UOA DEVELOPMENT

ANNUAL REPORT 2016

On Cover:
Actual Photo Of The
Vertical@Bangsar South

CONTENTS

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

UOA Development Bhd and its subsidiaries (the "Group") revenue was predominantly derived from property development activities. In financial year 2016, there was minor revenue contribution from property construction for an associated company on the construction of UOA Business Park ("UBP").

The Group's principal products include residential, commercial and retail development with geographical focus in Klang Valley. Presently, the Group's strategy remains firmly focused on mid-end residential market with over 80% of financial year 2016's revenue achieved from the sales of residential properties.

Apart from property development activities, the Group also derived its other income mainly from the operations of its hospitality division and rental income from investment properties.

The Group has always emphasised on its in-house construction capabilities which is one of the key factors in managing the construction costs effectively and in better management of raw material costs. The in-house construction team also ensures that all development projects are delivered within stipulated timeframe and at the same time, have a better control over product quality.

Summary of the Group's financial and share price performance for the past five years:-

Year Ended 31 December (RM'000)	2016	2015	2014	2013	2012
Revenue	**996,193**	1,643,188	1,077,849	1,245,502	799,156
Profit Before Tax	**929,364**	645,286	460,704	577,914	414,179
Finance Cost	**6,705**	8,275	5,821	5,196	4,230
Profit After Tax	**710,638**	488,033	356,840	405,682	325,550
Profit Attributable to Shareholders	**676,726**	417,016	316,122	362,832	301,300
Paid-Up Capital	**81,623**	76,039	71,587	66,989	63,540
Shareholders' Equity	**3,813,100**	3,150,810	2,750,573	2,444,813	2,090,686
Total Assets Employed	**4,984,862**	4,382,720	3,448,468	3,099,345	2,585,309
Total Net Tangible Assets	**3,937,145**	3,294,500	2,841,622	2,542,527	2,149,045
Total Borrowings	**125,127**	208,528	78,105	32,167	31,738
Debt / Equity (times)	**0.03**	0.07	0.03	0.01	0.02
Basic Earnings Per Share (RM)	**0.43**	0.28	0.23	0.28	0.25
Net Tangible Assets Per Share (RM)	**2.41**	2.17	1.98	1.90	1.69
Share Price – Year High (RM)	**2.77**	2.32	2.42	2.75	1.94
Share Price – Year Low (RM)	**2.03**	1.68	1.79	1.67	1.35
Closing Share Price @ End of Financial Year (RM)	**2.35**	2.06	2.11	1.94	1.74
Total Yearly Share Volume Traded ('000)	**261,429**	107,694	181,427	328,544	476,063
Market Capitalisation @ End of Financial Year (RM 'billion)	**3.84**	3.13	3.02	2.60	2.21

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

The Group has delivered another year of satisfactory results despite the volatile market condition in the domestic and global economy. The Group achieved a total revenue of RM996.2 million and profit after tax of RM676.7 million.

The revenue of the Group decreased to RM996.2 million from RM1.64 billion compared to the previous financial year. The lower revenue was due to the lower property sales from financial year 2013 to 2015. The property sales in financial year 2016 were from major projects which are at their early stage of construction.

The Group's profit after tax increased by 62% to RM676.7 million from RM417.0 million in the previous financial year. The increase was attributable mainly to fair value gain from investment properties completed during the financial year, mainly, UOA Corporate Tower and the associated parking station at The Vertical in Bangsar South.

The increase in other income was derived from expansion of activities in the hospitality areas of our business including VE Hotel which commenced operations in the first half of 2016, Capri by Fraser serviced suites, Connexion Conference and Event Centre at The Vertical and at Nexus in Bangsar South.

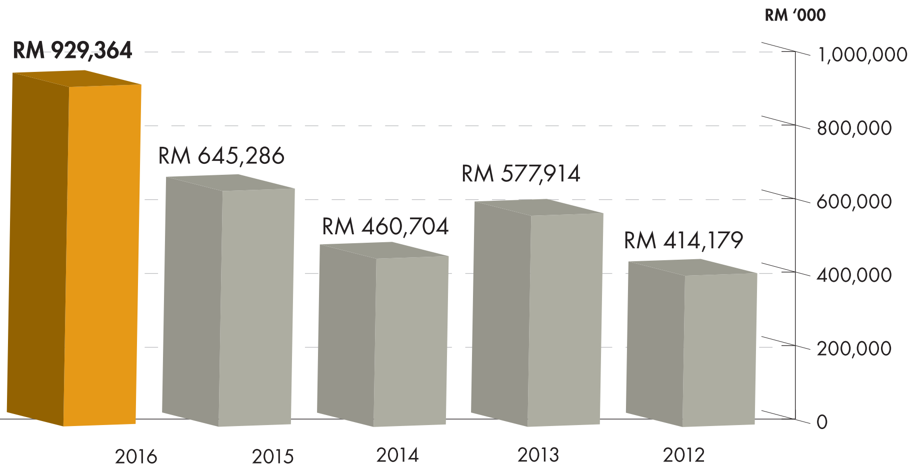
The administrative and general expenses increased by 3.8% to RM161.4 million from RM155.5 million in the previous financial year while the other expenses recorded as at 31 December 2016 was RM52.5 million, which reflected a 1.1% decrease compared to the previous financial year.

The finance costs of the Group remained low at RM6.7 million with the total debts dropped by 40% to RM125.1 million while the cash and cash equivalent as shown on the Balance Sheet continued to be healthy at RM782.9 million.

As at 31 December 2016, there is a capital commitment of approximately RM140 million. The capital commitment is mainly for the construction of investment properties and will be funded from internally generated funds.

PROFIT BEFORE TAX

+44.02%



MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

REVIEW OF OPERATING ACTIVITIES

The Group has achieved a total property sales of RM1.42 billion in financial year 2016, attributed mainly to newly launched development projects; United Point Residence, Sentul Point, Danau Kota and continuing sales of existing projects such as The Vertical Business Suites.

Completed Developments

UBP was completed ahead of schedule in the financial year 2016. UBP is a mixed development located close to the suburb of Subang and is connected directly to the KTM commuter train and Light Rail Transit train stations via a pedestrian bridge which link the project to the interchange stations. This development consists of 11 blocks of office towers and 26 units of retail shops.

Other projects completed in 2016 were Desa Green in Taman Desa, The Vertical Corporate Towers which are located within the commercial development of Bangsar South; this was fully completed in the fourth quarter of 2016. These completed projects have an estimated GDV of RM3.15 billion collectively.

The Vertical Corporate Towers

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

UOA Business Park

Desa Green

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Sentul Village

Current Developments

Four development projects with an estimated GDV of RM1.91 billion are expected to be completed in the financial year 31 December 2017. They include Suria@North Kiara, Sentul Village, Southbank Residence and South View Serviced Apartments.

Suria@North Kiara consists of a mix of serviced apartments and retail spaces and is located adjacent to Scenaria@North Kiara Hills. Sentul Village comprises 1 block of 462 units of serviced apartments and 3 storeys of retail shops. Southbank Residence comprises 674 units of serviced apartments and 6 blocks of boutique office towers on Old Klang Road; South View Serviced Apartments which comprise 1,204 units of serviced apartments is located in proximity to Bangsar South.

Suria@North Kiara

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Southbank Residence

Danau Kota Suite Apartments

Sentul Point

Danau Kota Suite Apartments which are located in the matured township of Setapak off Jalan Genting Kelang and is complemented by excellent infrastructure facilities. This project consists of 285 units of apartment suites and 25 units of shop offices. The construction of this project is on-going and is expected to be completed in financial year 2018 with an anticipated GDV on completion of RM203.00 million.

Sentul Point in Sentul, Kuala Lumpur and United Point Residence in Kepong are amongst the major project launches during financial year 2016. Both projects consist of 3 blocks of residences respectively. The latter also comprises of a commercial complex that has a direct link to the soon-to-be-constructed KTM commuter train station.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Future Developments

Desa Center, a commercial project which is located adjacent to the recently completed Desa Green in Taman Desa, along with an affordable homes project in Selayang are slated to be launched in financial year 2017. The two projects have an estimated GDV of RM390.00 million collectively.

Sales of Sentul Point and United Point Residences which collectively have a total estimated GDV of RM3.00 billion are expected to continue through financial year 2017.

Desa Center

ANTICIPATED OR KNOWN RISKS

The Group remains cautious as it sees the uncertainties in the domestic and global economies will continue to be a risk. The property sales of the Group may also be affected by the soft sentiment in the Malaysian property market. Saturation and oversupply within certain market segment may also weigh on the potential selling price of properties. Any further property cooling measures may potentially affect the Group's business and performance.

The Group aligns its focus to emphasise on mass mid-end segment of the market as it recognises the potential in this market segment despite the challenges in the current market.

MOVING FORWARD

The Group's strategy remains firmly focused on development at targeted geographical locations and efforts to explore for opportune development land acquisitions that meet the objective of the Group will continue.

As a commitment to reward our shareholders, the Group will continue its dividend policy of paying 30% to 50% of realised profit after tax.

United Point Residence

SUSTAINABILITY STATEMENT

At UOA Development Bhd ("UOA"), we are committed to creating a positive and enduring social impact through our sustainability initiatives that support our business, the environment and the communities in which we operate. Our approach to sustainability is defined by our corporate philosophy of building excellence with a definitive focus on the areas of education, environment and community activities.

EDUCATION

UOA made a contribution of RM500,000 to SJK (C) Chong Hwa Independent High School and RM200,000 to SMJK Chong Hwa Kuala Lumpur respectively in support of their ongoing efforts to upgrade their school buildings and provide a more conducive study environment for the students.

UOA also continued its support for the fourth consecutive year to the biyearly free intensive reading programme offered to children at PPR flats in Kampung Kerinchi, Kuala Lumpur under the JOMBACA Children Literacy Campaign by ADRF Malaysia. The campaign was held in collaboration with i-Sina, an intensive reading programme provider that assists children to be able to read in less than three months. The programme has been running since 2006 with a reading/passing rate of 85% for children who have undergone its reading system.

In addition, UOA also sponsored an English language camp organised by ADRF Malaysia for 50 underprivileged children in Kampung Kerinchi, Kuala Lumpur. The aim of the programme was to enhance the English language competency of the school children aged between 10 and 12 years old in preparation for their UPSR examinations. The programme served as part of a new fun learning experience campaign called HiP KIDS Series (Harapan=Ilmu Program) which provides the children with the opportunity to expand their vocabulary and improve on their grammar through games, arts and crafts.

ADRF Malaysia is a non-profit organisation that helps underprivileged and vulnerable children to better their lives through education by organising free intensive reading programmes for communities in need within Klang Valley.

UOA presents the mock cheque for school building upgrade works to SJK (C) Chong Hwa Independent High School board members in the presence of guest of honour, Dato' Seri Liow Tiong Lai, Minister of Transport

UOA extends its support to an English language camp by ADRF Malaysia for underprivileged children

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENT

Considerable efforts have been undertaken in our projects including our flagship development, Bangsar South to create positive environmental impacts.

All eight blocks of The Horizon Phase 2 boutique offices and The Vertical buildings within the MSC Malaysia Cybercentre at Bangsar South are built to meet the Malaysian Green Building Index (GBI) specifications based on six design criteria, namely energy efficiency, indoor environment quality, sustainable site planning and management, materials and resources, water efficiency and innovation.

The Green Building Index (GBI) is Malaysia's industry recognised green rating tool for buildings to promote sustainability in the built environment. Owners and tenants of The Horizon and The Vertical at Bangsar South will benefit from energy cost savings, and a better work environment that minimises the emissions of toxic substance. The sustainable design and use of recycled materials also ensure resources are protected.

Building façades are equipped with curtain glass walls using DGU (Double Glaze Glass) to reduce heat penetration into internal buildings while motion sensors are installed to detect movement of occupants, automatically switching off electrical usage, specifically lighting, during non-occupancy of any one area. Separate metering is used to measure various energy usages including lighting, power, domestic water and rainwater. This allows for effective and accurate monitoring and regulation of overall energy consumption.

A Building-Integrated Photovoltaic (BIPV) system is built at roof level. It is essentially a solar energy-harvesting system that uses light components of the sun to generate electricity that is fed back into the TNB panel within the building.

Usage of a carbon dioxide monitoring system - an energy conservation measure - also allows for adequate outdoor air at different spaces. The ventilation rate is also adjustable to meet changing requirements and help ensure that occupants receive adequate outdoor air at all times.

Low VOC paint and coating are used throughout the buildings to minimise detrimental impact on occupants' health through the use of materials with minimal volatile organic compounds (VOC) and formaldehyde content.

High frequency ballast lighting is adopted for a smoother, non-flickering lamp operation as opposed to low frequency flickers that are common with fluorescent light fittings. This improves the comfort of all occupants by reducing undetectable optical strain. Low wattage energy-saving light fittings are used to reduce energy consumption while steps are taken during design and conception for each component to ensure that there are sufficient usage of glass to allow for ample natural lighting, e.g. the construction of The Horizon and The Vertical, which have façades primarily consisting of glass panels. In addition, limiting the size of lighting zones also allows for considerable control over lighting, giving owners and tenants the flexibility to reduce energy consumption and costs by lighting only those areas or zones that are being occupied.

The mist sprinkler system is incorporated into the buildings for the purpose of reducing heat surrounding the buildings. The system consists of pumping equipments, with sprinkler-head piping installed around the roof perimeter.

The heat recovery wheel system serves to channel lower temperature outside air to the indoor office areas by adopting heat transfer methods through the heat wheel. Air-conditioning usage capacity is subsequently reduced while the interior climate conditions are maintained at an optimum temperature.

SUSTAINABILITY STATEMENT (Cont'd)

Rainwater harvesting is undertaken by collecting rain in water tanks placed at the rooftop for usage in washroom flush systems and landscape irrigation, ultimately reducing portable water consumption. Water closets, wash basins and other fittings with water-saving potential are selected for use in the buildings. To promote water efficient landscaping, native or adaptive plants are planted throughout the developments without excessive portable water consumption.

As part of the sustainable site planning initiatives, much emphasis is placed in selecting appropriate sites with planned access to public transportation, community services, open spaces and landscaping. Efforts to conserve environmentally sensitive areas are also carried out through the redevelopment of existing sites and brownfields, along with proper construction management and stormwater management to reduce the strain on existing infrastructure capacity.

The use of environmentally friendly materials and proper construction waste management are implemented during the construction phases. This includes the usage of re-bar, purchased from suppliers, that uses up to 97% recycled material in the production. Aluminium form work for wall and slab casting in lieu of timber or plywood is used due to its reusable nature.

Silt trap, a pollution control mechanism is also set up to prevent mud from spilling onto the road during rainfall. Silt, once dried, are transferred back to the field for reuse. Underground water is also used for construction, which leads to a reduction in the usage of treated consumable water.

UOA also practises the recycling of materials such as plastic drums and timber pallets by returning the used items to its suppliers. We also encourage our plumbing and electrical subcontractors to recycle waste materials such as PVC, plastic pipes and conduits.

UOA has obtained ISO9001-2008 certification for quality of product and material. UOA is also in the midst of obtaining its Occupational Health and Safety Assessment Series 18001:2007 (OHSAS 18001:2007). In regards to employment, UOA does not engage child labour or foreign workers from sanctioned countries.

Lobby area at The Vertical building

Exterior façade of The Horizon office towers

SUSTAINABILITY STATEMENT (Cont'd)

COMMUNITY ACTIVITIES

UOA staff volunteers visited Tong Sim Senior Citizens Care Centre to spread festive joy to more than 50 senior citizens in conjunction with the Mid Autumn Festival celebration. The elderly residents and caregivers at the care centre were delighted to be treated to a scrumptious lunch. The volunteers spent much quality time chatting with the elderly residents, many of whom shared their life stories with great enthusiasm. Some of the volunteers assisted in feeding the senior citizens with special needs. UOA also distributed items such as adult diapers, milo, cooking oil and other essential supplies to the care centre.

UOA organised *Kempen Kembali Ke Sekolah*, a back to school campaign for the second consecutive year in which it distributed new school uniforms to more than 500 primary and secondary school children from low income families living in the vicinity of Bangsar South, Kuala Lumpur. The campaign complements UOA's CSR objective and commitment to provide financial assistance to families and children in need as many families are struggling to afford the school costs that include basic necessities such as uniforms for their children.

UOA also supports socially responsible initiatives undertaken by Suria Bangsar South, a community centre operated by Soroptimist International Club of Bangsar (SICB) and sponsored by UOA. Suria Bangsar South offers educational support and skill development programmes for women and young girls living in the low cost flats within the Kampung Kerinchi neighbourhood.

The community centre runs in tandem with four programme focus goals namely equity and equality for women and girls, living in safe and healthy environments, access to education, and development of leadership and practical skills.

UOA recognises the importance of such engaging initiatives as they form the basis of a caring community, thereby helping to shape a better and more sustainable society.

UOA spreads festive joy to elderly folks at Tong Sim Senior Citizens Care Centre during the Mid Autumn Festival

UOA distributes new school uniforms to the underprivileged school children during the back to school campaign for the second consecutive year

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kong Chong Soon @ Chi Suim	(Managing Director/Non-Independent Director)
Kong Pak Lim	(Executive Director/Non-Independent Director)
Alan Charles Winduss	(Non-Independent Non-Executive Director)
AR Steve Low Shu Nyok	(Independent Non-Executive Director)
Terence Teo Chee Seng	(Independent Non-Executive Director)
Kong Sze Choon	(Alternate Director to Kong Chong Soon @ Chi Suim)

AUDIT AND RISK MANAGEMENT COMMITTEE

Terence Teo Chee Seng	(Chairman, Independent Non-Executive Director)
Alan Charles Winduss	(Non-Independent Non-Executive Director)
AR Steve Low Shu Nyok	(Independent Non-Executive Director)

NOMINATION AND REMUNERATION COMMITTEE

Terence Teo Chee Seng	(Chairman, Independent Non-Executive Director)
Alan Charles Winduss	(Non-Independent Non-Executive Director)
AR Steve Low Shu Nyok	(Independent Non-Executive Director)

SECRETARIES

Yap Kai Weng (MAICSA No.: 74580)
Wong Yoke Leng (MAICSA No.: 7032314)

REGISTERED OFFICE

No. 9, Jalan Indah 16
Taman Cheras Indah
56100 Kuala Lumpur
Telephone : +603 9287 1000
Facsimile : +603 9287 2000

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
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No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone : +603 2264 3883
Facsimile : +603 2282 1886

PRINCIPAL PLACE OF BUSINESS

UOA Corporate Tower
Lobby A, Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone : +603 2245 9188
Facsimile : +603 2245 9198

AUDITORS

Mazars PLT (LLP0010622-LCA, No. AF: 001954)
Wisma Selangor Dredging
11th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur
Telephone : +603 2161 5222
Facsimile : +603 2161 3909

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
RHB Bank Berhad
United Overseas Bank (M) Bhd
CIMB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

STOCK CODE

5200

WEBSITE

www.uoadev.com.my

INVESTOR RELATIONS

Email : uoacare@uoa.com.my
Telephone : 1 300 88 6668

FINANCIAL CALENDAR

FINANCIAL YEAR
1 January to 31 December 2016

ANNOUNCEMENT OF QUARTERLY RESULTS

25 MAY 2016

Announcement of unaudited consolidated results for the first quarter ended 31 March 2016

24 AUGUST 2016

Announcement of unaudited consolidated results for the second quarter ended 30 June 2016

23 NOVEMBER 2016

Announcement of unaudited consolidated results for the third quarter ended 30 September 2016

22 FEBRUARY 2017

Announcement of unaudited consolidated results for the fourth quarter ended 31 December 2016

ANNUAL REPORT & ANNUAL GENERAL MEETING

28 APRIL 2017

Date of notice of 13th Annual General Meeting and issuance of Annual Report 2016

22 MAY 2017

Date of 13th Annual General Meeting

DIVIDEND
To be proposed at the 13th Annual General Meeting

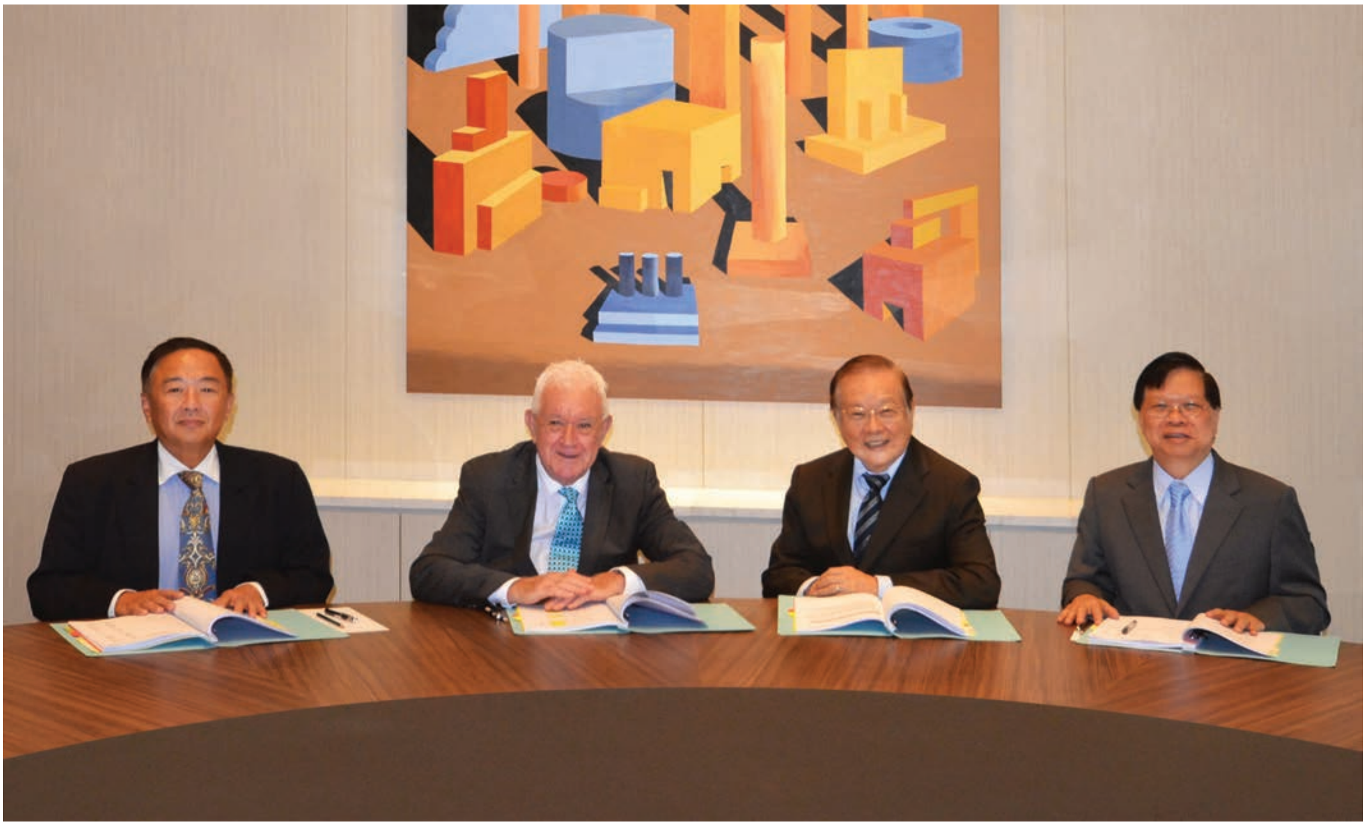
CORPORATE STRUCTURE

UOA DEVELOPMENT

- 100% Kumpulan Sejahtera Sdn Bhd
- 100% Tiarawoods Sdn Bhd
- 100% Magna Tiara Development Sdn Bhd
- 100% IDP Industrial Development Sdn Bhd
- 100% Sunny Uptown Sdn Bhd
- 60% Peninsular Home Sdn Bhd
- 73.75% Magna Kelana Development Sdn Bhd
- 60% Scenic Point Development Sdn Bhd
- 54% Ceylon Hills Sdn Bhd
- 100% Saujanis Sdn Bhd
- 100% Allied Engineering Construction Sdn Bhd
- 100% URC Engineering Sdn Bhd
- 100% Resodex Construction Sdn Bhd
- 100% Windsor Triumph Sdn Bhd
- 60% Everise Tiara (M) Sdn Bhd
- 39% Everise Project Sdn Bhd
  - 100% Jendela Dinamik Sdn Bhd
- 100% Paramount Hills Sdn Bhd
- 100% Sagaharta Sdn Bhd
- 100% Paramount Properties Sdn Bhd
- 85% Seri Tiara Development Sdn Bhd
- 100% Maxim Development Sdn Bhd
- 100% Infinite Accomplishment Sdn Bhd
- 100% Orient Housing Development Sdn Bhd
- 100% Seri Prima Development Sdn Bhd
- 100% Regenta Development Sdn Bhd
  - 0.00002%
- 60% Eureka Equity Sdn Bhd
- 100% Concord Housing Development Sdn Bhd
- 100% UOA Properties Sdn Bhd
  - 100% Dynasty Portfolio Sdn Bhd
  - 100% Lencana Harapan Sdn Bhd
  - 100% Bangsar South City Sdn Bhd
  - 100% Nasib Unggul Sdn Bhd
  - 85% Enchant Heritage Sdn Bhd
  - 100% Tunjang Idaman Sdn Bhd
  - 100% Distinctive Acres Sdn Bhd
  - 100% Full Marks Property Sdn Bhd
  - 100% Nova Lagenda Sdn Bhd
- 100% Fabullane Development Sdn Bhd
- 100% Topview Housing Sdn Bhd
- 84% Nova Metro Development Sdn Bhd
- 100% UOA Hospitality Sdn Bhd

LEGEND :
- → Subsidiary
- ■------ Associate company

BOARD OF DIRECTORS



From left to right:

AR STEVE LOW SHU NYOK
(Independent Non-Executive Director)

ALAN CHARLES WINDUSS
(Non-Independent Non-Executive Director)

KONG CHONG SOON @ CHI SUIM
(Managing Director/Non-Independent Director)

KONG PAK LIM
(Executive Director/Non-Independent Director)

Absentee:

TERENCE TEO CHEE SENG
(Independent Non-Executive Director)

KONG SZE CHOON
(Alternate Director to Kong Chong Soon @ Chi Suim)

PROFILE OF BOARD OF DIRECTORS

KONG CHONG SOON @ CHI SUIM
Managing Director/Non-Independent Director

Kong Chong Soon @ Chi Suim, Malaysian, male, aged 76, was appointed a Director of the Company on 27 May 2004. He is responsible for the overall group management and strategy development. He has over 33 years of experience in the construction and property development industries, both in Malaysia and Singapore. He played a key role as Project Advisor to the Harapan group of companies where he was instrumental in overseeing the successful construction of three internationally-rated hotels in Singapore, namely Hotel Meridien, Glass Hotel and Changi Meridien Hotel, valued in excess of SGD866.0 million, during the 1970s and 1980s.

In 1987, Mr. Kong co-founded United Overseas Australia Ltd ("UOA" or "Parent Group") and spearheaded our Parent Group's rapid growth in Malaysia. Over the last 25 years, our Parent Group together with other Group members have successfully completed numerous residential, industrial and commercial developments in various parts of Kuala Lumpur. He has in the past served in various capacities in several public-listed companies both in Malaysia and Singapore which included Raleigh Bhd, Town and City Properties Ltd and Tuan Sing Holdings Ltd.

Mr. Kong graduated with an Associateship in Civil Engineering from the then Perth Technical College (now known as Curtin University) in 1964 and is a member of the Chartered Engineers of Australia.

He is the father of Mr. Kong Sze Choon, who is his Alternate Director. He does not have any family relationship with any other Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

KONG PAK LIM
Executive Director/Non-Independent Director

Kong Pak Lim, Malaysian, male, aged 64, was appointed a Director of the Company on 27 May 2004. He oversees the planning and design of the Group's commercial and residential projects and is also responsible for the identification and negotiation of all new land acquisitions.

Mr. Kong has over 38 years of experience in the construction, mining and property development industries in both Malaysia and Australia. He has worked extensively in various capacities in Australia, among them as Project Engineer in Davis Wemco in charge of mining design, construction and material handling and as a Director of Ferro Engineering Pty Ltd responsible for structural and mechanical fabrication of oil & gas and mining equipment.

He co-founded United Overseas Australia Ltd ("UOA" or "Parent Group") with Mr. Kong Chong Soon and played an integral part in spearheading the Parent and our Group's rapid growth over the years.

Mr. Kong graduated with a Bachelor of Engineering Degree with Honours from University of Western Australia in 1975. He is a member of the Institute of Engineers Malaysia and the Association of Professional Engineers Malaysia.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

PROFILE OF BOARD OF DIRECTORS (Cont'd)

ALAN CHARLES WINDUSS
Non-Independent Non-Executive Director

Alan Charles Winduss, Australian, male, aged 76, was appointed a Director of our Company on 24 January 2011. He is a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee. He is a Director of Winduss & Associates Pty Ltd Chartered Accountants. He has been involved in professional Public Practice for over 30 years, specialising in matters relating to corporate management, restructuring, corporate finance and company secretarial matters including the Australian Securities Exchange ("ASX") and the Australian Securities Exchange and Investments Commission compliance. The accounting practice of Winduss & Associates Pty Ltd lists among its field of expertise matters relating to property development, management and ownership.

Mr. Winduss sits on the Board of two companies listed on the ASX and serves on the Board of Australian incorporated private limited companies. He is a Director of United Overseas Australia Ltd and is also a Non-Independent, Non-Executive Chairman of UOA Asset Management Sdn Bhd, which is the Manager for the UOA Real Estate Investment Trust.

Mr. Winduss graduated from Perth Technical College (now known as Curtin University) with a Diploma in Accounting in 1963. He is a member of various professional bodies including the Institute of Chartered Accountants in Australia and the Certified Public Accountants Australia. In addition, he is an Associate Fellow of the Australian Institute of Management, a Fellow of the Taxation Institute of Australia, a Fellow of the Australian Institute of Company Directors and a registered Australian Company Auditor.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

AR STEVE LOW SHU NYOK
Independent Non-Executive Director

Ar. Steve Low Shu Nyok, Malaysian, male, aged 63, was appointed a Director of the Company on 30 May 2012. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

Ar. Low was Founder/Director of SN Low & Associates Sdn. Bhd. in 1987. He is currently Managing Director of SN Low & Associates Sdn Bhd. Prior to this, he was Architect at Stewart & Riddick & Partners in Finchley, London, and Owen-Ward & Palmer Architect in Palmer Green, London, United Kingdom. He has more than 30 years experience in the building/construction industry.

Ar. Low holds a Diploma (Hons) in Architecture from Thames Polytechnic London in United Kingdom. He is a Corporate Member of Pertubuhan Akitek Malaysia and Lembaga Arkitek Malaysia.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

PROFILE OF BOARD OF DIRECTORS (Cont'd)

TERENCE TEO CHEE SENG
Independent Non-Executive Director

Terence Teo Chee Seng, Singaporean, male, aged 62, was appointed an Independent Non-Executive Director to the Company on 20 December 2012. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee. He is in legal practice in Singapore, specialising primarily in the corporate sector. He has been in practice for more than 30 years.

Mr. Teo also sits on the Board of United Overseas Australia Ltd, the Company's ultimate holding company, listed in Australia. He also sits on the Board of Lasseters International Holdings Limited, Envictus International Holdings Limited and Soilbuild Group Holdings Ltd, all listed in Singapore.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

KONG SZE CHOON
(Alternate Director to Kong Chong Soon @ Chi Suim)

Kong Sze Choon, Singaporean, male, aged 40, was appointed on 20 August 2015 as Alternate Director to Mr. Kong Chong Soon @ Chi Suim, who is Managing Director of the Company. He is a graduate of Curtin University of Technology, Perth, Australia with a Bachelor of Commerce Degree in Finance. He has worked in financial institutions in Singapore where he was involved in managing and growing the investment portfolio of high net worth individuals. He was part of the management team of UOA Asset Management Sdn Bhd ("UOA Asset Management") which is the Manager for UOA Real Estate Investment Trust, and held the position of Assets Management Manager prior to his appointment as Chief Executive Officer of UOA Asset Management.

Mr. Kong joined UOA Holdings Group in 2002 and his roles in UOA Holdings Group were predominantly in leasing as well as sales and marketing of commercial and residential developments of the Group. Apart from his key role in the Leasing department, he was also involved in business development of UOA Holdings Group.

He is currently Chief Executive Officer and Non-Independent Executive Director of UOA Asset Management and Director of UOA (Singapore) Pte Ltd, a subsidiary company of the ultimate holding company of the Manager, United Overseas Australia Ltd.

He is the son of Mr. Kong Chong Soon @ Chi Suim, and does not have any family relationship with any other Director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

KEY MANAGEMENT TEAM

The key management is responsible for the day-to-day management and operations. The key management consists of experienced personnel in charge of matters related to construction, human resource, corporate affairs, risk management, legal and corporate secretariat, finance and administration.

The members of the key management, as at 31 December 2016, are as follows:

Name	Nationality	Designation
Kong Chong Soon @ Chi Suim	Malaysian	Managing Director
Kong Sze Choon	Singaporean	Alternate Director
Kong Pak Lim	Malaysian	Executive Director
Cecelia Chan	Singaporean	Property Director
Tong Ee Ping	Malaysian	Chief Operating Officer (Construction)
Ang Kheng Im	Malaysian	Chief Financial Officer
Puah Kim Wee	Malaysian	Chief Operating Officer (Contracts)
Ng Boon Hwee	Malaysian	Chief Operating Officer (Planning)
Yap Kang Beng	Malaysian	Senior Manager, Corporate Affairs

PROFILE OF KEY MANAGEMENT TEAM

CECELIA CHAN
Property Director

Cecelia Chan, Singaporean, female, aged 62, was appointed as Property Director of UOA Holdings Sdn Bhd from 1989 to 2004, a position she held until the establishment of UOA Real Estate Investment Trust (UOA REIT) in 2005. She was then appointed as Chief Executive Officer of UOA Asset Management Sdn Bhd (Manager for UOA REIT), a position she held until her resignation on 14 January 2011. Whilst at UOA Asset Management Sdn Bhd, she oversaw the property leasing and building management activities of UOA REIT. Whilst at UOA Holdings Sdn Bhd as Property Director, she was responsible for leading and formulating its marketing and sales strategies. Following the reorganisation pursuant to the listing of our Company, she was transferred to our Company and redesignated as our Property Director. Before joining United Overseas Australia Ltd ("Parent Group"), she held various positions in a number of private property development companies in Singapore. She graduated from YMCA in 1974 with a Diploma in Marketing Management.

She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences, and there is no sanction or penalty imposed on her by any regulatory bodies over the past 5 years.

ANG KHENG IM
Chief Financial Officer

Ang Kheng Im, Malaysia, female, aged 51, has been the Chief Financial Officer of our Parent Group since 1994. She is responsible for our finance and accounts departments and also oversees the internal control function, company secretarial compliance, tax compliance, management information system and legal matters. Following the reorganisation pursuant to the listing of our Company, she was transferred to our Company. Prior to joining our Group, she spent four years as a Senior Auditor at Khoo Wong and Chan. She completed the final year of professional education at Emile Woolf College, London, United Kingdom in 1992 and obtained her professional qualification from the Association of Chartered Certified Accountants in London, United Kingdom in the same year. She is a Chartered Accountant of Malaysia and is a member of the Malaysian Institute of Accountants.

She does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. She has no convictions for any offences, and there is no sanction or penalty imposed on her by any regulatory bodies over the past 5 years.

TONG EE PING
Chief Operating Officer (Construction)

Tong Ee Ping, Malaysian, male, aged 58, who is our Chief Operating Officer (Construction) has been with our Parent Group since 1988. He is responsible for overseeing our Parent Group's construction activities undertaken through Allied Engineering Construction Sdn Bhd and URC Engineering Sdn Bhd. Following the reorganisation pursuant to the listing of our Company, he was transferred to our Company. Prior to joining our Group, he was Senior Site Foreman at Progressive Builders Pte Ltd between 1985 and 1988 where he supervised building works. He holds a Bachelor of Science in BioChemistry Degree with Honours from Punjab Agricultural University where he graduated in 1981.

He is the nephew of Mr. Kong Chong Soon who is the Managing Director and a major shareholder of the Company. He has no conflict of interest with the Company, no convictions for any offences, and no sanction or penalty was imposed on him by any regulatory bodies over the past 5 years.

PROFILE OF KEY MANAGEMENT TEAM (Cont'd)

PUAH KIM WEE
Chief Operating Officer (Contracts)

Mr. Puah Kim Wee, Malaysian, male, aged 57, who is our Chief Operating Officer (Contracts), joined our Company in 2012 and is responsible for negotiating contracts for our Company and overseeing the Contracts Department. Prior to joining our Company, he had worked in several engineering and construction companies with vast experience as head of Contracts Department, Building and Tender Department. He holds a Bachelor of Applied Science degree in Construction Management and Economics from the Curtin University of Technology. He has also completed his studies in Contract Law and was accepted as an Associate Member of the Chartered Institute of Arbitrators, England.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

NG BOON HWEE
Chief Operating Officer (Planning)

Mr. Ng Boon Hwee, Malaysian, male, aged 56, who is our Chief Operating Officer (Planning), joined our Company in 2014 and is responsible for overseeing project management of our development projects. Prior to joining our Company, he had worked in several development companies and overseas projects in the Middle East. He graduated in 1984 with Bachelor Degree in Civil Engineering from University of Malaya.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences, and there is no sanction or penalty imposed on his by any regulatory bodies over the past 5 years.

YAP KANG BENG
Senior Manager, Corporate Affairs

Yap Kang Beng, Malaysian, male, aged 41, who is our Senior Manager, Corporate Affairs, joined UOA Group in 2010. He is responsible for corporate affairs and investor relations matters. He is also involved in leasing as well as sales and marketing of commercial developments of the Group.

He has worked in the financial industry for over 13 years prior to joining UOA Group. Before he assumed the present position, he was a global investment specialist in J.P. Morgan Private Bank (Singapore). Prior to that, he also took up different roles in Treasury and Risk Management in Hong Leong Bank Berhad and Standard Chartered Bank Berhad. He holds a degree in Economics and Social Studies from The University of Manchester.

He was appointed Non-Independent Non-Executive Director of UOA Asset Management Sdn Bhd, the manager for UOA Real Estate Investment Trust, on 18 March 2016.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no conviction for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") of UOA Development Bhd recognises the importance of adopting the principles and best practices of the Malaysian Code on Corporate Governance 2012, issued by the Securities Commission ("the CG Code"). The Board is committed to good corporate governance, accountability and transparency towards creation of wealth in achieving short term and long term shareholders' value.

As such, the Board strives to adopt the substance behind corporate governance principles and not merely the form. The Board is pleased to provide a narrative statement on the application of the principles and the extent of compliance with the best practices as set out in the CG Code issued by the Securities Commission, aimed to enhance the effectiveness of corporate governance framework to safeguard the interest of shareholders and other stakeholders as prescribed under Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

A. BOARD OF DIRECTORS

Board Responsibilities

The Board is responsible for the overall corporate governance of the Group, including its strategic direction, overseeing the proper conduct of the Group's business, identifying principal risks and ensuring the implementation of systems to manage risks, succession planning, developing an investor relations program, reviewing the adequacy and integrity of the Group's internal control systems and management information systems, establishing goals for management and monitoring the achievement of these goals.

The Board delegates the day to day management of the Company to the Executive Directors and Senior Management of the various departments in the Company. The Executive Directors have oversight of these departments and the daily operations of the Company.

The Board has formalised its Board Charter setting out the roles and responsibilities of the Board together with its corporate objectives. The Board Charter serves as a guide to the Board in carrying out its duties. The Board Charter is published on UOA's website. The Board Charter was last reviewed on 12 April 2017.

The Board has implemented and disseminated to all employees of UOA Group of Companies ("UOA Group") a "Whistle Blowing Policy" that allows employee to confidentially inform Management of any abuses of power or any detrimental actions by any employee or Management of the UOA Group, such as engaging in fraud and cheating, accepting bribery, sexual harassment or committing criminal offences of any kind. Whistle blowers can report directly to the Human Resource Department on such issues with total confidentiality.

Independence and Time Commitment

The Board receives annual written confirmation from the Independent Directors confirming their independence and in which the Directors acknowledge their respective position. All the Directors are able to devote sufficient time and attention to the operations of UOA Development Bhd and to update themselves with knowledge and skills by attending seminars and training. The Directors are also accessible by email and telecommunication should the need arises.

Supply of Information

The Board recognises that the decision making process is highly dependent on the quality of information furnished. As such, the Board has unrestricted access to all information pertaining to the Company. Updates on operational, financial, corporate issues and strategic matters as well as current developments of the Group which require the Board members' attention are disseminated without delay, with Board papers distributed in advance of the meetings to enable Directors to obtain further explanations, if required.

All Directors have access to the advice and services of the Company Secretary in ensuring the effective functioning of the Board, management representatives and, if deemed necessary, other independent professionals at the expense of the Company in the discharge of their duties.

The Directors are regularly updated by the Company Secretary on new statutory and regulatory requirements relating to Directors' duties and responsibilities. The Company Secretary ensures that accurate and proper records of the proceedings and resolutions passed at meetings are recorded and maintained.

Board Composition

The Board presently consists of five (5) members comprising two (2) Executive Directors and three (3) Non-Executive Directors. Two (2) out of the three (3) Non-Executive Directors are independent. The Board composition fulfills the prescribed requirement that at least 2 Directors or 1/3 of the Board are independent as stated in Paragraph 15.02 of the Listing Requirements and the CG Code.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

The Board composition reflects a mix of suitably qualified and experienced professionals in the fields of accountancy, real estate development, architecture and legal professions. This combination of different professionals and skills working together enables the Board to effectively lead and govern the Company.

The Independent Non-Executive Directors bring independent advice and unbiased judgement on issues of strategy, business performance and standard of conduct and thus help to ensure that the interest of shareholders and stakeholders of the Company are safeguarded. The Company is currently sourcing for a suitable candidate to fill the position of the Chairman of the Board following the retirement of Tan Sri Alwi Jantan at the previous Annual General Meeting of the Company. The Managing Director has the primary responsibility of managing the Group's business and resources and is responsible for the development, implementation of strategy and overseeing and managing the day-to-day operations of the Group. Currently, the tenure of Independent Directors on the Board has not exceeded 9 years, the tenure stated in the CG Code and which the Board adopts.

The Board having reviewed its size and composition is satisfied that its current size and composition is well balanced, with diverse professional backgrounds, skills, expertise and knowledge in discharging its responsibilities for the proper functioning of the Board and fairly reflects the investment in the Company by shareholders.

Board Meetings

The Board meets at least once every quarter and additional meetings are convened as and when necessary. The Board is provided in advance with the Agenda together with reports and supporting documents for Board Meetings. All proceedings of the Board Meetings are duly minuted and signed by the Chairman of the meeting. During the financial year under review, the Board met six (6) times and the attendance record for each Director is as follows:-

Name of Director	Total Meetings Attended	Percentage of Attendance (%)
Kong Chong Soon @ Chi Suim	5/6	83
Kong Pak Lim	6/6	100
Alan Charles Winduss	6/6	100
AR Steve Low Shu Nyok	6/6	100
Teo Chee Seng	6/6	100
Tan Sri Dato' Seri Alwi Jantan (retired on 25.05.2016)	6/6	100

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the Listing Requirements.

Board Committees

The Board delegates specific responsibilities to various committees such as the Audit and Risk Management Committee, and the Nomination and Remuneration Committee to assist in discharging their duties. All committees have written terms of reference and the Board receives reports of their proceedings and deliberations, where appropriate. The Chairman of the committee will report to the Board on the outcome of the committee meetings and the minutes of meetings are circulated to the Board. These committees are formed in order to enhance business and operational efficiency as well as efficacy of the Group.

- Audit and Risk Management Committee

  The Audit and Risk Management Committee also oversees the risk management and internal control functions of the Company. The key functions and responsibilities of the Audit and Risk Management Committee, its activities during the financial year, details of attendance of each member and the number of meetings held, are set out in the Audit and Risk Management Committee Report contained in this Annual Report. The Audit and Risk Management Committee meets with the external auditors to assess their independence and reviews their reports on the audit of the Company's financial statements.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

- Nomination and Remuneration Committee

  The Nomination and Remuneration Committee was established on 25 January 2011 and comprises entirely of Non-Executive Directors, majority of whom are independent. The Chairman is an Independent Non-Executive Director. The role of the Nomination and Remuneration Committee is to assist the Board in their responsibilities in nominating new nominees to the Board and assessing the effectiveness of the Board, the committee of the Board and the contribution of each individual Director on an annual basis. All assessment and evaluations carried out by the Nomination and Remuneration Committee and the discharge of all its functions are documented. The Company Secretary will ensure that all appointments are properly made and that legal and regular obligations are met.

  There is no Chairman of the Board for the time being but the position of the CEO (MD) does not assume the role of the Chairman or any of the independent Directors, and the absence of a Chairman does not imbalance the power and authority between the Independent Directors and the Executive Directors. The Nomination and Remuneration Committee is of the opinion that for the time being, the Board is adequate and will function well as a whole in the absence of a Chairman.

  The Nomination and Remuneration Committee determines the policy and structure of the remuneration package of the Executive Directors. In the case of the Independent Non-Executive Directors, determination of their remuneration is a matter for the Board as a whole. The respective directors will abstain from deliberation of their own remuneration. The Nomination and Remuneration Committee held 2 meetings during the financial year ended 31 December 2016.

  The Nomination and Remuneration Committee also reviews the term of office and performance of the Audit and Risk Management Committee annually and determines whether the Audit and Risk Management Committee has functioned effectively during the year under review. As the members of both committees are the same Directors, the Audit and Risk Management Committee is assessed as a whole based on its achievements in reviewing the external auditors' and internal auditors' reports and bringing up significant issues to the Board. The last review by way of an assessment form was performed on 12 April 2017.

  In regards to new appointment to the Board, proposed directors are given disclosure forms to complete and a checklist to verify and confirm their independence in respect of Independent Directors.

  The Nomination and Remuneration Committee is guided by the principles of meritocracy and fairness with regards to appointment of directors and key management personnel. While the Board does not have female representation at this juncture, senior positions of the Group such as the Chief Financial Officer, the Head of Property Division, the Head of Human Resources, the Head of Hospitality and the Compliance Manager are represented by females. There is no preference with regards to ethnicity and age. Appointments and promotions of all employees are based on the same principles.

Retirement by Rotation and Re-election to the Board

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to retirement and re-election by shareholders at the next annual general meeting subsequent to their appointment. The Articles of Association also provide that one-third (1/3) of the Directors shall be subject to retirement by rotation and be eligible for re-election at each annual general meeting. All Directors shall retire from office, once every three years. A retiring Director shall retain office until the close of the meeting at which he retires.

Directors' Training

In order to keep abreast with the latest regulatory development, all Directors are required to attend the Mandatory Accreditation Programme ("MAP") and Continuing Education Programme prescribed by Bursa Securities. The Directors will continue to undergo other relevant training programmes on a continuous basis in compliance with Paragraph 15.08 of the Listing Requirements.

The Board has taken on the responsibility in evaluating and determining the specific and continuous training needs of the Directors on a regular basis. Programmes are sent regularly to all the Directors for them to select the programmes that they are able to attend. During the financial year, the following Directors attended the following training programmes and seminars to further broaden their skills, knowledge and perspective and keep them abreast with the new and relevant developments pertaining to changes in legislation and regulations in order to discharge their duties more effectively.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

Director	Training/Seminars Attended
Kong Chong Soon @ Chi Suim	(1) Ring the Bell for gender equality
AR Steve Low Shu Nyok	(1) DATUM: PAM Conference 2016
Alan Charles Winduss	(1) MYOB – HANDISOFT Seminars re updates and new products (2) A.I.M. Finance for Directors
Kong Sze Choon Alternate Director to Kong Chong Soon @ Chi Suim	(1) REHDA Youth Green Tour Hong Kong (2) Managing and reporting on Equity Price Risks with Equity Derivatives (3) Managing and reporting in Interest Rate Risks with Derivatives

Mr. Kong Pak Lim and Mr. Terence Teo Chee Seng had not attended any training in 2016 as they had attended courses related to their respective nature of work during the course of their work and as Directors of a public listed company in prior years. They are experienced in their respective field of expertise and had kept abreast with the rules and regulations through the updates mentioned above and read widely to enhance their knowledge and skills.

B. DIRECTORS' REMUNERATION

The Nomination and Remuneration Committee which comprises entirely Non-Executive Directors, majority of whom are independent, recommends to the Board the remuneration package for the Executive Directors. Remuneration packages for Executive Directors are structured on the basis of linking rewards to corporate and individual performance. Performance is measured against the result achieved by the Group and individual achievement against targets set. It is the ultimate responsibility of the entire Board to approve the remuneration of these Directors with the Executive Directors concerned abstaining from deliberations on their own remuneration.

The remuneration packages for Non-Executive Directors are determined by the Board as a whole, with the Non-Executive Directors abstaining from discussion on their own remuneration.

	Non-Executive Directors RM'000	Executive Directors RM'000	Total RM'000
Salary	-	2,271	2,271
Bonus	-	5,040	5,040
Fees	205	-	205
Other emoluments	25	-	25
Benefit-in-kind	-	179	179
Total	**230**	**7,490**	**7,720**

Remuneration paid to Directors during the year analysed into bands of RM50,000, which complies with the disclosure requirements under Bursa Malaysia Listing Requirements is as follows:-

	Non-Executive Directors	Executive Directors
Up to RM50,000	1	-
From RM50,001 to RM100,000	3	-
From RM3,700,001 to RM3,750,000	-	1
From RM3,750,001 to RM3,800,000	-	1

CORPORATE GOVERNANCE STATEMENT (Cont'd)

C. SHAREHOLDERS

The Board acknowledges the need for shareholders to be kept informed of all material business matters affecting the Group. Shareholders are provided with an overview of the Group's performance and operations through the timely release of financial results on a quarterly basis. Timely announcements are also made to the public on corporate proposals and other required announcements to ensure effective dissemination of information relating to the Company.

The Company's Annual General Meeting remains the principal forum for dialogue and communication with shareholders. Shareholders are encouraged to ask questions about the resolutions proposed and the operations of the Group. The Company's website, www.uoadev.com.my also provides a comprehensive avenue for information dissemination.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual report and audited financial statements and quarterly announcements to shareholders, the Board aims to provide and present an accurate, balanced and meaningful assessment of the Group's financial performance and prospects. The Board is assisted by the Audit and Risk Management Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

The Audit and Risk Management Committee in assisting the Board, is responsible for ensuring that the financial statements are drawn up in accordance with applicable Malaysian and International Financial Reporting Standards and policies, and that judgements and estimates made are reasonable and prudent.

Related Party Transactions

Directors recognise that they have to declare their respective interests in transactions with the Company and the Group, and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board. All related party transactions are presented to the Audit and Risk Management Committee for review on a quarterly basis and later circulated to the Board for notation.

Statement on Risk Management and Internal Control

The Statement on Risk Management and Internal Control furnished on page 31 to 33 of this Annual Report provides an overview on the status of internal controls within the Group.

Relationship with External Auditors

Key features underlying the relationship of the Audit and Risk Management Committee with the external auditors are included in the Audit and Risk Management Committee's terms of references as set out in the Audit and Risk Management Committee Report. The Audit and Risk Management Committee has always maintained a transparent relationship with the Company auditors in seeking professional advice and ensuring compliance with the appropriate accounting standards. The External Auditors also meet with the Audit and Risk Management Committee in the absence of management during the Audit and Risk Management Committee's meetings.

The suitability and independence of the external auditors has been assessed by the Audit and Risk Management Committee annually, and the Board as a whole, has determined the suitability and independence of the external auditors.

Compliance with the Best Practices of the CG Code

The Board of Directors has taken measures to ensure that the Group fully complies with all the best practices of corporate governance as identified in the CG Code throughout the financial year ended 31 December 2016.

The disclosure of this Statement on Corporate Governance was approved by the Board during the Board Meeting held on 12 April 2017.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

FORMATION

The Audit and Risk Management Committee ("ARMC") was formed by the Board pursuant to its meeting on 25 January 2011. Its primary responsibility is to provide assistance to the Board of Directors ("Board") in fulfilling its corporate governance responsibilities in relation to the Company and Group financial reporting, internal control structure, related party transactions and external and internal audit functions. The ARMC may invite any of the key management or employees to participate in its meetings and to appoint any relevant consultants or professionals to assist it to discharge its functions.

COMPOSITION

The ARMC consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director:-

Teo Chee Seng	- Chairman/Independent Non-Executive Director
AR Steve Low Shu Nyok	- Independent Non-Executive Director
Alan Charles Winduss	- Non-Independent Non-Executive Director

SUMMARY OF TERMS OF REFERENCE

1. COMPOSITION

The ARMC shall be appointed by the Board with the following requirements:
- Comprise at least three (3) members of whom the majority shall be independent
- All members must be non-executive Directors
- All members should be financially literate and at least one member must be a member of the Malaysian Institute of Accountants or similar professional accounting association or body
- The Chairman shall be an Independent Director

The Terms of Reference of the ARMC is published on the Company's website.

2. FREQUENCY AND ATTENDANCE OF MEETINGS

A minimum of four (4) meetings a year shall be planned and any additional meetings will be on a need basis.

The ARMC should meet with the External Auditors without Executive Board members present at least twice a year.

The ARMC should meet regularly, with due notice of issues to be discussed, and should record its conclusions and then report to the full Board as and when necessary.

The Chairman of the ARMC should engage on a continuous basis with Senior Management, such as the Chief Operating Officer, the Chief Financial Officer, the Head of Internal Audit and the External Auditors in order to keep abreast of matters affecting the Group.

The Chief Financial Officer, Head of Internal Audit and a representative of the External Auditor shall attend meetings as and when required.

Other Board members and employees may attend any particular ARMC meeting only upon the invitation of the ARMC specific to a relevant meeting.

The ARMC held six (6) meetings during the financial year ended 31 December 2016. The details of attendance of the ARMC are as follows:-

Name of Director	Total Meetings Attended
Teo Chee Seng	6/6
AR Steve Low Shu Nyok	6/6
Alan Charles Winduss	6/6

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

3. KEY FUNCTIONS & RESPONSIBILITIES

The key functions and responsibilities of the ARMC shall be:-

External Audit

i. To recommend to the Board any matters relating to the appointment of external auditors, the fees and any matters in relation to resignation or dismissal of the external auditors;
ii. To review the external auditors audit planning memorandum, discuss problems and reservations arising from the interim and final audits and to present the audit findings and recommendations of the external auditors to the Board; and
iii. To assess the suitability and independence of the external auditors. The ARMC reviews the independence of the external auditors at the meeting where the external auditors confirm their independence when they table their audit findings to the ARMC.

Internal Audit

i. To review the internal audit plans, consider the major findings of internal audits and management's responses and ensure coordination between the internal and external auditors;
ii. To review the adequacy of the scope, functions, competency and resources of the internal audit departments and ensure that it has the necessary authority to carry out its work;
iii. To review the audit reports; and
iv. To direct internal auditors to any specific area or procedure where necessary.

The Internal Audit Function of the Company is performed in-house, undertaken by the Internal Audit Department of the ultimate holding company, United Overseas Australia Ltd. The share of cost for the Internal Audit Function amounted to approximately RM153,000 for the financial year ended 31 December 2016.

The ARMC reviews the reports of the Internal Auditors at its quarterly meetings and directs the focus of the Internal Auditors where necessary. Any significant issues will be brought to the Board's attention.

Financial Reporting Review

To review with management and the external auditors the quarterly results and year-end financial statements prior to approval by the Board and make applicable recommendations to the Board.

The ARMC ensures that the Financial Statements comply with applicable Malaysian and International Financial Reporting Standards and policies. The ARMC reviews significant findings and audit reports of the Auditors at least two times a year.

Related Party Transactions

To review any related party transactions and conflict of interest situation that may have arisen or have the possibility to arise within the Group.

Internal Control Systems

To keep under review the effectiveness of internal control systems and the internal and/or external auditors' evaluation of these systems.

Other matters

i. To discuss problems and reservations arising from the internal audit, interim and final audits and matters the internal and external auditors may wish to discuss (in the absence of management where necessary);
ii. Where the ARMC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the ARMC must promptly report such matter to Bursa Securities; and
iii. To carrying out any other functions that may be mutually agreed upon by the ARMC and the Board.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

4. SUMMARY OF ACTIVITIES OF THE ARMC DURING THE YEAR

The ARMC met six (6) times during the financial year ended 31 December 2016. The activities of the AC for the financial year were as follows:-

i. Reviewed the quarterly financial results announcements and year end financial statements of the Group examining:
   - the overall performance of the Group;
   - the prospects for the Group;
   - the implementation of major accounting policies and practices; and
   - compliance with accounting standards and other legal requirements.

ii. Discussed significant audit findings in respect of the financial statements of the Group with External Auditors.

iii. Reviewed the External Auditors' Audit Planning Memorandum and Audit Progression Memorandum.

iv. Reviewed the reports and statements for the Annual Report 2016.

v. Reviewed the internal audit reports including details of planned activities that were carried out, audit findings and recommendations, which were tabled at the quarterly ARMC Meetings. A summary of internal audit activities are as follows:
   - Reviewed the adequacy and effectiveness of existing internal control and compliance with policies & procedures for capital expenditure;
   - Reviewed the Risk Management Policy and the plan developed by the Risk Management Working Committee with the assistance rendered by the internal auditors for the Board approval;
   - Review of system for occupancy room control, food & beverage income for the hospitality division;
   - Review of health and safety procedure for the hospitality division;
   - Review of sales, collection, discount and meeting room booking for The Oak Room & Capri;
   - Review of sales and marketing, credit control and project management for the property division;
   - Review of debtors aging and debtor control system;
   - Review of contracts and agreements relating to sales of properties and sale agencies for property division; and
   - Reviewed the related party transactions entered into by the Company and the Group.

vi. Reviewed the independence and performance of the External Auditors and the non-audit services of the External Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2012 ("the CG Code") sets out the Principles and Recommendations for the Board of a company listed on the Bursa Malaysia Securities Berhad ("Bursa Securities") to establish a sound risk management framework and internal control system to safeguard shareholders' investment and the Group's assets.

The Board is committed to establish a sound risk management framework to manage risks and is pleased to provide the following statement in accordance with paragraph 15.26(b) of Main Market Listing Requirements of Bursa Securities ("Listing Requirements") and guided by Principle 6 and Recommendation 6.1 of the CG Code on recognising and managing risks within the Group.

BOARD'S RESPONSIBILITIES

The Board affirmed that sound corporate governance practices are essential to safeguard the shareholders' investment and Group's assets. With this in view, the Board undertakes the responsibility for the Group's overall system of corporate governance including risk management and internal controls, financial or otherwise which:

- Provides reasonable assurance on the achievement of the Group's objectives; and
- Ensures the effectiveness and the efficiency of operations, reliability of financial information and compliance with laws and regulations.

The Board recognises that reviewing the Group's system of internal controls is a concerted and ongoing process, designed to manage and mitigate, rather than eliminate the risk of failure to achieve Group's corporate objectives. It should be noted that such systems are designed to provide only reasonable but not absolute assurance against material misstatement or loss. The system of internal controls include, inter-alia, financial, budgetary, organisational, operational and compliance controls. The system of internal controls also encompasses sufficient preventive and detective control that could mitigate risk to suit Company objectives.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy encompassing a sound Risk Management Framework and Internal Control System. A Risk Management Working Committee comprises of key personnel from various departments has been formed to identify potential risks, to assess the effectiveness of existing controls, to develop mitigating measures to manage significant risks and continuous monitoring of Group's risk profile and appetite.

The Management has given assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the Group's risk management and internal control system.

KEY ELEMENTS OF INTERNAL CONTROL

- Established a conducive control environment in respect of the overall attitude, awareness and actions of Directors and management regarding the internal control system and its importance to the Group.
- Clear Group vision, mission, corporate philosophy and strategic direction which are communicated to employees at all levels.
- Relevant Board Committees with formal terms of references clearly outlining their functions and duties delegated by the Board. The authorities and accountabilities are further emphasised in Board Charter.
- Key responsibilities and accountability in the organisational structure are clearly defined, with clear reporting lines up to the Board and its committees. Established delegation of authority which sets out the appropriate authority levels for decision making, including matters requiring Board's approval. A process of hierarchical reporting has been established which provides a documented and auditable trail of accountability.
- Management meetings involving discussion on operational issues at the respective departmental levels.
- Internal policies and guidelines are effectively communicated to all employees through memos and internal information portals.
- Establishment of an effective segregation of duties via independent checks, reviews and reconciliation activities to prevent human errors, fraud and abuses.
- Continuous quality improvement initiatives to obtain accreditation for all operating subsidiaries such as ISO certification.
- An ISO 9001:2000 management system which is subject to regular internal review and improvement continuously manages and controls the quality requirement of the Group's products and services.
- Where relevant, external certification such as Malaysia Green Building Index ('GBI') and 'Construction Quality Assessment System ('CONQUAS') were adopted to strengthen and improve delivery process and quality.
- Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group, are maintained and subject to periodical review and update to reflect changing risks to resolve operational deficiencies. Instances of non-compliance with such policies and procedures are reported thereon by Internal Audit to the Board via the Audit and Risk Management Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

- The Group's management team monitors and reviews financial and operational results, including monitoring and reporting of performance against the operational plans. The management team formulates and communicates action plans to address areas of concern.
- A budget is prepared and regular budget meetings are held to ensure variances are promptly identified and addressed by the management.
- Establishment an in-house Internal Audit Department which undertakes the responsibility as independent reviewer of internal control to provide sufficient assurance to Audit and Risk Management Committee.
- A Whistle Blowing Policy has been implemented to provide a channel for staff to voice any concerns.
- The Audit and Risk Management Committee regularly convenes meetings to deliberate on the findings and recommendations for improvement by internal auditors, external auditors as well as regulatory authorities. The Audit and Risk Management Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control system.
- The preparation of periodic and annual results and the state of affairs of the Group is reviewed and approved by the Board before release of the same to the regulators whilst the full year financial statements are audited by the external auditors before their issuance to the regulators and shareholders.
- Directors and Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.
- An on-going training and educational program has been implemented for Directors and relevant staff in assessing the adequacy and integrity of the Group's risks and control processes.
- Implementation of proper guidelines for hiring and termination of staff, formal training programs for staff, annual performance appraisals and other procedures are in place to ensure professionalism and competency of staff have been emphasised through continuous training and regular performance evaluation.
- The Group takes continuous efforts in maintaining the quality of products and service. Safety and health regulations, environmental requirements and relevant legislations affecting the Group's operations have been considered and complied with, as appropriate.

Internal Audit Function

The internal audit function is undertaken by the Internal Audit Department of the ultimate holding company, United Overseas Australia Ltd ("UOA Ltd"). The Audit and Risk Management Committee assisted by the Internal Audit Department of UOA Ltd ("Internal Auditors"), provides the Board with the assurance it requires on the adequacy and integrity of the system of internal control. The Audit and Risk Management Committee has an oversight function of all activities carried out by the Internal Auditors. The principal role of the Internal Auditors is to independently review whether internal controls and risk management of the Group are appropriate for its business and is operating as intended, a framework of controls and an effective risk management framework is in place to manage risks and management responses to these risks are acceptable.

The Internal Audit Department function is guided by Institute of Internal Auditors' International Professional Practices Framework ("IPPF"). The internal audit framework is designed to be in line with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control – Integrated Framework. Internal Audit Department report directly to the Audit and Risk Management Committee and have unrestricted access of information within the Group.

The Internal Auditors engage in regular communication with the management team and various departments within the organisation in relation to its internal audit activities and efforts for continuous improvement in operations and systems. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit and Risk Management Committee. The internal audit work is designed based on a risk based approach, which takes into consideration the risk profile of Group and Board's risk appetite. During internal audit assignments, the Internal Audit Department also undertook, wherever relevant, the following:

- Assessment of operating efficiencies;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making; and
- Ensuring compliance with the Group's policies and relevant legislations.

On a quarterly basis, the internal auditors report to the Audit and Risk Management Committee on areas for improvement and will subsequently follow up to determine the extent that their recommendations that have been implemented.

The professionalism and competency of internal auditors are being emphasised through continuous training, regular performance evaluation by the Audit and Risk Management Committee and professional certification attained.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

Other Risks and Control Process

The Board has also put in place an organisational structure with formally defined reporting lines, segregation of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability.

Review of monthly financial information which includes actual results compared against budget, an explanation on significant variances and management actions taken, where necessary. In addition, the Audit and Risk Management Committee and the Board review the quarterly financial results. Where areas of improvement in the internal control system are identified, the Board considered the recommendations made by the Audit and Risk Management Committee.

Review of the Statement by External Auditors

As required by paragraph 15.23 of Bursa Securities Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide 5 (Revised 2015) ("RPG 5 (Revised 2015)") issued by Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group. RPG 5 (Revised 2015) does not require the external auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and the effectiveness of the Group's risk and control procedures.

The Board's Commitment

The Board is committed towards maintaining a sound system of internal control and is of the view that the current system of internal control is responsive to the business environment of the Group. In addition, the Board is of the view that the Group could attain its business objective and operational efficiency by continuous commitment towards a sound system of internal control. The Board continues to take measures to enhance the system of internal control.

ADDITIONAL COMPLIANCE INFORMATION

Share Buy Backs

The details of share buy backs of the Company during the financial year ended 31 December 2016 are as follows:

Date of Buy Back	Number of Shares Purchased (Units)	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Consideration Paid (RM)
1 March 2016	10,000	2.12	2.12	2.12	21,245
30 August 2016	5,000	2.47	2.47	2.47	12,379

As at 31 December 2016, there were 1,123,800 treasury shares held by the Company.

Options, Warrants or Convertible Securities

There were no options granted or convertible securities issued during the financial year ended 31 December 2016.

American Depository Receipts (ADR) or Global Depository Receipts (GDR)

There were no ADR or GDR sponsored by the Company during the financial year ended 31 December 2016.

Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors and Management by the relevant regulatory bodies during the financial year ended 31 December 2016.

Non-Audit Fees

Non-audit fees paid/payable to External Auditors of the Company and the Group for the financial year ended 31 December 2016 amounted to RM3,000 (2015: RM3,000) and RM22,500 (2015: RM18,000) respectively. The non-audit fees were in respect of services for the review of the Statement on Risk Management and Internal Control of the Company, verification of compliance with Investment Tax Allowance and audit of Housing Development Accounts.

The provision of non-audit services by the External Auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group, and did not compromise their independence and objectivity.

Variation in Results

There were no profit estimations, forecasts and projections made or released by the Company during the financial year ended 31 December 2016.

Profit Guarantee

There were no profit guarantees given by the Company and its subsidiaries during the financial year ended 31 December 2016.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in note 42(a) of the financial statements.

ADDITIONAL COMPLIANCE INFORMATION (Cont'd)

Employees Share Option Scheme ("ESOS")

The Company did not have any ESOS in place for the year ended 31 December 2016.

Recurrent Related Party Transactions

At the Extraordinary General Meeting of the Company held on 25 May 2016, the Company had obtained the approval from its shareholders for the proposed renewal of shareholders' mandate and proposed new mandate to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties.

The said mandate took effect on 25 May 2016 and will continue until the conclusion of the forthcoming Annual General Meeting of the Company. The Company will be seeking its shareholders' approval to renew this mandate at the forthcoming general meeting. Details of the recurrent related party transactions undertaken by the Group during the financial year are disclosed in note 42 of the Financial Statements in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

for the Audited Financial Statements

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards, and the requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have taken reasonable steps to detect and prevent fraud and other irregularities, and to safeguard the assets of the Group and of the Company.

REPORTS & FINANCIAL STATEMENTS

CORPORATE INFORMATION

DOMICILE
Malaysia

LEGAL FORM AND PLACE OF INCORPORATION
Public company limited by way of shares incorporated in Malaysia under the Companies Act

REGISTERED OFFICE
No. 9, Jalan Indah 16
Taman Cheras Indah
56100 Kuala Lumpur, Malaysia

PRINCIPAL PLACE OF BUSINESS
UOA Corporate Tower
Lobby A, Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

DIRECTORS' REPORT

For The Year Ended 31 December 2016

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	710,638	451,986
Profit attributable to:		
Owners of the Company	676,726	451,986
Non-controlling interest	33,912	-
	710,638	451,986

DIVIDENDS

During an Extraordinary General Meeting held on 25 May 2016 the shareholders of the Company resolved to approve the Company's Dividend Reinvestment Scheme ("DRS").

The DRS provides an option to the shareholder to reinvest either all or a portion of the declared dividends in new shares in lieu of receiving cash. Shareholders who did not elect to participate in the option to reinvest, will receive the entire dividend wholly in cash.

During the financial year, the following dividend was issued by the Company:

A first and final single tier dividend of 15 sen per ordinary share of RM0.05 each amounting to RM227,950,590 in respect of the financial year ended 31 December 2015, as proposed in the directors' report for that financial year.

The dividend of RM227,950,590 was issued as follows:

- RM213,308,036 have been issued as 111,679,600 new ordinary shares at an issue price of RM1.91 per ordinary share, pursuant to the DRS to shareholders who have elected for the DRS.
- RM14,642,554 was paid to shareholders who elected to receive the dividends in cash.

The directors now recommend a first and final single tier dividend of 15 sen per ordinary share of RM0.05 each in respect of the financial year ended 31 December 2016 amounting to RM244,700,280 based on 1,631,335,200 ordinary shares (net of treasury shares at the date of this report).

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, will be accounted for in the statements of changes in equity as an appropriation of retained profits in the financial year ending 31 December 2017 when it is paid.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed on pages 51 and 52 of the financial statements.

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 December 2016

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has increased its issued and paid-up ordinary share capital from RM76,039,470 to RM81,623,450 by way of issuance of 111,679,600 new ordinary shares of RM0.05 each at an issue price of RM1.91 per ordinary share pursuant to the DRS of the Company.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

TREASURY SHARES

During an Extraordinary General Meeting held on 25 May 2016 the shareholders of the Company resolved to approve the Company's share buy-back of up to 10% of the Company's issued and paid-up share capital.

During the financial year, the Company repurchased 15,000 of its issued ordinary shares from the open market at an average price of RM2.24 per share. The total consideration paid for the repurchase including transaction costs was RM33,624. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

The authority from shareholders to repurchase shares will expire and is required to be renewed at the conclusion of the forthcoming Annual General Meeting.

ULTIMATE HOLDING COMPANY

The directors regard United Overseas Australia Ltd, a company incorporated in Australia, as the ultimate holding company.

SUBSIDIARIES

Details of the subsidiaries are set out in Note 5 to the financial statements.

Auditors' report on the financial statements of the subsidiaries:

The auditors' report on the financial statements of the subsidiary companies for the financial year in which this report is made were not qualified.

Subsidiaries holding shares in the holding company and related corporations:

None of the subsidiaries held any shares in the holding company. Information regarding the shareholdings of the related corporations are disclosed in Note 5 to the financial statements.

DIRECTORS

The directors in office since the date of the last report are:

Kong Chong Soon @ Chi Suim
Kong Pak Lim
Alan Charles Winduss
Low Shu Nyok
Teo Chee Seng
Kong Sze Choon *(alternate for Kong Chong Soon @ Chi Suim)*
Tan Sri Dato' Seri Alwi Bin Jantan (retired on 25 May 2016)

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 December 2016

DIRECTORS' INTERESTS IN SHARES

The following directors had an interest in shares in the Company and its related corporations required to be disclosed in accordance with Section 59 of the Companies Act 2016, as follows:

The Company	Number of ordinary shares of RM0.05 each At 1.1.2016	Acquired	Disposed	At 31.12.2016
Direct interest				
- Alan Charles Winduss	105,700	-	-	105,700
- Kong Sze Choon	65,200	5,100	-	70,300
Indirect interest				
- Kong Chong Soon @ Chi Suim	1,048,011,740	82,320,400	-	1,130,332,140
- Kong Pak Lim	1,047,875,220	82,293,700	-	1,130,168,920
- Kong Sze Choon	23,600	1,800	-	25,400

United Overseas Australia Ltd (Holding company)	Number of ordinary shares At 1.1.2016	Acquired	Disposed	At 31.12.2016
Direct interest				
- Kong Chong Soon @ Chi Suim	100,000	901	-	100,901
- Kong Pak Lim	453,360	28,922	-	482,282
- Alan Charles Winduss	27,314	1,744	-	29,058
- Teo Chee Seng	141,921	9,053	-	150,974
- Kong Sze Choon	516,712	32,962	-	549,674
Indirect interest				
- Kong Chong Soon @ Chi Suim	855,764,357	54,592,366	-	910,356,723
- Kong Pak Lim	656,803,714	41,899,342	-	698,703,056
- Alan Charles Winduss	1,813,839	83,250	-	1,897,089

By virtue of the above directors' interest in shares in United Overseas Australia Ltd, they are deemed to be interested in shares in all the subsidiary companies of United Overseas Australia Ltd to the extent that United Overseas Australia Ltd has an interest.

	Number of ordinary shares of RM1.00 each At 1.1.2016	Acquired	Disposed	At 31.12.2016
Directors' interest in subsidiary companies				
Indirect interest				
- Kong Chong Soon @ Chi Suim				
- Peninsular Home Sdn Bhd	40	-	-	40
- Scenic Point Development Sdn Bhd	100,000	-	-	100,000
- Ceylon Hills Sdn Bhd	90,000	-	-	90,000
- Everise Tiara (M) Sdn Bhd	120,000	-	-	120,000
Directors' interest in an associate company				
Indirect interest				
- Kong Chong Soon @ Chi Suim				
- Everise Project Sdn Bhd	78,000	-	-	78,000

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 December 2016

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances:

   (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

   (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

   (iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

(c) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT (Cont'd)

For The Year Ended 31 December 2016

(d) No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(e) In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

Auditors' remuneration paid or payable is disclosed in Note 34 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to continue in office.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

KONG PAK LIM
Director

KONG CHONG SOON @ CHI SUIM
Director

Kuala Lumpur
Date: 29 March 2017

INDEPENDENT AUDITORS' REPORT

To The Members Of UOA Development Bhd (Incorporated In Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of UOA Development Bhd, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 105.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Valuation of Investment Properties

The risk:

The Group's investment properties as at 31 December 2016 is RM1,476,898,000.

The fair value of the investment properties were arrived at by reference to valuations or an update of previous valuations carried out by independent professional valuers. The valuation exercise relies on the accuracy of the financial information provided to the valuers by the management.

The key judgement involved in the valuation of investment properties are:
(i) discount rate;
(ii) estimated capitalisation rate;
(iii) occupancy rates; and/or
(iv) estimated replacement costs.

Our response:

Our audit procedures included the following:
(i) We assessed the valuers' competence, capabilities and objectivity. In addition, we obtained declaration of independence from the valuers to determine that there were no matters that affected their independence and objectivity.
(ii) We assessed the reasonableness of management's key assumptions and critical judgement areas, including discount rate, estimated capitalisation rate, occupancy rate used and/or replacement costs used.
(iii) On a test basis, we compared the data inputs and assumptions used in the valuation models to the financial information as applicable.
(iv) On a test basis, we assessed whether the valuation methodology was consistent with those used in prior years and commonly used for the type of investment property being valued.
(v) We performed site visits on major properties.

Information regarding the inputs used in determining the fair value is disclosed in Note 3 to the financial statements.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of UOA Development Bhd (Incorporated In Malaysia)

(b) Revenue Recognition for Property Development Activities and Construction Contracts

The risk:

For the year ended 31 December 2016, the Group's revenue from the sale of development properties and contract revenue is RM919,013,000 and RM54,474,000, respectively.

The Group's recognition of revenue from sale of development properties under construction and construction contracts is largely dependent on estimated total revenue/contract revenue, estimated total development/construction costs as well as the estimated stage of completion of each project.

The stage of completion is determined based on the proportion of development/contract costs incurred for work performed to-date compared to the estimated total development/construction costs.

There is a risk that the estimated revenue, costs or margins may be different from actuals, resulting in material variance in the amount of revenue and/or profit recognised in the current period.

Our response:

Our audit procedures included the following:
(i) We tested the operating effectiveness of the Group's control relating to approvals of development/construction costs, budgets, authorising and recording of revenue and costs incurred.
(ii) We assessed the reasonableness of management's key assumptions used in deriving at the estimates, and where possible compared them to historical evidence or results and retrospective review of the estimates.
(iii) Tested the calculation of stage of completion including testing the costs incurred and recorded for occurrence and accuracy, and reperforming the percentage of completion calculations.
(iv) Enquired key personnel regarding variances, if any, to the estimated revenue or costs in respect of ongoing or completed projects.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information that will be included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the other information provided to us, we have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of UOA Development Bhd (Incorporated In Malaysia)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members Of UOA Development Bhd (Incorporated In Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Companies Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in page 108 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with *Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266(1) of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT
LLP0010622-LCA
No. AF: 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
No. 02997/06/2018 J
Chartered Accountant

Kuala Lumpur
Date: 29 March 2017

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	285,366	161,987	4,691	3,542
Investment properties	3	1,476,898	919,143	-	-
Land held for property development	4	462,939	385,846	-	-
Investment in subsidiary companies	5	-	-	53,779	53,779
Investment in an associate company	6	64,149	47,253	18,570	18,570
Available-for-sale financial assets	7	30,518	24,744	3,300	-
Deferred tax assets	8	36,483	36,441	-	-
Total non-current assets		2,356,353	1,575,414	80,340	75,891
Current assets					
Property development costs	9	989,186	933,977	-	-
Inventories	10	217,207	134,662	-	-
Accrued billings	11	112,137	241,117	-	-
Amount due from contract customer	12	39,502	174,615	-	-
Trade and other receivables	13	456,552	301,972	7,635	6,912
Amount owing by immediate holding company	14	48	-	-	-
Amount owing by subsidiary companies	15	-	-	1,704,362	1,220,649
Amount owing by related companies	16	74	-	71	-
Amount owing by an associate company	17	3,782	3,606	3,782	3,606
Current tax assets		27,162	29,191	89	-
Short term investments	18	224,082	371,948	15,536	89,289
Fixed deposits with licensed banks	19	167,953	51,934	23,192	6,155
Cash and bank balances	20	390,824	564,284	8,916	8,262
Total current assets		2,628,509	2,807,306	1,763,583	1,334,873
TOTAL ASSETS		4,984,862	4,382,720	1,843,923	1,410,764

STATEMENTS OF FINANCIAL POSITION (Cont'd)

As At 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	21	81,623	76,039	81,623	76,039
Share premium	22	1,496,594	1,289,004	1,496,594	1,289,004
Merger reserve	23	2,252	2,252	-	-
Fair value reserve	24	7,024	6,650	(2,100)	-
Unappropriated profit		2,227,701	1,778,926	253,275	29,240
Treasury shares	25	(2,094)	(2,061)	(2,094)	(2,061)
Equity attributable to owners of the Company		3,813,100	3,150,810	1,827,298	1,392,222
Non-controlling interests		124,045	143,690	-	-
Total equity		3,937,145	3,294,500	1,827,298	1,392,222
Non-current liabilities					
Amount owing to non-controlling shareholders of subsidiary companies	26	25,362	24,096	-	-
Hire purchase and finance lease liabilities	27	7,067	12,065	917	1,062
Borrowings	28	18,584	93,589	-	-
Deferred tax liabilities	29	115,614	21,184	-	-
Total non-current liabilities		166,627	150,934	917	1,062
Current liabilities					
Progress billings	11	28,372	23,133	-	-
Trade and other payables	30	728,820	727,981	15,017	16,347
Amount owing to immediate holding company	14	29	22	17	12
Amount owing to related companies	16	495	348	268	131
Amount owing to non-controlling shareholders of subsidiary company	26	6,811	61,041	-	-
Hire purchase and finance lease liabilities	27	6,123	8,074	406	404
Borrowings	28	93,353	94,800	-	-
Current tax liabilities		17,087	21,887	-	586
Total current liabilities		881,090	937,286	15,708	17,480
Total liabilities		1,047,717	1,088,220	16,625	18,542
TOTAL EQUITY AND LIABILITIES		4,984,862	4,382,720	1,843,923	1,410,764

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Revenue	31	996,193	1,643,188	450,675	55,600
Cost of sales	32	(453,666)	(973,070)	-	-
Gross profit		542,527	670,118	450,675	55,600
Fair value adjustment on investment properties		400,370	18,952	-	-
Other income		185,635	147,203	41,760	44,983
Administrative and general expenses		(161,444)	(155,543)	(40,257)	(39,248)
Other expenses		(52,495)	(53,058)	-	-
Finance costs	33	(6,705)	(8,275)	(64)	(230)
Share of results of associate company		21,476	25,889	-	-
Profit before tax	34	929,364	645,286	452,114	61,105
Tax expense	35	(218,726)	(157,253)	(128)	(1,097)
Profit for the year		710,638	488,033	451,986	60,008
Other comprehensive income, net of tax					
Item that will be reclassified subsequently to profit or loss					
- Fair value (loss)/gain on available-for-sale financial assets		(426)	2,629	(2,900)	-
- Fair value loss reclassified to profit or loss upon disposal		800	-	800	-
Total comprehensive income for the year		711,012	490,662	449,886	60,008
Profit for the year attributable to:					
Owners of the Company		676,726	417,016	451,986	60,008
Non-controlling interests		33,912	71,017	-	-
		710,638	488,033	451,986	60,008
Total comprehensive income attributable to:					
Owners of the Company		677,100	419,645		
Non-controlling interests		33,912	71,017		
		711,012	490,662		
Basic earnings per ordinary share (RM)	36	0.43	0.28		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 December 2016

		Attributable to owners of the Company								
Group	Note	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Fair value reserve RM'000	Unappropriated profit RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 January 2015		71,587	1,126,188	2,252	4,021	1,547,922	(1,397)	2,750,573	91,049	2,841,622
Total comprehensive income for the year		-	-	-	2,629	417,016	-	419,645	71,017	490,662
Purchase of treasury shares		-	-	-	-	-	(664)	(664)	-	(664)
Dividend paid to non-controlling shareholder of a subsidiary company		-	-	-	-	-	-	-	(18,400)	(18,400)
Dividends to shareholders of the Company	37	4,452	162,946	-	-	(186,028)	-	(18,630)	-	(18,630)
DRS share issuance expenses		-	(130)	-	-	-	-	(130)	-	(130)
Non-controlling interest of a new subsidiary company acquired		-	-	-	-	-	-	-	40	40
Partial disposal of shares in a subsidiary company		-	-	-	-	16	-	16	(16)	-
Balance at 31 December 2015		76,039	1,289,004	2,252	6,650	1,778,926	(2,061)	3,150,810	143,690	3,294,500
Total comprehensive income for the year		-	-	-	374	676,726	-	677,100	33,912	711,012
Purchase of treasury shares		-	-	-	-	-	(33)	(33)	-	(33)
Dividend paid to non-controlling shareholder of a subsidiary company		-	-	-	-	-	-	-	(53,825)	(53,825)
Dividends to shareholders of the Company	37	5,584	207,724	-	-	(227,951)	-	(14,643)	-	(14,643)
DRS share issuance expenses		-	(134)	-	-	-	-	(134)	-	(134)
Increase in shares in a subsidiary company		-	-	-	-	-	-	-	50	50
Disposal of shares in subsidiary companies		-	-	-	-	-	-	-	218	218
Balance at 31 December 2016		**81,623**	**1,496,594**	**2,252**	**7,024**	**2,227,701**	**(2,094)**	**3,813,100**	**124,045**	**3,937,145**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF
CHANGES IN EQUITY
For The Year Ended 31 December 2016

Company	Note	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Unappropriated profit RM'000	Treasury shares RM'000	Total equity RM'000
Balance at 1 January 2015		71,587	1,126,188	-	155,260	(1,397)	1,351,638
Total comprehensive income for the year		-	-	-	60,008	-	60,008
Purchase of treasury shares		-	-	-	-	(664)	(664)
Dividends	37	4,452	162,946	-	(186,028)	-	(18,630)
DRS share issuance expenses		-	(130)	-	-	-	(130)
Balance at 31 December 2015		76,039	1,289,004	-	29,240	(2,061)	1,392,222
Total comprehensive income for the year		-	-	(2,100)	451,986	-	449,886
Purchase of treasury shares		-	-	-	-	(33)	(33)
Dividends	37	5,584	207,724	-	(227,951)	-	(14,643)
DRS share issuance expenses		-	(134)	-	-	-	(134)
Balance at 31 December 2016		81,623	1,496,594	(2,100)	253,275	(2,094)	1,827,298

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For The Year Ended 31 December 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	929,364	645,286	452,114	61,105
Adjustments for:				
Fair value adjustment on investment properties	(400,370)	(18,952)	-	-
Allowance for doubtful debts no longer required	(2,451)	(106)	-	-
Bad and doubtful debts	1,798	2,874	1,519	-
Depreciation	19,690	16,708	1,090	1,015
(Gain)/Loss on disposal of property, plant and equipment	(198)	(270)	5	(121)
Gain on disposal of available-for-sale financial assets	(622)	-	(622)	-
Property, plant and equipment written off	38	247	-	-
Gain on disposal of subsidiary companies	(1,197)	-	-	-
Distribution income from available-for-sale financial assets	(1,689)	(1,709)	-	-
Distribution income from short term investments	(9,737)	(12,146)	(1,814)	(2,584)
Dividend income	-	-	(450,675)	(55,600)
Interest income	(16,868)	(15,915)	(677)	(664)
Interest expense	6,705	8,275	64	230
Share of profit of associate company	(21,476)	(25,889)	-	-
Unrealised profit from associate	4,580	9,182	-	-
Operating profit before working capital changes	507,567	607,585	1,004	3,381
Net changes in inventories	8,742	16,165	-	-
Net changes in property development costs	(223,067)	(188,897)	-	-
Net changes in receivables	109,157	(284,605)	(16,016)	(779)
Net changes in payables	10,676	288,123	(1,193)	(2,863)
Cash generated from/(used in) operations	413,075	438,371	(16,205)	(261)
Interest received	10,882	9,114	-	-
Dividend received	-	-	450,675	55,600
Tax paid	(127,109)	(170,832)	(803)	(1,143)
Net cash generated from operating activities	296,848	276,653	433,667	54,196

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 December 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to investment properties	(256,894)	(71,612)	-	-
Purchase of property, plant and equipment *(see Note 38)*	(24,884)	(8,801)	(1,969)	(453)
Purchase of land held for property development	(16,297)	(7,707)	-	-
Proceeds from disposal of property, plant and equipment *(see Note 39)*	364	1,271	105	229
Acquisition of available-for-sale financial assets	(9,000)	-	(9,000)	-
Proceeds from disposal of available-for-sale financial assets	4,222	-	4,222	-
Advances to immediate holding company	(48)	-	-	-
Advances to subsidiary companies	-	-	(469,874)	(64,861)
Advances to related companies	(74)	-	(71)	-
Repayment from an associate company	4	18	4	18
Acquisition of shares in existing subsidiary companies	-	-	-	(460)
Acquisition of shares in new subsidiary company net of cash *(see Note 40)*	-	40	-	(750)
Net cash outflow from disposal of subsidiary companies *(see Note 46)*	(1,021)	-	-	-
Distribution received from short term investments	9,672	12,146	1,749	2,584
Distribution received from available-for-sale financial assets	1,689	1,709	-	-
Interest received	5,790	5,109	497	492
Net cash used in investing activities	(286,477)	(67,827)	(474,337)	(63,201)

STATEMENTS OF CASH FLOWS (Cont'd)

For The Year Ended 31 December 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown on bank borrowings	92,537	192,587	-	-
Repayment of bank borrowings	(168,989)	(63,961)	-	-
Fixed deposit pledged	(521)	53	(4)	(5)
Repayment of hire purchase and finance lease liabilities	(8,230)	(8,928)	(523)	(390)
Advances from immediate holding company	7	22	5	12
Repayment to related companies	(67)	(930)	-	(1)
Repayment to subsidiary company	-	-	-	(33,845)
(Repayment to)/Advances from non-controlling shareholders of subsidiary companies	(53,948)	5,012	-	-
Interest paid	(8,403)	(8,002)	(64)	(58)
Dividend paid to owners of the Company	(14,643)	(18,630)	(14,643)	(18,630)
Dividends paid to non-controlling shareholders of a subsidiary company	(53,825)	(18,400)	-	-
Purchase of treasury shares	(33)	(664)	(33)	(664)
DRS share issuance expenses	(134)	(130)	(134)	(130)
Proceeds from issuance of shares of a subsidiary company to non-controlling shareholders	50	40	-	-
Net cash (used in)/generated from financing activities	(216,199)	78,069	(15,396)	(53,711)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(205,828)	286,895	(56,066)	(62,716)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	986,115	699,220	103,571	166,287
CASH AND CASH EQUIVALENTS CARRIED FORWARD	780,287	986,115	47,505	103,571
Represented by:				
Short term investments	224,082	371,948	15,536	89,289
Fixed deposits with licensed banks	167,953	51,934	23,192	6,155
Cash and bank balances	390,824	564,284	8,916	8,262
	782,859	988,166	47,644	103,706
Fixed deposits pledged	(2,572)	(2,051)	(139)	(135)
	780,287	986,115	47,505	103,571

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2016

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS"), issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act 1965 in Malaysia (pursuant to the transitional provisions of the Companies Act 2016).

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value and fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value measurements are categorised as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

The Companies Act 2016 ("CA 2016")

The Minister of Domestic Trade, Co-operatives and Consumerism has announced 31 January 2017 as the date on which CA 2016 comes into operation except section 241 and Division 8 of Part III. The Company shall prepare its financial statements for the year ending 31 December 2017 in accordance with the requirements of CA 2016.

Pursuant to CA 2016:
- All shares issued before or upon the commencement of CA 2016 shall have no par or nominal value. Where a share is issued before the commencement of CA 2016, the amount paid on the share shall be the sum of all amounts paid to the Company at any time for the share, but not including any premium.
- Upon commencement of CA 2016, any amount standing to the credit of the Company's share premium account shall become part of the Company's share capital.
- However, the Company may, within 24 months upon the commencement of CA 2016, use the amount standing to the credit of its share premium account for specific purposes set out in the transitional provisions of CA 2016. Any unutilised credit balance in the share premium account shall be transferred and credited to share capital of the Company.

The adoption of the CA 2016 is not expected to have any financial impact on the Group or Company for the current financial year, as any accounting implications will only be applied prospectively, if applicable, and the effect of adoption mainly will be on disclosure to the financial statements for financial year ending 31 December 2017.

Malaysian Financial Reporting Standards

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

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

Certain subsidiaries and associate of the Group prepare their financial statements using the MFRS framework. However, these do not have significant impact to these consolidated financial statements.

(b) Application of new or revised standards

In current year, the Group and the Company have applied a number of new standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 January 2016.

The adoption of the new and revised standards, amendments and/or interpretations does not have significant impact on the financial statements of the Group and the Company.

(c) Standards issued that are not yet effective

The Group and the Company have not applied the following standards, amendments and interpretations that have been issued by MASB but are not yet effective:

		Effective date
Amendments to FRS 107	Disclosure Initiative	1 January 2017
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 112	Annual Improvements to FRS Standards 2014-2016 Cycle	1 January 2017
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by MASB

The Group and the Company have not applied the following standards, amendments and interpretation (which are applicable upon adoption of the MFRS framework) that have been issued by the MASB but are not yet effective.

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 1 and MFRS 128	Annual Improvements to FRS Standards 2014-2016 Cycle
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
MFRS 16	Leases

Except as otherwise indicated below, the adoption of the above new standard, amendments and interpretations are not expected to have significant impact on the financial statements of the Group and the Company.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

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.

MFRS 16 Leases

Currently under MRFS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording or certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentivees and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group is assessing the impact to the financial statements upon adopting MFRS 9, MFRS 15 and MFRS 16, and intends to adopt these standards on their mandatory effective dates.

(d) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the end of the reporting period and reported amounts of income and expenses during the financial year.

Although these estimates are based on management’s best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgement made in applying accounting policies

The following are judgements made by management in the process of applying the Group’s accounting policies that have the most significant effect on amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed certain criteria based on *FRS 140 Investment Property* in making that judgement.

In making its judgement, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for these portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods and services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group reviews the investment properties and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time. Therefore, in making judgement, the management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted.

Accordingly, the Group recognises deferred taxes in respect of the changes in fair value of investment properties. The final tax outcome could be different from the deferred tax liabilities recognised in the financial statements should the investment properties subsequently be disposed rather than consumed substantially all of the economic benefits embodied over time.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be between 5 and 50 years.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment loss and write down of inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories are reviewed on a regular basis and the Group will make an impairment loss for the inventories based primarily on historical trends and management estimates of expected and future demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's inventories, the Group might be required to reduce the value of its inventories and additional impairment losses for inventories may be required.

Fair value of investment properties

The Group measures its investment properties at fair value with any change in fair value recognised in the profit or loss. Significant judgement is required in the determination of fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and reliance on the work of specialists. The Group engages an independent professional valuer to determine fair value.

Information regarding the valuation techniques and inputs used in determining the fair value is disclosed in Note 3 to the financial statements.

Revenue recognition for property development activities and construction contracts

The Group recognises revenue from property development activities and construction contracts based on the percentage of completion method. The stage of completion of the property development activities and construction contracts is measured in accordance with the accounting policies set out below.

Significant judgement is required in determining the percentage of completion, the extent of the development project and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract cost. In making these judgements, management relies on past experience and, if necessary, the work of specialists.

Allowance for doubtful debts

The collectability of receivables is assessed on an ongoing basis. An allowance for doubtful debts is made for any receivables considered to be doubtful of collection.

The allowance for doubtful debts is made based on a review of all outstanding amounts as at the financial reporting date. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial condition of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiaries and entities controlled by the Company made up to the end of the financial year.

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company will reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes of interests in subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

Loss of control

When the Company loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant FRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less impairment losses. Impairment losses are charged to the profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed of is recognised in the profit or loss.

(f) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group, except for Allied Engineering Construction Sdn Bhd, URC Engineering Sdn Bhd and UOA Properties Sdn Bhd, which are consolidated using the merger method of accounting.

Under the merger method of accounting, the results of entities or businesses under common control are accounted for as if the acquisition had occurred at the date that common control was established. The cost of an acquisition is measured at the nominal value of ordinary shares issued as consideration. The assets and liabilities acquired are included in the consolidated statement of financial position at their existing carrying amounts.

The difference between the cost of acquisition and the nominal value of shares acquired together with any share premium are taken to merger reserve (or adjusted against a suitable reserve, if any, in the case of debit differences). The other components of equity of the acquired entities are added to the same components within the Group.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either fair value; or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquire; and (ii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

(g) Associate company

An associate is an entity in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

Investment in associate company is accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method, the investment in associate company is initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associated company.

The Group's share of net profits or losses and changes recognised directly in other comprehensive income of the associate company is recognised in the consolidated statement of profit or loss and consolidated statement of changes in equity, respectively.

An investment in an associate company is accounted for using the equity method from the date on which the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

Premium relating to an associate company is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate company's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its associate company are eliminated to the extent of the Group's interest in the associate company.

Equity accounting is discontinued when the carrying amount of the investment in an associate company diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the associate company.

The results and reserves of associate company is accounted for in the consolidated financial statements based on audited financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in profit or loss.

When changes in the Group's interests in an associate that do not result in a loss of significant influence, the retained interests in the associate are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associate is recognised in profit or loss.

In the Company's separate financial statements, investments in associate companies are stated at cost less impairment losses. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associate company disposed of is recognised in profit or loss.

(h) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is contracted as a consequence of acquiring or using the asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Depreciation

Freehold land is not depreciated.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting the residual value from cost.

The principal annual rates used for this purpose are:

Buildings	2% - 2.50%
Plant, machinery and motor vehicles	10% - 20%
Furniture, fittings and equipment	10%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting date.

(i) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

Investment properties are measured initially at cost and subsequently at fair value with any change recognised in the profit or loss.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to/from investment properties only when there is a change in its intended use. For a transfer to/from investment properties, the deemed cost for subsequent accounting is the fair value at the date of the change in the intended use.

(j) Leases

A lease is an arrangement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Finance lease

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease

Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interests held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease which is held to earn rental income or for capital appreciation, or both, is classified as investment property.

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

(k) Development properties

Development properties are classified under two categories i.e. land held for property development and property development costs.

Land held for property development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on these land. Accordingly, land held for property development is classified as non-current assets on the statement of financial position and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Where the outcome of a development can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is either determined by the proportion that costs incurred to date bear to estimated total costs or surveys of work performed. In applying the cost incurred method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

Where the outcome of a development cannot be reasonably estimated, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and the property development costs on the development units sold shall be recognised as an expense in the period in which they are incurred.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

The excess of revenue recognised in the profit or loss over the billings to purchasers of properties is recognised as accrued billings under current assets.

The excess of billings to purchasers of properties over revenue recognised in the profit or loss is recognised as progress billings under current liabilities.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories of completed houses held for sale is determined based on the specific identification method. Cost of inventories of consumables is determined based on the first in first out basis and represents invoiced value of goods purchase.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs.

(m) Long term construction contracts

The Group's long term construction contracts are all fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to date bear to estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs.

Where the outcome of a long term construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether contract work has commenced or not, or of the stage of completion of contract activity, or of the amounts of profits expected to arise on other unrelated contracts.

On the statement of financial position, contracts in progress are reflected either as gross amounts due from or due to customers, where a gross amount due from customers is the surplus of (i) costs incurred plus profits recognised under the percentage of completion method over (ii) recognised foreseeable losses plus progress billings. A gross amount due to customers is the surplus of (ii) over (i).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

(n) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss or held-to-maturity investments or available-for-sale financial assets or loans and receivables, as appropriate. Management determines the classification of the financial assets as set out below upon initial recognition. The Group does not have any held-to-maturity financial assets.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

Financial assets at fair value through profit or loss

This category includes financial assets held for trading, including derivatives (except for a designated and effective hedging instrument) and financial assets that are specifically designated into this category upon initial recognition. On initial recognition, these financial assets are measured at fair value.

The subsequent measurement of financial assets in this category is at fair value with changes in fair value recognised as gains or losses in the profit or loss.

Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to fair value hedges which are recognised in the profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in the profit or loss.

Loans and receivables

This category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents. They are included in current assets, except for those with maturities greater than 12 months which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses. Any gains or losses arising from derecognition or impairment, and through the amortisation process of loans and receivables are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in the profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The Group only has financial liabilities categorised as financial liabilities at amortised cost which are measured using the effective interest method.

Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(o) Equity instruments

Equity instruments are initially recognised at cost and are not remeasured subsequently.

(i) Issuance expenses

Costs incurred directly attributable to the issuance of equity instruments are accounted for as a deduction from share premium, if any, otherwise it is charged to the profit or loss.

(ii) Ordinary shares

Ordinary shares are recorded at nominal value and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity.

(iii) Dividends

Dividends to shareholders are recognised in equity in the period in which they are declared.

(iv) Distributions of non-cash assets to owners of the Company

Liability to distribute non-cash assets as a dividend to owners of the Company is measured at fair value of the assets to be distributed. At the end of each reporting period and at the date of settlement, the Group reviews and adjusts the carrying amount of the dividend payable, with any changes in the carrying amount of the dividend payable recognised in equity as adjustments to the amount of the distribution. On settlement of the dividend payable, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the dividend payable in profit or loss.

(v) Treasury shares

When shares of the Company that have been recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. The treasury shares have no rights to voting, dividends or participation in other distribution.

(p) Impairment of non-financial assets

Goodwill

Goodwill is reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised in the profit or loss when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. The recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

Property, plant and equipment, investment properties, land held for development and investment in associate and subsidiaries

Property, plant and equipment, investment properties, land held for development and investment in associate and subsidiaries are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to the profit or loss.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(q) Impairment of financial assets

All financial assets except for financial assets categorised as fair value through profit or loss are assessed at each reporting date for any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is objective evidence of impairment.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against carrying amount of the financial asset.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairment losses are not reversed in subsequent periods.

Available-for-sale financial assets

If there is objective evidence that an impairment loss on available-for-sale financial assets has been incurred, the amount of the loss is measured as the difference between the asset's acquisition cost and the asset's current fair value, less any impairment loss previously recognised. When a decline in the fair value of an asset has been previously recognised in other comprehensive income, the cumulative losses in other comprehensive income are reclassified from equity to profit or loss.

(r) Revenue recognition

(i) Revenue from the sale of development properties represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

Revenue from the sale of completed development properties is measured at the fair value of the consideration receivable and is recognised in the profit or loss when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) Revenue from construction contracts represents the proportionate contract value of construction contracts attributable to the percentage of contract work performed during the financial year.

(iii) Distribution from short term investments is recognised when the right to receive payment is established.

(iv) Dividend income is recognised when the right to receive payment is established.

(v) Interest income is recognised on a time proportion basis.

(vi) Rental income is recognised on a straight-line basis over the specific tenure of the respective leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(s) Employee benefits

Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave and bonuses are recognised as an expense in the period in which the associated services are rendered by employees other than those that are attributable to property development activities or construction contracts in which case such expenses are recognised in property development costs.

Post-employment benefits

The Group pays monthly contributions to the Employees Provident Fund ("the EPF") which is a defined contribution plan.

The legal or constructive obligation of the Group is limited to the amount that it is required to contribute to the EPF. The contributions to the EPF are charged to the profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are charged to the profit or loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(u) Income tax

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

Current tax is the expected income tax payable or receivable on the taxable income or loss for the year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

On the statement of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is recognised for deductible temporary differences and unutilised tax losses only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of:

(i) goodwill, or

(ii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on tax rates enacted or substantively enacted by the reporting date that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a different period, directly to other comprehensive income.

(v) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents exclude fixed deposits pledged to secure banking facilities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

2. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold building RM'000	Leasehold land RM'000	Plant, machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
2016					
Cost					
At 1.1.2016	112,405	2,294	87,419	21,367	223,485
Additions	11,510	-	5,343	9,312	26,165
Disposals	-	-	(904)	-	(904)
Write-offs	-	-	(84)	(7)	(91)
Transfer from investment properties *(see Note 3)*	118,229	-	-	-	118,229
Disposal of subsidiary companies *(see Note 46)*	-	-	(63)	(1,163)	(1,226)
At 31.12.2016	242,144	2,294	91,711	29,509	365,658
Accumulated depreciation					
At 1.1.2016	6,246	209	50,372	4,671	61,498
Charge for the year	3,863	23	12,922	2,882	19,690
Disposals	-	-	(738)	-	(738)
Write-offs	-	-	(49)	(4)	(53)
Disposal of subsidiary companies *(see Note 46)*	-	-	(4)	(101)	(105)
At 31.12.2016	10,109	232	62,503	7,448	80,292
Net carrying amount at 31.12.2016	232,035	2,062	29,208	22,061	285,366
2015					
Cost					
At 1.1.2015	112,405	2,294	76,765	18,502	209,966
Additions	-	-	16,411	3,115	19,526
Disposals	-	-	(5,472)	(19)	(5,491)
Write-offs	-	-	(285)	(231)	(516)
At 31.12.2015	112,405	2,294	87,419	21,367	223,485
Accumulated depreciation					
At 1.1.2015	3,937	185	42,957	2,470	49,549
Charge for the year	2,309	24	12,046	2,329	16,708
Disposals	-	-	(4,479)	(11)	(4,490)
Write-offs	-	-	(152)	(117)	(269)
At 31.12.2015	6,246	209	50,372	4,671	61,498
Net carrying amount at 31.12.2015	106,159	2,085	37,047	16,696	161,987

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
2016			
Cost			
At 1.1.2016	2,743	3,438	6,181
Additions	504	1,845	2,349
Disposals	(143)	-	(143)
Write-offs	-	(1)	(1)
At 31.12.2016	3,104	5,282	8,386
Accumulated depreciation			
At 1.1.2016	1,231	1,408	2,639
Charge for the year	500	590	1,090
Disposals	(33)	-	(33)
Write-offs	-	(1)	(1)
At 31.12.2016	1,698	1,997	3,695
Net carrying amount at 31.12.2016	1,406	3,285	4,691
2015			
Cost			
At 1.1.2015	2,547	3,021	5,568
Additions	835	420	1,255
Disposals	(639)	-	(639)
Write-offs	-	(3)	(3)
At 31.12.2015	2,743	3,438	6,181
Accumulated depreciation			
At 1.1.2015	1,232	926	2,158
Charge for the year	530	485	1,015
Disposals	(531)	-	(531)
Write-offs	-	(3)	(3)
At 31.12.2015	1,231	1,408	2,639
Net carrying amount at 31.12.2015	1,512	2,030	3,542

Included in property, plant and equipment are assets acquired under unexpired hire purchase and finance lease arrangements with net carrying amounts as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Plant and machinery	14,417	21,460	-	-
Motor vehicles	2,328	2,440	1,405	1,488
	16,745	23,900	1,405	1,488

Included in property, plant and equipment are vehicles registered in the name of the immediate holding company. These motor vehicles are held in trust for the Group and the Company, by its immediate holding company comprising of net carrying amounts as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Motor vehicles	-	21	-	16

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

3. INVESTMENT PROPERTIES

	---------------- At fair value ----------------				
Group	Freehold condominiums and apartment RM'000	Freehold commercial properties RM'000	Long leasehold commercial properties RM'000	At cost Properties under construction RM'000	Total RM'000
2016					
At 1.1.2016	2,025	46,000	678,570	192,548	919,143
Additions or subsequent enhancement	-	-	(7,613)	264,507	256,894
Reclassifications	-	77,718	242,350	(320,068)	-
Transfer to property, plant and equipment *(see Note 2)*	-	-	(6,275)	(111,954)	(118,229)
Transfer from property development costs *(see Note 9)*	-	-	-	18,720	18,720
Fair value adjustments	260	6,682	393,428	-	400,370
At 31.12.2016	2,285	130,400	1,300,460	43,753	1,476,898
2015					
At 1.1.2015	2,025	46,000	620,325	160,229	828,579
Additions or subsequent enhancement	-	-	-	71,612	71,612
Reclassifications	-	-	39,293	(39,293)	-
Fair value adjustments	-	-	18,952	-	18,952
At 31.12.2015	2,025	46,000	678,570	192,548	919,143

The fair values of the investment properties are arrived at by reference to valuations by a registered independent valuer having appropriate recognised professional qualifications.

The fair value represents the amount at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the reporting date.

The fair value of the Group's investment properties were arrived at on the basis of valuations or update valuations carried out by PA International Property Consultants (KL) Sdn Bhd, a firm of independent professional valuers who has appropriate professional qualification and recent experience in the relevant location and assets being valued. The fair value of the investment properties was determined using comparison method, cost method or investment method.

The following assumptions have been applied in the valuation:

(i) The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market conditions and other relevant characteristics.

(ii) In the cost method, the value of the land is added to the replacement cost of the buildings and other site improvements. The replacement cost of the buildings is derived from estimation of reproduction cost of similar new buildings based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.

(iii) The investment method entails the determination of the probable gross annual rental the property is capable of producing and deducting therefrom the outgoings to arrive at the annual net income.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

3. INVESTMENT PROPERTIES (CONT'D)

The fair value of investment properties classified under Level 2 was determined using comparison method, and Level 3 was determined using cost or investment method.

There has been no change in valuation methods used during the year except for the valuation of a leasehold commercial property which was previously valued based on cost method as it was newly completed at the time. In the current year, the property has been substantially tenanted. The Group adopted investment method instead, to reflect the current use of the property in arriving at its valuation.

The fair value hierarchy of the Group's investment properties as at the end of the reporting period is as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Freehold condominium	-	2,285	-
Freehold commercial properties	-	130,400	-
Leasehold commercial properties	-	1,058,460	242,000

There is no transfer between the fair value hierarchy except for the reclassification from Level 3 as below:

Level 3 Fair Value Measurement

	RM'000
At 1 January	365,500
Reclassify to Level 2	(143,500)
Fair value adjustments	20,000
At 31 December	242,000

Details of Level 3 fair value measurements are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Cost method which estimates the amount of reconstruction cost of the building based on current market prices net of depreciation.	Estimated replacement costs	The higher the estimated replacement costs, the higher the fair value.
Investment method which capitalises the actual or estimated rental income stream, net of projected operating costs, using a discount rate derived from capitalisation rate.	Discount rate of 7.00%	The higher the discount rate, the lower the fair value.
	Estimated capitalisation rate of 6.50%	The higher the estimated capitalisation rate, the lower the fair value.
	Occupancy rates of 99.83%	The higher the occupancy rate, the higher the fair value.

The properties under construction are measured at cost because the fair value is not yet determinable as of 31 December 2016. The fair value of the property is expected to be reliably determinable when construction is complete.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

4. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2016 RM'000	2015 RM'000
Freehold land at cost	**283,630**	166,167
Leasehold land at cost	**44,710**	44,710
Property development cost	**57,506**	31,003
At 1 January	**385,846**	241,880
Cost incurred during the year		
- freehold land	**-**	(1,090)
- development and construction cost	**16,297**	8,797
Transferred from property development costs *(see Note 9)*	**60,796**	136,259
At 31 December	**462,939**	385,846

5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2016 RM'000	2015 RM'000
Unquoted shares at cost	**53,779**	53,779

The subsidiary companies, all incorporated in Malaysia, are as follows:

	Equity interest		
	2016 %	2015 %	Principal activities
IDP Industrial Development Sdn Bhd	**100**	100	Property development
Kumpulan Sejahtera Sdn Bhd	**100**	100	Property development
Paramount Hills Sdn Bhd	**100**	100	Property development
Paramount Properties Sdn Bhd	**100**	100	Property development
Sagaharta Sdn Bhd	**100**	100	Property development
Saujanis Sdn Bhd	**100**	100	Property development
Sunny Uptown Sdn Bhd	**100**	100	Property development
Tiarawoods Sdn Bhd	**100**	100	Property development
Windsor Triumph Sdn Bhd	**100**	100	Property development
Magna Tiara Development Sdn Bhd	**100**	100	Property development
Everise Tiara (M) Sdn Bhd	**60**	60	Property development
Seri Tiara Development Sdn Bhd	**85**	85	Property development
Peninsular Home Sdn Bhd	**60**	60	Property development

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interest 2016 %	Equity interest 2015 %	Principal activities
Magna Kelana Development Sdn Bhd	74	74	Property development
Ceylon Hills Sdn Bhd	54	54	Property development
Scenic Point Development Sdn Bhd	60	60	Property development
Maxim Development Sdn Bhd	100	100	Property development
Infinite Accomplishment Sdn Bhd	100	100	Property development
Orient Housing Development Sdn Bhd	100	100	Property development
Regenta Development Sdn Bhd	100	100	Dormant
Seri Prima Development Sdn Bhd	100	100	Dormant
Eureka Equity Sdn Bhd	60	60	Property development
Concord Housing Development Sdn Bhd	100	100	Property development
Fabullane Development Sdn Bhd	100	100	Dormant
UOA Hospitality Sdn Bhd	100	100	To manage and operate hotels and service apartments
Allied Engineering Construction Sdn Bhd	100	100	Civil contractor
URC Engineering Sdn Bhd	100	100	Civil contractor
UOA Properties Sdn Bhd	100	100	Investment holding
Topview Housing Sdn Bhd	100	100	Property development
Nova Metro Development Sdn Bhd	84	84	Property development
Resodex Construction Sdn Bhd	100	100	Civil contractor
Held through UOA Properties Sdn Bhd			
- Dynasty Portfolio Sdn Bhd	100	100	Property investment
- Lencana Harapan Sdn Bhd	100	100	Property investment
- Bangsar South City Sdn Bhd	100	100	Property investment
- Nasib Unggul Sdn Bhd	100	100	Property investment
- Enchant Heritage Sdn Bhd	85	85	Property investment
- Tunjang Idaman Sdn Bhd	100	100	Property investment
- Full Marks Property Sdn Bhd	100	100	Dormant
- Distinctive Acres Sdn Bhd	100	100	Property investment
- Nova Lagenda Sdn Bhd	100	-	Property investment
Held through UOA Hospitality Sdn Bhd			
- Solid Chef Sdn Bhd	-	70	Restaurant operator
- Botanica Deli Sdn Bhd	-	80	Restaurant operator

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Subsidiaries that have material non-controlling interests

Details of the Group's subsidiaries that have material non-controlling interests at the end of the reporting period are as follows:

	Proportion of ownership interests held by non-controlling interests		Profit allocated to non-controlling interests		Carrying amount of non-controlling interests	
Name of subsidiary	2016	2015	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Everise Tiara (M) Sdn Bhd	40%	40%	13,113	48,801	50,042	78,929
Eureka Equity Sdn Bhd	40%	40%	13,872	12,377	33,371	19,499
Seri Tiara Development Sdn Bhd	15%	15%	5,023	6,921	20,454	15,956
Ceylon Hills Sdn Bhd	46%	46%	1,265	2,173	16,343	21,978
Scenic Point Development Sdn Bhd	40%	40%	368	117	1,879	3,311
Peninsular Home Sdn Bhd	40%	40%	316	606	1,664	3,948
Other immaterial entities					292	69
					124,045	143,690

6. INVESTMENT IN AN ASSOCIATE COMPANY

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted ordinary shares	18,830	18,830	18,570	18,570
Share of post-acquisition reserves	68,394	46,918	-	-
Unrealised profit	(23,075)	(18,495)	-	-
	64,149	47,253	18,570	18,570

The summarised financial information of the associate company is as follows:

	2016 RM'000	2015 RM'000
Assets and liabilities		
Total assets	586,081	498,782
Total liabilities	362,431	330,198
Results		
Revenue	90,578	182,878
Profit for the year	55,067	66,382

The associate company is Everise Project Sdn Bhd, a company incorporated in Malaysia in which the Company holds 39% (2015: 39%) of the equity interest.

The principle activity of the associate company is property development.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At market value				
Shares quoted in Malaysia	**30,518**	24,744	**3,300**	-

8. DEFERRED TAX ASSETS

	Group	
	2016 RM'000	2015 RM'000
At 1 January	**36,441**	30,795
Origination during the year	**42**	5,646
At 31 December	**36,483**	36,441

Temporary differences recognised as deferred tax assets arose mainly from the difference between the manner in which property development profits is recognised for tax and accounting purposes.

The Group has recognised the deferred tax asset as it is probable that its existing development projects would generate sufficient taxable profit in the future against which the deferred tax assets can be utilised.

9. PROPERTY DEVELOPMENT COSTS

	Group	
	2016 RM'000	2015 RM'000
Freehold land at cost	**500,820**	621,022
Leasehold land at cost	**9,538**	9,538
Property development cost	**1,801,746**	1,097,970
Cost recognised as expense in prior years	**(1,378,127)**	(868,140)
At 1 January	**933,977**	860,390
Costs incurred during the financial year		
- freehold land at cost	**28,455**	-
- development and construction costs	**619,921**	956,619
	1,582,353	1,817,009
Costs recognised as an expense in the current year	**(422,079)**	(763,769)
Costs transferred to inventories	**(91,572)**	(18,410)
Costs transferred to investment properties *(see Note 3)*	**(18,720)**	-
Costs transferred to land held for property development *(see Note 4)*	**(60,796)**	(136,259)
Acquisition of a subsidiary	-	35,406
At 31 December	**989,186**	933,977

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

9. PROPERTY DEVELOPMENT COSTS (CONT'D)

Included in development cost is the following interest expense incurred during the financial year:-

	Group	
	2016 RM'000	2015 RM'000
Term loan interest	1,237	2,475
Bridging loan interest	1,993	1,478
	3,230	3,953

Freehold land at cost of RM86,675,000 (2015: RM101,309,000) has been charged to secure a bank borrowing referred to in Note 28.

10. INVENTORIES

	Group	
	2016 RM'000	2015 RM'000
Stock of completed development properties	216,679	134,333
Consumables	528	329
	217,207	134,662

The title deeds for the stock of completed development properties totaling RM11,467,000 (2015: RM11,467,000) are registered in the name of a third party.

11. ACCRUED BILLINGS/(PROGRESS BILLINGS)

	Group	
	2016 RM'000	2015 RM'000
Revenue recognised to date	3,235,139	2,853,401
Progress billings to date	(3,151,374)	(2,635,417)
	83,765	217,984
Accrued billings	112,137	241,117
Progress billings	(28,372)	(23,133)
	83,765	217,984

NOTES TO
THE FINANCIAL STATEMENTS (Cont'd)
For The Year Ended 31 December 2016

12. AMOUNT DUE FROM CONTRACT CUSTOMER

	Group	
	2016 RM'000	2015 RM'000
Aggregate contract expenditure incurred to date	542,110	574,322
Attributable profit recognised to date	68,321	51,996
	610,431	626,318
Progress billings	(570,929)	(451,703)
	39,502	174,615

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade receivables *(Note 13.1)*	360,158	243,224	-	-
Sundry receivables, deposits and prepayments *(Note 13.2)*	99,417	63,981	9,250	8,212
	459,575	307,205	9,250	8,212
Allowance for doubtful debts	(3,023)	(5,233)	(1,615)	(1,300)
	456,552	301,972	7,635	6,912

13.1 TRADE RECEIVABLES

	Group	
	2016 RM'000	2015 RM'000
Progress billings receivable	282,509	191,176
Funds held by stakeholders	77,634	52,033
Other gross receivables	15	15
Total gross receivables	360,158	243,224
Allowance for doubtful debts	(15)	(15)
	360,143	243,209

The progress billings are due within 14 to 90 days as stipulated in the sale and purchase agreements.

Other receivables are due within 14 to 45 days.

Included under progress billings receivable is an amount of RM226,065,000 (2015: RM129,767,000) owing by an associate company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

13.2 SUNDRY RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sundry receivables	77,557	44,847	7,596	7,172
Deposits and prepayments	21,860	19,134	1,654	1,040
	99,417	63,981	9,250	8,212
Allowance for doubtful debts	(3,008)	(5,218)	(1,615)	(1,300)
	96,409	58,763	7,635	6,912

14. HOLDING COMPANIES

The immediate holding company is UOA Holdings Sdn Bhd, a company incorporated in Malaysia which owns 69.11% (2015: 68.78%) of the issued share capital of the Company.

The ultimate holding company is United Overseas Australia Ltd, a company incorporated in Australia.

The amount owing by immediate holding company are unsecured interest free advances which are receivable on demand.

The amount owing to immediate holding company are unsecured interest free advances which are payable on demand.

15. AMOUNT OWING BY SUBSIDIARY COMPANIES

The amount owing by subsidiary companies are unsecured and analysed as follows:

	Company	
	2016 RM'000	2015 RM'000
Interest free advances	1,682,249	1,212,375
Management fee receivable	22,113	8,274
	1,704,362	1,220,649

The interest free advances are unsecured and receivable within 12 months. The management fee receivable is expected to be settled within the normal credit period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

16. AMOUNT OWING BY/(TO) RELATED COMPANIES

The amount owing by related companies are unsecured interest free advances which are receivable on demand.

The amount owing to related companies comprises:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Management fee payable	377	149	268	131
Landscaping fee payable	35	68	-	-
Administrative fee payable	24	8	-	-
Rental payable	3	-	-	-
Interest free advances	56	123	-	-
	495	348	268	131

The interest free advances are unsecured and payable on demand.

Other amount owing to the related companies are expected to be settled within the normal credit period.

17. AMOUNT OWING BY AN ASSOCIATE COMPANY

The amount owing by the associate company represents unsecured interest-free advances which are expected to be recalled within the next 12 months.

18. SHORT TERM INVESTMENTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Short term funds, at cost	224,082	371,948	15,536	89,289

The short term funds are managed and invested into fixed income securities and money market instruments by fund management companies. The short term funds are readily convertible to cash.

19. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits is an amount of RM2,571,756 (2015: RM2,050,825) of the Group and RM139,468 (2015: RM134,870) of the Company pledged to secure the Group's banking facilities.

The effective interest rates of the fixed deposits range between 2.40% to 3.40% (2015: 1.90% to 3.40%) per annum. All deposits have maturities of less than one year.

20. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM316,674,094 (2015: RM446,127,746) maintained in the Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest at 1.70% to 2.15% (2015: 1.95% to 2.15%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

21. SHARE CAPITAL

	Company			
	2016		2015	
	Number of shares ('000)	RM'000	Number of shares ('000)	RM'000
Authorised:				
Ordinary shares of RM0.05 each				
At 1 January/31 December	2,000,000	100,000	2,000,000	100,000
Issued and fully paid:				
Ordinary shares of RM0.05 each				
At 1 January	1,520,789	76,039	1,431,748	71,587
Issued pursuant to the DRS	111,680	5,584	89,041	4,452
At 31 December	1,632,469	81,623	1,520,789	76,039

22. SHARE PREMIUM

	Company	
	2016 RM'000	2015 RM'000
At 1 January	1,289,004	1,126,188
89,041,400 ordinary shares at RM0.05 each at a premium of RM1.83 per share, pursuant to the DRS, net of issuance expenses	-	162,816
111,679,600 ordinary shares at RM0.05 each at a premium of RM1.86 per share, pursuant to the DRS, net of issuance expenses	207,590	-
At 31 December	1,496,594	1,289,004

23. MERGER RESERVE

The merger reserve arose from the acquisition of Allied Engineering Construction Sdn Bhd, URC Engineering Sdn Bhd and UOA Properties Sdn Bhd.

24. FAIR VALUE RESERVE

The fair value reserve arose from fair value changes in available-for-sale financial assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

25. TREASURY SHARES

During the financial year, the Company repurchased 15,000 of its issued ordinary shares from the open market at an average price of RM2.24 per share. The total consideration paid for the repurchase including transaction costs was RM33,624. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

The cumulative treasury shares of the Company are as follows:

	Company			
	2016		2015	
	Number of shares ('000)	RM'000	Number of shares ('000)	RM'000
At 1 January	1,109	2,061	750	1,397
Addition	15	33	359	664
At 31 December	1,124	2,094	1,109	2,061

26. AMOUNT OWING TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARY COMPANIES

The amount owing to non-controlling shareholders of subsidiary companies under non-current liabilities represent unsecured interest free advances which are not expected to be recalled within the next 12 months.

The amount owing to non-controlling shareholders of subsidiary company under current liabilities represent unsecured interest free advances which are expected to be recalled within the next 12 months.

Included in the amounts owing to non-controlling shareholders of subsidiary companies is an amount of RM1,918,609 (2015: RM56,856,359) owing to key management personnel of the Group and a company in which a director has financial interest (See Note 42).

27. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total future instalments payable	14,090	21,792	1,443	1,603
Unexpired term charges	(900)	(1,653)	(120)	(137)
Total outstanding principal	13,190	20,139	1,323	1,466
Future instalments payable				
- not later than one year	6,677	8,970	461	462
- later than one year but not later than five years	7,413	12,822	982	1,141
Total future instalments payable	14,090	21,792	1,443	1,603
Outstanding principal				
- not later than one year *(included under current liabilities)*	6,123	8,074	406	404
- later than one year but not later than five years *(included under non-current liabilities)*	7,067	12,065	917	1,062
Total outstanding principal	13,190	20,139	1,323	1,466

The effective interest rates of the hire purchase and finance lease liabilities are between 4.37% to 6.45% (2015: 4.37% to 6.42%) per annum for the Group and 4.37% to 5.82% (2015: 4.37% to 4.88%) per annum for the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

28. BORROWINGS

	Group	
	2016 RM'000	2015 RM'000
Non-Current		
Term loan	-	2,942
Bridging loan	18,584	90,647
	18,584	93,589
Current		
Revolving credit I	45,000	88,000
Revolving credit II	10,000	-
Bridging loan	19,000	6,800
Term loan	19,353	-
	93,353	94,800
	111,937	188,389

The term loan and bridging loan of the Group are secured as follows:

(i) a charge over a fixed deposit of the Group amounting to RM2,432,288 (2015: RM1,915,955);
(ii) a corporate guarantee from the Company; and
(iii) a legal charge over a vacant land included under property development cost *(see Note 9)* at RM86,675,000 (2015: RM101,309,000).

The term loan and bridging loan facility amounted to RM265 million and bears interest at 1.25% plus cost of funds ("COF"). The effective interest rate is 4.59% to 5.02% (2015: 4.84% to 5.20%) per annum.

The total revolving credit facilities of the Group is RM98 million.

The revolving credit I is secured by a corporate guarantee from the Company and bears interest at 1.50% plus COF. The effective interest rate is 5.07% to 5.27% (2015: 5.24% to 5.74%) per annum.

The revolving credit II is unsecured and bears interest at 1.50% plus COF. The effective interest rate is 5.01% to 5.04% (2015: Nil) per annum.

29. DEFERRED TAX LIABILITIES

	Group	
	2016 RM'000	2015 RM'000
At 1 January	21,184	22,327
Origination/(Reversal) during the year	94,430	(1,143)
At 31 December	115,614	21,184
Represented by:		
Tax effects of excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	1,241	1,436
Real Property Gains Tax ("RPGT") on fair value adjustment of investment properties	114,373	19,748
	115,614	21,184

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For The Year Ended 31 December 2016

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade payables *(Note 30.1)*	509,276	590,830	-	-
Sundry payables, deposits and accruals *(Note 30.2)*	219,544	137,151	15,017	16,347
	728,820	727,981	15,017	16,347

30.1 TRADE PAYABLES

	Group	
	2016 RM'000	2015 RM'000
Sub-contractors' claims	22,009	3,860
Retention sums	92,749	73,918
Accrued construction costs	381,503	495,401
Other trade payables	13,015	17,651
	509,276	590,830

The normal credit terms extended by sub-contractors and suppliers range between 30 and 60 days.

30.2. SUNDRY PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sundry payables	51,074	59,676	5,925	6,603
Deposits	16,347	16,328	4	4
Accruals	152,123	61,147	9,088	9,740
	219,544	137,151	15,017	16,347

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

31. REVENUE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sale of development properties	919,013	1,394,927	-	-
Sale of inventories	22,706	32,191	-	-
Contract revenue	54,474	216,070	-	-
Dividend income from subsidiary companies	-	-	450,675	55,600
	996,193	1,643,188	450,675	55,600

32. COST OF SALES

	Group	
	2016 RM'000	2015 RM'000
Cost of development properties sold	422,079	763,769
Cost of inventories sold	9,232	16,762
Contract cost recognised as expense	41,902	192,539
Overestimate of development costs in prior year	(19,547)	-
	453,666	973,070

33. FINANCE COSTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Amortisation of financial liabilities	1,532	4,226	-	172
Hire purchase and finance lease interest	913	1,129	64	58
Interest on revolving loan	4,020	2,910	-	-
Others	240	10	-	-
	6,705	8,275	64	230

NOTES TO
THE FINANCIAL STATEMENTS (Cont'd)
For The Year Ended 31 December 2016

34. PROFIT BEFORE TAX

Profit before tax is stated after charging:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Auditors' remuneration				
- audit fee	306	293	70	66
- non-audit fee	23	18	3	3
Bad and doubtful debts	1,798	2,874	1,519	-
Depreciation	19,690	16,708	1,090	1,015
Direct operating expenses relating to investment properties				
- revenue generating	16,030	8,700	-	-
- non-revenue generating	355	-	-	-
Operating lease payments for premises	2,961	17,205	-	-
Property, plant and equipment written off	38	247	-	-
Loss on disposal of property, plant and equipment	-	-	5	-
Directors' remuneration				
- fee	230	274	230	274
- other than fee	8,189	10,778	8,189	10,778
and crediting:				
Allowance for doubtful debts no longer required	2,451	106	-	-
Distribution income from short term investments	9,737	12,146	1,814	2,584
Distribution income from available-for-sale financial assets	1,689	1,709	-	-
Interest income	16,868	15,915	677	664
Rental income generated from				
- investment properties	24,667	19,931	-	-
- other than investment properties	20,085	31,576	-	4
Gain on disposal of property, plant and equipment	198	270	-	121
Gain on disposal of available-for-sale financial assets	622	-	622	-
Gain on disposal of subsidiaries	1,197	-	-	-

Directors' remuneration does not include the estimated monetary value of benefits-in-kind as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors	179	156	179	156

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

35. TAX EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Malaysian tax based on results for the year				
- current tax	123,419	162,283	221	1,133
- deferred tax	(3,095)	(8,233)	-	-
- deferred RPGT	97,498	1,464	-	-
	217,822	155,514	221	1,133
Under/(Over) estimated in prior years				
- current tax	919	1,759	(93)	(36)
- deferred tax	(15)	(20)	-	-
	904	1,739	(93)	(36)
	218,726	157,253	128	1,097

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax as a result of the following differences:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax	929,364	645,286	452,114	61,105
Taxation at statutory rate	223,047	161,322	108,507	15,276
Tax effects of				
- non-deductible expenses	5,621	8,390	910	523
- non-taxable income	(5,435)	(3,886)	(108,896)	(14,508)
Effect of share of results of associate company	(5,154)	(6,472)	-	-
Movement in unrecognised deferred tax asset	(1,671)	(566)	(300)	(158)
Change in RPGT rate on investment property	-	(2,383)	-	-
Difference between income tax rate and RPGT rate applicable on fair value adjustments on investment properties	1,414	(891)	-	-
Under/(Over) estimated in prior years	904	1,739	(93)	(36)
	218,726	157,253	128	1,097

NOTES TO
THE FINANCIAL STATEMENTS (Cont'd)
For The Year Ended 31 December 2016

35. TAX EXPENSE (CONT'D)

Unabsorbed tax losses as at 31 December wherein no deferred tax benefits have been recognised in the financial statements are as follows:

	Group	
	2016 RM'000	2015 RM'000
Unabsorbed tax losses	11,874	10,346
Unabsorbed capital allowance	15,287	11,152
	27,161	21,498

The Company is on the single tier tax system; accordingly the entire retained earnings of the Company is available for distribution by way of dividend and are exempted from tax in the hands of the shareholders.

36. BASIC EARNINGS PER ORDINARY SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to owners of the Company for the year by the weighted average number of ordinary shares outstanding during the financial year held by the Company.

	Group	
	2016	2015
Profit attributable to owners of the Company (RM'000)	676,726	417,016
Weighted average number of ordinary shares of RM0.05 each ('000)	1,571,238	1,472,343
Net earnings per ordinary share (RM)	0.43	0.28

37. DIVIDENDS

	Company	
	2016 RM'000	2015 RM'000
In respect of the financial year ended 31 December 2014:		
First and final single tier dividend of 13 sen per share:		
- Dividend reinvested into 89,041,400 new ordinary shares at an issue price of RM1.88 per ordinary share pursuant to the DRS	-	167,398
- Payment in cash	-	18,630
In respect of the financial year ended 31 December 2015:		
First and final single tier dividend of 15 sen per share:		
– Dividend reinvested into 111,679,600 new ordinary shares at an issue price of RM1.91 per ordinary share pursuant to the DRS	213,308	-
- Payment in cash	14,643	-
	227,951	186,028

The directors now recommend a first and final single tier dividend of 15 sen per ordinary share of RM0.05 each in respect of the financial year ended 31 December 2016 amounting to RM244,700,280 based on 1,631,335,200 ordinary shares (net of treasury shares at the date of this report).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

38. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Aggregate cost of property, plant and equipment acquired *(see Note 2)*	**26,165**	19,526	**2,349**	1,255
Financed via hire purchase and finance lease	**(1,281)**	(10,725)	**(380)**	(802)
	24,884	8,801	**1,969**	453

39. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Carrying amount of property, plant and equipment disposed	**166**	1,001	**110**	108
Gain/(Loss) on disposal of property, plant and equipment	**198**	270	**(5)**	121
Total cash received during the financial year	**364**	1,271	**105**	229

40. ACQUISITION OF SHARES IN NEW SUBSIDIARY COMPANIES

Details of the new subsidiary companies acquired are as follows:

Name of subsidiary companies acquired	Purchase consideration RM	Group's effective interest %	Effective acquisition date
2016			
Nova Lagenda Sdn Bhd	**2**	**100.00**	**4 May 2016**
2015			
Solid Chef Sdn Bhd	2	70.00	9 March 2015
Nova Metro Development Sdn Bhd	84	84.00	11 May 2015
Resodex Construction Sdn Bhd	750,000	100.00	22 June 2015
Botanica Deli Sdn Bhd	8	80.00	18 September 2015
Topview Housing Sdn Bhd	2	100.00	16 October 2015

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

40. ACQUISITION OF SHARES IN NEW SUBSIDIARY COMPANIES (CONT'D)

Details of the assets, liabilities and net cash inflow arising from the acquisition of new subsidiary companies were as follows:

	2016 RM'000	2015 RM'000
Property development costs	-	35,406
Cash and cash equivalents	-	790
Other payables and accruals	-	(35,446)
Net assets acquired	-	750
Non-controlling interests	-	-
Total purchase consideration	*	750
Less: Cash and cash equivalents acquired	-	(790)
Net cash inflow on acquisition during the year	-	(40)

* Represent RM2.

The revenue and net loss for the year in which the acquisitions took place and their post acquisitions contribution included in the consolidated profit or loss were as follows:

	2016 RM'000	2015 RM'000
Revenue		
During the financial year	-	2,221
Pre-acquisition	-	-
Post-acquisition	-	2,221
Net loss for the year		
During the financial year	(5)	(328)
Pre-acquisition	-	-
Post-acquisition	(5)	(328)

41. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Employee benefits expense	**46,834**	42,544	**29,070**	30,520

Included in the employee benefits expense are EPF contributions amounting to RM4,333,560 (2015: RM4,035,040) for the Group and RM2,964,517 (2015: RM3,103,141) for the Company.

42. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all directors of the Group, and certain members of senior management of the Group.

The Group has related party relationships with its ultimate holding company, namely, United Overseas Australia Ltd, subsidiary companies, associate company, directors and key management personnel.

NOTES TO
THE FINANCIAL STATEMENTS (Cont'd)
For The Year Ended 31 December 2016

42. RELATED PARTY TRANSACTIONS (CONT'D)

(a) In addition to the related party information disclosed elsewhere in the financial statements, significant related party transactions during the financial year were as follows:

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Transactions with immediate holding company								
Rental received	511	422	-	-	-	-	-	-
Transactions with subsidiary companies								
Management fee receivable	-	-	38,077	41,463	-	-	22,113	8,274
Rental paid	-	-	4,490	3,416	-	-	-	-
Transactions with related companies								
Management fee payable	3,678	4,086	1,548	1,472	377	149	268	131
Rental received	6,596	4,689	-	-	-	-	-	-
Rental paid	63	73	-	-	3	-	-	-
Administrative fee paid	214	293	-	-	24	8	-	-
Landscaping fee payable	394	500	-	-	35	68	-	-
Transactions with an associated company								
Construction service income	119,798	227,716	-	-	226,065	129,767	-	-
Transactions with directors and their close family members								
Sales of properties to								
- Kong Pak Lim	-	2,700	-	-	-	-	-	-
- Kong Chong Soon @ Chi Suim	-	2,735	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

42. RELATED PARTY TRANSACTIONS (CONT'D)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Transactions with a company in which director, Kong Chong Soon @ Chi Suim has financial interest								
Advances received								
- Transmetro Sdn Bhd	-	400	-	-	-	54,554	-	-
Transactions with associated companies of the immediate holding company								
Security services payable/paid to Asli Security Services Sdn Bhd	**1,839**	2,515	-	-	**207**	159	-	-
Rental receivable/received from Advanced Informatics & Management Centre Sdn Bhd	**33**	31	-	-	**54**	32	-	-
Rental received from Asli Security Services Sdn Bhd	-	6	-	-	-	-	-	-
Transactions with key management personnel								
Advances received	-	984	-	-	**1,919**	2,293	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

42. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Key management personnel compensation

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors				
Remuneration	7,541	9,897	7,541	9,897
Estimated monetary value of benefits-in-kind	179	156	179	156
Total short-term employee benefits	7,720	10,053	7,720	10,053
Post-employment benefits				
- EPF	878	1,155	878	1,155
	8,598	11,208	8,598	11,208
Other key management personnel				
Salaries, allowances and bonuses	4,584	4,693	2,851	3,186
Estimated monetary value of benefits-in-kind	135	132	78	46
Total short-term employee benefits	4,719	4,825	2,929	3,232
Post-employment benefits				
- EPF	510	494	307	315
	5,229	5,319	3,236	3,547
Total compensation	13,827	16,527	11,834	14,755

43. OPERATING LEASE COMMITMENT

The Group as lessee

The Group leases premises from various parties under operating leases. These leases are non-cancellable and typically run for a period ranging from 1 to 3 years, with the option to renew. None of the leases include contingent rentals. There are no restrictions placed upon the Company by entering into these leases.

The future minimum lease payments payable under the non-cancellable operating leases contracted for as at the reporting date not recognised as payables, are as follows:

As lessee	2016 RM'000	2015 RM'000
Not later than one year	355	4,952
Later than one year but not later than 5 years	-	1,612
	355	6,564

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

43. OPERATING LEASE COMMITMENT (CONT'D)

The Group as lessor

The Group leases out its investment properties under non-cancellable operating leases. These leases run typically for a period ranging from 1 to 3 years, with the option to renew. None of the leases include contingent rentals.

The future minimum lease payments receivable under the non-cancellable operating leases contracted for as at the reporting date not recognised as receivables, are as follows:

As lessor	2016 RM'000	2015 RM'000
Not later than one year	51,518	26,908
Later than one year but not later than 5 years	68,817	15,763
	120,335	42,671

44. COMMITMENTS

	Group	
	2016 RM'000	2015 RM'000
Approved and contracted for		
- Purchase of property, plant and equipment	11,200	18,613
- Construction of investment properties	129,066	312,751

45. CONTINGENT LIABILITIES

	Company	
	2016 RM'000	2015 RM'000
Corporate guarantees to banks of subsidiary company in relation to balances outstanding as at 31 December	205,218	234,715

46. DISPOSAL OF SUBSIDIARY COMPANIES

On 13 October 2016 and 31 December 2016, the Group disposed 70% equity interest in Solid Chef Sdn Bhd and 80% equity interest in Botanica Deli Sdn Bhd respectively.

	RM'000
Analysis of assets and liabilities disposed:	
Property, plant and equipment	1,121
Trade and other receivables	1,074
Inventories	285
Cash and bank balances	1,701
Trade and other payables	(4,916)
Net liabilities disposed	(735)
Net cash flows on disposal:	
Consideration received	680
Cash and cash equivalents disposed	(1,701)
Net cash outflow from disposal	(1,021)
Gain on disposal:	
Cash consideration	680
Net liabilities disposed	735
Non-controlling interest	(218)
Gain on disposal	1,197

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

47. SEGMENTAL INFORMATION

The Group's operations are primarily organised in Malaysia into the following business segments:

(i) Property development
(ii) Construction

Group	Property development 2016 RM'000	Property development 2015 RM'000	Construction 2016 RM'000	Construction 2015 RM'000	Others 2016 RM'000	Others 2015 RM'000	Elimination 2016 RM'000	Elimination 2015 RM'000	Consolidated 2016 RM'000	Consolidated 2015 RM'000
External revenue	941,720	1,427,118	72,830	289,622	-	-	(18,357)	(73,552)	996,193	1,643,188
Inter segment revenue	18,720	147,417	726,473	905,460	-	-	(745,193)	(1,052,877)	-	-
Total revenue	960,440	1,574,535	799,303	1,195,082	-	-	(763,550)	(1,126,429)	996,193	1,643,188
Depreciation	(1,600)	(1,408)	(11,645)	(10,939)	(6,118)	(4,034)	(327)	(327)	(19,690)	(16,708)
Rental income	41,374	47,484	2,151	2,801	9,796	8,961	(8,569)	(7,739)	44,752	51,507
Fair value adjustments	82,064	-	-	-	307,824	4,456	10,482	14,496	400,370	18,952
Distribution income	4,592	5,590	170	950	6,664	7,315	-	-	11,426	13,855
Interest income	13,173	10,989	2,770	4,110	925	816	-	-	16,868	15,915
Interest expenses	(1,782)	(4,078)	(4,677)	(3,956)	(246)	(241)	-	-	(6,705)	(8,275)
Other non-cash items	(112)	(2,476)	-	-	(1,676)	(387)	-	-	(1,788)	(2,863)
Segment results	520,783	542,425	97,851	101,258	289,254	(24,286)	-	-	907,888	619,397
Share of results of associate									21,476	25,889
Tax expense									(218,726)	(157,253)
Profit for the year									710,638	488,033

47. SEGMENTAL INFORMATION (CONT'D)

	Property development		Construction		Others		Elimination		Consolidated	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Segment assets	3,141,537	3,066,435	428,116	480,736	1,256,897	697,920	-	-	4,826,550	4,245,091
Investment in an associate company	-	-	-	-	64,149	47,253	-	-	64,149	47,253
	3,141,537	3,066,435	428,116	480,736	1,321,046	745,173	-	-	4,890,699	4,292,344
Reconciliation of segment operating assets to total assets										
Segment operating assets									4,890,699	4,292,344
Available-for-sale financial assets									30,518	24,744
Deferred tax assets									36,483	36,441
Current tax assets									27,162	29,191
Total assets as per statement of financial position									4,984,862	4,382,720
Segment liabilities	368,784	532,913	403,633	465,700	142,599	46,536	-	-	915,016	1,045,149
Reconciliation of segment operating liabilities to total liabilities										
Segment operating liabilities									915,016	1,045,149
Current tax liabilities									17,087	21,887
Deferred tax liabilities									115,614	21,184
Total liabilities per the statement of financial position									1,047,717	1,088,220

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

The operations of the Group are primarily carried out in Malaysia. Group income taxes are presented on a group basis and are not allocated to operating segments.

There is no significant concentration of revenue from any major customers as the Group sells its development properties to various purchasers except for the Group's construction revenue which are earned entirely from its associated company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

48. FINANCIAL INSTRUMENTS

Classification of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

Group	Loans and receivables 2016 RM'000	Available-for-sale 2016 RM'000	Loans and receivables 2015 RM'000	Available-for-sale 2015 RM'000
Financial assets				
Available-for-sale financial assets	-	30,518	-	24,744
Trade and other receivables	455,578	-	300,723	-
Amount owing by immediate holding company	48	-	-	-
Amount owing by related companies	74	-	-	-
Amount owing by an associate company	3,782	-	3,606	-
Short term investments	224,082	-	371,948	-
Fixed deposits with licensed banks	167,953	-	51,934	-
Cash and bank balances	390,824	-	564,284	-
Total financial assets	1,242,341	30,518	1,292,495	24,744

Group	At amortised cost 2016 RM'000	2015 RM'000
Financial liabilities		
Trade and other payables	728,820	727,981
Amount owing to immediate holding company	29	22
Amount owing to related companies	495	348
Amount owing to non-controlling interest	32,173	85,137
Borrowings	111,937	188,389
Hire purchase and finance lease liabilities	13,190	20,139
Total financial liabilities	886,644	1,022,016

NOTES TO
THE FINANCIAL STATEMENTS (Cont'd)
For The Year Ended 31 December 2016

48. FINANCIAL INSTRUMENTS (CONT'D)

Company	Loans and receivables 2016 RM'000	Available-for-sale 2016 RM'000	Loans and receivables 2015 RM'000	Available-for-sale 2015 RM'000
Financial assets				
Available-for-sale financial assets	-	3,300	-	-
Trade and other receivables	7,635	-	6,909	-
Amount owing by subsidiary companies	1,704,362	-	1,220,649	-
Amount owing by related companies	71	-	-	-
Amount owing by an associate company	3,782	-	3,606	-
Short term investments	15,536	-	89,289	-
Fixed deposits with licensed banks	23,192	-	6,155	-
Cash and bank balances	8,916	-	8,262	-
Total financial assets	1,763,494	3,300	1,334,870	-

Company	At amortised cost 2016 RM'000	2015 RM'000
Financial liabilities		
Trade and other payables	15,017	16,347
Amount owing to immediate holding company	17	12
Amount owing to related companies	268	131
Hire purchase and finance lease liabilities	1,323	1,466
Total financial liabilities	16,625	17,956

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks, including credit risk, interest rate risk, market risk and liquidity and cash flow risks arising in the normal course of business.

The Group monitors its financial position closely with an objective to minimise potential adverse effects on its financial performance. The Group's policies for managing each of these risks are summarised below:

(a) Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the Group has a gain position. As at year end, RM226,065,000 or 63% of the Group's trade receivables are outstanding from its associated company. The Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counterparties.

In respect of the Group's development properties, most of the end-buyers obtain end-financing to fund their purchases of the Group's properties. In such cases, the Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development until full settlement by the purchasers of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

In respect of the Group's investment properties, the Group customarily obtains three months' rental deposit from tenants as security for the performance of their obligations under the tenancy agreements to mitigate the risk of non-collectability of monthly rentals.

The Group seeks to invest its surplus cash safely by depositing them with licensed financial institutions.

The ageing analysis of receivables as at the reporting date which is trade in nature is as follows:

2016 Group	Gross RM'000	Impairment RM'000
Not past due	115,299	-
Less than 44 days past due	2,699	-
Between 44 and 110 days past due	23,924	-
More than 110 days past due	218,236	15
	360,158	15

2015 Group	Gross RM'000	Impairment RM'000
Not past due	220,067	-
Less than 44 days past due	3,374	-
Between 44 and 110 days past due	7,908	-
More than 110 days past due	11,875	15
	243,224	15

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Movements in the allowance for doubtful debts of trade receivables are as follows:

	Group	
	2016 RM'000	2015 RM'000
At 1 January	15	31
Reversal of allowance for doubtful debts	-	(16)
At 31 December	15	15

(b) Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

Exposure to interest rate risk related primarily to the Group's interest-bearing borrowings and fixed deposits.

The Group's policy is to borrow principally on a floating rate basis but to retain a proportion of fixed rate debt. The objective of a mix of fixed and floating rate borrowings is to reduce the impact of a rise in interest rates and to enable savings to be enjoyed if interest rates fall. The Group does not generally hedge interest rate risk. The Group has a policy to ensure that interest rates obtained are competitive.

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group manages its interest rate risk by placing such funds on short tenures of 12 months or less.

A sensitivity analysis has been performed based on the outstanding floating rate borrowings of the Group as at 31 December 2016. If interest rates increase or decrease by 50 basis points, with all other variables held constant, the Group's profit after tax would decrease or increase by approximately RM559,685, as a result of higher or lower interest expense on these borrowings.

(c) Market risk

The Group's principal exposure to market risk arises from changes in value caused by movements in market prices of its quoted investments. The risk of loss is minimised via thorough analysis before investing and continuous monitoring of the performance of the investments. The Group optimises returns by disposing of investments after thorough analysis.

Common to all businesses, the overall performance of the Group's investments is also driven externally by global and domestic economies that are largely unpredictable and uncontrollable.

(d) Liquidity and cash flow risk

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of the businesses, the Group seeks to maintain sufficient credit lines available to meet the liquidity requirements while ensuring an effective working capital management within the Group.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted cash flows.

Group	Less than 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
2016				
Trade and other payables	728,820	-	-	728,820
Amount owing to immediate holding company	29	-	-	29
Amount owing to related companies	495	-	-	495
Amount owing to non-controlling shareholders of subsidiary companies	6,811	28,218	-	35,029
Hire purchase and finance lease liabilities	6,677	7,413	-	14,090
Bank borrowings	97,984	20,375	-	118,359
	840,816	56,006	-	896,822
2015				
Trade and other payables	727,981	-	-	727,981
Amount owing to immediate holding company	22	-	-	22
Amount owing to related companies	348	-	-	348
Amount owing to non-controlling shareholders of subsidiary companies	61,365	28,143	-	89,508
Hire purchase and finance lease liabilities	8,970	12,822	-	21,792
Bank borrowings	99,770	107,438	-	207,208
	898,456	148,403	-	1,046,859

Company	Less than 1 year RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
2016				
Trade and other payables	15,017	-	-	15,017
Amount owing to immediate holding company	17	-	-	17
Amount owing to related companies	268	-	-	268
Hire purchase and finance lease liabilities	461	982	-	1,443
	15,763	982	-	16,745
2015				
Trade and other payables	16,347	-	-	16,347
Amount owing to immediate holding company	12	-	-	12
Amount owing to related companies	131	-	-	131
Hire purchase and finance lease liabilities	462	1,141	-	1,603
	16,952	1,141	-	18,093

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For The Year Ended 31 December 2016

50. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The directors monitor and determine an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group's strategy was to maintain the debt-to-equity ratio between 10% to 25%. The debt-to-equity ratio at the reporting date was as follows:

	2016 RM'000	2015 RM'000
Total borrowings	125,127	208,528
Less : Cash and cash equivalents	(780,287)	(986,115)
Net cash	(655,160)	(777,587)
Equity attributable to the owners of the Company	3,813,100	3,150,810
Debt-to-equity ratio (%)	-	-

There were no changes in the Group's approach to capital management during the year.

51. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Group has established policies and procedures in respect of the fair value measurement.

Financial Assets that are measured at Fair Value on a Recurring Basis

Certain financial assets of the Group are measured at fair value at the end of the reporting period. Details of fair value measurement of those financial assets are as follows:

	Fair value		Fair value hierarchy	Valuation method and key inputs
	2016 RM'000	2015 RM'000		
Financial Assets				
Available-for-sale financial assets- Quoted shares in Malaysia	30,518	24,744	Level 1	Quoted bid price in active market

Financial Assets that are not measured at Fair Value on a Recurring Basis

All financial assets and liabilities of the Group and the Company approximate their fair values as at the end of the reporting period.

52. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 29 March 2017 by the board of directors.

STATEMENT BY DIRECTORS

Pursuant To Section 251(2) Of The Companies Act 2016

In the opinion of the directors, the financial statements set out on pages 48 to 105 have been drawn up:

(a) in accordance with Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2016 and of their results and cash flows for the year then ended; and

(b) in accordance with the requirements of the Companies Act 1965 in Malaysia.

The supplementary information as set out in page 108 have been prepared in accordance with the *Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements* as issued by the Malaysia Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the directors in accordance with a directors' resolution:

KONG PAK LIM
Director

KONG CHONG SOON @ CHI SUIM
Director

Kuala Lumpur
Date: 29 March 2017

STATUTORY DECLARATION

Pursuant To Section 251(1) Of The Companies Act 2016

I, Kong Chong Soon @ Chi Suim, (I/C No.: 410207-11-5203), being the director primarily responsible for the financial management of UOA Development Bhd do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements for the year ended 31 December 2016 as set out on pages 48 to 105, are correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly	)	
declared by the above named	)	
Kong Chong Soon @ Chi Suim	)	
at Kuala Lumpur in the	)	
State of Federal Territory	)	KONG CHONG SOON @ CHI SUIM
	)	
this 29 March 2017	)	

Before me,

(Commissioner of Oaths)

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS

The disclosure of realised and unrealised profits or losses is compiled in accordance to the Malaysian Institute of Accountants Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures pursuant to Bursa Malaysia Securities Berhad Listing Requirements issued by the Malaysian Institute of Accountants.

The breakdown of retained profits of the Group and the Company as at the reporting date, into realised and unrealised profits, are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits of the Company and its subsidiaries:				
- Realised	**1,886,582**	1,764,871	**253,275**	29,240
- Unrealised	**584,894**	290,114	**-**	-
	2,471,476	2,054,985	**253,275**	29,240
Total share of retained profits from associated company:				
- Realised	**68,394**	46,918	**-**	-
- Unrealised	**(23,075)**	(18,495)	**-**	-
	45,319	28,423	**-**	-
Less: Consolidation adjustments	**(289,094)**	(304,482)	**-**	-
Total Group's and Company's retained profits as per statements of financial position	**2,227,701**	1,778,926	**253,275**	29,240

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

As At 31 December 2016

	Location/Address	Description	Year of Valuation/ Acquisition*	Land Area (sq m)/ Built Up Area (sq m)*/ No. of bays	Age of Building	Tenure	Net Book Value (RM'000)
1	Vertical Corporate Tower A, Bangsar South, Jalan Kerinchi, Kuala Lumpur	38-storey office tower	2016	68,213*	< 1year	Leasehold 99 years – expiring 16 August 2106	550,000
2	Lot 1035, 3571, 3572, 340, 1032, 949, 950, 4052, 4053, 47036, 47037, Mukim Batu, Daerah Kuala Lumpur Kuala Lumpur	Land held for development	2011*, 2012* & 2014*	27.3 acres		Freehold	288,161
3	The Vertical, Bangsar South, Jalan Kerinchi, Kuala Lumpur	Vertical Hotel & Podium	2014* & 2016	50,408*	< 1year	Leasehold 99 years – expiring 16 August 2106	197,861
4	Nexus Bangsar South, Jalan Kerinchi, Kuala Lumpur	Retail and convention centre	2016	71,373*	2 years	Leasehold 99 years – expiring 27 December 2110	193,000
5	Camellia Service Suites, Jalan Kerinchi, Kuala Lumpur	306 units serviced suites	2013* & 2016	23,215*	2 years	Leasehold 99 years – expiring 27 December 2110	135,222
6	The Sphere, Bangsar South, Jalan Kerinchi, Kuala Lumpur	Retail complex & commercial land	2016	28,578		Leasehold 99 years – expiring 16 August 2106	120,000
7	The Horizon Phase I & II Carpark, Bangsar South, Jalan Kerinchi, Kuala Lumpur	Car park	2016	4,152 bays	6 years	Leasehold 99 years – expiring 16 August 2106	91,300
8	PN 51226 Lot 480556, PN 51228 Lot 480558, Mukim Kuala Lumpur, Daerah Kuala Lumpur Kuala Lumpur	Land held for development	2004*	50,280		Leasehold 99 years – expiring 27 December 2110	77,866
9	Vertical Phase I Carpark, Bangsar South, Jalan Kerinchi, Kuala Lumpur	Car park	2016	3,007 bays	< 1year	Leasehold 99 years – expiring 16 August 2106	66,100
10	Geran 77273, Lot 480588, Mukim Kuala Lumpur Daerah Kuala Lumpur Kuala Lumpur	Vacant commercial land	2016	10,749		Freehold	59,129

ANALYSIS OF SHAREHOLDINGS

As At 31 March 2017

Authorised Share Capital	:	RM100,000,000
Issued Share Capital	:	1,632,469,000
Treasury Shares	:	1,133,800
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS*

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	199	4.39	2,268	0.00
100 to 1,000	851	18.75	629,958	0.04
1,001 to 10,000	2,097	46.20	9,570,192	0.59
10,001 to 100,000	1,059	23.33	31,464,494	1.93
100,001 to less than 5% of issued shares	332	7.31	483,550,488	29.64
5% and above of issued shares	1	0.02	1,106,117,800	67.80
	4,539	100.00	1,631,335,200	100.00

* Excluding treasury shares

LIST OF THIRTY LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	UOA Holdings Sdn Bhd	1,106,117,800	67.80
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	67,150,600	4.12
3	HSBC Nominees (Asing) Sdn Bhd TNTC for Edgbaston Asian Equity Trust	41,744,800	2.56
4	Amanahraya Trustees Berhad Amanah Saham Bumiputera	35,129,000	2.15
5	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Value Partners High – Dividend Stocks Fund	22,962,200	1.41
6	Permodalan Nasional Berhad	22,742,700	1.39
7	RHB Capital Nominees (Tempatan) Sdn Bhd UOA Holdings Sdn Bhd	21,114,100	1.29
8	Amsec Nominees (Tempatan) Sdn Bhd MTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	14,975,400	0.92
9	Citigroup Nominees (Asing) Sdn Bhd CBLDN for Pohjola Bank PLC (Client AC-EUR)	14,500,000	0.89
10	HSBC Nominees (Asing) Sdn Bhd TNTC for the Edgbaston Asian Equity (Jersey) Trust	10,128,700	0.62
11	Amanahraya Trustees Berhad Amanah Saham Wawasan 2020	10,000,000	0.61
12	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for AIA Bhd	8,360,502	0.51

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As At 31 March 2017

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

	Name of Shareholders	No. of Shares	%
13	Cartaban Nominees (Asing) Sdn Bhd Exempt An for State Street Bank & Trust Company (West CLT OD67)	7,469,300	0.46
14	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	7,400,900	0.45
15	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	7,135,000	0.44
16	Citigroup Nominees (Asing) Sdn Bhd CBLDN for Global Emerging Markets Equity Income Fund (SLIC)	6,128,862	0.38
17	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	5,000,000	0.31
18	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi)	5,000,000	0.31
19	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	4,500,000	0.28
20	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	4,490,100	0.28
21	Amanahraya Trustees Berhad Amanah Saham Didik	4,469,900	0.27
22	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund WTAU for Wisdomtree Emerging Markets Smallcap Dividend Fund	4,199,360	0.26
23	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	3,786,700	0.23
24	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LGF)	3,599,200	0.22
25	HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (Australia)	2,989,900	0.18
26	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Noah Foundation (PB)	2,854,500	0.17
27	United Overseas Australia Ltd	2,832,200	0.17
28	HSBC Nominees (Asing) Sdn Bhd TNTC for FIAM Select International Small Cap Plus Commingled Pool	2,647,500	0.16
29	Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Manulife Investment Shariah Progressfund	2,570,000	0.16
30	Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB Islamic Dali Equity Fund	2,567,400	0.16

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As At 31 March 2017

SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name	Shares	%	Shares	%
UOA Holdings Sdn Bhd ("UOAH")	1,127,336,700	69.11	20[(1)]	*
United Overseas Australia Ltd ("UOAL")	2,832,200	0.17	1,127,336,720[(2)]	69.11
Griyajaya Sdn Bhd	-	-	1,130,168,920[(3)]	69.28
Transmetro Sdn Bhd	20	*	1,130,168,920[(4)]	69.28
Kong Chong Soon @ Chi Suim	-	-	1,130,332,140[(5)]	69.29
Kong Pak Lim	-	-	1,130,168,920[(6)]	69.28

* negligible

Notes:

(1) Deemed interested by virtue of Section 8 of the Companies Act 2016 ("the Act") (shareholdings held through LTG Development Sdn Bhd).

(2) Deemed interested by virtue of United Overseas Australia Ltd being entitled to control the exercise of 100% of the votes attached to the voting shares in UOA Holdings Sdn Bhd.

(3) Deemed interested by virtue of Section 8 of the Act (shareholdings held through United Overseas Australia Ltd and as an associate of Kong Chong Soon @ Chi Suim and Kong Pak Lim) and deemed interested by virtue of United Overseas Australia Ltd being entitled to control the exercise of 100% of the votes attached to the voting shares of UOA Holdings Sdn Bhd.

(4) Deemed interested by virtue of Section 8 of the Act (through its shareholdings in Griyajaya Sdn Bhd and Transmetro Corporation Sdn Bhd, its wholly owned subsidiary in United Overseas Australia Ltd) and as an associate of Kong Chong Soon @ Chi Suim.

(5) Deemed interested by virtue of Section 8 of the Act (shareholdings held through his associates Griyajaya Sdn Bhd and Transmetro Sdn Bhd in United Overseas Australia Ltd, and Transmetro Sdn Bhd, Global Transact Sdn Bhd and his children in the Company).

(6) Deemed interested by virtue of Section 8 of the Act (shareholdings held through his associate Griyajaya Sdn Bhd in United Overseas Australia Ltd).

STATEMENT OF DIRECTORS' INTEREST

As At 31 March 2017

	Direct		Indirect	
Name	Shares	%	Shares	%
Kong Chong Soon @ Chi Suim	-	-	1,130,332,140[(1)]	69.29
Kong Pak Lim	-	-	1,130,168,920[(2)]	69.28
Alan Charles Winduss	105,700	0.01	-	-
Ar Low Shu Nyok	-	-	-	-
Teo Chee Seng	-	-	-	-
Kong Sze Choon (Alternate Director to Kong Chong Soon @ Chi Suim)	70,300	*	25,400[(3)]	*

* negligible

Notes:

(1) Deemed interested by virtue of Section 8 of the Companies Act 2016 ("the Act") (shareholdings held through his associates Griyajaya Sdn Bhd and Transmetro Sdn Bhd in United Overseas Australia Ltd, and Transmetro Sdn Bhd, Global Transact Sdn Bhd and his children in the Company).

(2) Deemed interested by virtue of Section 8 of the Act (shareholdings held through his associate Griyajaya Sdn Bhd in United Overseas Australia Ltd).

(3) Deemed interested by virtue of Section 8 of the Act (shareholdings held through Global Transact Sdn Bhd).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of UOA Development Bhd will be held at Summit 1, Connexion Conference & Event Centre (CCEC), Level M1, The Vertical Podium, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Monday, 22 May 2017 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1	To lay the Audited Financial Statements for the financial year ended 31 December 2016 together with the Directors' and Auditors' Reports thereon. (Please refer to Explanatory Note 1)	
2	To approve a First and Final Single Tier Dividend of 15 sen per share for the financial year ended 31 December 2016.	Resolution 1
3	To approve the payment of Directors' fees amounting to RM205,000 for the financial year ended 31 December 2016.	Resolution 2
4	To re-elect Mr. Kong Pak Lim who shall retire pursuant to Article 115 of the Company's Articles of Association.	Resolution 3
5	To consider and if thought fit, to pass the following resolution:	
	"THAT Mr. Kong Chong Soon @ Chi Suim be and is hereby re-appointed as a Director of the Company."	Resolution 4
6	To consider and if thought fit, to pass the following resolution:	
	"THAT Mr. Alan Charles Winduss be and is hereby re-appointed as a Director of the Company."	Resolution 5
7	To re-appoint Messrs Mazars PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 6

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

AS SPECIAL BUSINESS
To consider and if thought fit, to pass the following as an Ordinary Resolution:

8 Authority to Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016 Resolution 7

"THAT subject always to the Companies Act 2016, the Company's Articles of Association and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9 Proposed authority from shareholders to allot and issue new ordinary shares in UOA Development Bhd ("UOA" or "the Company") ("Shares") for the purpose of the Company's Dividend Reinvestment Scheme ("DRS") that provides the shareholders of UOA ("Shareholders") the option to elect to reinvest their cash dividend in new Shares. Resolution 8

"THAT pursuant to the DRS as approved by the Shareholders at the Extraordinary General Meeting held on 29 May 2012 and subject to the approval of the relevant authority (if any), approval be and is hereby given to the Company to allot and issue such number of new Shares from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors may, in their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-market-day volume weighted average market price ("VWAP") of the Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

10 To transact any other business for which due notice has been given.

By Order of the Board
YAP KAI WENG (MAICSA No.:74580)
WONG YOKE LENG (MAICSA No.: 7032314)
Company Secretaries

Kuala Lumpur
28 April 2017

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 15 May 2017 shall be regarded as members and be entitled to attend and vote at this Annual General Meeting. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Only the first named proxy will be entitled to vote on a show of hands.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
3. If a member appoints 2 proxies, the appointment will be invalid unless he states the number of shares to be represented by each proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy must be deposited at the Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

EXPLANATORY

1. The Audited Financial Statements are laid in accordance with Section 340 (1) (a) of the Companies Act 2016 and do not require approval of shareholders. This item is meant for discussion only under the Agenda and hence, will not be put forward for voting.

2. Resolution 7 - Authority to Issue Shares pursuant to Section 75 and 76 of the Companies Act 2016

   The proposed Resolution 7 will give the Directors of the Company the flexibility to issue and allot new shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company.

   The Company continues to consider opportunities to enhance the earnings potential of the Company and if such opportunities involve the issuance of new shares, the Directors would have to convene a general meeting to approve the issuance of new shares even though the number involved may be less than 10% of the issued share capital. In order to avoid any delay and costs involved in convening a general meeting to approve the issuance of new shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company at any time, for such purposes.

   The authority for the allotment of new shares will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or acquisition. This authority will expire at the next Annual General Meeting ("AGM"), unless revoked or varied at a general meeting. As at the date of this notice, there were no shares issued pursuant to the mandate obtained in the last AGM.

3. Resolution 8 - Authority to Issue Shares pursuant to the DRS

   The proposed Resolution 8 will give the Directors of the Company the authority to allot and issue new shares in the Company for the DRS in respect of the dividend declared at this AGM and subsequently until the next AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking elections as Director (excluding Directors standing for re-appointment or re-election) at the Thirteenth Annual General Meeting of the Company.

PROXY FORM

CDS Account No.	
No. of Shares held	

UOA DEVELOPMENT

UOA DEVELOPMENT BHD (Company No. 654023-V)
(Incorporated in Malaysia)

I/We……………………………………………………………………………… NRIC No. / Company No. ………………………………………………

of………………………………………………………………………………… Tel No. ………………………………………………………………

being a Shareholder/Shareholders of UOA DEVELOPMENT BHD, hereby appoint the following person(s) as my/our proxy:

No.	Name as per NRIC	NRIC No.	% shareholding to be represented
1			
2			

or failing him/her the Chairman of the Meeting as my/our proxy to attend and vote on my/our behalf at the Thirteenth Annual General Meeting of UOA DEVELOPMENT BHD to be held at Summit 1, Connexion Conference & Event Centre (CCEC), Level M1, The Vertical Podium, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Monday, 22 May 2017 at 10.00 a.m., and at any adjournment thereof in the manner indicated below:

Resolutions		For	Against	Abstain
1	To approve the First and Final Single Tier Dividend for the financial year ended 31 December 2016.			
2	To approve the payment of Directors' fees amounting to RM205,000 for the financial year ended 31 December 2016.			
3	To re-elect Mr. Kong Pak Lim as a Director of the Company.			
4	To re-appoint Mr. Kong Chong Soon @ Chi Suim as Director of the Company.			
5	To re-appoint Mr. Alan Charles Winduss as Director of the Company.			
6	To re-appoint Messrs Mazars PLT as Auditors of the Company.			
7	To authorize the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016.			
8	To authorize the Directors to allot and issue shares pursuant to the DRS of the Company.			

(Please indicate with an "x" in the space provided how you wish your vote to be cast on the resolutions specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.)

____
Signature of Shareholder(s) / Common Seal
Date:

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 15 May 2017 shall be regarded as members and be entitled to attend and vote at this Annual General Meeting. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Only the first named proxy will be entitled to vote on a show of hands.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
3. If a member appoints 2 proxies, the appointment will be invalid unless he states the number of shares to be represented by each proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy must be deposited at the Share Registrar at Tricor Investor & Issuing House Services Sdn Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

Affix
Stamp
Here

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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UOA DEVELOPMENT BHD (654023-V)
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Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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