



UOA DEVELOPMENT BHD
INTERIM FINANCIAL REPORT
SECOND QUARTER ENDED 30 JUNE 2018





INTERIM FINANCIAL REPORT

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

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(Cover) Strategically located in the prime district along Old Klang Road in Kuala Lumpur, Southbank is a freehold mixed use development designed for urbanites with a penchant for great location.

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

	As At 30 June 2018 RM'000	As At 31 December 2017 RM'000 (Restated)	As At 1 January 2017 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	289,695	297,020	285,366
Investment properties	1,756,481	1,707,544	1,476,898
Land held for property development	510,943	500,906	462,939
Equity investments	22,579	25,053	30,518
Investment in an associate	-	-	64,149
Deferred tax assets	40,374	39,840	36,483
	<u>2,620,072</u>	<u>2,570,363</u>	<u>2,356,353</u>
Current assets			
Property development costs	696,896	796,932	1,021,476
Inventories	1,069,503	969,167	217,207
Amount due from contract customer	3,002	-	39,502
Trade and other receivables	807,627	642,788	572,488
Amount owing by holding company	-	10	48
Amount owing by related company	86	364	74
Amount owing by associate	-	-	3,782
Current tax assets	38,434	42,192	27,162
Short term investments	69,037	193,786	224,082
Fixed deposits with licensed banks	140,318	151,317	167,953
Cash and bank balances	125,068	224,598	390,824
	<u>2,949,971</u>	<u>3,021,154</u>	<u>2,664,598</u>
TOTAL ASSETS	<u>5,570,043</u>	<u>5,591,517</u>	<u>5,020,951</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	309,607	309,607	81,623
Share premium	1,496,594	1,496,594	1,496,594
Merger reserve	2,252	2,252	2,252
Fair value reserve	4,485	6,959	7,024
Unappropriated profit	2,406,816	2,516,478	2,254,322
Less : Treasury shares	(2,119)	(2,119)	(2,094)
Equity attributable to owners of the Company	<u>4,217,635</u>	<u>4,329,771</u>	<u>3,839,721</u>
Non-controlling interests	256,185	257,254	124,852
Total equity	<u>4,473,820</u>	<u>4,587,025</u>	<u>3,964,573</u>
Non-current liabilities			
Amount owing to non-controlling shareholders of subsidiary companies	4,940	26,630	25,362
Hire purchase and finance lease liabilities	1,919	3,234	7,067
Long term borrowings	-	10,000	18,584
Deferred tax liabilities	125,416	129,616	124,275
	<u>132,275</u>	<u>169,480</u>	<u>175,288</u>
Current liabilities			
Trade and other payables	520,917	643,620	757,192
Amount owing to holding company	30	34	29
Amount owing to related companies	414	46,220	495
Amount owing to non-controlling shareholders of subsidiary company	62,788	9,332	6,811
Hire purchase and finance lease liabilities	3,797	4,980	6,123
Short term borrowings	84,886	108,616	93,353
Current tax liabilities	31,149	22,210	17,087
Dividend payable	259,967	-	-
	<u>963,948</u>	<u>835,012</u>	<u>881,090</u>
TOTAL LIABILITIES	<u>1,096,223</u>	<u>1,004,492</u>	<u>1,056,378</u>
TOTAL EQUITY AND LIABILITIES	<u>5,570,043</u>	<u>5,591,517</u>	<u>5,020,951</u>
Net Asset Per Share (RM)	<u>2.43</u>	<u>2.50</u>	<u>2.35</u>
Based on number of shares net of treasury shares	<u>1,733,113,500</u>	<u>1,733,113,500</u>	<u>1,631,345,200</u>

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

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 June 2018 RM'000	30 June 2017 RM'000 <i>(Restated)</i>	30 June 2018 RM'000	30 June 2017 RM'000 <i>(Restated)</i>
Revenue	304,963	463,905	476,948	618,507
Cost of sales	(136,538)	(233,885)	(257,518)	(310,619)
Gross profit	168,425	230,020	219,430	307,888
Other income	51,907	44,530	107,286	89,889
Administrative and general expenses	(30,373)	(32,410)	(70,628)	(63,739)
Other expenses	(13,852)	(10,579)	(31,948)	(24,759)
Finance costs	(1,489)	(939)	(4,082)	(2,071)
Share of results of associate	-	400	-	902
Profit before tax	174,618	231,022	220,058	308,110
Tax expense	(44,046)	(56,637)	(55,672)	(77,124)
Profit for the period	130,572	174,385	164,386	230,986
Other comprehensive income, net of tax				
<i>Items that will not be reclassified to profit or loss</i>				
(Loss)/gain on remeasuring of equity investments	(309)	(464)	(2,474)	736
Total comprehensive income for the period	130,263	173,921	161,912	231,722
Profit attributable to:				
Owners of the Company	118,033	169,024	150,305	216,672
Non-controlling interests	12,539	5,361	14,081	14,314
	130,572	174,385	164,386	230,986
Total comprehensive income attributable to:				
Owners of the Company	117,724	168,560	147,831	217,408
Non-controlling interests	12,539	5,361	14,081	14,314
	130,263	173,921	161,912	231,722
Earnings per share (Sen)				
- Basic earnings per share	6.81	10.36	8.67	13.28
- Diluted earnings per share	N/A	N/A	N/A	N/A

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

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

	Attributable to Owners of the Company									
	Share Capital RM'000	Share Premium RM'000	Non-distributable			Treasury shares RM'000	Total	Non- controlling interest RM'000	Total Equity RM'000	
			Merger Reserve RM'000	Fair Value Reserve RM'000	Unappropriated profits RM'000					
Balance at 1 January 2018	309,607	1,496,594	2,252	6,959	2,474,182	(2,119)	4,287,475	256,954	4,544,429	
Effects of adopting MFRS	-	-	-	-	42,296	-	42,296	300	42,596	
Balance at 1 January 2018 (restated)	309,607	1,496,594	2,252	6,959	2,516,478	(2,119)	4,329,771	257,254	4,587,025	
Total comprehensive income for the year	-	-	-	(2,474)	150,305	-	147,831	14,081	161,912	
Dividend paid to non-controlling shareholders of subsidiary companies	-	-	-	-	-	-	-	(15,150)	(15,150)	
Dividend paid	-	-	-	-	(259,967)	-	(259,967)	-	(259,967)	
Balance at 30 June 2018	309,607	1,496,594	2,252	4,485	2,406,816	(2,119)	4,217,635	256,185	4,473,820	
Balance at 1 January 2017	81,623	1,496,594	2,252	7,024	2,227,701	(2,094)	3,813,100	124,045	3,937,145	
Effects of adopting MFRS	-	-	-	-	26,621	-	26,621	807	27,428	
Balance at 1 January 2017 (restated)	81,623	1,496,594	2,252	7,024	2,254,322	(2,094)	3,839,721	124,852	3,964,573	
Total comprehensive income for the year	-	-	-	736	216,672	-	217,408	14,314	231,722	
Derecognition upon disposal of equity investment	-	-	-	900	(900)	-	-	-	-	
Purchase of Treasury shares	-	-	-	-	-	(25)	(25)	-	(25)	
Dividend paid	-	-	-	-	(244,700)	-	(244,700)	-	(244,700)	
Balance at 30 June 2017	81,623	1,496,594	2,252	8,660	2,225,394	(2,119)	3,812,404	139,166	3,951,570	

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

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

	Current Year To Date 30 June 2018 RM'000	Preceding Year To Date 30 June 2017 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	220,058	308,110
Adjustments for:		
Non-cash items	13,306	11,181
Non-operating items	(2)	(2,193)
Dividend income	(676)	(813)
Net interest income	(4,616)	(5,155)
Operating profit before changes in working capital	228,070	311,130
Net changes in inventories	75,852	7,058
Net changes in property development costs	(12,745)	(29,902)
Net changes in receivables	(170,834)	(256,669)
Net changes in payables	(124,222)	16,749
Cash (used in)/generated from operations	(3,879)	48,366
Interest received	3,773	3,362
Tax paid	(47,709)	(53,119)
Net cash used in operating activities	(47,815)	(1,391)
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment from/(Advances to) holding company	10	(221)
Repayment from related company	278	42
Advances to associate company	-	(18)
Dividend received	676	813
Proceeds from disposal of equity investment	-	5,556
Proceeds from disposal of property, plant and equipment	2	236
Acquisition of subsidiary, net of cash	(60,918)	-
Additions to investment properties	(48,937)	(11,579)
Purchase of property, plant and equipment	(2,827)	(20,339)
Additions to land held for property development	(10,037)	(9,442)
Proceeds from disposal of land held for property development	-	7,829
Interest income	4,925	3,929
Net cash used in investing activities	(116,828)	(23,194)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment to holding company	(4)	(16)
(Repayment to)/Advances from related companies	(45,796)	305
Payment of hire purchase and finance lease liabilities	(2,639)	(3,536)
Dividends paid to non-controlling shareholders of subsidiary companies	(15,150)	-
Net repayment of borrowings	(33,730)	(32,939)
Fixed deposit pledged to secure bank borrowings	(401)	(35)
Advances from non-controlling shareholders of subsidiary companies	31,100	-
Shares repurchased at cost	-	(25)
Interest paid	(4,416)	(2,760)
Net cash used in financing activities	(71,036)	(39,006)
Net decrease in cash and cash equivalents	(235,679)	(63,591)
Cash and cash equivalents at beginning of period	567,053	780,287
Cash and cash equivalents at end of period	331,374	716,696
Cash and cash equivalents at end of period comprise:		
Short term investments	69,037	145,552
Fixed deposits with licensed banks	140,318	173,109
Cash and bank balances	125,068	400,642
	334,423	719,303
Fixed deposit pledged to secure bank borrowings	(3,049)	(2,607)
	331,374	716,696

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

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

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

A1 BASIS OF PREPARATION

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

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

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

A2 CHANGES IN ACCOUNTING POLICIES

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

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

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

MFRS 15 Revenue from Contracts with Customers

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

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

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

MFRS 9 Financial Instruments

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

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

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

Effects on Condensed Consolidated Statement of Comprehensive Income

	Individual quarter ended 30 June 2017			Cumulative quarter ended 30 June 2017		
	As previously stated	MFRS	As restated	As previously stated	MFRS	As restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	465,611	(1,706)	463,905	620,699	(2,192)	618,507
Cost of sales	(224,676)	(9,209)	(233,885)	(298,885)	(11,734)	(310,619)
Gross profit	240,935	(10,915)	230,020	321,814	(13,926)	307,888
Other income	43,630	900	44,530	88,989	900	89,889
Administrative and general expenses	(46,429)	14,019	(32,410)	(86,314)	22,575	(63,739)
Other expenses	(10,579)	-	(10,579)	(24,759)	-	(24,759)
Finance costs	(939)	-	(939)	(2,071)	-	(2,071)
Share of results of associate	400	-	400	902	-	902
Profit before tax	227,018	4,004	231,022	298,561	9,549	308,110
Tax expense	(55,892)	(745)	(56,637)	(75,048)	(2,076)	(77,124)
Profit for the period	171,126	3,259	174,385	223,513	7,473	230,986

Other comprehensive income, net of tax

Items that will not be reclassified to profit or loss

(Loss)/Gain on remeasuring of equity investment	-	(464)	(464)	-	736	736
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Items that will be reclassified subsequently to profit or loss

Fair value (loss)/gain on available-for-sale financial assets	(464)	464	-	736	(736)	-
Fair value gain transferred to profit or loss upon disposal	900	(900)	-	900	(900)	-
Total comprehensive income for the period	171,562	2,359	173,921	225,149	6,573	231,722

	Individual quarter ended 30 June 2017			Cumulative quarter ended 30 June 2017		
	As previously stated RM'000	MFRS RM'000	As restated RM'000	As previously stated RM'000	MFRS RM'000	As restated RM'000
Profit attributable to:						
Owners of the Company	165,651	3,373	169,024	209,026	7,646	216,672
Non-controlling interests	5,475	(114)	5,361	14,487	(173)	14,314
	<u>171,126</u>	<u>3,259</u>	<u>174,385</u>	<u>223,513</u>	<u>7,473</u>	<u>230,986</u>
Total comprehensive income attributable to:						
Owners of the Company	166,087	2,473	168,560	210,662	6,746	217,408
Non-controlling interests	5,475	(114)	5,361	14,487	(173)	14,314
	<u>171,562</u>	<u>2,359</u>	<u>173,921</u>	<u>225,149</u>	<u>6,573</u>	<u>231,722</u>
Earnings per share (Sen)						
- Basic earnings per share	10.15	0.21	10.36	12.81	0.47	13.28

Effects on Condensed Consolidated Statement of Financial Position

	As at 1 January 2017			As at 31 December 2017		
	As previously stated RM'000	MFRS RM'000	As restated RM'000	As previously stated RM'000	MFRS RM'000	As restated RM'000
Current assets						
Property development costs	989,186	32,290	1,021,476	746,734	50,198	796,932
Trade and other receivables	568,689	3,799	572,488	636,939	5,849	642,788
Non-Current liability						
Deferred tax liability	115,614	8,661	124,275	116,165	13,451	129,616
Equity						
Unappropriated profit	2,227,701	26,621	2,254,322	2,474,182	42,296	2,516,478
Non-controlling interest	124,045	807	124,852	256,954	300	257,254
Net Asset Per Share (Sen)	2.34	0.01	2.35	2.47	0.03	2.50

Effects on Condensed Consolidated Statement of Cash Flows

	As at 30 June 2017		
	As previously stated RM'000	MFRS RM'000	As restated RM'000
Cash Flows from Operating Activities			
Profit before tax	298,561	9,549	308,110
Adjustments for:			
Non-operating items	(1,293)	(900)	(2,193)
Net changes in property development costs	(21,862)	(8,040)	(29,902)
Net changes in receivables	(256,060)	(609)	(256,669)

A3 QUALIFIED AUDIT REPORT

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

A4 COMMENTS ON SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A5 UNUSUAL ITEMS

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

A6 MATERIAL CHANGES IN ESTIMATES

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

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

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

(a) Share buyback by the Company

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

(b) As at 30 June 2018, the Company has 1,133,800 ordinary shares held as treasury shares and the issued and paid-up share capital of the Company remained unchanged at 1,734,247,300 ordinary shares.

A8 DIVIDENDS PAID

A first and final single tier dividend of 15 sen per ordinary share in respect of the financial year ended 31 December 2017 was approved by shareholders during the Annual General Meeting held on 23 May 2018. The dividend was paid on 23 July 2018.

A9 EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

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

A10 EVENTS AFTER THE END OF THE INTERIM PERIOD

On 23 July 2018, the Company issued and allotted 110,624,600 new shares pursuant to the Dividend Reinvestment Scheme which was applied to the final dividend for the year ended 31 December 2017. With the listing of the new shares, the issued and paid up capital of the Company increased from RM309,606,842 to RM546,343,486.

On 13 August 2018, the Company acquired a 100% equity interest in HSB Green Solutions Sdn Bhd (“HSB”) for a consideration of RM500,000. The principal activity of HSB is investment holding.

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

A11 SEGMENT INFORMATION

	Property development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Cumulative quarter ended 30 June 2018</u>					
Revenue					
External revenue	476,948	-	-	-	476,948
Inter-segment revenue	-	289,035	-	(289,035)	-
Total revenue	476,948	289,035	-	(289,035)	476,948
Results					
Segment results	211,801	13,470	(5,213)	-	220,058
Tax expense					(55,672)
Profit for the period					164,386
Segment assets	4,086,460	118,954	1,263,242	-	5,468,656
<u>Cumulative quarter ended 30 June 2017 (Restated)</u>					
Revenue					
External revenue	618,507	-	-	-	618,507
Inter-segment revenue	-	212,252	-	(212,252)	-
Total revenue	618,507	212,252	-	(212,252)	618,507
Results					
Segment results	280,859	36,363	(10,014)	-	307,208
Share of results of associate					902
Tax expense					(77,124)
Profit for the period					230,986
Segment assets	3,447,565	438,288	1,282,443	-	5,168,296

A12 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

	As at 30 June 2018
	RM'000
Corporate guarantees given to banks to secure banking facilities granted to subsidiary companies	182,651

A13 RELATED PARTY TRANSACTIONS

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

A14 CAPITAL COMMITMENTS

The Group has the following capital commitments:

	As at 30 June 2018
	RM'000
Approved and contracted for	
- Purchase of plant and equipment	1,177
- Purchase of investment property	200,677
	201,854

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

B1 REVIEW OF PERFORMANCE

	Individual quarter ended		Increase/ (Decrease)
	30 June 2018 RM'000	30 June 2017 RM'000 (Restated)	%
Revenue	304,963	463,905	(34.3%)
Gross profit	168,425	230,020	(26.8%)
Profit before tax	174,618	231,022	(24.4%)
Profit after tax	130,572	174,385	(25.1%)
Profit attributable to owners of the Company	118,033	169,024	(30.2%)

The Group's revenue for the quarter ended 30 June 2018 was at RM305.0 million compared to RM463.9 million in the preceding year. The profit after tax after minority interest ("PATAMI") for the quarter under review was at RM118.0 million compared to RM169.0 million in the same quarter of the preceding year. The higher revenue and profit in the corresponding quarter of the preceding year was mainly due to the completion of South View Serviced Apartments during that quarter. Total expenditure for the quarter under review of RM45.7 million comprises mainly administrative and operating expenses of RM30.7 million.

The Group's revenue and profit attributable to the Company for the quarter under review were mainly derived from the progressive recognition of the Group's on-going development projects namely United Point Residence, Sentul Point Suite Apartments and Southbank Residence, and sale of a completed office tower at Horizon Bangsar South.

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

	Current quarter ended	Immediate Preceding quarter ended	Increase/ (Decrease)
	30 June 2018 RM'000	31 March 2018 RM'000	%
Revenue	304,963	171,985	77.3%
Profit before tax	174,618	45,440	284.3%

The Group's profit before tax of RM174.6 million for the current quarter ended 30 June 2018 was higher than the immediate preceding quarter of RM45.4 million. The higher profit was mainly due to the higher contribution from Sentul Point Suite Apartments and Southbank Residence, and sales of stocks including one office tower at Horizon Bangsar South.

B3 PROSPECTS

The total new property sales for the period ended 30 June 2018 was approximately RM806.7 million. The property sales for the year were derived, mainly, from SouthLink, United Point Residence and Sentul Point Suite Apartments. The total unbilled sales as at 30 June 2018 amounted to approximately RM1.68 billion.

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

B4 VARIANCES BETWEEN ACTUAL PROFIT AND FORECAST PROFIT

Not applicable as no profit forecast was published.

B5 TAX EXPENSE

The breakdown of the tax components is as follows:

	Current Quarter		Year To Date	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	RM'000	RM'000	RM'000	RM'000
		<i>(Restated)</i>		<i>(Restated)</i>
In respect of current period				
- income tax	45,933	54,951	60,407	73,832
- deferred tax	(1,887)	1,686	(5,047)	3,292
In respect of prior period				
- deferred tax	-	-	312	-
Tax expense for the period	44,046	56,637	55,672	77,124

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

B6 STATUS OF CORPORATE PROPOSAL

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

B7 BORROWINGS AND DEBT SECURITIES

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

	As at 30 June 2018 Secured RM’000	As at 31 December 2017 Secured RM’000
<u>Current</u>		
Secured		
- Revolving credit	61,000	60,882
- Bridging loan	18,568	39,734
- Term loan	5,318	-
Unsecured		
- Revolving credit	-	8,000
	84,886	108,616
<u>Non-current</u>		
Secured		
- Bridging loan	-	10,000
	84,886	118,616

B8 DERIVATIVE FINANCIAL INSTRUMENTS

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

B9 FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

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

B10 MATERIAL LITIGATION

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

B11 DIVIDENDS

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

B12 PROFIT BEFORE TAX

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

	Current Quarter		Year To Date	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	RM'000	RM'000	RM'000	RM'000
		<i>(Restated)</i>		<i>(Restated)</i>
Interest income	(3,061)	(3,979)	(8,698)	(7,226)
Other income including investment income	(24,341)	(14,490)	(48,361)	(27,274)
Interest expense	1,489	939	4,082	2,071
Depreciation and amortisation	5,297	5,399	10,209	10,649
Bad and doubtful debts	1,323	601	3,013	515
Provision for and write off of inventories	-	-	-	-
(Gain)/Loss on disposal				
- Quoted/unquoted investments	-	(1,056)	-	(1,056)
- Property, plant and equipment	-	(19)	(2)	(235)
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	4	-	5	2
(Gain)/Loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

B13 EARNINGS PER SHARE

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

	Current Quarter		Year to Date	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
		<i>(Restated)</i>		<i>(Restated)</i>
Profit attributable to owners of the Company (RM'000)	118,033	169,024	150,305	216,672
Weighted average number of ordinary shares	1,733,113,500	1,631,335,200	1,733,113,500	1,631,338,405
Basic EPS (Sen)	6.81	10.36	8.67	13.28

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

BY ORDER OF THE BOARD

YAP KAI WENG
Company Secretary
UOA DEVELOPMENT BHD
Kuala Lumpur

28 AUGUST 2018