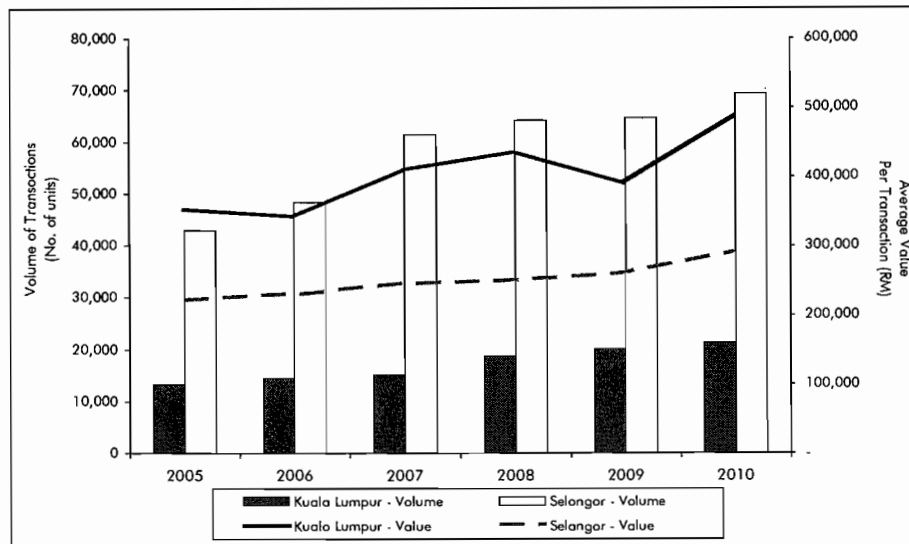
- In general, the sale of residential properties in Kuala Lumpur and Selangor has been on an uptrend since 2005. As at 2009, the sale of residential properties was recorded at 20,220 units and 64,727 units in Kuala Lumpur and Selangor respectively. The following table shows a summary of average value per transaction by types of residential property in Kuala Lumpur and Selangor.

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- Chart 3.2.1a: Transaction Volume and Value of Residential Property Market in Kuala Lumpur and Selangor



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- Table 3.2.1b: Average Value Per Transaction of Residential Properties in Klang Valley

State Type	Average Value Per Transaction by Types of Residential Property (RM)			
	Kuala Lumpur		Selangor	
	2009	2010	2009	2010
Vacant Plot	869,892	1,618,058	386,856	399,080
Single Storey Terrace	262,571	284,009	151,225	160,349
2 - 3 Storey Terrace	465,078	548,777	283,412	322,807
Single Storey Semi-Detach	465,806	513,947	240,597	255,371
2 - 3 Storey Semi- Detach	1,550,468	1,618,471	684,403	759,905
Detach	1,926,009	2,423,825	787,202	857,635
Condominium / Apartment	330,137	402,566	174,900	202,498
Cluster House	162,381	159,856	164,097	185,829
Town House	332,303	443,260	199,799	255,619
Flat	108,496	114,094	89,916	94,411
Low-Cost House	134,167	150,690	91,880	94,025
Low-Cost Flat	59,437	63,222	54,263	57,051
Others	745,833	1,204,762	326,471	303,889

Source: Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- Our analysis showed that the average value per transaction of the residential units in Kuala Lumpur increased by 38.68% from RM352,271 in 2005 to RM488,522 in 2010. A big jump of the average value per transaction in 2007/2008 was due to the property market booming especially in KLCC area. However, the average value per transaction started dipping in 2009 in tandem with the correction of high-end properties' prices in Kuala Lumpur. As at end 2010,

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the average value per transaction increased again to as high as RM488,522 as the economy began recovering from the financial crisis.

- In Selangor, average value per transaction increased steadily from RM220,698 in 2005 to RM290,636 in 2010, recording a hike of 31.69%.
- The most popular residential property type in Kuala Lumpur is the condominium/apartment which dominated about 50.96% of total volume of residential property transactions in 2010. This is followed by 2-3 storey terraced house at 15.00%. Our analysis of the average value per transaction of the condominium/apartment in Kuala Lumpur shows an increase from RM330,137 in 2009 to RM402,566 in 2010, representing about 21.94% hike in prices.
- Unlike Kuala Lumpur, the most popularly transacted residential property in Selangor is 2-3 storey terraced houses, contributing 33.77% of total residential property transactions in 2010, followed by condominiums/apartments at 21.23%.

■ **Table 3.2.1c: Volume of Residential Property Transactions in Klang Valley**

State Type	Volume of Residential Property Transactions by Types			
	Kuala Lumpur		Selangor	
	2009	2010	2009	2010
Vacant Plot	556	587	4,622	7,047
Single Storey Terrace	844	853	6,883	6,156
2 - 3 Storey Terrace	3,204	3,190	23,206	23,452
Single Storey Semi-Detach	31	38	603	525
2 - 3 Storey Semi- Detach	427	543	3	2,638
Detach	639	651	2,784	2,935
Condominium / Apartment	9,936	10,836	11,902	14,746
Cluster House	147	139	310	175
Town House	304	411	697	1,002
Flat	2,367	2,284	3,929	4,348
Low-Cost House	84	87	2,649	2,596
Low-Cost Flat	1,669	1,623	4,218	3,774
Others	12	21	17	54
Total	20,220	21,263	64,727	69,448

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- In general, sales of under-construction and yet-to-be constructed residential units performed better in Kuala Lumpur as compared to Selangor in 2010.
- According to the statistics from Valuation and Property Services Department, sales performance of newly-launched residential schemes in Kuala Lumpur and Selangor in 2009 was good, with a take-up rate of 57.93% and 58.46% respectively. In 2010, the take-up rates for newly launched residential schemes were 37.74% and 32.24% in Kuala Lumpur and Selangor respectively.
- Both Kuala Lumpur and Selangor achieved substantial take-up rates of 84.17% and 87.55% respectively for the completed residential units in 2009. About 63.73% and 65.74% sale rates were achieved for those properties under-construction in Kuala Lumpur and Selangor. However, the take-up rates for residential properties under-construction in 2010 was 41.72% and 49.04% in Kuala Lumpur and Selangor respectively.

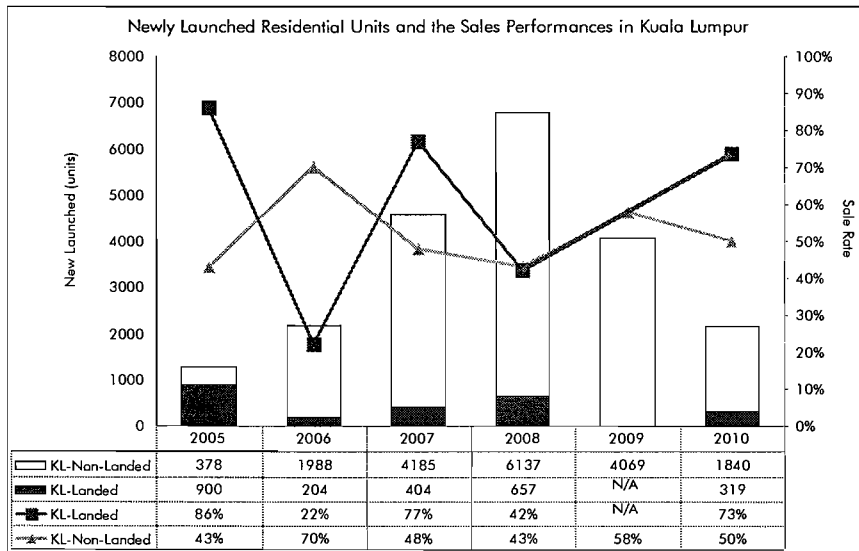
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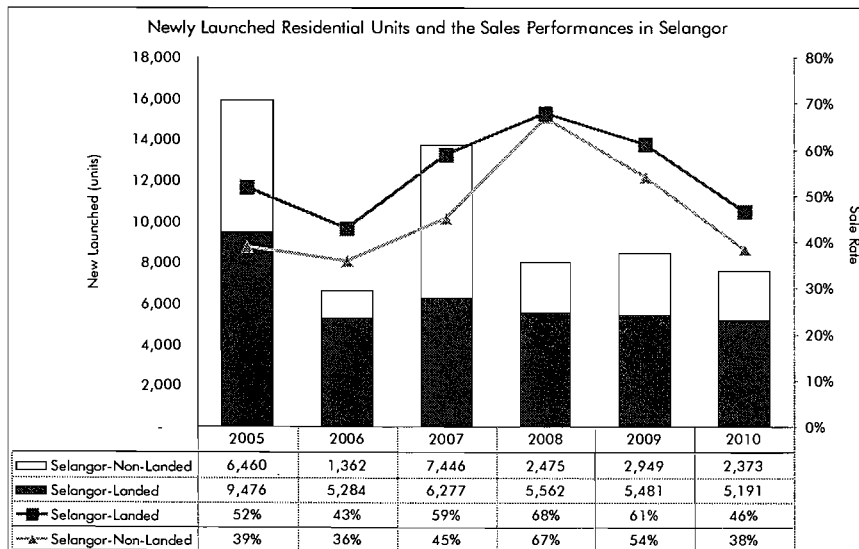
■ The following chart shows the performance of residential property market in Klang Valley from 2005 to 2010.

■ Table 3.2.1d: Sales Performance of Newly-Launched Residential Units in Kuala Lumpur



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

■ Table 3.2.1e: Sales Performance of Newly-Launched Residential Units in Selangor



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

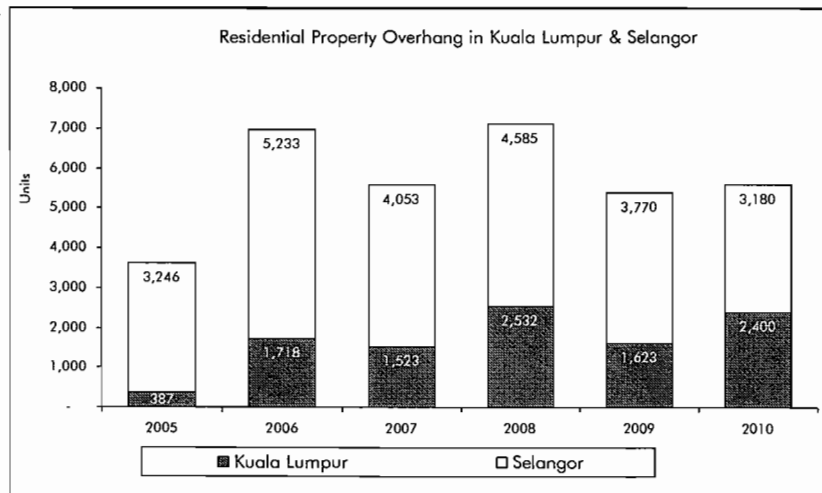
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- In Kuala Lumpur, there were a total of 2,159 new housing units offered for sale by developers in 2010. Out of these, 1,840 units were non-landed residential units and recorded a take-up rate of approximately 50% within nine months from their respective launching dates.
- Historically, the new non-landed residential units launched for sale in Kuala Lumpur have increased since 2005 and peaked at 6,137 units in 2008. However, the sales rate of the new non-landed launched units was only 43%, arguably due to the substantial increase in supply. Subsequently in 2009, only 4,069 non-landed units were launched with a better sales rate of 58%.
- Newly-launched landed residential units in Kuala Lumpur recorded a good take-up rate of about 73% with a total of 319 units launched in 2010. There were no landed residential units launched in 2009.
- Unlike Kuala Lumpur, there were more new landed residential units offered for sale by developers in Selangor. In 2010, a total of 7,564 new residential units were launched, of which 68.63% were landed residential units. The sales rate was about 46% and 38% for the new landed residential units and non-landed residential units respectively.
- As at end 2010, residential property overhang in Klang Valley was about 5,580 units, of which about 43.01% or 2,400 units were in Kuala Lumpur. Nevertheless, the residential property overhang in Selangor has shown an improvement since 2008. The residential property overhang was reduced to 3,180 units in 2010 from 4,585 units in 2008. The statistics are detailed in the following chart:-

■ Chart 3.2.1f: Residential Property Overhang in Klang Valley, 2005 – 2010



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

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3.2.2 Supply of Residential Properties in Kuala Lumpur and Selangor

3.2.2.1 Existing Supply

- As at the end of December 2010, there were a total of 415,860 and 1,276,542 units of residential properties in Kuala Lumpur and Selangor respectively; equalling a combined total of 1,692,402 residential units.
- In Kuala Lumpur, condominiums/apartments made up 34.16% of the total residential properties, followed by low-cost flats at 23.02% and 2-3 storey terraced houses at 16.22%.
- The supply of residential properties in Selangor mainly consists of 2-3 storey terraced houses (30.50%), concentrated in the Petaling District. This was followed by low-cost flats (14.95%) and condominiums/apartments (15.09%).
- The following tables show the breakdown of existing supply of residential units by types and by Mukim in Kuala Lumpur and Selangor.

■ Table 3.2.2.1a: Existing Supply of Residential Units in Kuala Lumpur, as at Q4 2010

Existing supply of residential units by type within the districts of Kuala Lumpur (Q4 2010)									
Mukim Type	Sections 1 - 100	Ampang	Batu	Cheras	Hulu Kelang	Kuala Lumpur	Petaling	Setapak	TOTAL
Single Storey Terrace	63	565	8,222	653	94	4,670	5,345	2,598	22,210
2 - 3 Storey Terrace	917	974	22,390	723	277	13,980	15,803	12,393	67,457
Single Storey Semi-Detach	0	0	126	0	0	164	178	168	636
2 - 3 Storey Semi-Detach	146	179	1,093	0	0	2,628	1,180	766	5,992
Detach	244	186	2,053	21	0	3,850	837	795	7,986
Town House	105	0	944	74	0	2,118	636	881	4,758
Cluster House	6	0	934	0	0	1,632	0	1,676	4,248
Low-Cost House	0	0	161	470	0	316	1,621	1,792	4,360
Low-Cost Flat	8,161	3,128	18,100	393	0	19,771	26,909	19,283	95,745
Flat	5,792	1,170	9,725	366	4,184	7,262	9,663	10,101	48,263
Service Apartment	6,941	0	1,307	312	0	2,450	612	286	11,908
Condominium / Apartment	29,429	3,145	25,850	236	624	32,976	26,251	23,548	142,059
SoHo	0	0	0	0	0	238	0	0	238
Total	51,804	9,347	90,905	3,248	5,179	92,055	89,035	74,287	415,860

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

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■ Table 3.2.2.1b: Existing Supply of Residential Units in Selangor, as at Q4 2010

Existing supply of residential units by type within the districts of Selangor (Q4 2010)										
District Type	Petaling	Klang	Kuala Langkat	Kuala Selangor	Sabak Bernam	Gombak	Hulu Selangor	Hulu Langkat	Selangor	Total
Single Storey Terrace	28,039	36,243	11,096	7,751	2,260	16,606	14,886	28,486	5,163	150,530
2 - 3 Storey Terrace	148,421	55,310	7,124	11,185	1,637	46,889	16,129	89,918	12,723	389,336
Single Storey Semi-Detach	1,284	1,027	218	262	266	191	2,611	979	2,584	9,422
2 - 3 Storey Semi-Detach	9,453	4,862	292	1,584	80	2,916	162	6,947	912	27,208
Detach	15,148	2,511	566	707	94	10,032	9,712	3,523	1,779	44,072
Town House	3,033	310	0	260	0	3,727	0	5,562	744	13,636
Cluster House	2,375	288	68	585	664	160	132	717	1,520	6,509
Low-Cost House	14,976	11,664	7,231	5,866	3,291	9,044	8,255	23,488	4,614	88,429
Low-Cost Flat	70,855	17,015	1,880	339	0	24,459	18,637	54,875	2,725	190,785
Flat	45,024	9,991	1,536	1,588	48	15,812	11,380	58,791	5,999	150,169
Service Apartment	10,651	0	0	798	0	1,237	0	588	512	13,786
Condominium/ Apartment	109,196	13,697	722	4,700	0	29,667	1,297	26,416	6,965	192,660
SoHo	0	0	0	0	0	0	0	0	0	0
Total	454,505	152,355	30,613	35,006	8,305	159,812	83,201	298,662	45,498	1,276,542

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

3.2.2.2 Future Supply

- As at Q4 2010, the future supply of residential units recorded at 69,935 units in Kuala Lumpur and 251,203 units in Selangor.
- Condominiums/apartments lead the future residential supply in Kuala Lumpur, comprising about 43.04% of the total future supply. Most of the future supply of condominiums/apartments is located in Mukim Batu, e.g. Mont' Kiara and Sri Hartamas area, followed by Sections 1 – 100 (Kuala Lumpur Town Centre) which covers areas such as Kuala Lumpur City Centre and Central Business District of Kuala Lumpur.
- In Selangor, however, the future supply of condominiums/ apartments is overtaking the future supply of 2-3 storey terraced houses. Condominiums/apartments consist of about 61,890 units, representing about 24.64% of the total future residential supply in Selangor while 2-3 storey terraced houses are at about 20.92%. This is understandable as developers nowadays prefer to offer high-rise residential units so as to maximise the profits and also to cope with the high cost of land price. Most of the condominium/apartment projects are located in Mukim Petaling which covers Shah Alam, Subang Jaya, Puchong and Petaling Jaya areas.

6. INDUSTRY OVERVIEW (cont'd)

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■ Table 3.2.2.a: Future Supply of Residential Units in Kuala Lumpur, as at Q4 2010

Future supply of residential units by type within the districts of Kuala Lumpur (Q4 2010)									
District Type	Sections 1 - 100	Mukim Ampang	Mukim Batu	Mukim Cheras	Mukim Hulu Kelang	Mukim Kuala Lumpur	Mukim Petaling	Mukim Setapak	Total
Single Storey Terrace	0	0	0	0	0	0	0	6	6
2 - 3 Storey Terrace	0	0	252	0	0	328	315	128	1,023
Single Storey Semi-Detach	0	0	0	0	0	0	0	0	0
2 - 3 Storey Semi- Detach	0	2	148	0	0	400	194	8	752
Detach	25	14	224	0	0	442	208	14	927
Town House	180	0	453	164	0	201	0	84	1,082
Cluster House	0	0	0	0	0	0	0	0	0
Low-Cost House	0	0	0	0	0	0	0	0	0
Low-Cost Flat	1,700	0	3,396	0	0	988	3,525	2,222	11,831
Flat	200	0	1,070	0	0	230	4,354	3,062	8,916
Service Apartment	11,185	0	1,352	0	0	1,748	385	630	15,300
Condominium / Apartment	7,022	553	10,168	300	115	5,888	3,478	2,574	30,098
SoHo	0	0	0	0	0	0	0	0	0
Total	20,312	569	17,063	464	115	10,225	12,459	8,728	69,935

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

■ Table 3.2.2.b: Future Supply of Residential Units in Selangor, as at Q4 2010

Future supply of residential units by type within the districts of Selangor (Q4 2010)										
District	Petaling	Klang	Kuala Langat	Kuala Selangor	Sabak Bernam	Gombak	Hulu Selangor	Hulu Langat	Sepang	Total
Single Storey Terrace	278	6,549	3,919	1,824	335	387	1,275	884	2,451	17,902
2 - 3 Storey Terrace	10,363	12,373	3,181	3,698	118	4,291	1,365	8,930	8,222	52,541
Single Storey Semi-Detach	72	659	628	212	104	973	910	172	728	4,458
2 - 3 Storey Semi-Detach	2,180	2,710	572	148	12	1,976	1,741	2,979	2,045	14,363
Detach	2,039	925	1,147	1,554	46	3,075	1,931	1,288	1,541	13,546
Town House	1,004	1,673	0	373	0	1,274	0	1,058	570	5,952
Cluster House	598	564	376	208	0	451	350	192	118	2,857
Low-Cost House	0	612	0	162	42	0	490	130	387	1,823
Low-Cost Flat	9,388	5,068	1,272	2,500	0	6,679	2,919	6,129	2,540	36,495
Flat	6,051	5,254	0	0	280	3,873	480	5,951	5,062	26,951
Service Apartment	7,339	0	0	0	0	2,075	0	1,392	642	11,448
Condominium / Apartment	24,902	3,299	406	0	0	22,269	80	8,047	2,887	61,890
SoHo	826	0	0	0	0	0	0	151	0	977
Total	65,040	39,686	11,501	10,679	937	47,323	11,541	37,303	27,193	251,203

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

6. INDUSTRY OVERVIEW (cont'd)

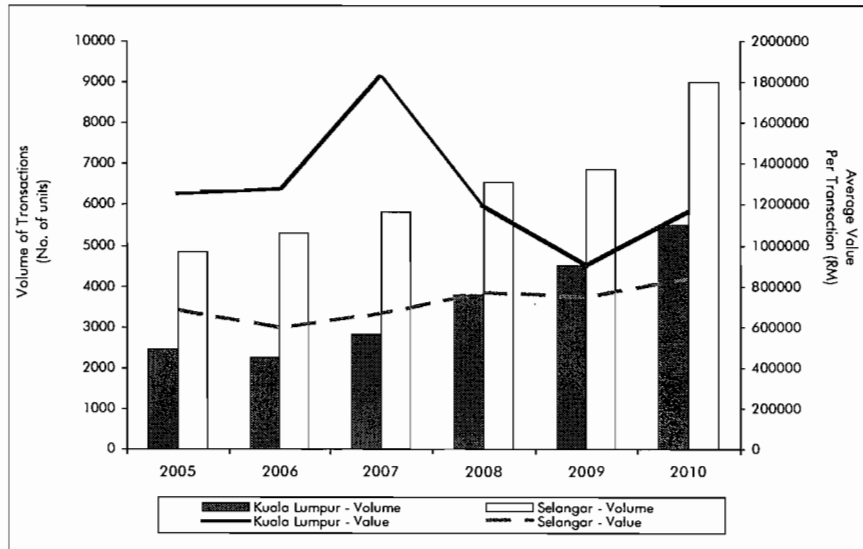
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3.3 Commercial Property Market in Kuala Lumpur and Selangor

3.3.1 Demand for Commercial Properties in Kuala Lumpur and Selangor

■ Chart 3.3.1a: Transaction Volume and Value of Commercial Property Market in Klang Valley



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- Commercial property market activities generally recorded an uptrend from 2005 to 2009 in Kuala Lumpur and Selangor. Although the volume of transactions within the commercial sector in Kuala Lumpur dropped slightly by 8.1% to 2,241 in 2006 from 2005, it picked up by as much as 25.3% to 2,809 in 2007 before recording 4,489 transactions in 2009, double the volume of 2006. There was a total of 5,509 commercial property transactions in 2010 in Kuala Lumpur worth a total of RM6,434.65 million, equivalent to an average value per transaction of RM1,168,025.
- The following table shows a summary of average value per transaction by types of shop units in Kuala Lumpur and Selangor.

■ Table 3.3.1b: Average Value Per Transaction by Types of Shops

State Type	Average Value Per Transaction by Types of Shops (RM)			
	Kuala Lumpur		Selangor	
	2009	2010	2009	2010
Pre-war shop	1,355,294	1,332,553	642,353	369,286
1 - 1 ½ storey shop	394,000	350,000	255,362	287,600
2 - 2 ½ storey shop	809,219	942,820	475,926	509,697
3 - 3 ½ storey shop	1,145,362	1,494,630	887,111	1,000,265
4 - 4 ½ storey shop	1,121,995	1,571,246	866,973	1,157,170
5 - 5 ½ storey shop	3,070,833	4,038,684	1,226,444	2,031,935
6 - 6 ½ storey shop	772,692	2,490,323	964,118	1,910,000

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

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- Comparatively, Selangor recorded a total of 9,000 transacted units worth RM7,509.15 million in 2010, which was higher than that recorded in Kuala Lumpur (5,509) for the same year. However, Selangor recorded a lower average value per transaction of RM834,350, as compared to the transactions in Kuala Lumpur.

- Chart 3.3.1c: Transaction Volume of Commercial Property Market in Klang Valley**

State Type	Volume of Commercial Property Transactions by Types (No. of units)			
	Kuala Lumpur		Selangor	
	2009	2010	2009	2010
Vacant Plot	97	66	588	862
Pre-war shop	34	47	17	28
1 - 1 ½ storey shop	40	34	373	425
2 - 2 ½ storey shop	269	266	1,647	2,245
3 - 3 ½ storey shop	401	432	1,502	1,811
4 - 4 ½ storey shop	366	329	588	643
5 - 5 ½ storey shop	36	38	45	31
6 - 6 ½ storey shop	52	31	17	20
Shop unit/Retail lot	1,199	1,167	963	1,309
Office Lot	816	1,133	1,104	1,565
Shopping complex	2	13	2	3
Purpose-Built Office	6	16	7	22
Hotel/Service Apartment	1,152	1,927	0	0
Leisure	0	0	0	1
Others	19	10	27	35
Total	4,489	5,509	6,880	9,000

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- In Kuala Lumpur, shop units/retail lots and hotel/service apartments were the most transacted in 2009 with a combined transaction volume of 2,351 units or 52.37% of the total transacted volume. This was followed by office lots at 816 units (18.18%). Most of these transacted units were located in Kuala Lumpur town area.
- According to the Property Market Report 2009, there were six purpose-built office buildings transacted in Kuala Lumpur, including Kenanga International in Jalan Sultan Ismail, Maybank Building in Jalan Pudu, Plaza Magnum in Jalan Pudu, Wisma Manulife RB in Damansara Heights, Menara PMI in Jalan Changkat Ceylon and HSBC Building in Leboh Pasar Besar. These six transactions recorded a total capital value of RM409.23 million. According to Property Market Report 2010, sixteen office buildings were transacted in Kuala Lumpur at a total value of RM1.45 billion. These office buildings include MIDF Building, SEGI College, Wisma MLS, Bangunan MOCCIS, Plaza Damansara, Menara UAB, Wisma Shell and Bangunan MACOBA, Wisma Volkswagen, Wisma Segar, Pusat Bandar Damansara, Menara Pan Global, Wisma TIME, MBSB Building, Wisma Mirama and 6-storey office building in Jalan Dewan Sultan Sulaiman 1.
- In Selangor, 2-2½ storey shop and 3-3½ storey shop remained the most popularly transacted commercial property. Both types comprised a total of 3,149 units, representing 45.77% of the transacted volume in 2009. This was followed by office lots at 1,104 units (16.05%). A similar

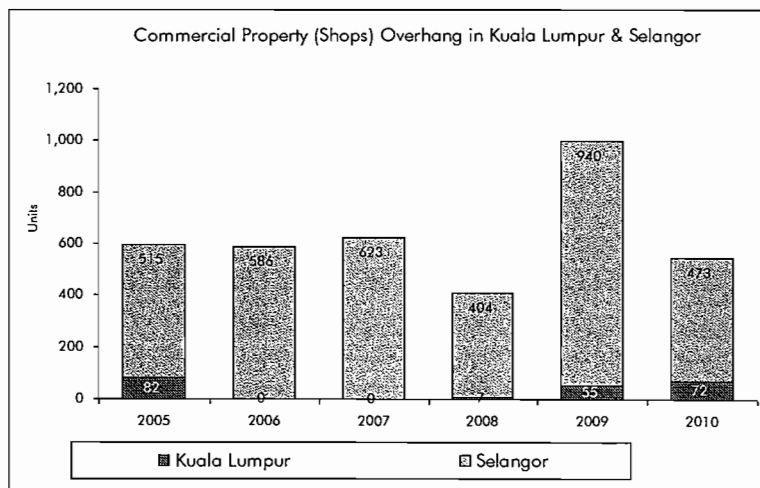
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trend continued in 2010 where 2-2½ storey and 3-3½ storey shops were still the most transacted commercial units, trailed by office lots.

- During the year 2009, seven significant purpose-built office buildings and two shopping complexes were transacted in Selangor at a total value of RM453.20 million. The seven purpose-built offices included Block C of Kelana Centre Point, Bangunan CSF in Cyberjaya, UTAR Building in Bandar Sungai Long, Wisma HR in Bandar Country Homes, Graha Estek, Unit B and Unit J of Excella Business Park in Ampang Hilir. The two shopping complexes were Giant Hypermarket in Putera Heights and Giant Hypermarket in Bandar Kinrara. According to Property Market Report 2010, there were ten office buildings that were transacted in Selangor at a total value of RM246.78 million. These transactions include CSF Building, Block 3605 and Bangunan EMERIO in Cyberjaya, Unit A (fronting Jalan Sulaiman 1), Unit A (fronting Jalan Ampang Putra), Unit C and Unit G in Excella Business Park in Ampang Hilir and MTD Building in Batu Caves, as well as Block B, Kelana Centre Point.
- Completed shop units in Kuala Lumpur and Selangor recorded a take-up rate of 84.94% and 81.44% respectively as at end 2010. Sales performance of completed shop units in 2010 in Kuala Lumpur were not as good compared to 2009 (87.67%).
- Unlike Kuala Lumpur, sales performance of completed shop units in Selangor improved in 2010, with 81.44% sale rate as compared to 69.87% sales rate in 2009.
- As at end 2010, about 45.62% of shop units under-construction were sold in Kuala Lumpur whilst 42.64% were sold in Selangor. Shops which have yet to be constructed recorded a take-up rate of 49.90% in Selangor. The statistics show that shop units in Kuala Lumpur and Selangor are still in good demand, especially those located in strategic locations such as Setapak in Kuala Lumpur and Kota Damansara in Selangor.
- The overhang of shops in Kuala Lumpur and Selangor stood at 545 units as at end 2010. This was an improvement, compared to 995 units recorded in 2009. The shop overhang in Selangor was reduced to 475 units in 2010 from 940 units in 2009. However, the overhang in Kuala Lumpur increased to 72 units in 2010 from 55 units in 2009.
- Chart 3.3.1e: Unsold Shops in Klang Valley



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

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3.3.2 Supply of Shop units in Kuala Lumpur and Selangor

3.3.2.1 Existing Supply

- As at Q4 2010, total existing supply of shop units in Kuala Lumpur was 22,692. Majority of which are 3- 3½ storey shops, contributing about 6,766 units, followed closely by 4-4½ storey shops (6,233 units) and 2-2½ storey shops (5,361 units).
- Most of the shops are located within Sections 1-100 Kuala Lumpur, recording a total of 5,548 units of the total supply. This was followed by 5,344 units in Mukim Batu.
- The following table shows the distribution of existing supply of shop units in Kuala Lumpur by types and by Mukim.

■ Table 3.3.2.1a: Existing Supply of Shop Units in Kuala Lumpur, as at Q4 2010

Mukim	Existing supply of Shop units within the various Mukim in Kuala Lumpur (Q4 2010)								
	Sections 1-100	Ampang	Batu	Cheras	Hulu Kelang	Kuala Lumpur	Petaling	Setapak	Total
Pre-war shop	1,197	0	0	0	0	0	0	0	1,197
1 - 1 ½ storey shop	6	7	571	0	0	14	31	133	762
2 - 2 ½ storey shop	581	0	1,473	186	33	1,106	1,471	511	5,361
3 - 3 ½ storey shop	836	157	1,339	62	37	1,747	1,323	1,265	6,766
4 - 4 ½ storey shop	2,495	712	1,056	0	0	735	736	499	6,233
5 - 5 ½ storey shop	377	0	39	0	0	15	205	56	692
6 - 6 ½ storey shop	28	0	208	0	0	84	165	0	485
Above 6 ½ storey shop	22	0	0	0	0	110	48	63	243
Lock-up Shop	5	0	658	0	0	133	62	90	948
Detached	1	0	0	0	0	2	1	1	5
Semi-Detached	0	0	0	0	0	0	0	0	0
SoHo	0	0	0	0	0	0	0	0	0
Total	5,548	876	5,344	248	70	3,946	4,042	2,618	22,692

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- As at Q4 2010, total existing supply of shop units in Selangor recorded at 75,171 units. 2-2½ storey shop units were the main existing supply in Selangor which stood at 24,149 units of the total supply. 3-3½ storey shops were the second largest existing supply in Selangor at 20,592 units and followed by 11,641 units of 4-4½ storey shops.
- Majority of the shops are located in the District of Petaling, Selangor which include major cities such as Petaling Jaya, Subang Jaya, and Shah Alam.

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■ Table 3.3.2.1b: Existing Supply of Shop Units in Selangor, as at Q4 2010

District	Existing supply of Shop units within the districts of Selangor (Q4 2010)									Total
	Petaling	Klang	Kuala Langat	Kuala Selangor	Sekinjang	Gombak	Hulu Selangor	Hulu Langat	Selangor	
Pre-war shop	35	266	0	50	0	153	264	269	142	1,179
1 - 1 ½ storey shop	2,268	944	764	485	72	175	476	830	497	6,511
2 - 2 ½ storey shop	6,732	3,795	1,484	2,220	814	2,103	1,281	4,298	1,422	24,149
3 - 3 ½ storey shop	8,677	2,791	298	347	34	2,331	31	5,512	571	20,592
4 - 4 ½ storey shop	3,681	3,761	8	2	0	1,156	144	2,693	196	11,641
5 - 5 ½ storey shop	382	44	0	0	0	20	0	126	14	586
6 - 6 ½ storey shop	81	8	0	0	0	4	0	52	0	145
Above 6 ½ storey shop	269	0	0	0	0	2	0	1	0	272
Lock-up Shop	5,474	544	14	13	0	1,444	0	2,228	114	9,831
Detached	8	1	0	4	0	10	1	0	1	25
Semi-Detached	0	0	0	0	0	0	0	0	0	0
SoHo	240	0	0	0	0	0	0	0	0	240
Total	27,847	12,154	2,568	3,121	920	7,398	2,197	16,009	2,957	75,171

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

3.3.2.2 Future Supply

- Future supply of shop units in Kuala Lumpur and Selangor stood at 3,068 units and 19,202 units respectively.
- In Kuala Lumpur, 4-4½ storey shop units constitute the largest supply with a total of 977 units, followed closely by 3-3½ storey shops at 849 units. Majority of the future supply is located at Mukim Petaling Kuala Lumpur which covers matured areas such as Salak Selatan, Kuchai Lama, Bukit Jalil, and Bandar Baru Sri Petaling.
- In Selangor, majority of the future supply of shop units are located within Petaling District, where 3-3½ storey shops making up the bulk supply.

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■ Table 3.3.2.a: Future Supply of Shop Units within Kuala Lumpur, as at Q4 2010

Mukim	Future supply of Shop units within Kuala Lumpur (Q4 2010)								
	Sections 1-100	Ampang	Batu	Cheras	Hulu Kelang	Kuala Lumpur	Petaling	Setapak	Total
Pre-war shop	0	0	0	0	0	0	0	0	0
1 - 1 ½ storey shop	44	0	0	0	0	0	1	5	50
2 - 2 ½ storey shop	18	0	265	0	0	56	355	2	696
3 - 3 ½ storey shop	51	0	169	0	0	84	390	155	849
4 - 4 ½ storey shop	2	18	53	0	0	99	291	514	977
5 - 5 ½ storey shop	43	0	143	0	0	19	72	8	285
6 - 6 ½ storey shop	12	0	0	0	0	0	91	23	126
Above 6 ½ storey shop	0	0	0	0	0	0	8	7	15
Lock-up Shop	0	0	64	0	0	0	0	0	64
Detached	5	0	0	0	0	1	0	0	6
Semi-Detached	0	0	0	0	0	0	0	0	0
SoHo	0	0	0	0	0	0	0	0	0
Total	175	18	694	0	0	259	1,208	714	3,068

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

■ Table 3.3.2.b: Future Supply of Shop Units within Selangor, as at Q4 2010

District	Future supply of Shop units within the districts of Selangor (Q4 2010)									
	Petaling	Klang	Kuala Langat	Kuala Selangor	Sabak Bernam	Gombak	Hulu Selangor	Hulu Langat	Selangor	Total
Pre-war shop	0	0	0	0	0	0	0	0	0	0
1 - 1 ½ storey shop	266	306	124	39	0	82	28	50	65	960
2 - 2 ½ storey shop	1,219	1,799	356	338	39	311	359	822	403	5,646
3 - 3 ½ storey shop	1,938	1,570	87	349	45	206	56	455	530	5,236
4 - 4 ½ storey shop	1,119	206	0	0	3	185	23	398	183	2,117
5 - 5 ½ storey shop	599	15	0	0	0	36	0	86	0	736
6 - 6 ½ storey shop	299	28	0	0	0	0	0	50	0	377
Above 6 ½ storey shop	257	0	0	0	0	0	0	0	0	257
Lock-up Shop	1,520	435	15	0	0	527	56	193	0	2,746
Detached	32	0	1	0	0	24	0	1	0	58
Semi-Detached	72	0	0	0	0	0	0	0	0	72
SoHo	851	0	0	0	0	0	0	146	0	997
Total	8,172	4,359	583	726	87	1,371	522	2,201	1,181	19,202

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

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3.3.3 Rental Rates

- Average rentals of ground floor shops in Kuala Lumpur and Selangor were relatively stable. The highest average ground floor rental rate in Kuala Lumpur was about RM6.18 per sq ft per month in Sections 1-100 which covers areas in the central town of Kuala Lumpur such as Pudu, Brickfields and Masjid India. Schemes in Mukim Kuala Lumpur such as Bangsar, Desa Sri Hartamas, Taman Tun Dr. Ismail, and Sentul Raya recorded the second highest average rental rates of ground floor shops at RM5.18 per sq ft per month. It was noted that average rental rate of ground floor shops in Mukim Setapak experienced an increase of about 27.67% from 2008 to 2009.
- Average rental rates of ground floor shops in Selangor have been stable since 2007. The achievable highest average rental rate of ground floor shops in District of Petaling was about RM3.55 per sq ft per month, followed by those in District of Klang at RM2.73 per sq ft per month. The following table shows the historical statistics of average rentals of ground floor shops in Kuala Lumpur and Selangor:

■ **Table 3.3.3: Average Rentals of Ground Floor Shops in Klang Valley, 2007 – 2009**

Average Rentals of Ground Floor Shops by Mukim/District in Kuala Lumpur and Selangor			
Market Rents (RM per sq ft per month)			
Kuala Lumpur	2007	2008	2009
Section 1-100	6.66	6.18	6.18
Mukim Kuala Lumpur	5.18	5.18	5.18
Mukim Ampang	2.80	2.80	2.80
Mukim Petaling	3.50	3.47	3.47
Mukim Setapak	3.00	3.00	3.83
Mukim Batu	1.98	1.81	1.86
Selangor	2007	2008	2009
District of Petaling	3.58	3.58	3.55
District of Klang	-	-	2.73
District of Hulu Langat	2.34	2.66	2.64
District of Gombak	2.08	2.08	2.08

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

3.3.4 Supply of Purpose-Built Offices in Kuala Lumpur and Selangor

3.3.4.1 Market Overview

- The Klang Valley office market has remained stable as business sentiments received a boost from strong economic growth in 2010 with GDP growth recorded at 7.2%. The rental rates in high grade office buildings remained stable with no significant adjustment.
- Office developments are expected to continue to grow, with new supply anticipated to increase sharply over the coming three years.
- On the investment front, the majority of investment transactions in 2010 were observed to involve local institutional funds, particularly REITs.
- CBRE Research analysis shows the average transaction price of purpose built office space in Kuala Lumpur rising to RM870 per sq ft in 2010, from RM814 per sq ft in 2009. This shows a

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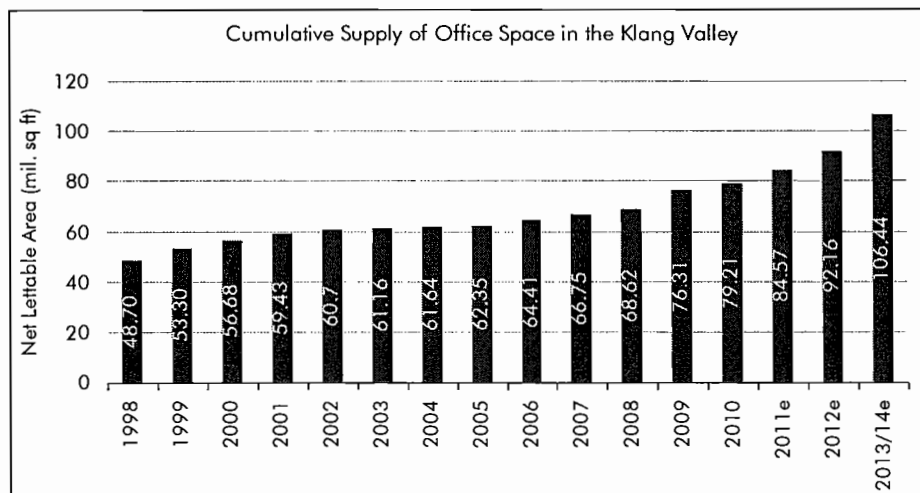
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recovery in capital values of office space in Kuala Lumpur, fuelled mainly by the interest from local funds and general improvement in the economy.

3.3.4.2 Existing Supply

- As at 2010, the supply of office space in the Klang Valley stood at approximately 79.21 million sq ft of net lettable area ("NLA"). Of this total supply, 63.47 million sq ft (80.00%) is located in Kuala Lumpur, while the remaining 15.74 million sq ft (20.00%) is located in suburban office locations in the state of Selangor.
- In 2010, several office buildings were completed, seven in Kuala Lumpur and four in Selangor. Those completed office buildings in Kuala Lumpur include Menara Kencana and Gateway Corporate Suites in Mont Kiara, BZ-HUB and Menara Ireka in One Mont' Kiara, Quill 6 in Central Business District, BRDB Tower in Bangsar, and Capital Square Office Tower 2 in Kuala Lumpur city, adding a total of 2.01 million sq ft of office space to the KL office market. In Selangor, the completed office buildings have a combined net lettable office space of 0.88 million sq ft and these buildings were Blocks A & B of Capital 1 & 2 at Oasis Ara Damansara, Empire Subang Office Tower, SunSuria Avenue in Kota Damansara, and Subang Square.

- Chart 3.3.4.2: Cumulative Supply of Office Space in Klang Valley, 1998 – 2013/2014e



Note: e - estimated

Source: CBRE Research

6. INDUSTRY OVERVIEW (cont'd)

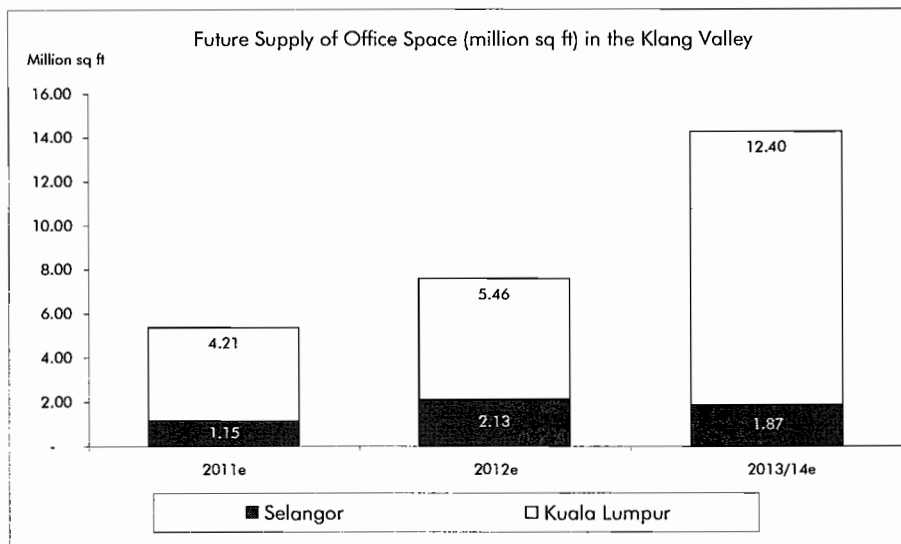
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3.3.4.3 Future Supply

- There are a total of 73 office buildings identified offering more than 27.23 million sq ft of net lettable office space in Klang Valley. Out of this total, 12.75 million sq ft of office space within 41 office buildings are currently under construction.
- The year 2011 will see an estimated 5.36 million sq ft of office space completing in the Klang Valley, of which 78.54% (4.21 million sq ft) will be located in Kuala Lumpur, and the remaining 21.46% (1.15 million sq ft) in Selangor. These expected new completions would include Hampshire Place Office Tower, Menara Worldwide, and Menara Carigali in Kuala Lumpur, as well as First Subang, PJ Exchange, Menara Taragon and Menara Mudajaya in Petaling Jaya, Selangor.
- Accelerated development is set to continue for the next two years with a further 7.59 million sq ft expected to be added to supply by the end of 2012.
- Office building developments in Klang Valley which were still at planning stage as at December 2010 will bring another 14.48 million sq ft by year 2013/2014 if the developers start construction in the next two years.

■ Chart 3.3.4.3: Future Supply of Office Space in the Klang Valley



Note: Year 2013/14e indicates projects at planning stage

Source: CBRE Research

3.3.4.4 Average Occupancy Rates and Absorption Rate of Office Space

- The Klang Valley office market has exhibited good take up with several buildings fully pre-let prior to completion, such as Menara Bumiputera-Commerce, MIDA Tower and SSM Tower at KL Sentral. Significant pre-lets were also observed at Quill 7 at KL Sentral and Menara UOA Bangsar. Several major office buildings completed in Petaling Jaya during year 2009 recorded relatively good occupancy rates between 50% and 75% by end-2009, with Inland Revenue Board of Malaysia taking up the entire Menara Hasil at PJ Trade Centre in Damansara Perdana.

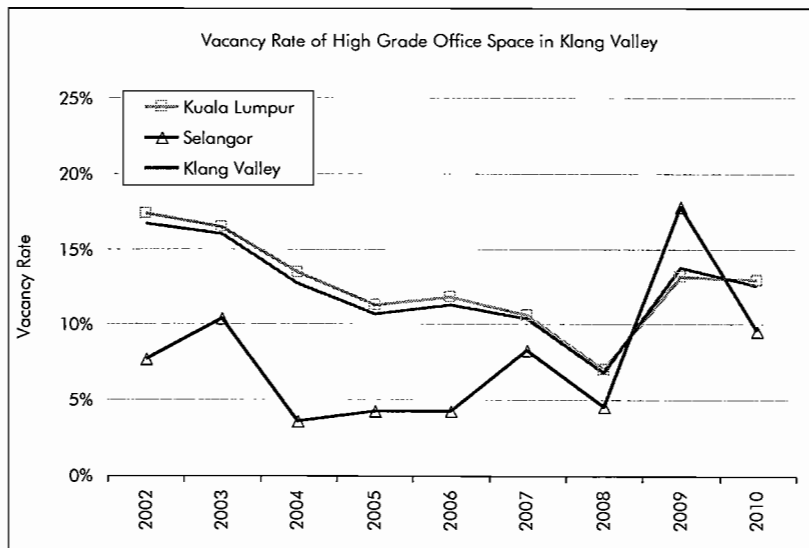
6. INDUSTRY OVERVIEW (cont'd)

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Property Market Overview and Outlook

- High profile leasing transactions during 2010 include the Industrial & Commercial Bank of China Malaysia taking up office space and a banking hall at Menara Maxis and Wisma Equity respectively, HSBC's full occupancy of Quill 6, Astro and Samsung (60,000 sq ft each) taking up space in The Icon Tun Razak, while Sumitomo Bank (22,000 sq ft) and BNP Paribas (11,000 sq ft) also finalised their moves to Vista Tower.
- According to our in-house survey, the vacancy rate of office space in Klang Valley rose to 14.8% in 2010 compared with 14.1% in 2009. The occupancy rates was affected by the late-quarter completions (and subsequent low occupancy) of Cap Square Tower 2 as well as 1 Mont' Kiara Towers One and Two.

■ Chart 3.3.4a: Vacancy Rate of High Grade Office Space in Klang Valley



Source: CBRE Research

- Absorption of office space in Klang Valley averaged at slightly less than two million sq ft annually for the past five years.
- Based on CBRE in-house research, the total additional office space (in private purpose-built office buildings) from 2006 to 2010 was about 14.79 million sq ft. The statistics from Valuation and Property Services Department, Ministry of Finance Malaysia showed a reasonably good absorption rate of about 67.25% during the same period, which is equivalent to a total of about 9.95 million sq ft. The table below shows the absorption of office space in the Klang Valley.

6. INDUSTRY OVERVIEW (cont'd)

Chapter 3

Property Market Overview and Outlook

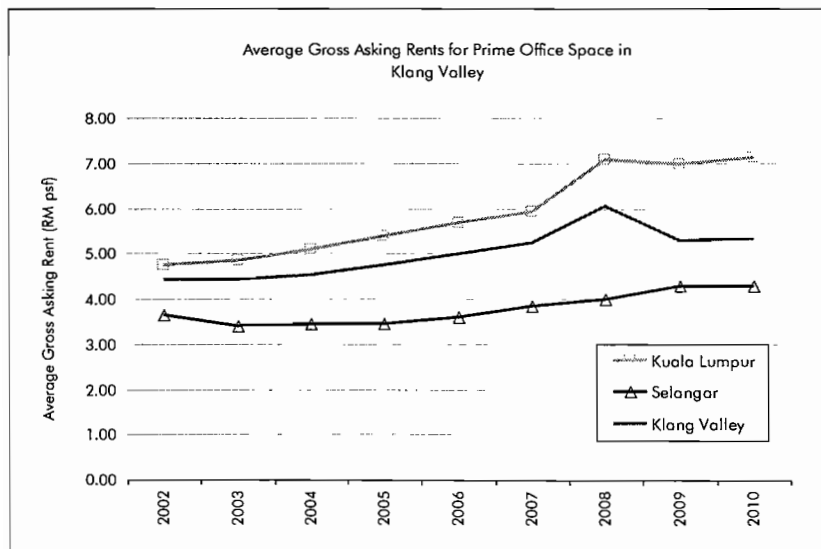
- Table 3.3.4.4b: Absorption of Office Space in Private Purpose-Built Office Buildings in Klang Valley, 2006-2010

Absorption of Private Purpose-Built Office Space in Klang Valley (sa ft)			
Year	Kuala Lumpur	Selangor	Total Absorption
2006	562,347	(62,314)	500,032
2007	1,525,554	146,060	1,671,615
2008	1,141,851	1,998,062	3,139,914
2009	2,923,229	448,235	3,371,464
2010	1,173,283	89,333	1,262,616
Total	7,326,265	2,619,376	9,945,640

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

3.3.4.5 Average Asking Rental Rates

- Average gross asking rents for selected high grade buildings in the Klang Valley has marginally increased by 0.4% to RM5.36 per sq ft in 2010 on the back of perceived signs of economic recovery since the last quarter of year 2009. Average asking prime rent in the Kuala Lumpur city centre registered RM7.14 per sq ft and suburban areas at RM4.30 per sq ft in 2010.
- In Petaling Jaya, prime office buildings are generally averaging between RM3.20 - 4.80 per sq ft with the highest up to RM5.50 per sq ft for buildings with MSC status.
- Chart 3.3.4.5: Average Gross Asking Rents for Prime Office Space in Klang Valley



Source: CBRE Research

3.3.4.6 Major Transactions

- A total of 16 major transactions of office buildings (above RM 20 million) were reported in the Klang Valley in 2009 with a total transaction value of RM1.79 billion. Investment in office market continues robust with ten major transactions reported in 2010 with a combined value of RM1.28 billion.

6. INDUSTRY OVERVIEW (cont'd)

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Property Market Overview and Outlook

- The main purchasers of office towers in Klang Valley were local funds including REITs.
- The following table showed the major transactions of purpose built office buildings in Klang Valley in 2009 - 2010.

■ Table 3.3.4.6: Major Transactions of Purpose-Built Office Space in Klang Valley

Buildings	Location	NLA (sq ft)	Consideration		Estimated Gross Yield
			RM million	RM per sq ft	
Kuala Lumpur					
2009					
Menara Citibank ¹	Jalan Ampang	733,634	303.72	828	6.3%
Corporate Office Tower at Southgate ²	Jalan Sungei Besi	GFA: 257,943	226.00	N/A	N/A
Darul Takaful	Jalan Sultan Ismail	99,021	63.00	636	7.4%
Glomac Damansara - Tower D ³	Jalan Damansara	254,825	170.73	670	N/A
The Icon - East Wing at Jalan Tun Razak	Jalan Tun Razak	278,182	226.51	814	7.0%
Apex Tower at Southgate ²	Sungai Besi	90,126	63.09	700	N/A
Bangunan Shell Malaysia	Damansara Heights	212,860	105.00	493	7.8%
Wisma Genting ⁴	Jalan Sultan Ismail	409,033	277.00	677	7.4%
Kenanga International	Jalan Sultan Ismail	N/A	250.00	N/A	N/A
Bangunan MIDF	195A, Jalan Tun Razak	N/A	41.00	N/A	N/A
7-storey office building at Bukit Damansara	Jalan Medan Setia 1	160,980	79.00	491	N/A
24-storey office building	6, Jalan Tun Perak	139,030	50.00	360	N/A
2010					
Menara UOA Bangsar	Jalan Bangsar	312,298	289.00	925	6.5%
Wisma UOA Damansara II	Damansara Heights	296,850	211.00	711	6.5%
Wisma Time	Jalan Tun Razak	171,611	78.00	455	N/A
Sunway Tower ⁵	Jalan Ampang	268,412	171.49	639	N/A
Menara Olympia	Jalan Raja Chulan	454,828	202.65	446	N/A
Menara PanGlobal Office/Hotel Complex ⁶	Lorong P. Ramlee	250,000	160.00	N/A	N/A
Wisma Volkswagen	Off Jalan Bangsar	43,743	40.00	914	N/A
1 Mont'Kiara (Office/Retail) ⁷	Mont'Kiara	185,405	333.00	-	N/A
Wisma KLH ⁸	Jalan Bukit Bintang	55,200	58.00	1,051	N/A
Selangor					
2009					
Wisma Glomac 3 - Block C (together with 3 office units in Block A) at Kompleks Kelana Centrepoint	Kelana Jaya	105,845	50.00	472	N/A
Wisma Dijaya	Jalan Damansara	70,372	26.00	369	N/A
Glomac Business Centre - Block B	Kelana Jaya	48,814	22.60	463	N/A
MTD Building ⁹	Batu Caves	132,731	70.00	527	6.9%
2010					
Dana 13	Subang	GFA: 333,438	99.00	N/A	N/A
Laman Seri Business Park office tower	Shah Alam	GFA: 130,000	60.00	N/A	N/A
Menara Sunway ⁵	Bandar Sunway	268,978	127.92	476	N/A
Menara PKNS	Shoh Alam	244,316	91.00	372	N/A
Wisma Goodyear Block B Kelana Centre Point	Kelana Jaya	114,286	38.00	332	N/A
FSBM Plaza	Cyberjaya	116,388	51.25	440	N/A
Bangunan Emerio	Cyberjaya	GFA: 52,291	35.19	N/A	N/A

Notes:

¹ Menara Citibank: Purchase price of RM243.52 million is based on 50% of the net asset value ("NAV") of Inverfin Sdn Bhd which is the company that owns Menara Citibank. RM303.72 million refers to the valuation of the property by an independent valuer.

6. INDUSTRY OVERVIEW (cont'd)

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Property Market Overview and Outlook

² Combined office and retail space - under construction. GFA refers to Gross Floor Area.

³ Under construction

⁴ Wisma Genting: Purchase price of RM212.71 million is based on 100% of the NAV of Oakwood Sdn Bhd which is the company that owns Wisma Genting. RM277.00 million refers to the valuation of the property by an independent valuer.

⁵ The sale price for Sunway Tower and Menara Sunway represent the final acquisition price of Sunway REIT as at 8 July 2010.

⁶ Menara PanGlobal is a 38-storey building with 18 floors of office space with a net lettable area of around 250,000 sq ft. The building also has nine floors of hotel rooms operated by Pacific Regency and eight levels of parking space.

⁷ The 1 Mont' Kiara properties were sold for RM333 million, consisting of a 20-storey office tower block and a 5-storey retail mall, inclusive of carpark.

⁸ Wisma KLJH was sold for RM58.00 million, consisting of RM48.00 million for the property and an option for renovation and refurbishment of the property amounting to RM10.00 million.

⁹ MTD Building: Sale includes surplus land measuring 0.9 acres.

Source: Bursa Securities & CBRE Research

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6. INDUSTRY OVERVIEW (cont'd)

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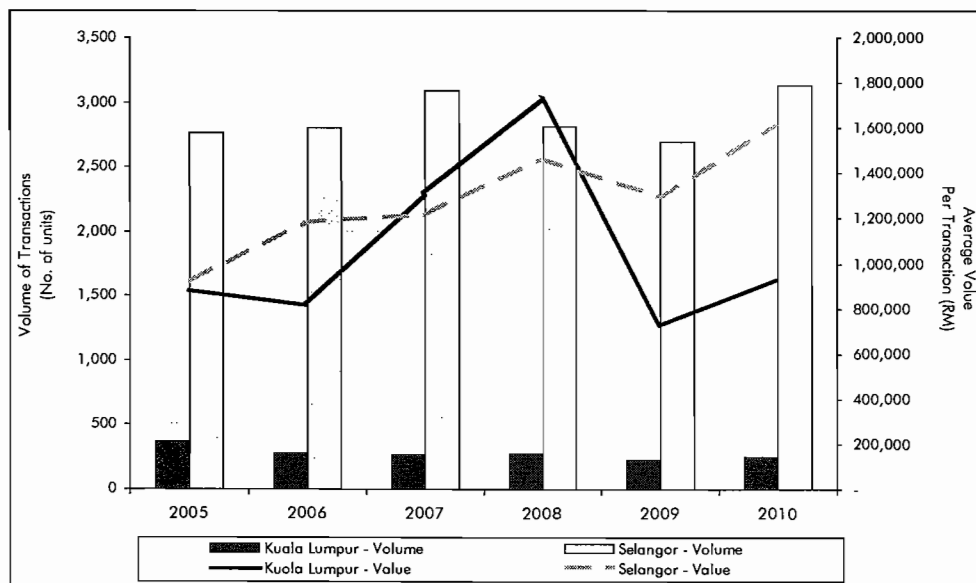
Property Market Overview and Outlook

3.4 Industrial Property Market in Kuala Lumpur and Selangor

Kepong Business Park, one of UOA Development's developments, is essentially a commercial-titled property with the properties marketed as office/warehouse units, targeting warehouse users and providing an alternative to conventional industrial warehouses. Therefore, an overview of the industrial property market conditions, with emphasis on semi-detached/detached factories and warehouses, is relevant.

3.4.1 Demand for Industrial Properties in Kuala Lumpur and Selangor

■ Chart 3.4.1a: Volume and Value of Industrial Property Transactions in Klang Valley



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

■ Table 3.4.1b: Volume of Industrial Property Transactions in Klang Valley

State	Volume of Industrial Property Transactions by Types			
	Kuala Lumpur		Selangor	
Type	2009	2010	2009	2010
Vacant Plot	12	13	507	715
Terraced factory/warehouse	119	115	1,588	1,706
Semi-detached factory/warehouse	21	15	290	351
Detached factory/warehouse	14	19	247	281
Industrial complex/unit	54	67	32	18
Others	9	21	36	53
Total	229	250	2,700	3,124

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

6. INDUSTRY OVERVIEW (cont'd)

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Property Market Overview and Outlook

- Industrial properties are more actively transacted in Selangor, compared to Kuala Lumpur. In Selangor, the number of industrial property transactions peaked in 2007 with a total transaction volume of 3,097 units worth RM3.76 billion, equivalent to an average value per transaction of RM1,213,300. However, the number of transactions has experienced a slowdown since 2008. The total transaction volume was 3,128 units in 2010 recording a total of RM5.05 billion, equivalent to an average value per transaction of RM1,615,985.
- There are fewer transactions of industrial properties in Kuala Lumpur compared with Selangor, with an annual transaction volume ranging between 200 and 300 since 2006. The highest transaction volume of industrial properties in Kuala Lumpur was recorded in 2005 at 367 units before slowing down to range between 270 to 280 units during 2006-2008. In terms of total transaction value, 2008 recorded the highest value of RM484.02 million, equivalent to an average value per transaction of RM1,728,643. Both transaction volume and value were lowest in 2009 at 229 units and RM166.11 million respectively, which translated into the average value per transaction of RM725,371. The average value per transaction then picked up to RM928,160 in 2010.
- The following table shows a summary of average value per transaction by types of industrial property in Kuala Lumpur and Selangor. Detached factory/warehouse has the highest average value per transaction recorded at RM6,068,968 in Selangor in 2010 whilst the average value per transaction for detached factory/warehouse was RM2,858,947 in Kuala Lumpur. Average value per transaction of terraced factories/warehouses in Kuala Lumpur was higher than in Selangor.

- **Table 3.4.1c: Average Value Per Industrial Property Transaction in Klang Valley**

State Type	Average Value Per Transaction by Types of Industrial Property (RM)			
	Kuala Lumpur		Selangor	
	2009	2010	2009	2010
Vacant Plot	1,940,000	3,172,308	1,951,755	2,642,615
Terraced factory/warehouse	491,513	580,696	392,746	401,928
Semi-detached factory/warehouse	2,440,000	2,131,333	1,569,931	1,688,120
Detached factory/warehouse	1,466,429	2,858,947	5,219,271	6,068,968
Industrial complex/unit	199,074	190,448	1,867,813	631,111
Others	203,333	1,190,952	1,930,833	3,215,094

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- According to the statistics from the Valuation and Property Services Department, there were only 14 units of industrial properties launched in Kuala Lumpur during 2009 and none in 2010. Unlike Kuala Lumpur, there were a total of 946 industrial properties launched in 2010 in Selangor, of which 421 units were completed and 525 were under construction. Overall, the sales performance of industrial properties in Selangor was fairly good at 54.33%.

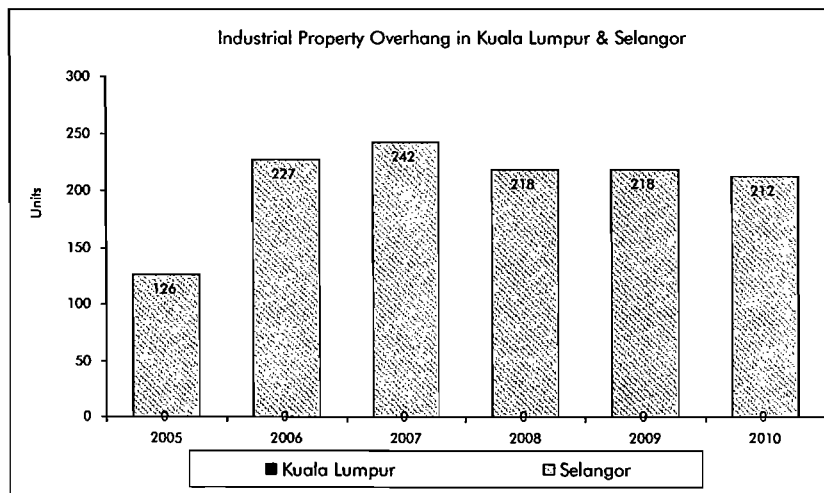
6. INDUSTRY OVERVIEW (cont'd)

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Property Market Overview and Outlook

- As at end 2010, there were a total of 212 units of industrial property overhang in Selangor whilst there was none in Kuala Lumpur since 2005. From this total of 212 units, 84.43% (179 units) was made up of terraced factories, with the balance of 33 units being semi-detached factories. About 47.17% (100 terraced factory units) were in the Gombak district, 34.91% (41 terraced and 33 semi-detached factory units) in the Klang district, 14.15% (30 terraced factory units) in the Kuala Langat district and 3.77% (8 terraced factory units) in the Sabak Bernam district. Kuala Lumpur had no overhang.

- Chart 3.4.1e: Unsold Industrial Properties in Klang Valley



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

6. INDUSTRY OVERVIEW (cont'd)

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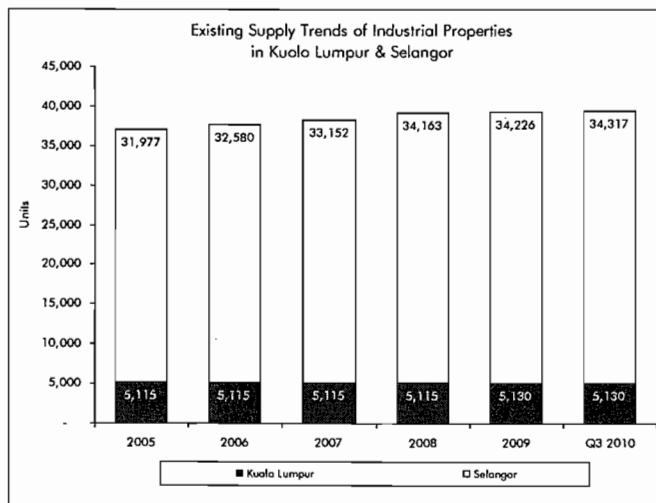
Property Market Overview and Outlook

3.4.2 Supply of Industrial Properties in Kuala Lumpur and Selangor

3.4.2.1 Existing Supply

- The total existing supply of industrial properties in Kuala Lumpur and Selangor is recorded at 5,130 units and 34,321 units respectively as at Q4 2010. In Kuala Lumpur, industrial properties are predominantly terraced factories contributing 57.99% of the total supply in Kuala Lumpur. The majority of industrial properties in Kuala Lumpur are located in Mukim of Batu such as Kepong, Segambut and Gombak areas.
- Similarly, terraced factories make up the bulk of the existing supply in Selangor. The majority of industrial properties are located within the Petaling District which covers Shah Alam, Petaling Jaya and Subang Jaya areas.
- Over the last five years, there has not been significant supply of new industrial properties in Kuala Lumpur and Selangor, as shown in the following chart:-

- Chart 3.4.2.1a: Existing Supply Trends of Industrial Properties in Klang Valley



Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- Table 3.4.2.1b: Existing Supply of Industrial Properties in Kuala Lumpur, as at Q4 2010

Mukim	Sections 1-100	Ampang	Batu	Cheras	Hulu Kelang	Kuala Lumpur	Petaling	Setapak	Total
Terrace	114	60	1,515	0	0	214	1,029	43	2,975
Semi-Detach	10	50	178	0	0	92	74	67	471
Detach	3	0	424	0	0	48	42	37	554
Flatted Factory	0	0	890	0	0	0	226	0	1,116
Industrial Complex	7	0	3	0	0	0	3	1	14
Total	134	110	3,010	0	0	354	1,374	148	5,130

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

6. INDUSTRY OVERVIEW (cont'd)

Chapter 3

Property Market Overview and Outlook

■ Table 3.4.2.1c: Existing Supply of Industrial Properties in Selangor, as at Q4 2010

District	Existing supply of Industrial Property units within the districts of Selangor (Q4 2010)									Total
	Petaling	Klang	Kuala Langat	Kuala Selangor	Sabak Bernam	Gombak	Hulu Selangor	Hulu Langat	Selangor	
Terrace	10,753	4,553	170	109	21	2,697	3,578	3,873	556	26,310
Semi-Detach	1,412	966	0	18	0	101	117	574	211	3,399
Detach	1,651	935	86	34	0	708	76	725	21	4,236
Flatted Factory	263	7	0	0	0	0	0	0	0	270
Industrial Complex	10	49	39	0	0	8	0	0	0	106
Total	14,089	6,510	295	161	21	3,514	3,771	5,172	788	34,321

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

3.4.2.2 Future Supply

- There is limited future supply of industrial properties in Kuala Lumpur. As at Q4 2010, there are only 183 units of future supply in Kuala Lumpur, which are mostly located in Mukim Batu, followed by Mukim Petaling.
- In Selangor, the future supply of industrial properties is recorded at 4,125 units. The future supply is mainly located in the Klang District, which looks set to be an important industrial area in the future, with a total future supply of 1,689 units. Petaling District will have a future supply of 887 units of industrial properties, being second after Klang District.
- In terms of property type, terraced factories are still the most popular type of industrial properties being offered in Kuala Lumpur and Selangor. The total future supply of terraced factories dominates about 67.46% of the total combined future supply of industrial properties in Kuala Lumpur and Selangor. This is followed by detached factories (17.32%) and semi-detached factories (14.58%).

■ Table 3.4.2.2a: Future Supply of Industrial Properties within Kuala Lumpur, as at Q4 2010

Mukim	Future supply of Industrial Property units within the districts of Kuala Lumpur (Q4 2010)								Total
	Sections 1-100	Ampang	Batu	Cheras	Hulu Kelang	Kuala Lumpur	Petaling	Setapak	
Terrace	0	0	87	0	0	0	38	0	125
Semi-Detach	0	0	0	0	0	16	0	0	16
Detach	8	0	30	0	0	1	2	0	41
Flatted Factory	0	0	0	0	0	0	0	0	0
Industrial Complex	1	0	0	0	0	0	0	0	1
Total	9	0	117	0	0	17	40	0	183

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

6. INDUSTRY OVERVIEW (cont'd)

Chapter 3

Property Market Overview and Outlook

■ Table 3.4.2.2b: Future Supply of Industrial Properties within Selangor, as at Q4 2010

District	Future supply of Industrial Property units within the districts of Selangor (Q4 2010)									Total
	Petaling	Klang	Kuala Langat	Kuala Selangor	Sabak Bernam	Gombak	Hulu Selangor	Hulu Langat	Selangor	
Terrace	467	1,395	37	0	40	379	187	276	0	2,781
Semi-Detach	333	51	4	0	0	12	0	154	58	612
Detach	80	225	54	33	0	55	4	252	2	705
Flatted Factory	0	6	1	0	0	0	0	0	0	7
Industrial Complex	7	12	1	0	0	0	0	0	0	20
Total	887	1,689	97	33	40	446	191	682	60	4,125

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

3.4.3 Major Industrial Transactions

- In Selangor, traditionally industrial zones in prime city areas such as Sections 13 and 19 in Petaling Jaya are slowly being converted into limited commercial development areas – with heavy industries moving out of the city to cheaper locations such as Sungai Buloh, Shah Alam and Klang. Kuala Lumpur has limited industrial locations. Preferred industrial areas are Kepong, Batu Caves and Cheras / Maluri, which are well overpriced and highly sought after, particularly for warehousing needs.
- Major industrial transactions (above RM20 million) in 2009 to 2010 are listed in the following table:

■ Table 3.4.3: Major Industrial Warehouse Transactions in Klang Valley, 2009 – 2010

Buildings	Location	Land area (acres)	Gross Built-up Area (sq ft)	Consideration (RM million)
Selangor				
2010				
Detached Factory/Warehouse	Lot PT 2, Persiaran Selangor, Sec 15, Shah Alam	8.33	N/A	24.00
2009				
Warehouse/factory	Jalan Kemajuan Sec 13 Petaling Jaya	2.30	N/A	32.00
2-storey warehouse/factory	Jalan SS8/4 Kawasan Industry Free Trade Zone Sungai Way	11.00	N/A	40.00
2-storey warehouse/factory	Jalan Industri PBP 3 Pusat Bandar Puchong	1.56	N/A	25.00
Warehouse/factory	Lot 67, Jalan 205 Sec 51/51A Petaling Jaya	4.14	N/A	21.11
A leasehold warehouse used as logistic centre	Sec 22, Shah Alam	22.89	370,000	41.80
Ikea's warehouse in Shah Alam	Sec 26, Shah Alam	21.03	560,000	90.00
Detached Factory/Warehouse	Lot PT 69, Jalan Gerudi 15/4, Sec 15, Shah Alam	16.39	N/A	40.00

Source: Bursa Securities, Valuation and Property Services Department Ministry of Finance Malaysia & CBRE Research

6. INDUSTRY OVERVIEW (cont'd)

Chapter 4

Business Overview and Prospects

4.0 BUSINESS OVERVIEW AND PROSPECTS

4.1 Market Size and Share

- In 2009, the Valuation and Property Services Department from Ministry of Finance Malaysia reported a total number of property transactions in Kuala Lumpur at 25,325 units with a total value of RM13.79 billion. For the first three quarters of 2010 (from January to September), there were a total of 20,443 property transactions in Kuala Lumpur, valued at RM14.50 billion.
- UOA Development's portfolios of properties currently available for sale are all located in Kuala Lumpur. In 2009, UOA Development sold a total of 181 properties worth a total value of RM161.73 million. This is equivalent to about 0.71% and 1.17% of the total volume and value of property transactions respectively in Kuala Lumpur.
- However, UOA Development's market share in the Federal Territory of Kuala Lumpur property market increased in 2010. The Valuation and Property Services Department reported a total number of 27,373 property transactions valued at RM20,028.78 million in Kuala Lumpur for the year of 2010. UOA Development sold 326 properties at a total value of RM394.20 million. This is equivalent to 1.19% and 1.97% of total volume and values of Kuala Lumpur's property transactions in 2010.
- The following table depicts an analysis of property sales from developers to individuals in Kuala Lumpur for year 2009:-

■ Table 4.1a: Property transactions in Kuala Lumpur in year 2009

Type of transaction	Residential		Commercial	
	No. of transactions	Value (RM million)	No. of transactions	Value (RM million)
From developer to individual	3,626	1,004.67	470	134.40
UOA Development's sales	133	56.99	48	104.74
Market share	3.67%	5.67%	10.21%	77.93%

Source: Analysed from data obtained from UOA Development, and the Valuation and Property Services Department, Ministry of Finance Malaysia

- From a micro view, according to Table 4.4.1, UOA Development appears to have captured 10.21% market share of developer-sold purpose-built office space in Kuala Lumpur in 2009, which makes up approximately 77.93% of transaction values for developers' sales for that period. From this perspective, it is observed that UOA Development is a major player in the Malaysian property development market, particularly in the commercial sector.
- Additionally, 5.67% of the total value (or 3.67% of total units) of residential properties transacted from developers to individuals in Kuala Lumpur in 2009 was from UOA Development's developments.

6. INDUSTRY OVERVIEW (cont'd)

Chapter 4

Business Overview and Prospects

4.2 Industry Players and Competition

- There are eighty-eight (88) property developers listed under the property sector of the Main Board of Bursa Securities as at 31 March 2011. The top ten listed property developers in terms of market capitalisation are as follows:

- Table 4.2a: Listed Property Developers by Market Capitalisation**

No.	Listed Property Developers	Market Capitalisation as at 31 March 2011	Flagship / Major Property Developments
1	UEM Land Holdings Berhad	RM 11.38 billion	Nusajaya in Iskandar Malaysia
2	S P Setia Berhad	RM 7.39 billion	Setia Alam in Shah Alam
3	IGB Corp Berhad	RM 3.22 billion	Mid Valley City in Kuala Lumpur
4	KLCC Property Holdings Berhad	RM 3.12 billion	KLCC
5	IJM Land Berhad	RM 3.08 billion	The Light in Penang
6	Sunway City Berhad	RM 2.11 billion	Bandar Sunway in Subang Jaya
7	Mah Sing Group Berhad	RM 2.08 billion	The Icon@Tun Razak in Kuala Lumpur
8	Krisassets Holdings Berhad	RM 1.83 billion	Mid Valley City
9	TA Global Berhad	RM 1.72 billion	Damansara Idaman in Petaling Jaya
10	YTL Land & Development Berhad	RM 1.56 billion	Sentul East and Sentul West

Source: Bursa Securities & CBRE Malaysia

- However, in Q4 2010, there were reports that three mega merger and acquisition exercises involving six listed property companies were expected to take place in the near future, which will likely result in a change of rankings in terms of market capitalisation.
- The proposed merger between IJM Land Berhad and Malaysian Resources Corp Berhad ("MRCB") has been newly shelved. The new entity was poised to be the second largest property developer in the country with a market capitalisation of about RM7 billion and over 9,000 acres of land. This is excluding the 3,300 acres of prime land within the Rubber Research Institute in Sungai Buloh, of which MRCB is widely-expected to be the master developer. It was reported in The Star Business (30 December 2010) that the merger fell through due to both companies being unable "to reach an agreement on the definitive terms and conditions of the proposed merger".
- The 2nd merger involves UEM Land Holdings Berhad, the main developer in Nusajaya within Iskandar Malaysia, who is currently the top property developer by market capitalisation. The merger between UEM Land Holdings Berhad and Sunrise Berhad resulted in the country's largest property developer with a market capitalisation of about RM10 billion and a landbank of over 12,000 acres.
- The merger between Sunway City Berhad and Sunway Holdings Berhad will form the fourth largest property developer after S P Setia Berhad, the latter of which has a land bank of over 3,000 acres. The newly-merged Sunway entity will have a market capitalisation of about RM3.5 billion and a landbank of over 2,000 acres.
- Additionally, there are many other non-listed property development companies in Malaysia, some of which include the over 900 companies listed as a member of the Real Estate and Housing Developers' Association (REHDA) Malaysia.

6. INDUSTRY OVERVIEW (cont'd)

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Business Overview and Prospects

- In the Klang Valley, there are many niche property developers who carry with them strong brand names in the market and have a loyal following. Apart from the top ten listed property developers, others who are actively developing in the Klang Valley and operate in the same localities as UOA Development include the following:
- Table 4.2b: Other Selected Developers with Competitive Projects to UOA Development's Klang Valley Projects

Locality of UOA Development's Projects	Property Developers	Property Developments
Setapak, Kuala Lumpur	Platinum Victory Development Sdn Bhd KP Property Sdn Bhd FITTEERS Diversified Bhd	LakeCity Condominiums 222 Residency & 288 Residency Zeta Park @ KL Festival City
Bangsar South City	SP Setia Berhad YTL Land & Development Berhad Malaysian Resources Corp Berhad	KL Eco-City mixed development The Centrio @ Pantai Hillpark KL Sentral
Kuala Lumpur City Centre	Vipod Sdn Bhd Jadepot Development Sdn Bhd	Vipod @ KLCC SoHo Suites @ KLCC
Segambut, Kuala Lumpur	Purcon Group Alam Jati Development Sdn Bhd Palam Mesra Sdn Bhd	Laman Damansari Anjung Tiara Mesra Terrace
Bukit Ceylon, Kuala Lumpur	Bolton Berhad UM Land Starpuri Development Sdn Bhd (part of the DNP Group)	Six Ceylon Suasana Bukit Ceylon Verticas Residency
Taman Desa, Kuala Lumpur	Faber Berhad 1Malaysia Development Berhad IGB Corporation Berhad	Taman Desa Bandar 1Malaysia (proposed) Mid Valley City
Glenmarie, Shah Alam	Sime Darby Property Berhad Glomac Berhad WCT Berhad	Ara Damansara Developments in Kelana Jaya The Paradigm @ Kelana Jaya

Source: CBRE Malaysia

4.3 Substitute Products / Property Types

- There are generally no substitutes for real estate property, which provides shelter and premises for conducting daily lives and businesses. However, there are many types of properties that can be developed to cater to different needs and budgets of property purchasers.

6. INDUSTRY OVERVIEW (cont'd)

Chapter 4

Business Overview and Prospects

- Currently, UOA Development is developing three types of property developments, namely residential, commercial and industrial. However, residential and commercial property developments are the main focus in UOA Development's property roadmap.
- UOA Development has successfully completed the following types of residential and commercial property developments:

- Table 4.3a: UOA Development's Completed Type of Properties**

Category	Type of Property	Scheme
Residential	Condominium/apartment	<ul style="list-style-type: none"> Plaza Menjalara, Kepong The Park Residences Phase 1, Bangsar South Prima Setapak (Phases 1 to 4), Setapak Prima Setapak II
	Townhouse	<ul style="list-style-type: none"> Villa Saujanis, Segambut
	2- to 2½-storey terraced house	<ul style="list-style-type: none"> Taman Megah Kepong Baru (Phases 1 to 3), Kepong
	3- to 3½-storey terraced house	<ul style="list-style-type: none"> Happy Garden Project, Sri Petaling
	3-storey semi-detached house	<ul style="list-style-type: none"> Happy Garden Project, Sri Petaling
	3-storey cluster link bungalow	<ul style="list-style-type: none"> Halimahton, Old Klang Road
	3-storey strata-titled bungalow	<ul style="list-style-type: none"> Villa Mont' Kiara, Mont' Kiara
	3-storey bungalow	<ul style="list-style-type: none"> Villa Mont' Kiara, Mont' Kiara Villa Yarl, Taman Yarl
Commercial	Purpose-built office building	<ul style="list-style-type: none"> UOA Pantai, Pantai The Horizon Phase I, Bangsar South Menara UOA Bangsar Wisma UOA Bangsar
	Commercial complex	<ul style="list-style-type: none"> The Village, Bangsar South
	Retail shops and offices within a podium	<ul style="list-style-type: none"> Plaza Menjalara, Kepong Prima Setapak (Phase 2), Setapak

Source: Data from UOA Development

- Presently, UOA Development is in the midst of developing the following types of properties:

- Table 4.3b: UOA Development's On-going Projects**

Category	Type of Property	Scheme
Residential	Condominium	<ul style="list-style-type: none"> Setapak Green, Setapak
	Serviced apartments	<ul style="list-style-type: none"> Camellia Serviced Apartments & Annex Building, Bangsar South
	3-storey terraced villas	<ul style="list-style-type: none"> Villa Pines, Segambut
Commercial	Purpose-built office buildings	<ul style="list-style-type: none"> The Horizon Phase II, Bangsar South
	2½-storey detached office cum warehouse	<ul style="list-style-type: none"> Kepong Business Park, Kepong¹
	SoHo/ Serviced Suites	<ul style="list-style-type: none"> Binjai 8, KLCC

Source: Data from UOA Development

Note: ¹ This development is in the nature of an industrial park and has been marketed as an industrial development comprising detached office cum warehouse although the land use stipulated on the title deed is commercial.

6. INDUSTRY OVERVIEW (cont'd)

Chapter 4

Business Overview and Prospects

- In the near future, UOA Development intends to develop more properties such as:

- Table 4.3c: UOA Development's Future Projects

Category	Type of Property	Scheme
Residential	Condominium	<ul style="list-style-type: none"> • The Park Residences Phases II & III, Bangsar South • Desa II, Taman Desa
	Serviced apartments	<ul style="list-style-type: none"> • Ceylon Hills, Bukit Ceylon
	Link bungalow/Bungalow	<ul style="list-style-type: none"> • Kiara IV, Segambut • Desa III, Taman Desa
Commercial	Purpose-built office buildings	<ul style="list-style-type: none"> • The Vertical Phase II, Bangsar South • Glenmarie Land, Shah Alam
	Medical centre with retail outlets	<ul style="list-style-type: none"> • The Vertical Phase I, Bangsar South
	Hotel	<ul style="list-style-type: none"> • The Vertical Phase I, Bangsar South
	Commercial centre	<ul style="list-style-type: none"> • Desa II, Taman Desa • The Sphere, Bangsar South
Recreational	3-storey clubhouse with facilities	<ul style="list-style-type: none"> • The Clubhouse, Bangsar South

Source: Data from UOA Development

- Other property types that UOA Development may consider developing in the future, subject to the right demand and supply conditions, include:
 - Commercial: Semi-detached/detached shops, and shopping complex as well as resort/leisure properties such as golf courses, marinas and recreational parks
 - Industrial: Flatted, terraced, semi-detached or detached factories, and industrial complexes

4.4 Industry's Reliance on and Vulnerability to Imports

- Among the building materials required for construction of properties include steel bars, cement, sand and timber. Generally, these building materials are easily available within Malaysia, with most property developers opting to source for these materials locally due to a liberalised market, particularly for cement and steel. The liberalised market meant that builders were allowed to import cement and steel, thereby increasing competition for local suppliers who would then quote more reasonable prices. According to a report in The Edge (20 April 2010), about 90% of Malaysian developers source their building materials from local suppliers, due to the complexities of importing these materials in which regulations require all overseas-produced items to be first evaluated to comply with Malaysian standards before being allowed into the country.
- In general, most construction and building materials are sourced locally by UOA Development. Therefore, UOA Development is neither reliant on nor vulnerable to imports of materials in the course of its daily business.

6. INDUSTRY OVERVIEW (cont'd)

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Business Overview and Prospects

4.5 Competitive Edge

- Established track record in project execution with excellent market reputation particularly in Kuala Lumpur: Most of UOA Development's completed projects achieved good take-up rates, with projects such as Villa Saujanis, Villa Mont' Kiara, Taman Megah Kepong Baru (Phase 1 to 3), Happy Garden project and Halimahton having achieved sold-out status.

- Table 4.5a: UOA Development's Completed Projects

No.	Property Development	Location	Type of Development	Construction period	Take-up / Sales Rate
MUKIM BATU					
1	Villa Saujanis	Segambut, KL	Residential (Landed)	2001-2002	100.00%
2	Villa Mont' Kiara	Mon't Kiara, KL	Residential (Landed)	2002-2004	100.00%
3	Taman Megah Kepong Baru (Phases 1 to 3)	Kepong, KL	Mixed Development	2002-2005	100.00%
4	Plaza Menjalara	Kepong, KL	Mixed Development	2007-2009	58.18% ⁽²⁾
MUKIM KUALA LUMPUR					
5	UOA Pantai	Pantai, KL	Commercial	2006-2007	N/A ⁽³⁾
6	The Horizon Phase I	Bangsar South, KL	Commercial	2007-2009	64.88% ⁽⁴⁾
7	The Park Residences Phase I	Bangsar South, KL	Residential	2007-2010	79.51% ⁽¹⁾
8	The Village	Bangsar South, KL	Commercial	2007	N/A ⁽⁵⁾
MUKIM PETALING					
9	Happy Garden Project	Sri Petaling, KL	Residential (Landed)	2005-2006	100.00%
10	Villa Yarl	Taman Yarl, KL	Residential (Landed)	2005-2006	89.43% ⁽¹⁾
MUKIM SETAPAK					
11	Prima Setapak Mixed Development (Phases 1 to 4)	Setapak, KL	Mixed Development	1999-2006	99.60% ⁽¹⁾
12	Prima Setapak II	Setapak, KL	Residential (High Rise)	2007-2008	99.66% ⁽¹⁾
SECTION 1-100					
13	Halimahton	Old Klang Road, KL	Residential (Landed)	2005-2006	100.00%
14	Menara UOA Bangsar	Bangsar, KL	Commercial	2007-2009	89.58% ⁽¹⁾⁽⁶⁾
15	Wisma UOA Bangsar	Bangsar, KL	Commercial	2003-2005	N/A ⁽⁷⁾

Notes:

- Remaining unsold saleable area is held as inventory for sale.
- Remaining unsold saleable area of 16,011 sq m comprises the retail shops and offices held as inventory for sale whilst the condominium units are fully sold.
- Divested to UOA REIT in 2008.
- Of the remaining unsold saleable area of 27,142 sq m, 22,092 sq m is tenanted out. The balance of 5,050 sq m is held as inventory for sale.
- Held for investment and for use as UOA Development's sales gallery.
- Menara UOA Bangsar comprises Menara UOA Bangsar (Tower A) and Menara UOA Bangsar (Tower B). The figure shown is in respect of Menara UOA Bangsar (Tower A) only as Menara UOA Bangsar (Tower B) constitutes the entitlement of the joint construction partner, Desa Bukit Pantai Sdn Bhd ("Desa Bukit Pantai") (a related party of our Group) under an agreement to jointly develop Menara UOA Bangsar. Desa Bukit Pantai subsequently entered into a sale and purchase agreement to divest Menara UOA Bangsar (Tower B) to UOA REIT, which as at 31 March 2011, has not yet been completed.
- Divested to UOA REIT in 2006.

Source: Data from UOA Development and CBRE Malaysia

6. INDUSTRY OVERVIEW (cont'd)

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- Strategically-located land bank: UOA Development has land banks in Kuala Lumpur and Selangor for its current and future developments. These land banks are well-connected to the existing transportation networks and highways, as well as being supported by infrastructure and amenities, thereby ensuring excellent accessibility and marketability of the developments in the future. These land banks are also expected to benefit from the proposed expansion of rapid transit lines, i.e. the future development in Glenmarie Land is anticipated to have a direct connection to the new LRT-Komuter interchange in Subang Jaya; the future Taman Desa development is located on the boundaries of the proposed Bandar 1Malaysia development in Sungai Besi, the latter of which is expected to benefit from an MRT station as stated in the Economic Transformation Programme ("ETP"); and UOA Development intends to build a covered walkway connecting its mixed development in Bangsar South to the Kerinchi LRT station in the near future.

Table 4.5b: UOA Development's On-going Projects

	Mukim Batu	Mukim Kuala Lumpur	Mukim Setapak	Section 1-100
Residential	• Villa Pines	• Camellia Serviced Apartments & Annex buildings	• Setapak Green	N/A
Commercial	• Kepong Business Park ¹	• The Horizon Phase II	N/A	• Binjai 8

Note: ¹ This development is in the nature of an industrial park and has been marketed as an industrial development comprising detached office cum warehouse although the land use stipulated on the title deed is commercial.

Table 4.5c: UOA Development's Future Projects

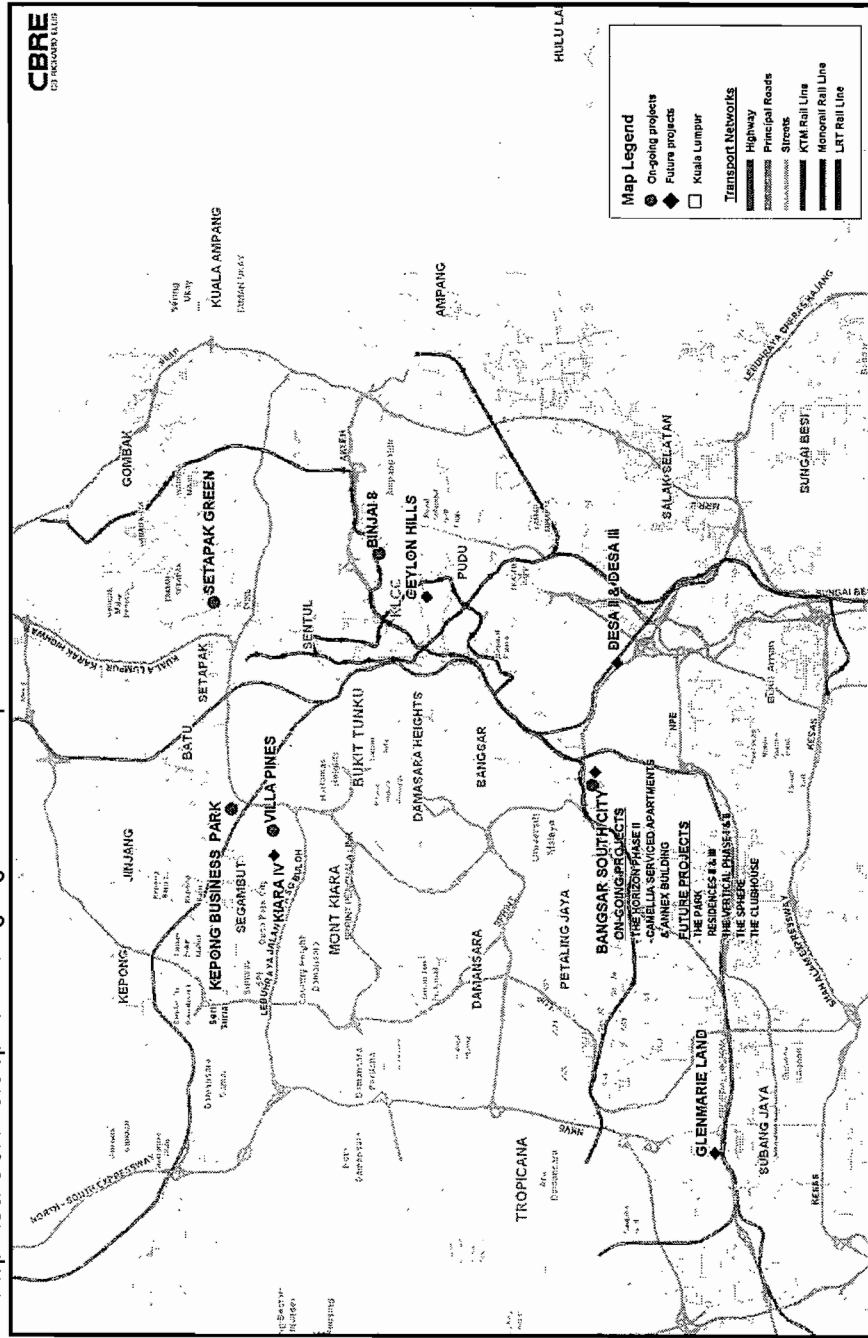
	Mukim Batu	Mukim Kuala Lumpur	Mukim Setapak	Section 1-100
KUALA LUMPUR				
Residential	• Kiara IV	• The Park Residences Phase II & III	N/A	• Ceylon Hills
Commercial	N/A	• The Vertical Phase I & II • The Sphere	N/A	N/A
Mixed Development	N/A	• Desa II & III	N/A	N/A
Recreational	N/A	• Clubhouse	N/A	N/A
SELANGOR	District of Petaling			
Commercial	• Office development in Glenmarie Land			

- The following map shows the location of UOA Development's on-going and future projects:

6. INDUSTRY OVERVIEW (cont'd)

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■ Map 4.5c: UOA Development's On-going and Future Projects



6. INDUSTRY OVERVIEW (cont'd)

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4.6 Future Growth, Prospects and Outlook of the Industry

- **Strong property market activity in the Klang Valley:** Klang Valley recorded a total number of 107,201 transactions in 2009 at a total value of RM41,827.28 million. In 2010, the number of transactions in the Klang Valley totaled 124,731 at a value of RM62,167.72 million, analysed at a positive growth rate of 16.35% and 48.63% in terms of volume and value. These figures indicate strong growth in buying activities within Klang Valley's property market.
- **Healthy absorption rates for residential properties within the Klang Valley:** A sign of healthy property demand can be indicated by the take-up rates of new launches. For instance, UOA Development has ongoing residential schemes in the Mukim of Batu, Kuala Lumpur, Sections 1-100 and Setapak within the state of Wilayah Persekutuan Kuala Lumpur. It is observed that these areas have good take-up rates for newly-launched residential properties, with an average of 75% of newly-launched units taken up within nine months, as seen from data extracted from government statistics which are summarised in the following table:

Table 4.6a: Absorption of Newly-Launched Residential Units in Kuala Lumpur, Q1-Q3 2010

Mukim	Units launched	Accumulative % of newly-launched units sold in Q1 to Q3 2010		
		Within 3 months	Within 6 months	Within 9 months
Batu	406	41.38%	77.83%	77.83%
Kuala Lumpur	1,094	40.04%	67.92%	68.01%
Kuala Lumpur Town Centre	188	N/A	46.81%	46.81%
Setapak ¹	960	N/A	74.48%	87.40%
Accumulative	2,648	22.89%	70.32%	75.04%

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

Note: ¹ The statistics for Mukim of Setapak were taken from the period of Q1 to Q3 2009, as there were no statistics available for the corresponding period in 2010.

- **Good absorption rates for commercial office space within the Klang Valley:** Based on statistics from the Valuation and Property Services Department and CBRE's in-house research, we note that the Klang Valley has managed to absorb about 67.25% of new office space (equivalent to 9.95 million sq ft) that came into the market between 2006 and 2010. This shows that demand for office space in the Klang Valley is able to sustain a reasonable amount of new office space that enters the market, with an average absorption rate of slightly more than two million sq ft annually in the Klang Valley for the past five years.
- **Decentralisation of offices out of Kuala Lumpur city centre:** We observe that office developments in decentralised locations such as KL Sentral, Bangsar, Damansara Heights, Petaling Jaya and Mutiara Damansara are steadily cementing their credibility as prime office locations. Among the recent office occupiers who moved out of Kuala Lumpur city centre to decentralised locations in Klang Valley include:

6. INDUSTRY OVERVIEW (cont'd)

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- Accenture relocating from Petronas Twin Towers in KLCC to The Gardens in Mid Valley City;
 - Bandaraya Development Berhad relocated from Menara Multi Purpose to their own BRDB Tower in Bangsar;
 - International SOS Sdn Bhd moved from Menara Chan to Menara UOA Bangsar;
 - Quintiq consolidated their operations in two locations within Petronas Twin Towers and Etiqa Twins to a single location within 1 First Avenue in Bandar Utama;
 - Schlumberger moved from Wisma Rohas Perkasa to 1 First Avenue in Bandar Utama.
- Klang Valley has the highest residential and commercial property values in the country: The properties in the Klang Valley are priced substantially higher than those in the states of Johor and Penang. The residential properties in Klang Valley are transacting at about 143% and 44% higher than the average prices in Johor and Penang, respectively. Likewise, commercial properties in Johor and Penang are transacting at about 141% and 114% lower than the average prices in the Klang Valley.

Table 4.6b: Average Value Per Property Transaction in Klang Valley, Johor and Penang

Sub-sectors	Average Value Per Transaction (RM) for 2010			
	Kuala Lumpur	Selangor	Johor	Penang
Residential	488,522	290,636	166,618	265,107
Commercial	1,168,025	834,350	433,478	474,825

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

- Increasing property values in the Klang Valley: In recent years, property values in the Klang Valley have increased, as observed from the increasing number of properties changing hands at higher average values. This fact benefits UOA Development as a property developer, as increases in property values will translate to better profit margins as long as costs remain sustainable.

Table 4.6c: Average Value (RM) of Property Transactions in Klang Valley, 2005 – 2010

Area / Year	2005	2006	2007	2008	2009	2010
KUALA LUMPUR	604,233	545,633	833,788	731,533	544,500	744,927
Residential	352,270	342,658	409,780	436,088	389,906	488,522
Commercial	1,250,933	1,276,533	1,819,819	1,198,040	896,636	1,168,025
SELANGOR	308,486	337,213	338,448	343,463	342,450	404,902
Residential	220,698	228,047	244,783	249,017	260,091	290,636
Commercial	679,772	592,229	658,784	762,096	737,936	834,350

Source: Valuation and Property Services Department, Ministry of Finance Malaysia

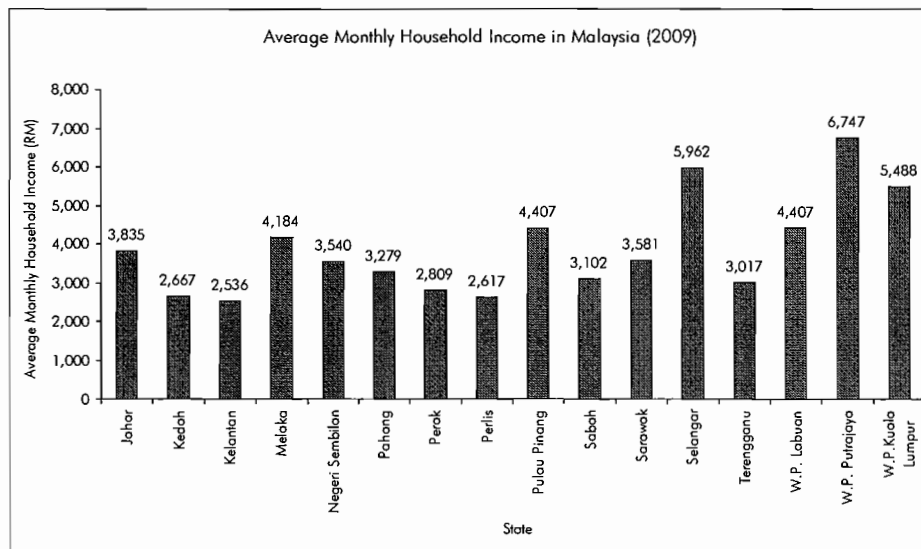
6. INDUSTRY OVERVIEW (cont'd)

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- **Ready and proposed urban mass transit plans in the Klang Valley:** The government has proposed to enhance existing public transportation networks by building an integrated urban MRT system as one of the entry point projects to achieving a Greater Klang Valley by year 2020 under the ETP. This includes a proposed RM47 billion MRT system that will span 141 kilometres with three major routes serving a radius of 20 kilometres of the city centre, as well as the proposed extension of the existing LRT network. These are expected to benefit the overall property development sector.
- **Good long-term prospects for the property development sector in Klang Valley:** In addition to the excellent accessibility and future transportation network, the Klang Valley also records the highest volume and value of property transactions in the country, being the most suitable and vibrant location for property developers to market their products. Demand for properties is supported by a population that averages the highest household income in the country, as depicted in the following chart:

Chart 4.6d: Average Monthly Household Income in Malaysia (2009)



Source: Economic Planning Unit 2009

7. BUSINESS OF OUR GROUP

7.1 OVERVIEW

We are one of the leading property developers in Kuala Lumpur and one of the few development companies in Malaysia who has a comprehensive integrated in-house Development and Construction Departments which allows us to execute our developments efficiently on a “fast-track basis”.

We, through our Subsidiaries and Associated Company, are primarily involved in property development, construction and investment property of medium to high-end residential and commercial properties. Our development projects are centralised within the Klang Valley.

As at the Latest Practicable Date, we have a total saleable and lettable area of approximately 329,733 sq m of properties under development with an estimated GDV of RM2.07 billion to be completed over the next three years. We have a further total potential saleable and lettable area of approximately 1,278,891 sq m being held for future development projects.

7.2 COMPETITIVE STRENGTHS AND ADVANTAGES

Over the years, we, as part of our Parent Group, have established a brand name for developing medium to high-end residential and commercial properties. We are one of the few development companies in Malaysia which has a comprehensive integrated in-house Development and Construction Departments which allows us to execute our development projects efficiently on a “fast-track basis”, i.e. within a shorter development cycle. Our integrated structure further allows us to consistently deliver high quality products.

The “UOA” brand name and reputation has enabled us to command a premium for our products and achieve sales of close to 100.00% for all properties, other than units which are intended to be sold at a later stage or retained for investment.

In addition, building management services provided by Dats Management enable us to continue to ensure that completed properties managed by Dats Management are properly maintained, to preserve its competitiveness and value.

Further, we are also of the opinion that the following competitive strengths have enabled and will continue to enable us to take advantage of the growth potential of and to compete effectively in the Malaysian property market.

7.2.1 Established Track Record and Brand Loyalty

We are part of our Parent Group which has an established track record of more than 21 years for both residential and commercial properties and that we have successfully built the “UOA” brand name as a developer of premium residential and commercial properties, a reputation we enjoy both within the property industry and among customers alike. We have primarily built our brand loyalty through proven quality and prime locations of our development projects.

Our established track record and brand loyalty has contributed, and will continue to contribute, to the value appreciation of our properties. We typically develop and release our properties for sale in stages from its initial launch, so as to realise better values. We often withhold a certain portion of our properties for sale after the CCC. Completed properties with CCC can usually command premium selling prices. Our reputation for delivering quality and value is illustrated by the fact that we have achieved strong sales on minimal advertising expenditure.

7. BUSINESS OF OUR GROUP (cont'd)

These distinctions have enabled us to command a strong market presence in Kuala Lumpur where our prime properties are located. They have also been instrumental in establishing the "UOA" brand as one which is associated with quality and innovative development projects. Further, the "Bangsar South" brand has also gained recognition due to our efforts in re-positioning the area into an integrated modern development project.

7.2.2 Our Current and Future Development Projects are Located in Strategic Locations

As at the Latest Practicable Date, we have a total saleable and lettable area of approximately 329,733 sq m of properties under development with an estimated GDV of RM2.07 billion to be completed over the next three years. We have a further total potential saleable and lettable area of approximately 1,278,891 sq m being held for future development. Our key development project sites are strategically located in prime districts around Kuala Lumpur and Selangor including Bangsar South (where our flagship development project is located), Kepong, Setapak, Segambut, Old Klang Road and Shah Alam. We expect the properties under development and held for future development to be realisable and completed within the next five years except for our flagship development project in Bangsar South which we intend to complete over the next ten years. All these development projects are located in prime and matured districts in the Klang Valley.

7.2.3 Experienced and Established Management Team

We have an experienced management team that has successfully led our operations through rapid organic growth and progressively expanded our portfolio of high-quality development projects. Members of our key management have extensive experience in the property sector in Malaysia, Singapore and Australia. Our two founding members, our Executive Directors, Mr. Kong Chong Soon @ Chi Suim (who is also our Managing Director) and Mr. Kong Pak Lim, together with the other members of our key management, have been closely involved in the business since the 1980s under our Parent Group.

Our key management has a proven track record of strong leadership and consistent performance, combining entrepreneurial drive with financial and managerial prudence. Our management's acumen and understanding of market trends have helped us to identify significant development opportunities in prime locations within Klang Valley, enabling us to acquire sites at reasonable prices, thereby positioning us to benefit from the ensuing rapid market growth. We further believe that our management's extensive network, experience and market knowledge should enable us to source potential sites in other emerging high-growth districts with development opportunities.

We have in place a strong and experienced key management to ensure that we maintain our stringent quality standards, cohesive management and local oversight of all our development projects. Members of our key management have on average more than 15 years experience in the Malaysian property industry and the majority of them have been with our Parent Group for more than 15 years. Please refer to Section 13.2 of this Prospectus entitled "Key Management" for further details on our key management.

7. BUSINESS OF OUR GROUP (cont'd)

7.2.4 Focus on Diversified Product Portfolio

We are adaptive to the ever changing market trends and needs. This is evidenced by our diversified product portfolio which ranges from the development of residential and commercial properties to industrial properties for medium to high-income customers. This allows us to shift our focus with ease according to the demands of the market.

In addition, our comprehensive integrated in-house development capabilities and emphasis on quality workmanship and interior design strengthen our ability to adapt our designs and concepts to create a desirable environment for our target customers to meet the ever changing market trends and needs.

7.2.5 In-house Planning, Development and Construction

Our in-house Planning and Development Departments which includes architects, planning experts and M&E and civil engineers enable us to make swift modifications and changes to our concepts and designs to meet the changing market trends and needs.

We also have our own in-house Construction Department housed under two of our subsidiaries, namely, AEC and URC Engineering, which undertake all the construction of our Group's development projects. Both companies are qualified and registered as Category B Grade G7 ("Grade B-G7") construction companies with CIDB in building and civil engineering works. Grade B-G7 permits both companies to carry out construction projects where the tendering capacity is unlimited. AEC and URC Engineering primarily undertake development projects for our Group which enables them to be focused on our Group's development projects which in turn enables us to fast-track our Group's development projects whilst maintaining high quality and effective cost control. In addition, having our own in-house purchasing, quantity surveyor and contracts teams under our Construction Department allows us to negotiate and procure materials and supplies directly from our suppliers at competitive prices. Further, we are able to enjoy this competitive pricing by virtue of our economies of scale.

As a result, to date, all of our development projects have been satisfactorily completed ahead of schedule without compromising on quality. Our integrated structure promotes efficient business model which allows us to execute our development projects efficiently on a "fast-track basis".

7.2.6 Strong Parentage and UOA REIT

We intend to leverage on our Parent Group's interest in the UOA REIT to whom we have granted a right of first refusal over our completed commercial properties which satisfy various agreed criteria. This provides us with an opportunity to dispose of our completed commercial properties should the need arise to redeploy our capital towards higher yielding development projects. As at the Latest Practicable Date, our Parent Group has an indirect interest of approximately 77.14% in the UOA REIT. Our Group has disposed of Wisma UOA Bangsar and UOA Pantai for RM21.00 million and RM86.00 million in 2007 and 2008, respectively, to the UOA REIT. The investment and capital attributable from these two development projects were redeployed to higher yielding development projects such as Bangsar South and Menara UOA Bangsar which have contributed significantly to our Group's profitability.

Our Parent's listing on the ASX and SGX has created a presence for us as a premium Malaysian property developer in this region and instils confidence in our foreign customer. This has proven to be a valuable advantage in marketing our development projects abroad.

7. BUSINESS OF OUR GROUP (cont'd)

7.3 BUSINESS STRATEGIES AND FUTURE PLANS

The future plans of our Group are focused in the key areas as set out in the following sections.

7.3.1 We will continue to focus on future property development projects in the Klang Valley

Our Group expects to commence the following future development projects within the next three years:

Property Site	Location / Type of Development Projects	Total Site Area sq m	Potential saleable / lettable area sq m	Interest attributable to our Group %	Expected starting date of construction	Estimated completion date of construction	Estimated GDV RM million
Desa III	Taman Desa, KL / Residential	2,460	1,691	70.00	2011	2012	14.00
The Clubhouse	Bangsar South, KL / Recreational	84,020 ⁽¹⁾	N/A ⁽⁴⁾	100.00	2011	2013	N/A
Kiara IV	Segambut, KL / Residential	39,700	33,853	60.00	2011	2013	189.12
Ceylon Hills Service Apartments	Ceylon Hills, KL / Commercial	1,566	15,241	54.00	2011	2013	159.30
Desa II (Residential)	Taman Desa, KL / Residential	22,926 ⁽²⁾	9,147	85.00	2012	2013	49.23
Glenmarie Land	Glenmarie, Shah Alam / Commercial	42,264	184,141	39.00	2012	2014	1,043.79
Desa II (Commercial)	Taman Desa, KL / Commercial	22,926 ⁽²⁾	53,514	85.00	2012	2015	331.76
The Park Residences Phase II	Bangsar South, KL / Residential	84,020 ⁽¹⁾	152,532	100.00	2013	2015	985.10
The Vertical - Phase I (Medical Specialist Centre)	Bangsar South, KL / Commercial	111,400 ⁽³⁾	75,509	100.00	2013	2015	821.46
Total			525,628				3,593.76

Notes:

- (1) The total site area shown is in respect of the total site area for the entire residential precinct of Bangsar South comprising The Park Residences and The Clubhouse.
- (2) The total site area shown is in respect of the total site area for both Desa II (Residential) and Desa II (Commercial).
- (3) The total site area shown is in respect of the total site area for the entire The Vertical comprising The Vertical - Phase I (Medical Specialist Centre) and The Vertical - Phase II, which forms part of Bangsar South.
- (4) Intended to be kept as investment property.

7. BUSINESS OF OUR GROUP *(cont'd)*

7.3.2 Continue to develop and enhance the value of Bangsar South, our flagship development project

Over the last three years, we have successfully rejuvenated the area where Bangsar South is located from an under-developed area into a modern integrated development. The initial phases of the commercial and residential developments of Bangsar South have been completed and are known as The Village, The Horizon Phase I and The Park Residences Phase I.

Moving forward, we intend to further enhance the value of Bangsar South with the introduction of The Clubhouse and Camellia Service Apartments and Annex Building in the near future and increase the accessibility of Bangsar South by having readily available facilities connecting Bangsar South to existing public transport networks.

With the successful implementation of the above and our current and future development for Bangsar South spanning the next 10 years, we envisage the value of Bangsar South to increase significantly in the future thus providing us with resilient and sustainable profitability. The estimated GDV for this entire flagship development project, comprising development projects which have been completed, are currently under development and are held for future development, upon completion is approximately RM8.39 billion.

7.3.3 Continue to focus on development projects in matured markets

In tandem with our Group's flagship development project, we intend to continue to develop medium to high end properties located in matured and established areas mainly within the Klang Valley in the immediate future to complement and diversify our products. These development projects are generally in close proximity to networks of roads, LRT system, schools and other public amenities. Our products are mainly landed and high rise residential properties whilst the commercial properties are developed for either sale or investment. We intend to capitalise on the premium brand name of "UOA" which has been established for over 21 years by our Parent Group which is well-known as a leading property developer and investment property group in Malaysia. This, as a result, will not only attract local purchasers but also foreign purchasers. Our current and future development projects (excluding Bangsar South), completion of which is envisaged to be within the next five years, are estimated to have a total GDV of RM2.60 billion upon completion.

7.3.4 Focus on fast and efficient delivery turnaround of development projects

Our development projects are centred on a "fast-track basis" to maximise our shareholders' return in the shortest period possible. All of our past development projects have been successfully completed efficiently and properties that were intended for sale were generally completely sold within a short period from completion. The current and future development projects held by us are intended to be completed within a five year period except for Bangsar South which is our flagship development project for the next 10 years.

We intend to leverage on our in-house construction team to execute our development projects on a "fast-track basis" and cost effectively with the highest quality. Our construction subsidiaries, namely AEC and URC Engineering, have more than 21 years of successful track record and completed properties worth in excess of RM3.50 billion (based on sales value for properties sold and market value for unsold properties) to date for us and our Parent Group.

7. BUSINESS OF OUR GROUP (cont'd)

7.3.5 Future overseas expansion and diversification of earning base

We are currently evaluating the potential for expanding our business overseas, particularly, in high growth countries such as Vietnam, Singapore and Australia. We have (i) conducted frequent feasibility studies and site visits to Vietnam over the last 36 months, and (ii) as well as actively engaged relevant property industry professionals to better understand market conditions there. We are relatively familiar with the prevailing property market conditions in both Australia and Singapore, through our Parent Group, where UOA has a primary listing on the ASX and a secondary listing on the SGX, as well as through continued monitoring of the feasibility of investing in those countries and the appetite of the investors from those countries.

Although our current and future development projects in Malaysia are expected to sustain our growth over the medium term, we intend to capitalise on our expertise as well as on the "UOA" brand name to duplicate our success in Malaysia, abroad. This move will also offer diversification to our earning base to other growth markets.

7.3.6 Future collaboration with our Parent Group (excluding our Group)

Should the opportunity arise, we may consider leveraging on the financial strength and presence of our Parent Group (excluding our Group) to further diversify our product portfolio and development project sites. This may be in the form of collaborations through joint ventures between our Subsidiaries and our Parent Company or any relevant Parent Group company (excluding our Group) for development projects (i) in markets unfamiliar to our Group or (ii) that require substantial upfront capital investments beyond our financial capabilities or (iii) that do not meet our expected internal rate of returns should we undertake the development projects on our own.

7.3.7 Future growth in rental income and capital value

Our Group currently does not have a significant amount of investment properties. However, as part of our strategy to generate additional and recurrent income stream, we have retained various properties in Bangsar South, and will in the future, as appropriate, retain, an appropriate number of choice developments as investment properties for rental. This will allow our Group to take advantage of the growth potential in the capital value of our investment properties while continuing to grow our core commercial and residential property development business.

7.4 HISTORY, MILESTONES, AWARDS AND RECOGNITIONS

We were incorporated in Malaysia under the Act on 27 May 2004 as a public limited company, as part of our Parent Group, as the vehicle to carry out the property development activities of the Parent Group. Prior to the completion of the Reorganisation and Pre-IPO Restructuring, the property development, construction and investment property activities were carried out by various subsidiaries within our Parent Group led by a team of key management. The majority of the key management has been with our Parent Group for more than 15 years.

Since our incorporation, various development projects were undertaken by us, driven by essentially the same key management of our Parent Group. Please see Section 7.7.1 of this Prospectus entitled "Completed Property Development Projects" for a detailed description of the completed development projects undertaken by us since incorporation.

7. BUSINESS OF OUR GROUP (cont'd)

Pursuant to the Reorganisation and Pre-IPO Restructuring, the various activities of our Parent Group have been restructured and stream-lined and our Group has now been positioned as the flagship company of our Parent Group to carry out all current and future development projects and construction activities for the entire Parent Group in Malaysia. Consequently, the key management that has driven all the past development projects of our Parent Group in the past 21 years has been absorbed into our Group. As such, the history of our Group cannot be viewed in isolation from that of our Parent Group. Our Group's key attributes are inextricably interwoven with the key attributes of our Parent Group, as both were up until the Reorganisation and Pre-IPO Reorganisation lead by the same key management.

In view of the above, our capabilities and track record would be more accurately reflected by taking into account the history of our Parent Group.

Our history can be traced back to 1987 with the incorporation of our Parent Company, then known as United Overseas Securities Limited, on 17 June 1987. United Overseas Securities Limited was listed on the "Second Board" of the ASX in February 1988. Our Parent Group ventured into property development and investments in the Malaysian market in 1989 with its maiden development project of La Villas Condominium in Setapak, Kuala Lumpur.

Our Executive Directors, Mr. Kong Chong Soon @ Chi Suim and Mr. Kong Pak Lim, both possess vast experience in the property development and construction industries from various projects in Singapore and Australia and are supported by other experienced and dedicated members of the key management who also possess extensive experience in property development.

Our Parent Company changed its name to its present name in 1990 to reflect its business focus and operation activities. In 1991 and 1996 respectively, our subsidiaries, namely, AEC and URC Engineering, began handling the construction activities of all development projects undertaken by our Parent Group.

Between 1989 and 1991, our Parent Group acquired two prime sites comprising 2,832 sq m of residential land in Bangsar, an upmarket district of Kuala Lumpur, and 2,461 sq m of commercial land in the heart of KL City Centre. The development for these two sites was completed by our Parent Group in 1993 and 1994 respectively. They are known respectively as Desa Bangsar Ria, which is a 43-unit luxury condominium in Bangsar, and UOA Centre which comprises two integrated blocks of 21 and 33 storeys each of office and business suites with a total GFA of 48,896 sq m and 208 car park lots.

In January 1992, our Parent Company successfully transferred its listing from the Second Board to the Main Board of the ASX.

Following the success of the earlier development projects, our Parent Group acquired another two prime sites in 1994 for commercial development comprising a 4,214 sq m site located just adjacent to the then newly completed UOA Centre and a 3,337 sq m site at the business district of Damansara Heights, KL. The development of these two sites were completed by our Parent Group in 1997 and 1998 and they are known respectively as UOA Damansara, a 13-storey office building with GFA of 38,051 sq m and UOA II, a 39-storey retail cum office building with a GFA of 94,096 sq m.

Post the Asian financial crisis in 1997, our Executive Directors together with other members of our key management were optimistic and confident with the future prospects of the property market in Kuala Lumpur. This resulted in the acquisition of a number of development sites including those sites in mature and popular suburbs of Kuala Lumpur, namely the Kepong and Setapak districts, at attractive prices thus allowing for profitable development. From these acquisitions, two highly successful development projects, namely, Prima Setapak Mixed Development and Taman Megah Kepong Baru were developed by our subsidiaries, Kumpulan Sejahtera and Windsor Triumph respectively.

7. BUSINESS OF OUR GROUP (cont'd)

In 2004, we reached another milestone with the completion of our landmark development project known as Villa Mon't Kiara, an upmarket residential enclave comprising 45 strata-titled bungalow units each with individual swimming pools, set within a gated community with a resort-style landscape, on a build-then-sell basis. This development project was among the first gated and guarded strata-titled bungalows in Malaysia and has helped consolidate our position and the "UOA" brand name as one of the premium property developers in Malaysia.

In 2005, motivated by attractive interest rates, strong economic fundamentals and the anticipation of a property up-cycle, we purchased development sites in various prime locations in Kuala Lumpur (including the present Bangsar South site and in the Pantai and Damansara Heights districts).

Between 2005 and 2006, our Parent Group completed a number of residential development projects including Prima Midah Heights, Taman Megah Kepong and Taman Megah 2, as well as residential development projects in the districts of Happy Garden and Taman Yarl, both located along Old Klang Road, Kuala Lumpur, and a commercial development project known as UOA Bangsar.

In 2005, the UOA REIT was successfully listed on the Main Board of Bursa Securities with parcels in three commercial properties injected by our Parent Group, namely UOA Centre, UOA II and UOA Damansara I, having a total lettable area of 67,214 sq m. Between 2007 and 2009, a further three development projects were completed by our Parent Group, namely, UOA Pantai, UOA Damansara II and Menara UOA Bangsar (Tower B) (which constitutes the entitlement of the joint construction partner, Desa Bukit Pantai Sdn Bhd, a related party of our Group), all of which were subsequently injected into the UOA REIT. As at the Latest Practicable Date, our Parent Group has an indirect interest of approximately 77.14% in the UOA REIT which has a total of six properties injected into it from our Parent Group with total lettable area of 137,977 sq m.

In 2008, our Parent Company successfully obtained secondary listing on the SGX.

Development of our Bangsar South site commenced in 2007 with a projected development plan of more than 10 years. We have since completed The Village, The Horizon Phase I and The Park Residences Phase I in 2007, 2009 and 2010, respectively. In 2010, the commercial development of this flagship development has been designated as a MSC Malaysia Cybercentre by MDC.

Over the years, our property development business has benefited from the synergistic relationship with our in-house Construction and Development Departments. This fully comprehensive integrated structure allows us better control over our development costs and quality of our development projects and most importantly, it enables us to turn-around all our development projects efficiently and in a timely manner.

Since the days of our Parent Group as a start-up property developer with one development project, we have, as at the Latest Practicable Date, completed 16 development projects located in various areas in Kuala Lumpur and the Klang Valley with a total saleable/lettable area of 677,666 sq m.

7. BUSINESS OF OUR GROUP (cont'd)

Our key milestones, achievements, awards and recognitions are as follows:

Year	Key Milestone / Achievements / Awards / Recognitions
2002	Completion of Villa Saujanis, Segambut
2004	Completion of Villa Mon't Kiara, Mon't Kiara
2005	Completion of Taman Megah Kepong Baru, Kepong and Wisma UOA Bangsar, Bangsar
2006	Completion of Prima Setapak Mixed Development, Setapak Completion of Happy Garden Project, Sri Petaling
2007	Completion of UOA Pantai, Pantai Completion of construction of The Village, Bangsar South
2009	Completion of Menara UOA Bangsar, Bangsar and The Horizon Phase I, Bangsar South
2010	Designation of the commercial development of Bangsar South comprising The Horizon, The Vertical and The Sphere, as MSC Malaysia Cybercentre by MDC Completion of The Park Residences Phase I, Bangsar South

7.5 CORPORATE STRUCTURE

We are a holding company and conduct our business through our Subsidiaries and Associated Company. Our three main operating segments are our property development segment, our construction segment and our investment property segment.

We have 18 wholly-owned subsidiaries and 7 majority-owned subsidiaries, as well as minority interest in the Associated Company.

Please refer to the chart under Section 12.1 of this Prospectus entitled "History and Background" which presents our Subsidiaries as well as our Associated Company together with our total direct and indirect percentage of ownership in these companies.

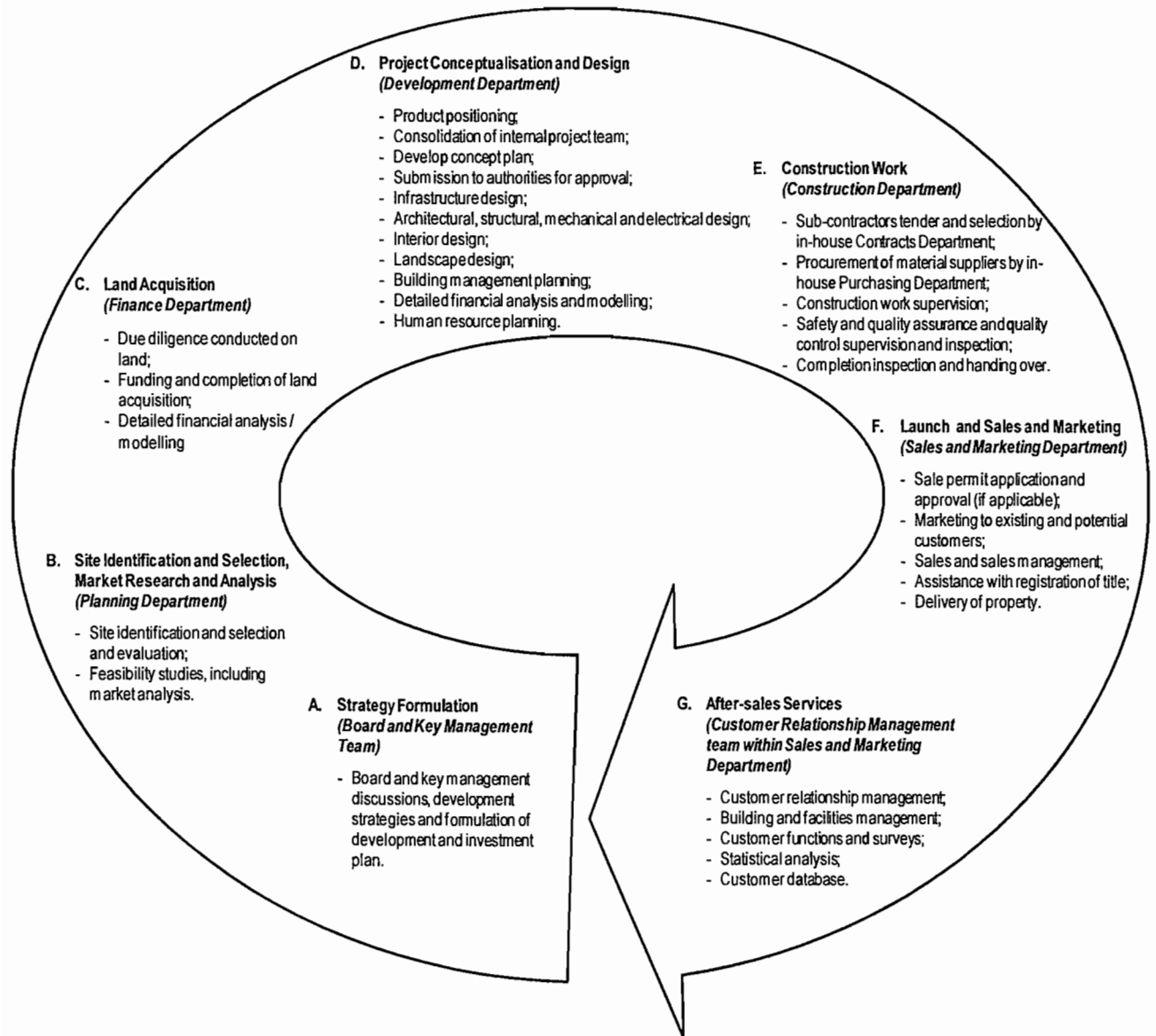
7.6 PRINCIPAL BUSINESS ACTIVITIES

7.6.1 Property Development and Construction

Property development and construction have been the two core activities undertaken by our Group. Although the various property development projects are housed under different Subsidiaries, they are all managed by our Group's key management. Below is a diagram of the respective stages evolving in a typical property development and construction cycle from the initial stage of land acquisition to the handing over of the completed product to the end customer.

7. BUSINESS OF OUR GROUP (cont'd)

In addition, the diagram summarises the workflow of our entire property development and construction cycle and the department responsible for each stage of the cycle:



7. BUSINESS OF OUR GROUP (cont'd)

Key stages of our property development process are described below:

(i) Strategy Formulation

Our property development and construction cycle begins with the formulation of our overall development strategies and investment plan. Our Board will undertake an in-depth deliberation and consideration of certain key matters such as product, target segment, location and budget. Once our overall development and investment strategy is formulated by our Board, our Executive Directors together with the other members of our key management will then analyse potential investment proposals and decide on the amount of investment within the approved budget that we are prepared to commit for each project.

(ii) Site Identification and Selection, Market Research and Analysis

This stage primarily involves our Planning Department which has seven employees as at 1 April 2011, all of whom are professionally qualified architects, planning experts and interior designers.

Our Chief Operating Officer (Development) who also oversees our Planning Department, with the assistance of the other members of our key management and in collaboration with our Executive Directors, is responsible for site identification. In identifying potential sites, we consider, amongst others, the following factors:

- zoning plans or city planning restrictions imposed by the government for the relevant site;
- accessibility of the area and the available supporting infrastructure;
- marketability of the development and consumer demand for properties in that area;
- convenience and accessibility to the city centre; and
- costs of development, investment and financial return ratios.

Once potential sites have been identified, our Planning Department will collaborate with our Property Department to conduct in-depth and comprehensive studies into key factors including market supply and demand, comparable projects, potential pricing, site suitability, environment and competitors for residential and commercial properties in the vicinity.

7. BUSINESS OF OUR GROUP (cont'd)

Simultaneously our Planning Department will collaborate with our Development Department to produce a preliminary layout and design concept in line with the strategy formulated by our Board. The considerations taken into account in determining the preliminary layout and design concept include:

- market segment and product positioning;
- plot ratio or density as approved by the relevant authorities;
- recommendations by the respective professional consultants including the architects and planning consultants; and
- the surrounding environment and land conditions.

Thereafter, our Planning and Property Departments will make a presentation and recommendation to our Executive Directors and the other members of our key management for site acquisition.

(iii) Land Acquisition

Once a selected site is deemed to have satisfied the criteria set out in the prior two stages above, our Chief Financial Officer in collaboration with our Executive Directors will lead the due diligence exercise involving amongst others, detailed financial analysis and modelling in respect of the selected site prior to land acquisition. All of the land acquired by us in the past have been via acquisitions through private sales or closed tenders. However, where there are opportunities to acquire lands through open tenders, we will participate in such open tenders if the lands are suitable for our purposes. Our acquisitions are financed through internally generated funds and/or bank borrowings.

(iv) Project Conceptualisation and Design

This stage primarily involves our Development Department which has 11 employees as at 1 April 2011, all of whom are professionally qualified and includes mechanical and electrical engineers, and is headed by our Chief Operating Officer (Development). Our Development Department also collaborates with and appoints external professionals from various fields. In selecting such professionals, we consider their reputation in terms of reliability and quality, pricing, references and design proposals.

Our Development Department's employees with their respective expertise play a key role at this stage to ensure that our development projects are executed efficiently and in a timely manner and our products are of the highest quality. In most development projects, our Development Department will provide valuable inputs and assessment to our Property Department to meet our specifications which cater to the changing market needs. Those initiatives have in the past included Green Building and MSC features which are important criteria in our future development projects.

7. BUSINESS OF OUR GROUP (cont'd)

(v) Construction Work

Currently, all of our construction works are undertaken internally via our two subsidiaries, namely, AEC and URC Engineering under the leadership of the Chief Operating Officer (Construction). Both these companies are qualified and registered with the CIDB with Grade G7 (no limit in contract capacity) in building and civil engineering works. With sound planning and execution, many of our development projects have been satisfactorily completed ahead of schedule without compromising on quality.

The chronological process of a typical construction project includes the following:

(A) Pre-tender Costing and Budgetary Evaluation

Prior to commencing work on a development project, the Chief Operating Officer (Construction) together with his senior construction team will evaluate the sufficiency and availability of resources especially in the areas of equipment and manpower requirements to complete the project by the targeted completion date. Simultaneously the contracts team under the Construction Department will conduct internal costing and budgetary evaluations in line with the proposed design and specifications.

(B) Solicitation of Tenders and Appointment of Suppliers and Sub-contractors

Both AEC and URC Engineering adopt the management contracting procurement system. We generally procure materials directly from the suppliers rather than through sub-contractors. By such arrangement, our risks of project delay due to sub-contractors' failure to deliver material or quality default are minimised. We are also able to obtain better prices through "economies of scale" for materials procured since we make bulk purchases and do not pay any commission to any intermediaries. Dealing with the suppliers directly also allows us to forge closer working relationships with them.

Procurement of materials falls under the control of our Purchasing Department, which as at 1 April 2011 employs five employees. Our purchasing team under the Construction Department selects suppliers through an invitation tender process involving at least three prospective suppliers, as far as practicable. All purchases of construction materials have to be approved by the Chief Operating Officer (Construction). For purchases in excess of RM1.00 million, the approval of either of our Executive Directors is normally required. The contracts team will undertake the role to source for suitable sub-contractors to carry out trades such as formwork, rebar, concreting, plastering and tiling.

7. BUSINESS OF OUR GROUP (cont'd)

For those trades requiring specialist-engineering expertise, we will fully contract out to specialist sub-contractors selected through an invitation tender process. Interviews of short-listed sub-contractors will then be conducted by the contracts team together with external project consultants to assess their competitiveness, creditworthiness, track records, order books and design viability. As at 1 April 2011, our contracts team has 21 employees.

(C) Site Construction

We have in place a project management team to oversee our projects under construction through regular on-site inspections and preparation of progress reports. The main responsibility of this project management team is to manage, supervise and monitor the various stages of the construction process to ensure timely completion of the development project within the budgeted development project cost and achieving the required quality.

Safety Policy

We strive to create and ensure a safe working environment by setting up a safety committee at every construction site. With this, we have established strict internal workflow policies and safety monitoring procedures to ensure that all parties at the construction site comply with the requirements of all relevant safety laws and regulations. Please refer to Section 7.12 of this Prospectus entitled "Health, Safety and Environmental Matters" for further details on the health and safety policy adopted by our Group.

Quality Assurance and Quality Control ("QAQC")

We require our sub-contractors to comply with the relevant standards of quality specified by the external project consultants and to meet the requirements of the relevant authorities. Status of compliance will be monitored and enforced through stringent quality control standards and requirements set by our in-house QAQC team under the Construction Department. Suppliers are also subject to our internal quality control procedures, including examination of materials and supplies and on-site inspections. As at the Latest Practicable Date, we have not had any major disputes with any of our sub-contractors or suppliers.

(D) Hand-over of Projects

Upon successful completion of construction works, the Construction Department will officially hand over the completed development project to the customer service team within the Property Department for pre-delivery inspection before handing over to the purchasers or to the leasing team who are also within the Property Department, for rental purposes.

As at 1 April 2011, our Construction Department has a workforce of approximately 416 employees.

7. BUSINESS OF OUR GROUP (cont'd)

AEC and URC Engineering possess their own construction machinery and equipment. We also hire certain specialist construction equipment from third parties on a project-by-project basis.

(vi) Launch and Sales and Marketing

Generally, we would launch a development project for sale as soon as practicable in order to shorten the overall development cycle. In line with our marketing strategy, our development projects are sold through a combination of build-and-sell and build-then-sell basis in accordance with applicable Malaysian laws. The exact timing of a launch depends on market sentiments as well as whether the development project is being sold on a build-and-sell or build-then-sell basis. Some of our projects namely, Villa Mon't Kiara, Villa Yarl, Happy Garden Project and Halimahton were build-then-sell projects which means they were sold only after the CCC for the project has been obtained. In such cases, buyers can purchase and have immediate occupation of the property after full payment of the purchase price. Build-then-sell development projects generally command higher premium because buyers are able to view the finished product and occupy it immediately upon full payment. It eliminates risks of non-completion or delay in completion; it also saves financing costs for the buyers. In the case of a build-and-sell project, the project is generally launched as soon as planning approvals and the advertising and sales permit have been obtained and sales are carried out in stages.

Our sales and marketing activities are headed by our Property Director and are mostly carried out by our in-house property sales and marketing team, which as at 1 April 2011 comprises 23 employees.

Pricing and sales policies are decided by our Executive Directors together with our Property Director. Selling prices are decided based on local market trends, costs of development, expected investment returns and prevailing supply and demand conditions.

For details on our sales and marketing activities, please refer to Section 7.9 of this Prospectus entitled "Sales and Marketing Strategies".

(vii) After-sales Services

Our after-sales and services activities are led by our customer relationship management ("CRM") team within the Sales and Marketing Department and supported by Data Management. Our CRM team provides a one stop communication channel between our existing and future customers and our Group's various departments and personnel. Our CRM team executives have a systematic method of recording and tracking our customer's feedback, complaints and enquiries to ensure that these are addressed in the most efficient manner. As at 1 April 2011, our CRM team consists of 13 employees.

7. BUSINESS OF OUR GROUP (cont'd)

Apart from our CRM team which is contactable at our hotline numbers, we have administration and maintenance offices at most of our development project sites as an alternative channel to handle customer feedback. The provision of quality after-sales service enhances our brand loyalty and goodwill, and helps to generate new sales and customer referrals for future sales of our properties.

We place strong emphasis on maintaining the quality of our development projects and strive to co-operate and collaborate closely with Dats Management, on the provision of quality building management services to increase our brand loyalty and protect the integrity and image of our development projects. This helps to preserve the value of our existing development projects and enhance our market reputation as a responsible property developer of premium residential and commercial properties.

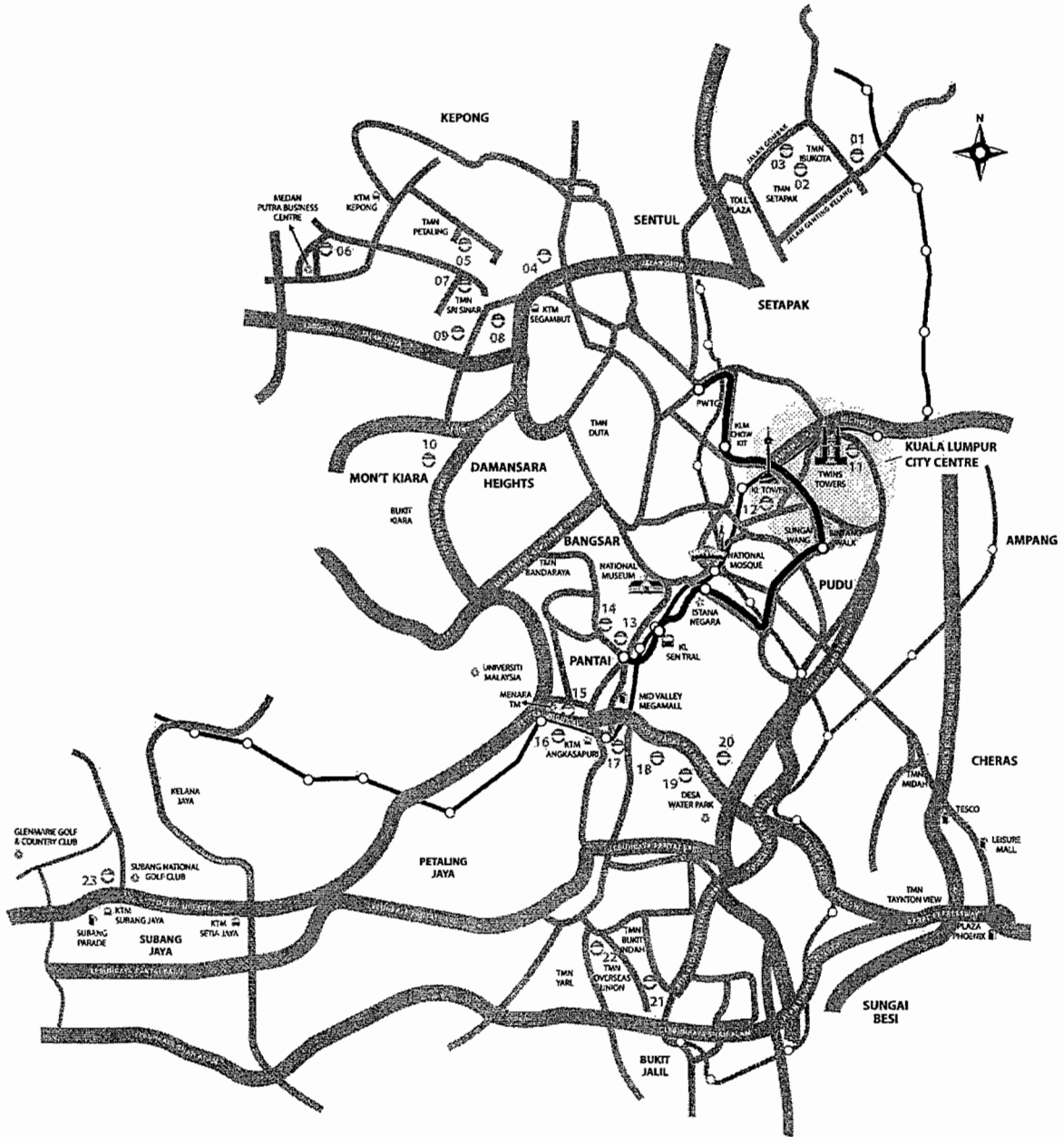
The breakdown of our revenue by property development and construction activities is set out in Section 8.2 of this Prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations".

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7. BUSINESS OF OUR GROUP (cont'd)

7.6.2 Summary of our Group's Development Projects

The map of the Klang Valley set out below shows the locations in which our major property development projects are located:



- 01 Setapak Green
- 02 Prima Setapak Mixed Development (Phase 1 - Phase 4)
- 03 Prima Setapak II
- 04 Kepong Business Park
- 05 Taman Megah Kepong Baru (Phase 1 - Phase 3)
- 06 Plaza Menjalara
- 07 Villa Saujanis
- 08 Villa Pines
- 09 Kiara IV
- 10 Villa Mon't Kiara
- 11 Binjai 8
- 12 Ceylon Hills

- 13 Menara UOA Bangsar
- 14 Wisma UOA Bangsar
- 15 UOA Pantai
- 16 Bangsar South
- 17 Halimahton
- 18 Desa III
- 19 Desa II (Residential)
- 20 Desa II (Commercial)
- 21 Happy Garden Project
- 22 Villa Yarl
- 23 Glenmarie Land

-  Expressway
-  Minor Road
-  KL Monorail & Station
-  Putra LRT Route & Station
-  Star LRT Route & Station
-  City Centre

7. BUSINESS OF OUR GROUP (cont'd)

The table below summarises the details of our Group's (i) completed property development projects, (ii) properties under development, and (iii) properties held for future development, as at the Latest Practicable Date.

(i) Completed Property Developments

Development project*	Location / Type of development project	Total site area sq m	Total saleable and/or lettable area sq m	Total saleable area sold (as at LPD) sq m	Total saleable area sold (as at LPD) %	Interest attributable to our Group %	Year started construction	Year completed construction	GDY** RM million
Prima Setapak Mixed Development (Phases 1 to 4)	Setapak, KL / Mixed Development	42,994	183,185	182,456 ⁽¹⁾	99.60	100.00	1999	2006	249.08
Villa Saujanis	Segambut, KL / Residential	12,040	17,040	17,040	100.00	100.00	2001	2002	25.98
Villa Mont' Kiara	Mon't Kiara, KL / Residential	24,654	29,965	29,965	100.00	60.00	2002	2004	99.04
Taman Megah Kepong Baru (Phases 1 to 3)	Kepong, KL / Mixed Development	130,478	111,595	111,595	100.00	100.00	2002	2005	191.60
Wisma UOA Bangsar	Bangsar, KL / Commercial	1,319	4,065	N/A ⁽²⁾	N/A ⁽²⁾	100.00	2003	2005	21.00
Happy Garden Project	Sri Petaling, KL / Residential	8,906	11,653	11,653	100.00	100.00	2005	2006	29.83
Villa Yari	Taman Yari, KL / Residential	7,570	6,160	5,509 ⁽¹⁾	89.43	100.00	2005	2006	41.54
Halimahton	Old Klang Road, KL / Residential	1,726	2,453	2,453	100.00	100.00	2005	2006	10.38
UOA Pantai	Pantai, KL / Commercial	3,883	14,636	N/A ⁽³⁾	N/A ⁽³⁾	75.00	2006	2007	86.00
Prima Setapak II	Setapak, KL / Residential	10,627	35,433	35,314 ⁽¹⁾	99.66	100.00	2007	2008	71.12
The Village	Bangsar South, KL / Commercial	4,006	3,930	N/A ⁽⁴⁾	N/A ⁽⁴⁾	100.00	2007	2007	17.70

7. BUSINESS OF OUR GROUP (cont'd)

Development project*	Location / Type of development project	Total site area sq m	Total saleable and/or lettable area sq m	Total saleable area sold (as at LPD) sq m	Total saleable area sold (as at LPD) %	Interest attributable to our Group %	Year started construction	Year completed construction	GDV** RM million
Menara UOA Bangsar	Bangsar, KL / Commercial	7,278	59,581 ⁽⁵⁾	53,371 ⁽⁵⁾	89.58 ⁽⁵⁾	60.00 ⁽⁵⁾	2007	2009	511.84 ⁽⁵⁾
Plaza Menjalara	Kepong, KL / Mixed Development	8,218	38,285	22,274 ⁽⁶⁾	58.18	100.00	2007	2009	95.99
The Horizon Phase I	Bangsar South, KL / Commercial	111,400 ⁽⁷⁾	77,289	50,147 ⁽⁶⁾	64.88	100.00	2007	2009	544.70
The Park Residences Phase I	Bangsar South, KL / Residential	84,020 ⁽⁸⁾	82,396	65,511 ⁽¹⁾	79.51	100.00	2007	2010	354.07
Total			677,666						2,349.87

Notes:

* Since the incorporation of UOA Development on 27 May 2004, all property development projects of the Parent Group were placed under the purview of UOA Development. All of the completed property development projects tabulated above are those undertaken by UOA Development or its Subsidiaries and were constructed by either AEC or URC Engineering, which would have either commenced or completed after 2004, save for Villa Saujanis, which was developed by Saujanis and completed prior to 2004. Saujanis was subsequently acquired by UOA Development in 2005.

** For all property development projects which are fully sold, the GDV is represented by the total sales value of the said property development project.

(1) Remaining unsold saleable area is held as inventory for sale.

(2) The entire development project was divested to UOA REIT in 2006.

(3) The entire development project was divested to UOA REIT in 2008.

(4) Held for investment and for use as our Group's sales gallery.

(5) Menara UOA Bangsar comprises Menara UOA Bangsar (Tower A) and Menara UOA Bangsar (Tower B). The figures shown are in respect of Menara UOA Bangsar (Tower A) only as Menara UOA Bangsar (Tower B) constitutes the entitlement of the joint construction partner, Desa Bukit Pantai Sdn Bhd ("Desa Bukit Pantai") (a related party of our Group) under an agreement to jointly develop Menara UOA Bangsar. Desa Bukit Pantai subsequently entered into a sale and purchase agreement to divest Menara UOA Bangsar (Tower B) to UOA REIT, which has been completed as at the LPD.

7. BUSINESS OF OUR GROUP (cont'd)

- (6) Remaining unsold saleable area of 16,011 sq m comprises the retail shops and offices held as inventory for sale whilst the condominium units are fully sold.
- (7) Total site area shown is in respect of the total site area for the entire commercial development of Bangsar South comprising The Horizon, The Vertical and The Sphere.
- (8) Of the remaining unsold saleable area of 27,142 sq m, 22,092 sq m is tenanted out whilst the balance 5,050 sq m is held as inventory for sale.
- (9) Total site area shown is in respect of the total site area for the entire residential development of Bangsar South comprising The Park Residences Phase I, The Park Residences Phase II, The Park Residences Phase III and The Clubhouse.

(ii) Properties under Development

Development project	Location / Type of development project	Total site area sq m	Total saleable and/or lettable area sq m	Total saleable area sold (as at LPD) sq m	Total saleable area sold (as at LPD) %	Interest attributable to our Group %	Year construction started	Estimated completion date of construction	Completion Progress %	GDV RM million
Kepong Business Park ⁽¹⁾	Kepong, KL / Commercial	75,751	36,533	19,498	53.37	100.00	2010	2011	63.27	193.31
The Horizon Phase II	Bangsar South, KL / Commercial	111,400 ⁽²⁾	133,731	33,413 ⁽³⁾	24.99	100.00	2010	2011	. ⁽⁴⁾	909.42
Villa Pines	Segambut, KL / Residential	3,907	5,935	1,191	20.07	100.00	2010	2011	38.95	30.99
Binjai 8	KL City Centre / Commercial	3,773	32,748	18,057	55.14	60.00	2010	2013	24.36	393.11
Carmelia Service Apartments and Annex Building	Bangsar South, KL / Mixed Development	8,101	61,732	2,735	4.43	100.00	2010	2013	18.34	351.44
Setapak Green	Setapak, KL / Residential	13,394	59,054	21,195	35.89	100.00	2010	2013	8.83	198.77
Total			329,733							2,077.04

7. BUSINESS OF OUR GROUP (cont'd)

Notes:

- (1) This development is in the nature of an industrial park and has been marketed as an industrial development comprising detached office cum warehouse although the land use stipulated on the title deed is commercial.
- (2) The total site area shown is in respect of the total site area for the entire commercial development of Bangsar South comprising The Horizon, The Vertical and The Sphere.
- (3) Of the remaining unsold saleable area of 100,318 sq m, 44,374 sq m is intended for investment properties whilst the balance 55,944 sq m is intended for sale.
- (4) The completion progress for The Horizon Phase II A and B is 82.23% and 48.46% respectively.

(iii) Properties Held for Future Development

Property site	Location / Type of development project	Total site area sq m	Potential saleable / lettable area sq m	Interest attributable to our Group %	Expected starting date of construction	Estimated completion date of construction	Estimated GDV RM million
Desa III	Taman Desa, KL / Residential	2,460	1,691	70.00	2011	2012	14.00
The Clubhouse	Bangsar South, KL / Recreational	84,020 ⁽²⁾	N/A ⁽⁵⁾	100.00	2011	2013	N/A
Kiara IV ⁽¹⁾	Segambut, KL / Residential	39,700	33,853	60.00	2011	2013	189.12
Ceylon Hills Service Apartments	Ceylon Hills, KL / Commercial	1,566	15,241	54.00	2011	2013	159.30
Desa II (Residential)	Taman Desa, KL / Residential	22,926 ⁽³⁾	9,147	85.00	2012	2013	49.23
Glenmarie Land	Glenmarie, Shah Alam / Commercial	42,264	184,141	39.00	2012	2014	1,043.79
Desa II (Commercial)	Taman Desa, KL / Commercial	22,926 ⁽³⁾	53,514	85.00	2012	2015	331.76
The Park Residences Phase II	Bangsar South, KL / Residential	84,020 ⁽²⁾	152,532	100.00	2013	2015	985.10
The Vertical – Phase I (Medical Specialist Centre)	Bangsar South, KL / Commercial	111,400 ⁽⁴⁾	75,509	100.00	2013	2015	821.46

7. BUSINESS OF OUR GROUP (cont'd)

Property site	Location / Type of development project	Total site area sq m	Potential saleable / lettable area sq m	Interest attributable to our Group %	Expected starting date of construction	Estimated completion date of construction	Estimated GDV RM million
The Vertical Commercial Phase II	Bangsar South, KL / Commercial	111,400 ⁽⁴⁾	390,398	100.00	TBD	TBD	2,521.33
The Park Residences Phase III	Bangsar South, KL / Residential	84,020 ⁽²⁾	153,640	100.00	TBD	TBD	992.26
The Sphere	Bangsar South, KL / Commercial	111,400 ⁽⁴⁾	110,665	100.00	TBD	TBD	893.39
Lot 2507	KL / Commercial	11,250	98,560	100.00	TBD	TBD	636.54
Lots 52417, 52418 and 52419	KL / Commercial	2,543	TBD	100.00	TBD	TBD	TBD ⁽⁶⁾
Lot 54985, 54986 and 2496	KL / Commercial	6,290	TBD	100.00	TBD	TBD	TBD ⁽⁶⁾
Total			<u>⁽⁷⁾1,278,891</u>				<u>⁽⁷⁾8,637.28</u>

Notes:

- (1) Acquisition pending completion which, barring unforeseen circumstances, will take place in first quarter of 2011.
- (2) The total site area shown is in respect of the total site area for the entire residential development of Bangsar South comprising The Park Residences Phase I, The Park Residences Phase II, The Park Residences Phase III and The Clubhouse.
- (3) The total site area shown is in respect of the total site area for both Desa II (Residential) and Desa II (Commercial).
- (4) The total site area shown is in respect of the total site area for the entire commercial development of Bangsar South comprising The Horizon, The Vertical and The Sphere.
- (5) Intended to be kept as investment property.
- (6) No approval obtained.
- (7) In respect of properties which DO have been obtained.

For further details, please refer to Section 7.7 of this Prospectus entitled "Details of Our Property Development Projects".

7. BUSINESS OF OUR GROUP *(cont'd)*

7.7 DETAILS OF OUR PROPERTY DEVELOPMENT PROJECTS

7.7.1 Completed Property Development Projects

As at the Latest Practicable Date, the total saleable and lettable area of our completed properties is 677,666 sq m. Please see the table in Section 7.6.2 entitled "Summary of our Group's Development Projects" for a complete list of our residential and commercial development projects. Some of our selected major properties completed over the last eight years include the following:

- (i) Prima Setapak Mixed Development (Phases 1 to 4)



Prima Setapak Mixed Development is located just off Jalan Genting Klang, Setapak, which is approximately five km from KL City Centre in an area densely populated by students from the nearby Tunku Abdul Rahman College.

This development project occupies a total site area of 42,994 sq m. The four phases of this development project comprise a total of 94 units of retail shops and shop offices and 968 units of condominiums divided into five blocks with a total saleable area of 183,185 sq m.

We have also developed 330 units of low-cost apartments and 26 units of low-cost shops with a total saleable area of 23,637 sq m to facilitate squatters' relocation. As at the Latest Practicable Date, only 14 units of the low-cost apartments with a total saleable area of 729 sq m remained unsold. We have retained the unsold units for sale or squatters' relocation in the event of future land acquisitions.

7. BUSINESS OF OUR GROUP (cont'd)

Phases 1, 2 and 4 of this development project are also known as Prima Setapak Condominium, Prima Setapak Commercial Centre and Plaza Prima Setapak respectively. Phase 3 of this development project comprise the low-cost apartments and low-cost shops.

We commenced construction of the four phases progressively starting from 1999 with the final Phase 4 completed in 2006.

(ii) Villa Mon't Kiara



Villa Mon't Kiara is situated at Jalan Kiara, Mon't Kiara, which is on the fringe of KL City Centre in an area that has a large expatriate community. Facilities in the area include several international schools, a community shopping centre, an office park and luxury condominiums.

This development project occupies a total site area of 24,654 sq m and has a total saleable area of 29,965 sq m. It comprises 45 units of strata-titled bungalows each with individual swimming pools, set within a gated community with state-of-the-art security and resort-style landscaping.

We commenced construction of this development project in 2002 and completed construction in 2004. As at the Latest Practicable Date, all units have been sold.

7. BUSINESS OF OUR GROUP (cont'd)

(iii) Wisma UOA Bangsar

Wisma UOA Bangsar is located at No. 7, Lorong Maarof, Bangsar, which is located in the commercial district of Bangsar and next to the Bangsar LRT Station with prime buildings in the immediate vicinity including Dataran Maybank, Mid Valley City and KL Sentral.

This development project comprises an eight-storey office building with 33 car park lots. It occupies a total site area of 1,319 sq m, has a GFA of 6,309 sq m and a total saleable / lettable area of 4,065 sq m.

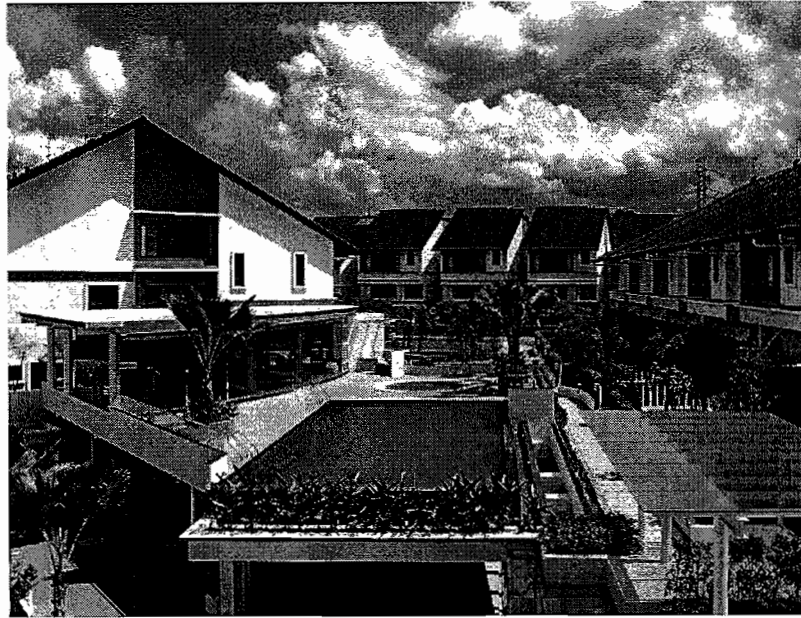
We commenced construction in 2003 and completed the development project in 2005. This building was divested into the UOA REIT in 2006.

7. BUSINESS OF OUR GROUP (cont'd)**(iv) Happy Garden Project**

Happy Garden Project is located at Jalan Perisai 8 and 9, in the mature neighbourhood of Taman Sri Petaling and Taman Overseas Union Garden, which is approximately 10 km from KL City Centre.

This development project occupies a total site area of 8,906 sq m and has a total saleable are of 11,653 sq m. It comprises 33 units of three and three-and-a-half-storey terrace houses, six units of three-storey semi-detached houses and a three-storey bungalow.

Construction for this development project began in 2005 and was completed in 2006. As at the Latest Practicable Date, all units have been sold.

7. BUSINESS OF OUR GROUP (cont'd)**(v) Villa Yarl**

Villa Yarl is a boutique development project located in the suburb of Taman Yarl, which is approximately 10 km from KL City Centre. It enjoys proximity to major highways such as the Federal Highway, KESAS Highway and LDP Highway.

This development project occupies a total site area of 7,570 sq m and has a total saleable area of 6,160 sq m comprising 19 units of strata-titled bungalows. The development project is a gated community with facilities that include an infinity pool, a fully-equipped gymnasium, a function hall, barbeque facilities and a children's playground. Each three-storey bungalow has between four and six exclusive car park lots.

We commenced construction in 2005 and completed this development project in 2006. Villa Yarl is a build-then-sell development project. As at the Latest Practicable Date, 5,509 sq m of the total saleable area had been sold. The remaining unsold saleable area is held as inventory for sale.

7. BUSINESS OF OUR GROUP (cont'd)

(vi) UOA Pantai



UOA Pantai is located off Jalan Pantai Baru within the upmarket neighbourhood of Pantai, which is adjacent to one of Kuala Lumpur's landmark buildings, Menara TM (Telekom Malaysia), and enjoys a good frontage of the Federal Highway.

This development project occupies a total site area of 3,883 sq m and has a GFA of 16,648 sq m with a total saleable / lettable area of approximately 14,636 sq m. It comprises a seven-storey office building with 272 car park lots.

We commenced and completed construction of this development in 2006 and 2007 respectively. This building was divested into the UOA REIT in 2008.

7. BUSINESS OF OUR GROUP (cont'd)

(vii) Prima Setapak II

Prima Setapak II is located less than 100 metres from Prima Setapak Mixed Development. The development is located just off Jalan Genting Klang, Setapak, which is approximately five km from KL City Centre, in an area densely populated by students from the nearby Tunku Abdul Rahman College.

This development comprises of a single block of 248 units of condominium with full facilities. The total saleable area of this development is 35,433 sq m with individual units ranging from 117 sq m to 156 sq m.

We commenced construction in 2007 and completed the development in 2008. As at Latest Practicable Date, 35,314 sq m of the total saleable area had been sold. The remaining unsold saleable area is held as inventory for sale.

7. BUSINESS OF OUR GROUP (cont'd)**(viii) Menara UOA Bangsar**

Menara UOA Bangsar is located in the heart of the business district in Bangsar, Kuala Lumpur. It has a direct link into the Bangsar LRT Station and enjoys dual frontage of Jalan Bangsar Utama 1 and the thoroughfare of Jalan Bangsar. This landmark development project is within close proximity to Dataran Maybank, KL Sentral transportation hub and Mid Valley City.

The development project sits on a 7,278 sq m site with a total saleable and lettable area of 88,231 sq m. It comprises of two commercial towers of 39 and 23 storeys known as Tower A and Tower B respectively with a common retail podium, 1,223 car park bays and ancillary facilities such as business centre, a gymnasium and food and beverages outlets. Tower A with a total saleable area of 59,581 sq m was sold by parcels of business suites while Tower B together with the retail podium and car parks forms the entitlement of the joint construction partner and land owner, Desa Bukit Pantai (a related company of our Group) under an agreement previously entered into to jointly develop Menara UOA Bangsar.

We commenced construction in 2007 and completed the project in 2009. As at the Latest Practicable Date, 53,371 sq m of the saleable area in Tower A was sold. The remaining unsold saleable area is held as inventory for sale.

7. BUSINESS OF OUR GROUP (cont'd)

(ix) Plaza Menjalara

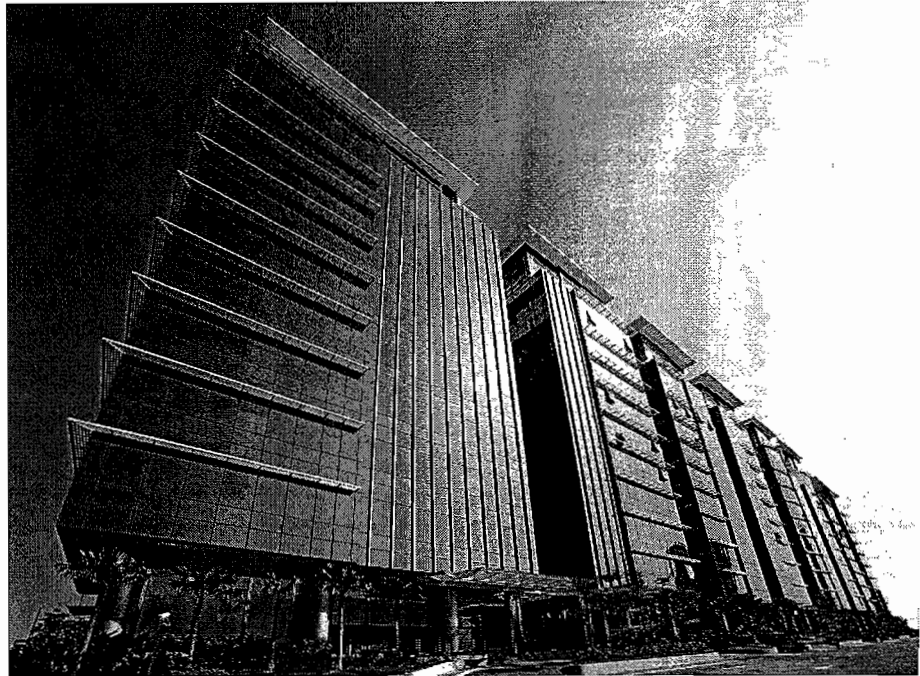


Plaza Menjalara is located in the heart of the commercial district of Menjalara, Kepong, which is approximately 20 km from KL City Centre. The densely populated area is primarily surrounded and supported by three-storey shop offices occupied by various businesses. The area has also undergone substantial development due to its accessibility to major highways such as the LDP Highway and the Middle Ring Road II.

This development project is an integrated development comprising a single block of 234 units of condominiums to be supported by facilities, 94 units of retail shops and offices with a total saleable area of 38,285 sq m.

The construction commencement was in 2007 and the project was completed in 2009. As at the Latest Practicable Date, the condominium units are fully sold. The 94 units of retail shops and offices are held as inventory for future sale.

7. BUSINESS OF OUR GROUP (cont'd)

(x) The Horizon Phase I, Bangsar South

The development project is located at the northern boundary of Bangsar South and is segregated from the residential development project by the main thoroughfare of Jalan Kerinchi.

The Horizon Phase I is located within the 111,400 sq m commercial development of Bangsar South comprising The Horizon, The Vertical and The Sphere and has been designated as a MSC Malaysia Cybercentre. The Horizon Phase 1 comprises of 14 blocks of 10 or 11-storey boutique office towers. The sizes of each block range from 4,997 sq m to 7,426 sq m. This development project is popular among medium-sized corporations which own or rent on an en-bloc basis for use as their corporate offices. The UOA Head Office is housed in one of the 14 blocks. This development project has a total saleable area of 77,289 sq m.

We commenced construction in 2007 and completed the project in 2009. As at the Latest Practicable Date, we have sold 50,147 sq m of the total saleable area and of the remaining area unsold saleable area of 27,142, 22,092 sq m is tenanted out whilst the balance 5,050 sq m is held as inventory for sale.

7. BUSINESS OF OUR GROUP (cont'd)

(xi) The Park Residences Phase I, Bangsar South

This development project is located on an elevated area at the southern boundary of Bangsar South. The entire residential development will occupy a total site area of 84,020 sq m. The Park Residences Phase I comprises two residential blocks, namely, Acacia and Begonia with a total of 470 units of luxury condominiums and supporting amenities which include an infinity swimming pool, fully-equipped gymnasium, resort-style landscaping with water features, games rooms, function rooms and a day care centre. The Park Residences Phase I has a total saleable area of 82,396 sq m.

We commenced construction in 2007 and completed the development project in 2010. As at the Latest Practicable Date, the total saleable area sold is 65,511 sq m. The remaining unsold saleable area is held as inventory for sale.

7. BUSINESS OF OUR GROUP (cont'd)

7.7.2 Properties Under Development

As at the Latest Practicable Date, the total saleable and/or lettable area of our properties under development is 329,733 sq m. Details of our properties under development are set out below.

(i) Kepong Business Park



Note:

The above illustration of Kepong Business Park is an artist's impression only.

Kepong Business Park is situated in the matured township of Kepong, Kuala Lumpur. It is located within close proximity to the Segambut commuter train station and is accessible via Jalan Kuching, Jalan Kepong, Jalan Segambut, Jalan Duta and Duta-Ulu Kelang Expressway.

This development project which is in the nature of an industrial park and marketed as an industrial park occupies a total site area of 75,751 sq m comprises 35 units of 2½-storey detached office cum warehouse. This low density industrial park with spacious design is expected to have a total of 36,533 sq m saleable area with the planned built-up area of each unit ranging from 800 to 1,987 sq m.

We commenced construction in 2010 and are expecting to complete in 2011. As at the Latest Practicable Date, we have sold 19,498 sq m of the total saleable area.

7. BUSINESS OF OUR GROUP (cont'd)

(ii) The Horizon Phase II, Bangsar South



Note:

The above illustration of The Horizon Phase II is an artist's impression only.

The Horizon Phase II is located within the 111,400 sq m commercial development of Bangsar South to the north of The Horizon Phase I.

The Horizon Phase II comprises eight 13 to 20-storey office towers which are built to comply with the MSC Malaysia Cybercentre requirements. This development project will include lush landscaping, water features and consists of office towers with a contemporary-designed façade intended to be green buildings in accordance to the standards under the Green Building Index (GBI) Malaysia upon completion. When completed, this development project will occupy a total site area of approximately 22,225 sq m. The total saleable area for Horizon Phase II is approximately 133,731 sq m.

We commenced construction in 2010 and are expecting to complete in 2011. As at the Latest Practicable Date, a total of 33,413 sq m has been sold. Out of the remaining unsold saleable area of 100,318 sq m, 44,374 sq m is intended for property investment whilst the balance 55,944 sq m is intended for sale.

7. BUSINESS OF OUR GROUP (cont'd)

(iii) Villa Pines**Note:**

The above illustration of Villa Pines is an artist's impression only.

Villa Pines is located in Segambut, Kuala Lumpur, minutes away from the upmarket residential area of Mon't Kiara.

This 3,907 sq m development project will be an exclusive gated and guarded community. It comprises of 20 units of villas, each with a private basement car porch. Upon completion, this development project will have a total saleable area of approximately 5,935 sq m.

We have commenced construction in 2010 and are expecting completion in 2011. As at the Latest Practicable Date, we have sold 1,191 sq m of the total saleable area.

7. BUSINESS OF OUR GROUP (cont'd)

(iv) Binjai 8



Note:

The above illustration of Binjai 8 is an artist's illustration only, and does not purport to indicate that the other properties or assets depicted in the illustration were developed by or belongs to our Group.

Binjai 8 is strategically located within the prime business district of the internationally acclaimed address of KL City Centre. It is located along Lorong Binjai with approximately 800 metres to the Petronas Twin Towers and within few minutes walk away from Ampang LRT Station. This development project is easily accessible from Jalan Ampang, Jalan Tun Razak and the Stormwater Management and Road Tunnel (SMART) motorway.

Sitting on a prime site with a total site area of 3,773 sq m, this development project focuses on a modern theme – SoHo. This contemporary-designed 40-storey building will consist of 310 units of SoHo with each unit size ranging from 70 to 166 sq m with an approximate total saleable area of 32,748 sq m upon completion. This development project comes with facilities such as swimming pool, gymnasium, business centre and sky bar/lounge. It is also located within close proximity to five-star hotels, Grade 'A' offices, shopping malls, restaurants, international schools, hospitals and embassies.

We commenced construction in 2010 and are expecting completion in 2013. As at Latest Practicable Date, we have sold 18,057 sq m of the total saleable area.