

8. FINANCIAL INFORMATION

8.1 HISTORICAL FINANCIAL INFORMATION

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

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

The combined financial and operating data have been carved out from the consolidated financial statements of UOA Group and, where appropriate, adjustments have been made to specifically present only the combined financial position, results of operations and cash flows of our Group. The combined financial information has been prepared as if the UOA Development Group as depicted by the group structure shown in Section 12.1 of this Prospectus entitled "History and Background" had operated as a single economic entity since 1 January 2008.

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

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

Operating results of our Group

	FYE		
	2008	2009	2010
	RM 000	RM 000	RM 000
Revenue	492,841	427,776	375,229
Cost of sales	(282,391)	(186,161)	(192,148)
Gross profit	210,450	241,615	183,081
Fair value adjustment on investment properties	14,294	(3,761)	178,250
Other income	22,790	14,006	24,807
General and administrative expenses	(25,183)	(10,706)	(38,871)
Other expenses	(2,049)	(2,943)	(3,946)
Profit from ordinary activities before tax and finance costs ⁽¹⁾	220,302	238,211	343,321
Finance cost	(2,155)	(1,746)	(2,762)
Profit before income tax	218,147	236,465	340,559
Income tax expense	(56,696)	(58,870)	(54,727)
Profit for the year	161,451	177,595	285,832
Other comprehensive income, net of tax			
Fair value adjustment on available-for-sale financial assets	-	-	3,930
Total comprehensive income for the year	161,451	177,595	289,762
Profit attributable to:			
UOA	129,323	146,393	278,684
Non-controlling interest	32,128	31,202	7,148
	161,451	177,595	285,832

8. FINANCIAL INFORMATION (cont'd)

	FYE		
	2008	2009	2010
	RM 000	RM 000	RM 000
Total comprehensive income attributable to:			
UOA	129,323	146,393	282,614
Non-controlling interest	32,128	31,202	7,148
	<u>161,451</u>	<u>177,595</u>	<u>289,762</u>
No. of Shares assumed in issue (000) ⁽²⁾	874,200	875,100	875,100
Gross EPS (sen) ⁽³⁾	24.95	27.02	38.92
Net EPS (sen) ⁽⁴⁾	14.79	16.73	32.66
Fully diluted EPS (sen)	N/A	N/A	N/A
EBITDA ⁽⁵⁾	223,650	242,818	348,375
Interest expense	2,155	1,746	2,762
Depreciation	3,348	4,607	5,054
GP margin (%)	42.70	56.48	48.79
PBT margin (%)	44.26	55.28	90.76
PAT margin (%)	32.76	41.52	76.18

Notes:

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

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

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

8. FINANCIAL INFORMATION (cont'd)

Financial position of our Group

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

8. FINANCIAL INFORMATION *(cont'd)*

8.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE FOLLOWING DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH THE ACCOUNTANTS' REPORT AS SET OUT IN SECTION 9 OF THIS PROSPECTUS. THE COMBINED FINANCIAL INFORMATION REFERRED TO IN THIS SECTION IS PREPARED IN ACCORDANCE WITH APPLICABLE FRS, WHICH DIFFERS IN CERTAIN SIGNIFICANT RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES.

THE COMBINED FINANCIAL INFORMATION FOR THE PAST THREE FYE 2010 ARE BASED ON THE FINANCIAL INFORMATION EXTRACTED FROM THE AUDITED FINANCIAL STATEMENTS OF OUR COMPANY AND OUR SUBSIDIARIES AND ASSOCIATED COMPANY FOR THE CORRESPONDING PERIOD.

THIS DISCUSSION AND ANALYSIS CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. OUR ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE STATED IN SUCH FORWARD-LOOKING STATEMENTS. FACTORS THAT MIGHT CAUSE FUTURE RESULTS TO DIFFER SIGNIFICANTLY FROM THOSE STATED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED BELOW AND ELSEWHERE IN THIS PROSPECTUS, PARTICULARLY IN "RISK FACTORS".

8.2.1 Overview

Our Group is an integrated property developer and our core business activities include the following:

- (i) Property development; and
- (ii) Construction.

Our core revenue is derived from property development. Our Group focuses on two types of property developments, namely, residential and commercial. Please refer to Section 7.6.2 of this Prospectus entitled "Summary of our Group's Development Projects" for further details on our property development projects.

The analysis of the financial condition and results of operations of our Group are as detailed in the sections below.

8.2.2 Results of Operation

(i) Revenue

We are principally engaged in property development and construction in Malaysia. Our revenue is generated from property development and construction, while our other income from operating activities consists mainly of income from our investments. We operate predominantly in Malaysia. We develop both residential and commercial properties for sale and to hold as investment properties. All of the properties that we develop are located in Kuala Lumpur and Selangor. Please refer to Section 7.6.2 of this Prospectus entitled "Summary of our Group's Development Projects" for more details on our residential and commercial property developments. Revenue from construction is derived from construction works and renovation works. For FYE 2009 onwards, revenue from construction was derived mainly from in-house projects.

8. FINANCIAL INFORMATION (cont'd)

Our revenue generated from the property development and construction segments for the past three FYE 2010 are as follows:

(a) Revenue analysis by business segments

The revenue analysis by business segment is as set out below:

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Property development	488,106	99.04	427,776	100.00	375,229	100.00
Construction	4,735	0.96	-	-	-	-
Total	492,841	100.00	427,776	100.00	375,229	100.00

Our property development products can be broken down into commercial and residential properties, all within Malaysia. The revenue from property development is as follows:

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Commercial	371,601	76.13	319,233	74.63	171,844	45.80
Residential	116,505	23.87	108,543	25.37	203,385	54.20
Total	488,106	100.00	427,776	100.00	375,229	100.00

Note:

Each project cycle of a development, from commencement to completion, takes approximately two to three years. Before one project completes, another new project will commence. As such, at any year of development, there is always a mix of residential and commercial projects. The development mix, whether commercial and residential, is driven by supply, demand as well as profitability.

8. FINANCIAL INFORMATION (cont'd)

(b) Revenue analysis by entity

The revenue analysis by entities (after elimination of inter-company revenue) is as set out below:

	2008		FYE 2009		2010	
	RM 000	%	RM 000	%	RM 000	%
IDP Industrial Development	-	-	-	-	29,592	7.89
Kumpulan Sejahtera	39,456	8.00	11,017	2.58	4,957	1.32
Paramount Hills	-	-	-	-	1,907	0.51
Paramount Properties	173,348	35.17	118,416	27.68	132,892	35.42
Peninsular Home	198,253	40.23	200,817	46.94	9,360	2.49
Sagaharta	2,409	0.49	941	0.22	-	-
Saujanis	10,201	2.07	2,750	0.64	12,419	3.31
Scenic Point Development	-	-	84	0.02	34,423	9.17
Sunny Uptown	37,531	7.62	69,635	16.28	147,849	39.40
Tiarawoods	5,530	1.12	2,000	0.47	-	-
URC Engineering	4,735	0.96	-	-	-	-
Windsor Triumph	21,378	4.34	22,116	5.17	1,830	0.49
Total	492,841	100.00	427,776	100.00	375,229	100.00

Save as disclosed above, our Company and our other subsidiaries do not contribute any revenue to our Group for the past three FYE 2008, 2009 and 2010.

8. FINANCIAL INFORMATION (cont'd)

(ii) Cost of Sales

Our cost of sales in respect of our property development and construction segments comprises the following:

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Construction costs	204,422	72.39	132,787	71.33	153,230	79.75
Land costs	41,935	14.85	32,277	17.34	24,868	12.94
Staff-related costs	6,411	2.27	4,418	2.37	1,801	0.94
Capitalised borrowing costs	277	0.10	934	0.50	1,102	0.57
Other development costs	29,346	10.39	15,745	8.46	11,147	5.80
Total	282,391	100.00	186,161	100.00	192,148	100.00

(a) Construction costs

Construction costs are the largest component of our cost of sales, and comprise all costs attributable to the design and construction of a development project, including consultants' fees, authorities' fees, costs of materials, labour and machineries and depreciation.

We engage various sub-contractors for all our projects. Having been in the industry for more than 21 years, we have identified a panel of sub-contractors to invite for tenders. We also accept recommendations from our consultants. We select our sub-contractors in closed tenders based on factors such as workmanship, efficiency, reliability, capacity and pricing. Awards to the sub-contractors are made subsequent to approval from our management.

Key components of construction costs include:

(A) Earthwork

Earthwork, which involves moving of massive quantities of soil or unformed rock together with site clearing works and basement excavation is usually the indication of project commencement. Factors which influence the total costs incurred in relation to the earthwork are acreage of the site area, land contour and the existing structures on the land. Earthwork costs include the cost of labour, usage of machineries, rental of dump truck lorry, backpusher and excavator.

(B) Piling works

Piling works commences upon the completion of earthwork and generally comprise foundation piling and construction of retaining structure using bored piling techniques as well as pre-cast foundation column. Time and costs of this stage of work is dependent on the acreage of the site as well as the soil condition. Costs of the piling works include supply of piles, handling and transporting of piles, cutting and joining of piles and load testing.

8. FINANCIAL INFORMATION (cont'd)

(C) Building works

Building works which constitute the main bulk of construction cost include structural, architectural and mechanical and electrical works.

(1) Structural and Architectural

Building materials like steel bar, ready mixed concrete, tiles, bricks and aluminium door/windows are part of the structural and architectural components in all construction projects. These form the main building cost, inclusive of sub-structure (basement) and super-structure (roof structure). These form the main building cost and are amongst the key determinants of the cost of overall land development.

(2) Mechanical and Electrical (M&E)

Mechanical and Electrical include works related to mechanical and electrical services, internal and external wiring, main switch board, air-conditioning works, reticulation, fire protection system, generator set and lift systems. Costs incurred on M&E is determined by the extent of requirement for lighting/air conditioning installation, lift installation, intercom points, suction lines for cold water services and CCTV surveillance system as well as modulator and booster of SMATV system.

(3) Finishes

Finishes include fittings to the building like tiles, water heater and sanitary wares. Factors which determine the type and quality of finishes used in a particular project include the marketing strategy employed by us, namely whether to market the properties constructed as a high end or mid end property, suitability of property location as well as local demand from the market. These factors will eventually affect the final pricing of the properties.

(D) External works

External works include road work, drainage, sewerage, water and telephone reticulation, street light and compound lighting, landscaping and fencing. The quantum of costs required for external works depends on the type and plan of projects, e.g. whether or not the playground, gymnasium or landscaping are part of the project plans.

8. FINANCIAL INFORMATION *(cont'd)*

The time taken for various stages of construction such as earthwork, piling, structural and architectural works is critical in determining the completion of projects and will therefore affect our revenue recognition. For example, both earthwork and piling processes which generally take about 14.00% (high rise developments) and about 25.00% (landed developments) of both the project duration and construction costs respectively will determine the timing of the subsequent building stage. The main component, which is the building works (inclusive of structural, architectural, M&E works and finishes) generally take up about 60.00% (high rise developments) and about 81.00% (landed developments) of the entire project duration and construction costs while external works constitute the remaining time and construction costs. Timely completion of each of the stages is essential to ensure completion of projects to the schedule and consequently, the commencement of revenue generation for each project.

Construction costs are financed by internally generated funds as well as borrowings from local and foreign financial institutions. If external borrowings are required, bridging loan is obtained to finance about 50.00% to 80.00% of total construction costs of a project. The remaining construction costs would be financed by internal funds and sale proceeds.

(b) Land costs

Land costs comprise payments for acquisition of land, squatters resettlement costs, improvement service fund, development charges, land premium, land sub-division fees, strata title fees, extension of leasehold period and other land related matters. We purchase land directly from existing land owners either via private sales or closed tenders.

(c) Staff-related costs

Staff-related costs comprise mainly salary, bonuses, allowance, staff insurance, training and other staff-related expenses. We employ a team of staff comprising construction, security and technical personnel. Our workforce includes a team of foreign workers employed to carry out construction activities. Staff-related costs as a percentage of our sales revenue remained relatively constant during the period under review. Please refer to Section 7.16 of this Prospectus entitled "Employees" for further details on our staff force.

(d) Capitalised borrowing costs

Interests incurred in financing the construction of properties for sale are capitalised as cost. Capitalised interest amounted to RM0.28 million, RM0.93 million and RM1.10 million for FYE 2008, FYE 2009 and FYE 2010 respectively.

8. FINANCIAL INFORMATION (cont'd)

Borrowings consist of term loans, bridging loans and revolving loans for the acquisition of land and for the development and construction costs. Please refer to the table below for the interest rates of the term loans, bridging loans and revolving loans for the past three FYE 2010.

	FYE		
	2008	2009	2010
Term Loan	8.25%	7.25%	*
Bridging Loan	*	*	4.48%
Revolving Loan	3.00% to 5.20%	3.00% to 4.50%	3.00% to 4.95%

Note:

* No loans in these FYE.

The repayment of the term loan and bridging loan are based on redemption of units sold and quarterly repayment.

(e) Other Development Costs

Other development costs comprise developer license fees, professional fees including architectural, civil and structural fees, surveyor fees, legal fees, valuation fees, and payment to authorities for purposes such as development and building plan approvals.

(iii) Gross Profit

Our gross profit analysed by business segment, products and entities are set out below.

(a) Gross profit analysed by business segment:

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Property development	210,388	99.97	241,920	100.13	183,081	100.00
Construction	27,958	13.29	24,477	10.13	22,911	12.51
	<u>238,346</u>	<u>113.26</u>	<u>266,397</u>	<u>110.26</u>	<u>205,992</u>	<u>112.51</u>
Inter-segment elimination	(27,896)	(13.26)	(24,782)	(10.26)	(22,911)	(12.51)
Total	<u>210,450</u>	<u>100.00</u>	<u>241,615</u>	<u>100.00</u>	<u>183,081</u>	<u>100.00</u>

8. FINANCIAL INFORMATION (cont'd)

(b) Gross profit for property development analysed by product:

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Commercial	180,622	85.85	196,606	81.27	70,580	38.55
Residential	29,766	14.15	45,314	18.73	112,501	61.45
Total	210,388	100.00	241,920	100.00	183,081	100.00

(c) Gross profit analysed by entities:

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
UOA Development	-	-	-	-	-	-
UOA Properties	-	-	-	-	-	-
AEC	8	-	(305)	(0.13)	-	-
Bangsar South City	-	-	-	-	-	-
Ceylon Hills	-	-	-	-	-	-
Dynasty Portfolio	-	-	-	-	-	-
Enchant Heritage	-	-	-	-	-	-
Everise Tiara	(6)	-	777	0.32	(29)	(0.02)
IDP Industrial Development	-	-	-	-	10,529	5.75
Kumpulan Sejahtera	14,781	7.02	3,836	1.59	2,234	1.22
Lencana Harapan	-	-	-	-	-	-
Magna Kelana Development	-	-	-	-	-	-
Magna Tiara Development	268	0.13	-	-	-	-
Nasib Unggul	-	-	-	-	-	-
Paramount Hills	-	-	-	-	785	0.43
Paramount Properties	86,218	40.97	82,072	33.97	52,214	28.52
Peninsular Home	94,404	44.86	114,534	47.40	7,837	4.28
Sagaharta	1,798	0.85	551	0.23	(6)	-
Saujanis	4,257	2.02	1,066	0.44	5,011	2.74
Scenic Point Development	-	-	26	0.01	12,566	6.86
Seri Tiara Development	-	-	-	-	-	-
Sunny Uptown	8,324	3.95	25,155	10.41	90,647	49.51
Tiarawoods	2,374	1.13	896	0.37	(3)	-
Tunjang Idaman	-	-	-	-	-	-
URC Engineering	54	0.03	-	-	-	-
Windsor Triumph	(2,030)	(0.96)	13,007	5.39	1,296	0.71
Total	210,450	100.00	241,615	100.00	183,081	100.00

8. FINANCIAL INFORMATION (cont'd)

(iv) Fair Value Adjustment on Investment Properties

The fair value model is applied to our investment properties. Our investment properties are independently revalued on an open market basis, which represents the amounts for which the investment property could be exchanged between a knowledgeable buyer and a knowledgeable seller in an arm's length transaction at a valuation date. Our Directors have reviewed the valuation of the investment properties which were conducted on 3 March 2011 by PA International Property Consultants (KL) Sdn Bhd, an Independent Property Valuer, based on Investment and Comparisons Methods of Valuation and opined that there is no material change from the last valuations.

Our Directors are of the opinion that the carrying value of the investment properties reflects their fair value.

In FYE 2009 a portion of the investment properties was transferred for own use and as a result, those investment properties were reclassified to PPE. Upon such reclassification, the carrying value was restated back to historical cost and this resulted in a reversal of the previously recognised fair value gains of approximately RM3.53 million in FYE 2009.

(v) Other Income

Other income mainly consists of:

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Gross rental	2,196	9.63	5,161	36.85	11,848	47.76
Dividends	15,230	66.83	3,366	24.03	5,403	21.78
Interest	1,395	6.12	2,079	14.84	4,223	17.02
Gains on disposal of quoted securities	357	1.57	89	0.64	205	0.83
Others	3,612	15.85	3,311	23.64	3,128	12.61
Total	22,790	100.00	14,006	100.00	24,807	100.00

- (a) Gross rental represents rental derived from inventories, PPE and other assets.
- (b) Dividends represent dividends received from related companies, namely Midah Heights Sdn Bhd and Multiplex Strategy Sdn Bhd, (in which our Company previously held 88.00% equity interest and 92.50% equity interest respectively, and was subsequently disposed of as part of the Reorganisation) and UOA REIT.
- (c) Interest income are mainly derived from funds placed in current accounts under the Housing Development Act 1966, short term fund placements with financial institutions as well as gain on financial liabilities at amortised cost.
- (d) "Others" include proceeds from the sale of car park bays, overdue interest charged to purchasers, consent fee from purchasers for sub-sales, forfeiture sums from defaulting purchasers and service charges from tenants.

8. FINANCIAL INFORMATION (cont'd)**(vi) General and Administrative Expenses**

Our general and administrative expenses are as follows:

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
General expenses	17,682	70.22	3,209	29.97	26,752	68.82
Administrative expenses	1,549	6.15	1,127	10.53	3,437	8.84
Marketing expenses	5,687	22.58	6,025	56.28	8,682	22.34
Occupancy expenses	212	0.84	332	3.10	-	-
Foreign exchange losses	53	0.21	13	0.12	-	-
Total	25,183	100.00	10,706	100.00	38,871	100.00

- (a) General expenses include depreciation, diminution in value in investment, impairment loss to quoted investments, bad and doubtful debts and the maintenance of inventories prior to its sale.
- (b) Administrative expenses relate mainly to office utilities, travelling expenses, transportation expenses, printing and stationeries, staff salaries and bonuses and professional fees.
- (c) Marketing expenses include sales commission and interest absorbed under the DIBS structured in conjunction with end-financiers.
- (d) Occupancy expenses are rental expenses incurred primarily for site offices.
- (e) Our foreign exchange losses arose from year end translation of debt due to our ultimate holding company, UOA.

(vii) Other Expenses

Other expenses are incurred for the general upkeep and maintenance of our investment properties in good tenantable condition.

(viii) Finance Costs

Finance costs are mainly interest expenses on lease financing and loans from financial institutions and amortisation of financial liabilities.

8. FINANCIAL INFORMATION (cont'd)**(ix) Profit Before Income Tax**

Our profit before income tax by activities, products and entities are set out below.

(a) Profit before income tax analysed by business segments:

	2008		FYE 2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Property development	193,750	88.82	238,397	100.82	161,526	47.43
Construction	24,396	11.18	21,373	9.04	19,039	5.59
Fair value adjustment on investment properties	14,294	6.55	(3,761)	(1.59)	178,250	52.34
Dividend income	15,217	6.98	3,265	1.38	5,388	1.58
Others	(1,612)	(0.74)	1,972	0.83	(733)	(0.21)
	246,045		261,246		363,470	
Inter-segment profit	(27,898)	(12.79)	(24,781)	(10.48)	(22,911)	(6.73)
Total	218,147	100.00	236,465	100.00	340,559	100.00

(b) Profit before income tax for property development analysed by products:

	2008		FYE 2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Commercial	176,516	91.11	194,293	81.50	71,324	44.16
Residential	17,234	8.89	44,104	18.50	90,202	55.84
Total	193,750	100.00	238,397	100.00	161,526	100.00

(c) Profit/(Loss) before income tax analysed by entities:

	2008		FYE 2009		2010	
	RM 000	%	RM 000	%	RM 000	%
UOA Development	13,804	6.33	1,318	0.56	2,767	0.81
UOA Properties	-	-	(14)	(0.01)	(4)	-
AEC	(3,715)	(1.70)	(4,542)	(1.92)	(3,967)	(1.16)
Bangsar South City	(5)	-	(1)	-	8,905	2.61
Ceylon Hills	-	-	-	-	2,704	0.79
Dynasty Portfolio	(185)	(0.08)	3,809	1.61	8,924	2.63

8. FINANCIAL INFORMATION (cont'd)

	FYE					
	2008		2009		2010	
	RM 000	%	RM 000	%	RM 000	%
Enchant Heritage	(5)	-	(3)	-	(1)	-
Everise Project ⁽¹⁾	-	-	-	-	-	-
Everise Tiara	371	0.17	806	0.34	24	0.01
IDP Industrial Development	(6)	-	(4)	-	9,277	2.72
Kumpulan Sejahtera	12,605	5.78	3,930	1.66	1,616	0.47
Lencana Harapan	(428)	(0.20)	148	0.06	1,550	0.46
Magna Kelana Development	(5)	-	(6)	-	(56)	(0.02)
Magna Tiara Development	(437)	(0.20)	(432)	(0.18)	327	0.10
Nasib Unggul	(331)	(0.15)	(1)	-	3,572	1.05
Paramount Hills	13	0.01	(4)	-	763	0.22
Paramount Properties	100,569	46.09	79,104	33.45	177,747	52.19
Peninsular Home	92,011	42.17	111,877	47.31	7,493	2.20
Sagaharta	(2,503)	(1.15)	481	0.20	(157)	(0.05)
Saujanis	4,016	1.83	871	0.37	4,865	1.43
Scenic Point Development	-	-	11	-	8,160	2.40
Seri Tiara Development	(4)	-	(10)	-	(57)	(0.02)
Sunny Uptown	6,220	2.85	22,972	9.72	91,708	26.93
Tiarawoods	2,219	1.02	922	0.39	14	-
Tunjang Idaman	-	-	(22)	(0.01)	20,908	6.14
URC Engineering	214	0.10	1,134	0.48	95	0.03
Windsor Triumph	(6,271)	(2.87)	14,121	5.97	(6,618)	(1.94)
Total	218,147	100.00	236,465	100.00	340,559	100.00

Note:

(1) Associated Company

8. FINANCIAL INFORMATION (cont'd)

(x) Income Tax Expense

Our effective income tax rates compared with the statutory income tax rates were as follows:

	FYE		
	2008	2009	2010
	%	%	%
Effective income tax rate	25.99	24.90	16.07
Statutory income tax rate	26.00	25.00	25.00

The effective income tax rate for FYE 2010 was significantly lower than the statutory income tax rate mainly due to the fair value gain on investment properties amounting to RM178.25 million which was subject to real property gain tax at 5.00%. If the fair value gain on investment properties were to be excluded, the effective income tax rate for FYE 2010 would have been 26.76%, which is higher than the statutory income tax rate of 25.00%. This is because of certain expenses incurred which were not deductible for income tax purposes.

8.2.3 Significant Factors Affecting Our Results of Operations

Our sales are primarily dependent on the volume of properties we sell, their sales prices, and the timing of the launch of our property sales.

We determine the sales prices of our properties based on the location and type of property, as well as market forces of supply and demand. While we are generally involved in a number of projects at any given time and those projects may be at varying stages of completion, many of our projects are multi-phase projects and thus necessarily require substantial time to complete. Accordingly, even assuming a constant level of market demand for our properties, the number of properties that we have available for sale can fluctuate significantly from period to period.

For properties which we sell prior to completion, the sales value is recognised as revenue progressively over a period of 24 to 36 months and is typically pegged to construction milestones.

For build-then-sell properties, the sales value is recognised in full as revenue upon the purchase of the unit by the customer.

Our rental income is dependent on the rental rates and the occupancy rates of our properties, both those held as inventories and investment properties. We determine the rental rates of our properties based on the location and type of property, as well as market forces of supply and demand. Rental rates of our investment properties are generally contracted for two years with the third year subject to revision, which are commonly known as "two plus one" tenancies.

Other factors that can affect the results of our operations include, inter-alia:

- (i) consumer affluence and the state of the general economy;
- (ii) interest rates;
- (iii) availability and affordability of credit facilities and home loans;
- (iv) availability of land; and
- (v) government policies and regulations, such as those relating to property taxes.

8. FINANCIAL INFORMATION *(cont'd)*

Please also refer to Section 5 of this Prospectus entitled "Risk Factors" for other factors that may affect our revenue and financial performance.

8.2.4 Critical Accounting Policies

We prepare our financial statements in conformity with FRS. As such, we are required to make estimates, judgments and assumptions that affect:

- (i) certain reported amounts of revenue and expenses during the reporting period;
- (ii) certain reported amounts of our assets and liabilities; and
- (iii) the disclosure of our contingent assets and liabilities at the date of the financial statements.

We base our estimates and judgments on our historical experience and on various other reasonable factors that together form the basis for making our judgments. Our actual results may differ from these estimates under different assumptions or conditions. We evaluate our estimates and judgments on an ongoing basis. Our most critical accounting policies that result in the application of estimates or judgments are the following:

- (a) Classification between investment properties and owner-occupied properties

Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day maintenance of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Our 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 such judgement, our Group considers whether a property generates cash flows largely independently of other assets held by our 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), our Group accounts for the 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. Properties that do not qualify as investment properties such as owner-occupied properties are accounted for as PPE are stated on the statement on financial position at cost less depreciation and impairment loss. The depreciation charge and impairment loss are included in the income statement in the year in which they arise.

8. FINANCIAL INFORMATION (cont'd)

As an example, The Sphere has been classified as an investment property whilst The Village and Block 1 of The Horizon Phase I (which is used as UOA's head office) has been classified as owner-occupied properties.

- (b) Revenue recognition of property development activities and construction contracts

Our 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 FRS 201 and FRS 111, respectively.

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. In making these judgements, management relies on past experience and the work of specialists.

- (c) Depreciation of PPE

PPE are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Our management estimates the useful lives of PPE to be within five to 40 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.

- (d) Impairment loss and write-down of inventories

Inventories are stated at the lower of cost and net realisable value. Our Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Inventories are reviewed on a regular basis and our Group will make an impairment loss for obsolete inventories based primarily on historical trends and management estimates of expected and future product 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 our Group's products, our Group might be required to reduce the value of our inventories and additional impairment losses for slow moving inventories may be required.

- (e) 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.

Our Group and our Company 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.

8. FINANCIAL INFORMATION (cont'd)**(f) Impairment of assets**

PPE, investment properties, prepaid lease payments and investment in subsidiary companies are assessed at each balance sheet 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 costs 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 income statement.

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.

8.2.5 Review of Past Performance**(i) FYE 2010 compared to FYE 2009****(a) Revenue**

Revenue from property development decreased by RM52.55 million or 12.28% from RM427.78 million in FYE 2009 to RM375.23 million in FYE 2010.

The decrease in revenue was mainly due to the following factors:

(A) Menara UOA Bangsar (Tower A)

This project was completed in FYE 2009 during which the balance of the revenue on all units sold since launch were recognised (including sales made in FYE 2009 for which 100.00% of the revenue was recognised). Total revenue recognised in FYE 2009 was RM200.82 million.

In FYE 2010, revenue from this project amounted to RM0.94 million representing the sale of inventories of completed units.

(B) The Horizon Phase I

This project was completed in FYE 2009 during which the balance of the revenue on all units sold since launch were recognised (including sales made in FYE 2009 for which 100.00% of the revenue was recognised). Total revenue recognised in FYE 2009 was RM118.42 million.

In FYE 2010, there were no sales.

8. FINANCIAL INFORMATION (cont'd)

(C) Plaza Menjalara

This project was completed in FYE 2009 during which the balance of the revenue on all units sold since launch were recognised (including sales made in FYE 2009 for which 100% of the revenue was recognised). Total revenue recognised in FYE 2009 was RM22.12 million.

In FYE 2010, revenue from the sale of completed units in inventory amounted to RM1.83 million.

(D) Sales of inventories of completed properties

Revenue contribution from the sales of inventories decreased from RM94.08 million in FYE 2009 to RM31.00 million in FYE 2010.

The aforementioned decreases were partially offset by:

(A) The Park Residences Phase I

The project was completed in FYE 2010 during which the balance of the revenue on all units sold since launch was recognised. Total revenue recognised in FYE 2010 was RM147.85 million.

In FYE 2009, revenue recognised amounted to RM69.64 million based on the percentage of construction completed during FYE 2009 and sales cumulated up to the end of FYE 2009.

(B) Binjai 8, Kepong Business Park and Villa Pines

These were new projects launched and commenced in FYE 2010 which generated revenues of RM34.42 million, RM29.59 million and RM1.91 million, respectively.

(C) The Horizon Phase II

This project was newly launched and commenced in FYE 2010. It reached 50.00% completion in FYE 2010 and based on units sold, revenue of RM132.89 million was recognised during the year.

Construction revenue was derived solely from our Group's development projects.

8. FINANCIAL INFORMATION (cont'd)**(b) Cost of Sales and Gross Profit**

Cost of sales increased by RM5.99 million or 3.22% from RM186.16 million in FYE 2009 to RM192.15 million in FYE 2010 notwithstanding the decrease in revenue. This is due to revision in cost estimates in FYE 2009 which had the effect of reducing the cost of sales for the year by RM10.99 million. There was no such revision in FYE 2010.

Gross profit decreased by RM58.54 million or 24.23% from RM241.62 million in FYE 2009 to RM183.08 million in FYE 2010.

Gross profit margin decreased from 56.48% in FYE 2009 to 48.79% in FYE 2010.

The decrease in gross profit margin was mainly due to higher revenue contribution from residential properties in FYE 2010 which generate a lower gross profit margin as compared to commercial properties.

In FYE 2009, the gross profit margin was higher mainly because sales of commercial properties formed a higher percentage of total sales than in FYE 2010.

(c) Fair Value Adjustment on Investment Properties

In FYE 2009 one block of The Horizon Phase I was transferred for own use and as a result it was reclassified to PPE. Upon such reclassification, the carrying value was restated back to historical cost and this resulted in a reversal of the previously recognised fair value gains of approximately RM3.53 million in FYE 2009.

In FYE 2010, fair value gains were recognised for The Sphere, car park bays at The Horizon Phase I and Phase II, land at Lot 2507, The Vertical Phase II and The Clubhouse.

(d) Other Income

Other income increased by RM10.80 million or 77.09% from RM14.01 million in FYE 2009 to RM24.81 million in FYE 2010. The increase was due to:

- (A) an increase in rental income by RM6.69 million from RM5.16 million in FYE 2009 to RM11.85 million in FYE 2010 due to rental generated from The Sphere (held as investment property) and The Horizon Phase I (held as inventory).
- (B) an increase in interest income by RM2.14 million from RM2.08 million in FYE 2009 to RM4.22 million in FYE 2010 mainly due to the gain on financial liabilities at amortised cost pursuant to FRS 139 amounting to RM3.17 million but partially offset by a reduction in interest income by RM1.03 million.
- (C) an increase in dividend income by RM2.03 million from RM3.37 million in FYE 2009 to RM5.40 million in FYE 2010.

This was due mainly to dividends received from Midah Heights Sdn Bhd (in which our Company previously held 88.00% equity interest and was subsequently disposed of as part of the Reorganisation) in FYE 2010.

8. FINANCIAL INFORMATION (cont'd)

The increase was partially offset by a reduction in sundry income by RM0.17 million from RM 3.31 million in FYE 2009 to RM3.13 million in FYE 2010. Such sundry income includes consent fee from purchasers for sub-sales and forfeiture money from purchasers.

(e) General and Administrative Expenses

Administrative expenses increased by RM28.16 million or 262.93% from RM10.71 million in FYE 2009 to RM38.87 million in FYE 2010.

The increase was mainly due to the impairment of available-for-sale financial assets of RM3.55 million and compensation to squatters of RM3.41 million, increase in maintenance expenses of unsold inventories of RM2.80 million and bad and doubtful debts of RM7.93 million in FYE 2010 as well as an increase in marketing expenses of RM2.66 million.

In FYE 2009, there was a reversal of a provision for diminution in the value of investments of RM3.02 million.

(f) Other Expenses

Other expenses are primarily expenses incurred to maintain our investment properties.

There was an increase of RM1.01 million or 34.35% from RM 2.94 million in FYE 2009 to RM3.95 million in FYE 2010 incurred for the maintenance of investment properties in respect of The Village and The Sphere which were completed in FYE 2008.

(g) Finance Costs

Finance costs increased by RM1.01 million or 57.71% from RM1.75 million in FYE 2009 to RM2.76 million in FYE 2010. This increase was mainly due to interest expenses arising from the amortisation of financial liabilities.

(h) Profit Before Income Tax

PBT increased by approximately RM104.09 million or 44.02% from a PBT of RM236.47 million in FYE 2009 to a PBT of RM340.56 million in FYE 2010.

The main factors for this increase was the RM182.01 million increase in fair value adjustment in investment properties, which was offset by a decrease of RM58.53 million in gross profit.

(i) Income Tax Expense

Income tax expense decreased by RM4.14 million or 7.03% from RM58.87 million in FYE 2009 to RM54.73 million in FYE 2010.

The effective income tax rate for FYE 2010 was lower than the statutory income tax rate of 25.00% mainly due to the fair value gain on investment properties amounting to RM178.25 million which was subject to real property gain tax at 5.00%.

8. FINANCIAL INFORMATION (cont'd)

If the fair value gain on investment properties were to be excluded, the effective income tax rate would have been 26.76%, which is higher than the statutory income rate of 25.00%. This is because of certain expenses incurred which were not deductible for income tax purposes.

The effective income tax rate for FYE 2009 was 24.90%, which approximates the statutory income tax rate of 25.00%.

(j) Profit After Tax

As a result of the factors discussed above, our PAT increased by 60.94% from RM177.60 million in FYE 2009 to RM285.83 million in FYE 2010.

(ii) FYE 2009 compared to FYE 2008**(a) Revenue**

Revenue from property development decreased by RM60.33 million or 12.36% from RM488.11 million in FYE 2008 to RM427.78 million in FYE 2009.

The decrease in revenue was mainly attributable to the following factors:

(A) The Horizon Phase I

This project was completed in FYE 2009 during which the stage of completion increased by 40.00%, from 60.00% to 100.00%. Revenue recognised for the year amounted to RM118.42 million.

In FYE 2008, this project commenced and reached 60.00% completion by year end. Revenue recognised for the year was therefore higher at RM173.35 million.

(B) Prima Setapak II

This project was completed in FYE 2008, during which the balance of the revenue recognised on cumulative units sold since commencement amounted to RM39.46 million.

In FYE 2009, sales of inventories amounted to RM11.02 million.

(C) Sales of inventories of completed properties

Revenue contribution from the sales of inventories decreased from RM18.14 million in FYE 2008 to RM5.69 million in FYE 2009.

The aforementioned decreases were partially offset by:

(A) Plaza Menjalara

This project was completed in FYE 2009 during which the balance of the revenue on all units sold since launch (including additional units sold during FYE 2009) was recognised. Total revenue recognised was RM22.12 million.

8. FINANCIAL INFORMATION (cont'd)

In FYE 2008, revenue earned amounted to RM21.38 million based on the percentage of construction completed during FYE 2008 and sales cumulated up to the end of FYE 2008.

(B) Menara UOA Bangsar (Tower A)

This project was completed in FYE 2009 during which the balance of the revenue on all units sold since launch (including additional units sold during FYE 2009) was recognised. Total revenue recognised in FYE 2009 was RM200.82 million.

In FYE 2008, revenue earned amounted to RM198.25 million based on the percentage of construction completed during FYE 2008 and sales cumulated up to the end of FYE 2008.

(C) The Park Residences Phase I

The project reached an advanced stage of completion towards the end of FYE 2009. Attributable progressive revenue totalling RM69.64 million on all units sold since commencement (including additional units sold in FYE 2009) was recognised.

In FYE 2008, revenue earned amounted to RM37.53 million based on the percentage of construction completed during FYE 2008 and sales cumulated up to the end of FYE 2008.

Revenue from construction activities reduced in FYE 2009 because there were no further contracts undertaken for parties outside our Group. In FYE 2008, construction revenue of RM4.74 million was derived from the Villa Impian project.

(b) Cost of Sales and Gross Profit

Cost of sales decreased by RM96.23 million or 34.08% from RM282.39 million in FYE 2008 to RM186.16 million in FYE 2009.

The decrease in cost of sales was higher compared to the decrease in revenue mainly due to the decrease in construction costs of RM71.64 million or 35.04% in FYE 2009. This was due to a decrease in the prices of steel bars in FYE 2009.

Gross profit increased by RM31.17 million or 14.81% from RM210.45 million in FYE 2008 to RM241.62 million in FYE 2009.

Gross profit margin increased from 42.70% in FYE 2008 to 56.48% in FYE 2009.

The increase in gross profit margin was mainly due to a business decision to retain the car park at The Horizon Phase I (previously considered as developed for sale) as an investment property.

As a result, costs previously incurred on the said car park were transferred to investment property in FYE 2009. This further necessitated the re-computation of the development budget for the project as well as the percentage of completion. The re-computation which was accounted for in FYE 2009 had the effect of increasing the gross profit margin for FYE 2009.

8. FINANCIAL INFORMATION (cont'd)

(c) Fair Value Adjustment on Investment Properties

In FYE 2008, the fair value gain of RM14.29 million was in respect of The Sphere.

In FYE 2009, one block of The Horizon Phase I was transferred for own use and as a result it was reclassified to PPE. Upon such reclassification, the carrying value was restated back to historical cost and this resulted in a reversal of the previously recognised fair value gains of approximately RM3.53 million in FYE 2009.

(d) Other Income

Other income decreased by RM8.78 million or 38.53% from RM22.79 million in FYE 2008 to RM14.01 million in FYE 2009 due to reduction in dividend income of RM11.86 million from RM15.23 million in FYE 2008 to RM3.37 million in FYE 2009. This was due mainly to a lower dividend income from related companies namely Midah Heights Sdn Bhd and Mutiplex Strategy Sdn Bhd (in which our Company previously held 88.00% equity interest and 92.50% equity interest respectively, and were subsequently disposed of as part of the Reorganisation).

The decrease was partially offset by:

- (A) the increase in rental income by RM2.96 million from RM2.20 million in FYE 2008 to RM5.16 million in FYE 2009 substantially due to the improved occupancy of The Village, The Sphere and The Horizon Phase I; and
- (B) the increase in interest income by RM0.68 million from RM1.40 million to RM2.08 million due to improved cash flows from commercial projects which were placed in fixed deposits.

(e) General and Administrative Expenses

General and administrative expenses decreased by RM14.47 million or 57.47% from RM25.18 million in FYE 2008 to RM10.71 million in FYE 2009.

The decrease was mainly due to the forfeiture of a deposit of RM4.29 million paid for the aborted acquisition of land and the provision for diminution in value of investments of RM6.60 million in FYE 2008 whilst in FYE 2009, there was a reversal of the same provision by RM3.02 million.

(f) Other Expenses

Other expenses are primarily expenses incurred to maintain our investment properties.

There was an increase in other expenses by RM0.89 million from RM2.05 million in FYE 2008 due to the completion of The Horizon Phase I.

8. FINANCIAL INFORMATION (cont'd)**(g) Finance Costs**

Finance costs decreased by RM0.41 million or 18.98% from RM2.16 million in FYE 2008 to RM1.75 million in FYE 2009.

The increase was mainly due to the increase in interest expense under the DIBS for the residential development, The Park Residence Phase I.

(h) Profit Before Income Tax

As a result of the above, PBT increased by RM18.32 million or 8.40% from RM218.15 million in FYE 2008 to RM236.47 million in FYE 2009.

The increase is mainly due to an increase in gross profit from property development activities and a reduction in general and administrative expenses.

This was partially offset by a reduction in other income and in the fair value gain on investment properties.

(i) Income Tax Expense

Tax expense increased by RM2.17 million or 3.83% from RM56.70 million in FYE 2008 to RM58.87 million in FYE 2009.

The effective income tax rates were 25.99% for FYE 2008 and 24.90% for FYE 2009. These effective income tax rates approximate the statutory income tax rates of 26.00% and 25.00%, respectively.

(j) Profit After Tax

As a result of the factors discussed above, our PAT increased by 10.00% from RM161.45 million in FYE 2008 to RM177.60 in FYE 2009.

8.3 LIQUIDITY AND CAPITAL RESOURCES

The growth of our Group has been financed through a combination of shareholders' equity, shareholders loans, loans from related companies and borrowings from financial institutions such as term loans, bridging loans and revolving credits.

8.3.1 Working Capital

Our principal sources of working capital is cash generated from our operations, credit extended by our suppliers and borrowings from financial institutions. Our ability to rely on these sources of funding could be affected by our results of operations and financial position and by the conditions in the financial markets.

As at 31 December 2010, our cash and cash equivalents stood at RM37.84 million (including deposits with licensed banks of approximately RM12.16 million, cash and bank balances held in current accounts with licensed banks of approximately 5.68 million, monies held in Housing Developers' accounts of RM18.58 million and monies held in treasury trust funds of RM1.42 million) and our total bank borrowings and finance lease liabilities amounted to RM156.41 million. Of the RM18.58 million held in Housing Developers' accounts, approximately RM15.69 million is expected to be withdrawn within one year, while the remaining RM2.89 million is expected to be withdrawn within three years.

8. FINANCIAL INFORMATION (cont'd)

Our working capital, calculated as current assets minus current liabilities, was RM234.24 million as at 31 December 2010.

Taking into consideration our funding requirements for our committed capital expenditure, expected funds to be generated from cash flows from operations, as well as our existing level of cash and cash equivalents and credit sources, our Board believes that we will have adequate working capital for at least 12 months from the date of this Prospectus.

8.3.2 Cash Flows

Our Group's cash flow summary for FYE 2008, FYE 2009 and FYE 2010 is as follows:

	FYE		
	2008	2009	2010
	RM 000	RM 000	RM 000
Net cash inflow/(outflow) from operating activities	(36,578)	100,110	(12,916)
Net cash inflow/(outflow) from investing activities	82,444	(19,398)	(132,779)
Net cash inflow/(outflow) from financing activities	(22,275)	(46,719)	104,201
Net increase/(decrease) in cash and cash equivalents	23,591	33,993	(41,494)
Cash and cash equivalents at beginning of financial year	21,752	45,343	79,336
Cash and cash equivalents at end of financial year	45,343	79,336	37,842
Represented by:			
Short term investments	11,708	53,682	1,423
Deposits with financial institutions	11,278	3,829	12,517
Cash and bank balances:			
- Held in Housing Developers' accounts	7,826	6,503	18,580
- Others	14,531	15,322	5,676
Fixed deposit pledged to secure bank borrowings	-	-	(354)
	45,343	79,336	37,842

(i) Net cash inflow/(outflow) from operating activities

In FYE 2008, cash used in operating activities for payment to suppliers for construction was RM 322.55 million and payment of income taxes was RM38.96 million whilst receipt from customer was RM322.57 million.

In FYE 2009, cash used in operating activities for payment to suppliers for construction was RM349.45 million and payment of income taxes was RM68.65 million whilst receipts from our customers was RM509.28 million.

The net cash inflow was due to the completion of Plaza Menjalara, Menara UOA Bangsar (Tower A) and The Horizon Phase I where there were collection of full purchase price from customers.

In FYE 2010, cash used in operating activities for payment to suppliers for construction was approximately RM313.18 million and payment of income taxes was approximately RM52.67 million whilst the receipts from our customers was approximately RM344.43 million.

8. FINANCIAL INFORMATION (cont'd)

The completion of The Park Residence Phase I during FYE 2010 accounted substantially for the receipts of the year. During the year, construction for projects The Horizon Phase II, Binjai 8, Kepong Business Park and Villa Pines commenced.

(ii) Net cash inflow/(outflow) from investing activities

In FYE 2008, our net cash inflow from investing activities of approximately RM82.44 million was mainly due to repayment from related companies of RM11.08 million for advances previously granted, dividend received from investments of RM11.74 million, proceeds from the disposal of Wisma UOA Pantai to UOA REIT of RM84.28 million, interest received and proceeds from the sale of PPE and available-for-sale financial assets of RM1.99 million.

This was partially offset by the acquisition of PPE including costs incurred on the construction-in-progress for investment properties of RM26.64 million.

In FYE 2009, our net cash outflow from investing activities of approximately RM19.40 million was mainly due to payments made in relation to the acquisition of PPE including construction-in-progress for investment properties as well as acquisition of additional shares in subsidiaries and investment properties of RM30.29 million.

This was partially offset by repayment from related companies of RM5.82 million for advances previously granted, dividend received from investment of RM3.05 million and interests received of RM1.55 million.

In FYE 2010, our net cash outflow from investing activities of RM132.78 million was mainly due to advances provided to related companies of RM22.12 million, purchase of development land of RM20.66 million and acquisition of PPE including construction-in-progress for investment properties of RM95.52 million.

This was partially offset by receipts of dividend received from investment of RM4.54 million, and interest earned on deposits and withdrawal of deposits of RM0.55 million.

(iii) Net cash inflow/(outflow) from financing activities

In FYE 2008, our net cash outflow from financing activities of RM22.28 million was mainly due to the repayment to related companies of RM13.59 million for advances previously received, payment of dividend of RM25.88 million (which comprises payments of dividends by our Company to UOA and non-controlling shareholders of Magna Tiara Development of approximately RM15.88 million and RM10.00 million respectively) and the servicing of loan interest of RM5.27 million.

This was partially offset by a loan drawdown by AEC of RM23.44 million to fund construction cost of our Group's development projects.

In FYE 2009, our net cash outflow from financing activities of RM46.72 million was mainly due to the repayment to related companies of RM4.91 million for advances previously received, repayment of loan of RM23.78 million, payments of dividends by our Company to non-controlling shareholders of our Group's subsidiaries of approximately RM42.55 million and the servicing of loan interest of RM3.09 million.

This was partially offset by advances from shareholders of approximately RM29.46 million.

8. FINANCIAL INFORMATION (cont'd)

In FYE 2010, our net cash inflow from financing activities of RM104.20 million was mainly due to loan drawdown of approximately RM112.74 million, and increase in advances received from related companies of RM29.56 million.

This was partially offset by payments of dividends of RM43.41 million (which comprises payments of dividends by our Company to UOA of approximately RM2.63 million, payments of dividends by our Company to non-controlling shareholders of Peninsular Home of approximately RM13.78 and payments of dividends by URC Engineering to UOA of approximately RM27.00 million) and servicing of interest of RM4.61 million.

8.3.3 Borrowings

Our total outstanding bank borrowings, including finance lease liabilities as at 31 December 2010 and the Latest Practicable Date were as follows:

Bank borrowings including finance lease liabilities	As at 31 December 2010	Latest Practicable Date
	RM 000	RM 000
Short-term borrowings		
Secured term loan	-	-
Secured bridging loan	237	237
Secured revolving credit	17,695	15,757
Unsecured revolving credit	131,500	77,000
Secured finance lease liabilities	2,374	2,559
Long-term borrowings		
Secured term loan	-	-
Secured revolving credit	2,065	2,065
Secured finance lease liabilities	2,540	2,405
Total	156,411	100,023
Gearing ratio (times) ⁽¹⁾	0.22	0.12 ⁽²⁾

Notes:

(1) The gearing ratio is calculated by dividing total bank borrowings including finance lease liabilities by shareholders' equity.

(2) Calculated based on shareholders' equity as at the LPD.

The table below sets forth the amount of loans and advances from our Parent Group and non-controlling shareholders of certain Subsidiaries as at 31 December 2010 and the Latest Practicable Date:

Loans and advances from Parent Group and non-controlling shareholders of certain Subsidiaries	As at 31 December 2010	Latest Practicable Date
	RM 000	RM 000
Advances from UOA Holdings	211,638	355,718
Advances from related companies	10,124	9,616
Advances from UOA	-	577
Advances from non-controlling shareholders of certain Subsidiaries	36,948	52,833
Total	258,710	418,744
Gearing ratio (times) ⁽¹⁾	0.37	0.52 ⁽²⁾

8. FINANCIAL INFORMATION (cont'd)**Notes:**

- (1) *The gearing ratio is calculated by dividing total loans and advances from Parent Group and non-controlling shareholders of certain Subsidiaries over our shareholders' equity.*
- (2) *Calculated based on our shareholders' equity as at the LPD.*

For details on our borrowings and loan and advances as at FYE 2010, please refer to Notes 36, 37, and 40 in the Accountants' Report in Section 9 of this Prospectus entitled "Accountants' Report".

There has been no default on payments of either interest or principal for any of our borrowings or for any loans or advances from our Parent Group or the minority shareholders of certain Subsidiaries throughout the year ended 31 December 2010 and up to the Latest Practicable Date.

We are not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans which can materially affect our financial position and results or business operations, or the investment by holders of our securities.

Except for advances from non-controlling interests of certain subsidiaries, all advances from UOA Holdings, UOA and related companies are current and payable within one year. Advances from non-controlling-interests of certain subsidiaries are payable when the projects to which the respective subsidiaries undertake are completed, which is expected to be within the next five to six years

The maturity profile of our bank borrowings including our finance lease liabilities as of the dates indicated is as follows:

Maturity profile	As at 31 December			Latest
	2008	2009	2010	Practicable Date
	RM 000	RM 000	RM 000	RM 000
Within 1 year	52,977	29,651	151,806	95,553
1-2 years	14,851	14,902	1,738	1,407
2-5 years	1,096	252	2,867	3,063
More than 5 years	-	-	-	-
Total	68,924	44,805	156,411	100,023

The table below sets forth the interest rate profile of our bank borrowings including our finance lease liabilities as at FYE 2010 and the Latest Practicable Date:

	As at 31 December 2010	Latest Practicable Date
	RM 000	RM 000
Fixed rate instruments	16,109	16,158
Floating rate instruments	140,302	83,865
Total	156,411	100,023

Please refer to Section 8.4 of this Prospectus on "Capitalisation and Indebtedness" for further details on borrowings.

8. FINANCIAL INFORMATION (cont'd)**8.3.4 Capital Expenditure**

Our capital expenditure for FYE 2008, FYE 2009, FYE 2010 and as at the Latest Practicable Date were as follows:

	FYE			Latest Practicable Date
	2008 RM 000	2009 RM 000	2010 RM 000	
Plant and equipment	4,344	2,373	4,413	435
Leased plant and equipment	4,713	927	198	726
Construction work-in-progress	20,858	26,915	70,729	15,169
Total	29,915	30,215	75,340	16,330

The above capital expenditure was financed by a combination of internally generated funds and bank borrowings.

In FYE 2008, capital expenditures relate mainly to purchase and lease of plant and equipment while construction work-in-progress expenditure was incurred in relation to The Sphere, UOA Head Office, the car park of The Horizon Phase I and the reclassification of The Clubhouse to construction work-in-progress.

In FYE 2009, capital expenditures relate mainly to purchase and lease of plant and equipment while construction work-in-progress was incurred in relation to The Sphere, UOA Head Office, car park of The Horizon Phase I and The Horizon Phase II.

For FYE 2010, capital expenditures relate mainly to purchase and lease of plant and equipment while construction work-in-progress was incurred in relation to the car park of The Horizon Phase I and The Horizon Phase II.

Save as disclosed above, our Group does not have any other material capital expenditure as at the Latest Practicable Date.

8.3.5 Material Commitments

As at the Latest Practicable Date, our Group has capital commitments amounting to approximately RM30.46 million as set out below, mainly relating to the acquisition of PPE and development land, financed through a combination of internal funds and finance leases and acquisition of land financed through internal funds.

Details of Material Commitments	RM 000
Approved and contracted for:	
Land for development:	
- Land located at Jalan Kuching	21,823
- Land located in Bandar Tun Razak	5,653
Plant and machinery	2,988
Approved and not contracted for	-
Total	30,464

8. FINANCIAL INFORMATION (cont'd)**8.3.6 Material Litigation and Contingent Liabilities**

As at the Latest Practicable Date, Directors are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on our results of operations or financial condition.

As at the Latest Practicable Date, our Group is not engaged in any material litigation, whether as plaintiff or defendant, and our Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial or business position.

8.3.7 Off-Balance Sheet Arrangements

Our Group does not have any off-balance sheet arrangements which are reasonably likely to have a current or future material effect on results of operation or our financial condition.

8.3.8 Key Financial Ratios

	FYE		
	2008	2009	2010
	RM 000	RM 000	RM 000
Trade receivables ⁽¹⁾	17,524	40,780	63,990
Trade receivables turnover period (days) ⁽²⁾	23	29	36
Trade payables ⁽³⁾	17,801	33,568	32,601
Trade payables turnover period (days) ⁽⁴⁾	19	44	40
Inventories ⁽⁵⁾	28,278	87,286	73,708
Inventories turnover period (days) ⁽⁶⁾	37	171	137

Notes:

- (1) Trade receivables reflect the average outstanding amounts due from purchasers pursuant to progressive claims. There was no allowance for doubtful debts made in the financial year under review.

Trade receivables do not include unbilled revenue which is accrued in accordance with our Group's accounting policy for the recognition of development revenue and profits. Please refer to Section 8.2.4(b) above.

- (2) Average trade receivables for the financial year over total billings to customers for the corresponding financial year.

- (3) Trade payables reflect the average outstanding amount due to suppliers and sub-contractors pursuant to invoices and claims received. Accruals are excluded.

- (4) Average trade payables for the financial year over total cost of construction incurred for the corresponding financial year.

- (5) Inventories reflect the average inventory for the financial year.

- (6) Average inventories for the financial year over cost of sales for the corresponding financial year.

8. FINANCIAL INFORMATION (cont'd)

8.3.9 Trade Receivables

77.00% of our customers purchase our properties with end-financing provided by a financial institution. We manage our credit risks by retaining the title deeds to the property until full payment by the purchaser of the differential sum and the receipt of undertaking from the end financier.

Our progress billings are required to be settled by the end-financier within 14 days for commercial properties and 21 working days for residential properties.

For completed properties or inventories, customers are given 90 days to settle the purchase consideration, with an extension of 30 days upon request.

Due to the undertaking by end-financiers, we have not had the need to make an impairment of our trade receivables.

The ageing analysis of our trade receivables as at 31 December 2010 is as follows:

	Current	22-43 days	44-65 days	66-87 days	88 days and above	Total
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
Trade receivables ⁽¹⁾	45,387	5,184	6,549	1,302	1,798	60,220
% of total trade receivables	75.37	8.61	10.88	2.16	2.98	100.00

Note:

- (1) Trade receivables reflect outstanding amounts due from purchasers pursuant to progressive claims excluding accrued billings under the deferred payment scheme and the stakeholder fund. There was no allowance for doubtful debts made in the financial year under review.

As at the Latest Practicable Date, RM59.19 million or 98.29% of the trade receivables outstanding as at 31 December 2010 has been collected. The uncollected portion includes an amount of RM0.43 million is in respect of two foreign purchasers who will settle the outstanding amounts upon returning to Malaysia while the balance are due to various outgoing billings to purchasers.

In FYE 2008, the turnover period of 23 days was due to the increase in trade receivables from the sale of residential and commercial properties of which the composition of trade receivables was 55.00% and 45.00% respectively. The trade receivables from the sale of inventories were negligible.

In FYE 2009, the turnover period of 29 days was due to the further increase in trade receivables where 84.30% of total trade receivables were from the sale of commercial properties compared to 14.60% from the sale of residential properties. Trade receivables from the sale of inventories were approximately 1.10% of the total trade receivables.

In FYE 2010, the longer turnover period of 36 days was due to the increase in trade receivables from the sale of inventories which increased from 1.10% of total trade receivables in FYE 2009 to 9.00% of total trade receivables in FYE 2010. The composition of trade receivables from the sale of residential properties and commercial properties was 13.67% and 77.33% respectively.

8. FINANCIAL INFORMATION (cont'd)**8.3.10 Trade Payables**

We are generally given credit terms by our suppliers and sub-contractors as follows:

- (i) We typically pay our sub-contractors for the supply of labour within 14 to 30 days upon certification of their claims by our in-house quantity surveyors and site managers for every 15 to 30 workdays performed by their workers. These claims usually include the sub-contractor's operating overheads and labour charges.
- (ii) Our sub-contractors for the supply of materials and installation works grant us an average of 30 to 60 days of credit and our payments are normally made within the credit terms granted upon certification of their claims by our in-house quantity surveyors and site managers.
- (iii) Our materials suppliers grant us an average of 30 to 120 days of credit and our payments are normally made within the credit terms granted.

The short payment period to sub-contractors as compared to our receivables period is not materially adverse to our operations and financial position as we have the financial resources and the banking facilities to meet the cash flow requirements of our projects.

The ageing analysis of our trade payables as at 31 December 2010 is as follows:

	Current	31-60 days	61-90 days	91-120 days	More than 120 days*	Total
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
Trade payables	32,629	8,981	721	75	10,816	53,222
% of total trade payables	61.31	16.88	1.35	0.14	20.32	100.00

Note:

* The amounts for trade payables exceeding 120 days can be further analysed as follows:

	121-150 days	151-180 days	181-365 days	More than 365 days	Total
	RM 000	RM 000	RM 000	RM 000	RM 000
Trade payables	390	-	52	10,374	10,816
% of total trade payables	3.61	-	0.48	95.91	100.00

For amounts of trade payables exceeding 120 days, there were no significant matters in dispute and there was no legal action initiated by any of our suppliers.

In FYE 2008, trade payables turnover period was 19 days as the shortage in the supply of steel bars continued up to the third quarter of the year. As the supply of materials constituted approximately 53.00% of the total trade payables, the prompt payment for the supply of steel bars was again necessary to ensure that there was no disruption to the supply of steel bars to our Group's development projects.

In FYE 2009, the trade payables turnover period was 44 days, with total trade payables comprising 65.00% due to sub-contractors for both the supply of labour and materials and installation work, and the remaining 35.00% due to the supply of materials.

In FYE 2010, the trade payables turnover period was 40 days, with total trade payables comprising 56.40% due to sub-contractors for both the supply of labour and materials and installation work, and the remaining 43.60% due to the supply of materials.

8. FINANCIAL INFORMATION (cont'd)

8.3.11 Inventories

Inventories held by our Group mainly comprise of completed development properties.

The inventory turnover period is higher throughout the financial years under review mainly due to our management's strategy to hold and sell the inventories in stages. The properties of the Group are being launched in stages with different set of pricing. The prices of the properties are progressively increased in later launches once the projects have gained market acceptances.

As at 31 December 2010, the inventories held between 13 to 24 months comprised units from Menara UOA Bangsar, Plaza Menjalara and The Horizon Phase I. Inventories held between 25 to 36 months comprised units in Prima Setapak II. The units in Villa Yarl and the low cost units in Prima Setapak and Taman Kepong Baru, constructed for the relocation of squatters, represent our inventories of 49 months and above. Due to the nature of these low cost units, we are only able to sell these units when suitable purchasers are identified by the relevant authorities (i.e. DBKL). Our Group will continue to sell the remaining units in stages for the other development projects through marketing strategies which we currently employ.

The ageing analysis of our inventories as at 31 December 2010 is as follows:

	Current	13-24 months	25-36 months	37-48 months	49 months and above	Total
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
Inventories ⁽¹⁾	49,020	124,996	246	-	9,807	184,069
% of total inventories	26.63	67.91	0.13	-	5.33	100.00

Note:

(1) Inventories reflect unsold unit of all completed projects in the financial year under review

In FYE 2008, the total inventories sold during the year amounted to RM18.14 million which comprised two units of the Happy Garden Project, five units of Villa Yarl as well three units of Halimahton.

In FYE 2009, the total inventories sold during the year amounted to RM25.83 million which comprised the sale of collectively 30 units in Prima Setapak Mixed Development and Prima Setapak II, the sale of one unit of the Happy Garden Project, one unit of Villa Yarl, one unit of Halimahton, 61 units of Plaza Menjalara and 13 units of Menara UOA Bangsar (Tower A).

In FYE 2010, the total inventories sold during the year amounted to RM31.00 million which comprised 15 units of Prima Setapak II, six units in Villa Yarl, two units in Plaza Menjalara, three units in Menara UOA Bangsar (Tower A) and two units in Park Residences.

8. FINANCIAL INFORMATION *(cont'd)*

8.3.12 Financial Risk Management

We are exposed to a variety of financial risks, including credit risk, interest rate risk, foreign currency exchange risk, market risk and liquidity and cash flow risks arising in the normal course of our Group's businesses.

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

(i) Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which our Group has a gain position. We have no significant concentration of credit risk. Nevertheless, our Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counterparties.

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

In respect of our Group's investment properties, we customarily obtain 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.

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

For our Group, credit risk also arises from the advances given to related companies.

We do not consider the credit risk to be significant as these arrangements are part of the holding company's management policy.

(ii) Interest rate risk

Our 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 relates primarily to our Group's interest-bearing borrowings and fixed deposits.

Our 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. Our Group does not generally hedge interest rate risk. Our 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. Our Group manages its interest rate risk by placing such funds on short tenures of 12 months or less.

8. FINANCIAL INFORMATION (cont'd)

(iii) Foreign currency exchange risk

As at Latest Practicable Date, Our Group is not exposed to currency exchange risk.

(iv) Market risk

Our 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. Our Group optimises returns by disposing of investments after thorough analysis.

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

(v) Liquidity and cash flow risk

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

8. FINANCIAL INFORMATION (cont'd)**8.4 CAPITALISATION AND INDEBTEDNESS**

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

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

Notes:

(1) Derived from audited financial statements.

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

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

8. FINANCIAL INFORMATION (cont'd)

As at 31 December 2010, we had cash and cash equivalents of RM37.84 million, current borrowings of RM373.57 million and non-current borrowings of RM41.55 million. Our total borrowings therefore amounted to RM415.12 million, which consisted of bank borrowings of RM151.50 million, finance lease liabilities of RM4.91 million, amounts due to related companies of RM221.76 million and amounts due to non-controlling interests of RM36.95 million.

Our bank borrowings comprised term loans, bridging loans and revolving loans. Our bank loans mainly relate to financing for the construction and development of properties for resale as well as investment properties. The interest rates of our credit facilities comprise fixed and variable rates where the all-in rate range from 3.00% to 4.95% per annum. Several bank loans are secured by a fixed charge over freehold land, bank guarantee and corporate guarantees by UOA Holdings.

Apart from the term loans and bridging loans which are for either a fixed tenure or the entire duration of the construction of a development, usually between 24 to 36 months, the revolving credit facilities are for long term utilisation, subject to annual review and recalled on demand. Each tranche of the revolving credit facilities are drawn down for tenures between one month and 12 months. The existing revolving credit facilities are generally available for the utilisation of the entire Group. We adopt a centralised control on the utilisation of these facilities and it is rolled-over upon maturity, where necessary. It is more cost efficient to roll-over such facilities upon short-term maturity after taking into consideration the working capital requirements of each of our Subsidiaries.

Interest on our finance lease liabilities, obtained to acquire motor vehicles and building machineries for our construction activities, ranged from 2.26% to 4.80% per annum in FYE 2009 and FYE 2010, respectively.

The amount due to shareholders of approximately RM36.95 million comprises non-interest bearing advances from our non-controlling shareholders in Scenic Point Development, Ceylon Hills, Seri Tiara Development and Magna Kelana Development for the land acquisition for the development of Binjai 8, Ceylon Hills Service Apartments, Desa II and Desa III respectively.

As at the Latest Practicable Date, the corporate guarantees from UOA Holdings have not been discharged. These corporate guarantees will be replaced by corporate guarantees given by our Company post IPO within an estimated period of 12 months.

Our Group also utilises various bank guarantee facilities and revolving credit facilities obtained by UOA Holdings from various financial institutions. It is our intention for these facilities to be transferred to us post IPO within an estimated period of 12 months.

8.5 GOVERNMENT/ECONOMIC/FISCAL/MONETARY POLICIES

Our operations are in Malaysia and our revenue and purchasers are denominated in Ringgit Malaysia. As at Latest Practicable Date, we are not exposed to currency fluctuation.

8.6 INFLATION

There was no material impact of inflation on our Group's historical financial results for the past three FYE 2010.

8.7 SEASONALITY

Our business is not subject to any material seasonality.

8. FINANCIAL INFORMATION *(cont'd)*

8.8 TREND INFORMATION AND PROSPECTS

The following discussion about our prospects includes forward-looking statements regarding events the fulfilment of which involves risks and uncertainties. Our actual results could differ materially from those that may be projected in these forward-looking statements. We expect that our results of operations for FYE 2010 will be influenced by the following factors:

- the success of our sales and leases of our development and investment properties;
- the ability to complete properties under development within our intended time frame;
- our continuing cost management efforts to improve operating margins and maintain adequate operating cash flows;
- the rate of economic growth in Malaysia, especially with respect to the Klang Valley, as well as the purchasing power of its residents;
- a predictable and stable regulatory environment;
- competition in our markets; and
- general market conditions.

Save as disclosed above and in Section 5 of this Prospectus entitled "Risk Factors", Section 6 of this Prospectus entitled "Industry Overview", Section 7.3 of this Prospectus entitled "Business Strategies and Future Plans", Section 7.7 of this Prospectus entitled "Details of Our Property Development Projects" and Section 8.2 of this Prospectus entitled "Management Discussion and Analysis of Financial Condition and Results of Operations" and barring unforeseen circumstances, our Directors are not aware of any other significant known recent trends in property development construction and property investment or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material and adverse effect on our revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating or financial results.

8. FINANCIAL INFORMATION (cont'd)**8.9 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***(Prepared for inclusion in this Prospectus)*

AF: 1954

29 April 2011

The Board of Directors
 UOA Development Bhd
 Wisma UOA Bangsar South,
 Tower 1 Avenue 3,
 The Horizon Bangsar South
 No.8, Jalan Kerinchi,
 59200 Kuala Lumpur.

Dear Sirs

**UOA DEVELOPMENT BHD (“UOA Development” or “the Company”)
 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED
 STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010**

We report on the accompanying proforma consolidated statements of financial position of UOA Development as at 31 December 2010 together with the explanatory notes thereto which we have stamped for the purpose of identification.

The proforma consolidated statements of financial position have been prepared, solely for illustrative purposes, to incorporate the effects of the Pre-IPO Restructuring and the Initial Public Offering (as defined in the explanatory notes) as if the Pre-IPO Restructuring and the Initial Public Offering had taken place as at 31 December 2010.

Directors' Responsibilities

It is the sole responsibility of the Board of Directors of the Company to prepare the proforma consolidated statements of financial position in accordance with the requirements of the Securities Commission's *Prospectus Guidelines* in relation to an initial public offering (“the Guidelines”).

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Guidelines, as to the proper compilation of the proforma consolidated statements of financial position. In providing this opinion we are not updating or refreshing any reports or opinions previously issued by us on any of the financial information used in the compilation of the proforma consolidated statements of financial position, nor do we accept responsibility for such reports or opinions beyond that owed to whom those reports or opinions were addressed at the dates of their issue.

WISMA SELANGOR DREDGING - 7TH FLR, SOUTH BLK, 142-A - JALAN AMPANG - 50450 KUALA LUMPUR - MALAYSIA
 TEL: +603 - 2161 5222 - FAX: +603 - 2161 3909 - contact@mazars.my - www.mazars.my

8. FINANCIAL INFORMATION (cont'd)

We conducted our work in accordance with *International Standard on Assurance Engagements 3000, Assurance Engagements Other Than Audit or Reviews of Historical Financial Information*. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, including the adjustments to the Company's accounting policies, nor of the assumptions stated in the notes to the proforma consolidated statements of financial position, consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the proforma adjustments and discussing the proforma consolidated statements of financial position with the Company's management. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma consolidated statements of financial position have been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company and materially in compliance with Financial Reporting Standards in Malaysia.

Opinion

In our opinion,

- the proforma consolidated statements of financial position as at 31 December 2010 have been properly prepared in accordance with the basis set out in explanatory Note 1 thereto using statements of financial position prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of those statements of financial position and the accounting policies of the Company;
- each material adjustment made to the information used in the preparation of the proforma consolidated statements of financial position is appropriate for the purpose of preparing the proforma consolidated statements of financial position.

Other Matters

The proforma consolidated statements of financial position have been prepared for inclusion in the Prospectus to be dated 18 May 2011 in connection with the listing of the entire enlarged issued and paid-up share capital of UOA Development on the Main Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes.

Yours faithfully

A handwritten signature in dark ink, appearing to be 'M M', located below the 'Yours faithfully' text.

MAZARS
Firm No. AF 1954
Chartered Accountants

A handwritten signature in dark ink, appearing to be 'Tang Kin Kheong', located above the name 'TANG KIN KHEONG'.

TANG KIN KHEONG
Approval Number: 1501/9/11 (J/PH)
Chartered Accountant

8. FINANCIAL INFORMATION (cont'd)

UOA DEVELOPMENT BHD ("UOA Development" or "the Company")

Proforma Consolidated Statements of Financial Position as at 31 December 2010

	AUDITED	PROFORMA I	PROFORMA II
	As at 31 December 2010 RM000	After Pre-IPO Restructuring RM000	After Proforma I and IPO RM000
ASSETS			
Non-current assets			
Property, plant and equipment	50,932	50,932	50,932
Investment properties	354,783	354,783	354,783
Land held for development	78,343	78,343	78,343
Investments in associated company	-	18,570	18,570
Available for sale financial assets	26,797	26,797	26,797
Deferred tax assets	8,929	8,929	8,929
Total non-current assets	519,784	538,354	538,354
Current assets			
Property development costs	335,192	335,192	335,192
Inventories	184,069	184,069	184,069
Accrued billings	69,114	69,114	69,114
Trade and other receivables	119,275	119,275	119,275
Amount owing by immediate holding company	22,036	22,036	22,036
Amount owing by related companies	2,465	2,465	2,465
Short term investments	1,423	1,423	1,423
Fixed deposits with licensed banks	12,517	12,517	12,517
Cash and bank balances	24,256	24,256	831,556
Total current assets	770,347	770,347	1,577,647
TOTAL ASSETS	1,290,131	1,308,701	2,116,001
EQUITY			
Share capital	43,755	45,443	59,793
Share premium	-	16,882	809,832
Merger reserve	2,252	2,252	2,252
Fair value reserve	5,895	5,895	5,895
Retained profit	629,008	629,008	629,008
Equity attributable to the owners of the Company	680,910	699,480	1,506,780
Non-controlling interests	21,059	21,059	21,059
Total equity	701,969	720,539	1,527,839



8. FINANCIAL INFORMATION (cont'd)

Proforma Consolidated Statements of Financial Position as at 31 December 2010 (continued)

	AUDITED	PROFORMA I	PROFORMA II
	As at 31 December 2010 RM000	After Pre-IPO Restructuring RM000	After Proforma I and IPO RM000
LIABILITIES			
Non-current liabilities			
Amount owing to non-controlling shareholders of subsidiary companies	36,948	36,948	36,948
Hire purchase and finance lease liabilities	2,540	2,540	2,540
Long term borrowing	2,065	2,065	2,065
Deferred tax liabilities	10,498	10,498	10,498
Total non-current liabilities	52,051	52,051	52,051
Current liabilities			
Progress billings	20,385	20,385	20,385
Trade and other payables	139,690	139,690	139,690
Amount owing to immediate holding company	211,638	211,638	211,638
Amount owing to related companies	10,124	10,124	10,124
Hire purchase and finance lease liabilities	2,374	2,374	2,374
Short term borrowings	149,432	149,432	149,432
Current tax liabilities	2,468	2,468	2,468
Total current liabilities	536,111	536,111	536,111
Total liabilities	588,162	588,162	588,162
TOTAL EQUITY AND LIABILITIES	1,290,131	1,308,701	2,116,001
Net assets (RM000)	680,910	699,480	1,506,780
No. of ordinary shares in issue (000)	43,755	908,860	1,195,860
Net asset per share (RM)	15.56	0.77	1.26

The accompanying explanatory notes form an integral part of the proforma consolidated statements of financial positions of UOA Development as at 31 December 2010

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8. FINANCIAL INFORMATION (cont'd)**UOA DEVELOPMENT BHD (“UOA Development” or “the Company”)****Explanatory Notes to Proforma Consolidated Statements of Financial Position As At 31 December 2010****1. Basis of preparation**

The proforma consolidated statements of financial position have been prepared solely for illustrative purposes to incorporate the effects of the the Pre-IPO Restructuring (as defined in Note 2 below) and the Initial Public Offering (as defined in Note 3 below) as if the Pre-IPO Restructuring and the Initial Public Offering had taken place as at 31 December 2010.

The proforma consolidated statements of financial position have been prepared from the audited consolidated statements of financial position as at 31 December 2010 of UOA Development.

The accounting policies used in the preparation of the proforma consolidated statements of financial position are consistent with the accounting policies adopted and used by UOA Development.

2. Pre-IPO Restructuring

Prior to the Initial Public Offering, UOA Development undertook the following pre-IPO restructuring exercise (“the Pre-IPO Restructuring”):

2.1 Acquisitions

2.1.1 UOA Development acquired 117,000 ordinary shares in Everise Project Sdn Bhd (“Everise Project”) representing 39% of the issued and paid up share capital of Everise Project for a total consideration of RM18,569,980 that was satisfied by the issuance of 1,688,180 new ordinary shares of RM1.00 each in UOA Development at an issue price of RM11.00 per share. Upon the completion of this acquisition, Everise Project became an associated company of the Company.

2.1.2 Additionally, UOA Development acquired the remaining 50 ordinary shares of RM1.00 each in one of its subsidiary company, namely, UOA Properties Bhd, that it did not already own for a total cash consideration of RM50.00.

2.2 Share Split

UOA Development sub-divided the par value of its ordinary shares from RM1.00 each into 20 ordinary shares of RM0.05 each (“the Share Split”).



8. FINANCIAL INFORMATION (cont'd)**3. Initial Public Offering**

On 18 April 2011 UOA Development obtained the approval of the Securities Commission for an initial public offering of shares ("the IPO") consisting of the following:

3.1 Public Issue

A public issue of 287,000,000 new ordinary shares of RM0.05 each in UOA Development ("Issue Shares") at an institutional price to be determined by way of bookbuilding ("Institutional Price") ("Public Issue").

The proceeds of the Public Issue will be utilised as follows:

	RM000	%
Repayment of intercompany debt	365,911	43.97
Repayment of bank borrowings	95,059	11.42
Working capital	346,330	41.61
Estimated listing expenses	25,000	3.00
TOTAL	832,300	100.00

The effects on the utilisation of public issue proceeds for repayment of intercompany debt, repayment of bank borrowings and working capital have not been reflected in Proforma II of the proforma consolidated statements of financial position of UOA Development.

3.2 Offer for Sale

An offer for sale by existing shareholders of up to 120,000,000 ordinary shares of RM0.05 each in UOA Development ("Offer Shares") at the Institutional Price ("Offer for Sale").

The Issue Shares and Offer Shares (collectively "IPO Shares") will be available for subscription as follows:

- Institutional offering of up to 337,000,000 IPO Shares to Malaysian and foreign institutional and selected investors (including Cornerstone Investor) at the Institutional Price.
- Retail offering of 70,000,000 IPO Shares to the Malaysian public, eligible directors of UOA Development, eligible employees of UOA Development and its subsidiaries and eligible persons who have contributed to the success of UOA Development and its subsidiaries at a retail price of RM2.90 per share.



8. FINANCIAL INFORMATION (cont'd)*Proposed Listing*

In conjunction with the IPO, UOA Development proposes to seek the listing of and quotation for its entire enlarged issued and paid up ordinary share capital of RM59,793,000 comprising 1,195,860,000 ordinary shares of RM0.05 each on the Main Market of Bursa Malaysia Securities Berhad.

4. Accounting for associated companies

The Company did not have any investments in associated companies as at 31 December 2010.

In the preparation of the proforma consolidated statements of financial position, the following accounting policy has been used to account for investments in associated companies.

4.1 Associated companies

Associated companies are entities in which the UOA Development has significant influence, but not control, over the financial and operating policies.

Investments in associated companies are accounted for in the proforma consolidated statements of financial position using the equity method less any impairment losses.

5. Movements in ordinary share capital

	No. of ordinary shares	Nominal value per share (RM)	RM000
Audited	43,754,820		43,755
Effects of the Pre-IPO Restructuring			
Issuance of ordinary shares for the Acquisitions of Everise Project	1,688,180	1.00	1,688
Share Split			
- Cancellation of share with RM1.00 par	(45,443,000)		-
- Issuance of share with RM0.05 par	908,860,000		-
PROFORMA I	908,860,000	0.05	45,443
Effects of the Public Issue	287,000,000	0.05	14,350
Effects of Offer For Sale	-	-	-
PROFORMA II	1,195,860,000	0.05	59,793



8. FINANCIAL INFORMATION (cont'd)**6. Movements in share premium**

	RM000
Audited	-
Effects of the Pre-IPO Restructuring	
Issuance of ordinary shares for the Acquisition of Everise Project	16,882
Share Split	-

PROFORMA I	16,882
Effects of the Public Issue	817,950
Share issue expenses	(25,000)
Effects of Offer For Sale	-

PROFORMA II	809,832
	=====

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8. FINANCIAL INFORMATION (cont'd)**8.10 PROFORMA CONSOLIDATED NTA AS AT 31 DECEMBER 2010**

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

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

Detailed calculations of the proforma consolidated NTA are set out in Section 8.9 of this Prospectus entitled "Reporting Accountants' Letter on the Proforma Consolidated Statements of Financial Position".

The proforma consolidated NTA per share (denoted in Illustration I) compared with proforma consolidated NTA after taking into consideration the revaluation surplus (net of deferred taxation) (denoted in Illustration II) as mentioned above and the respective price to book ratio are as follows:

	Illustration I	Illustration II
Proforma consolidated NTA (RM 000)	1,506,780	2,153,833
Proforma consolidated NTA per Share ⁽¹⁾ (RM)	1.26	1.80
Illustrative Institutional Price ⁽²⁾	2.90	2.90
Premium of illustrative Institutional Price over NTA (RM)	1.64	1.10
Price to book ratio (times)	2.30	1.61

Notes:

(1) Based on the enlarged issued and paid-up share capital of 1,195,860,000 Shares in our Company.

(2) We have assumed the Institutional Price and the Final Retail price will be the Retail Price of RM2.90 per Share.

Illustration I

The illustrative Institutional Price of RM2.90 represents a premium of approximately RM1.64 or approximately 130.16% over our Company's proforma consolidated NTA per Share of approximately RM1.26. Based on the proforma consolidated NTA of approximately RM1.26 per Share and the illustrative Institutional Price of RM2.90, it would give our Company a price to book ratio of approximately 2.30 times.

Illustration II

The illustrative Institutional Price of RM2.90 represents a premium of approximately RM1.10 or approximately 61.11% over our Company's proforma consolidated NTA per Share after taking into consideration the revaluation surplus (net of deferred taxation) of approximately RM1.80. Based on the proforma consolidated NTA of approximately RM1.80 per Share and the illustrative Institutional Price of RM2.90, it would give our Company a price to book ratio of approximately 1.61 times.

A valuation exercise was carried out by an independent valuer on the material property assets of our Group. The revaluation surplus disclosed in Section 11 of this Prospectus is shown for illustrative purposes and has not been and will not be incorporated in the balance sheet of our Group.

8. FINANCIAL INFORMATION *(cont'd)*

8.11 DIVIDEND POLICY

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

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

This will be subject to the confirmation of our Board and to any applicable law, licence and contractual obligations and provided that such distribution would not be detrimental to our cash needs for any plans approved by our Board. Investors should note that this dividend policy merely describes our Company's present intention and should not be considered as a legally binding statement in respect of our Company's future dividend policy which is subject to modification (including reduction or non-declaration thereof) at our Board's discretion.

As our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our Subsidiaries and Associated Company. The payment of dividends or other distributions by our Subsidiaries and Associated Company will depend upon their operating results, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant. Dividends may only be paid out of distributable reserves. In addition, covenants in loan agreements, if any, of our Subsidiaries and Associated Company may limit their ability to declare or pay cash dividends.

Our Company's historical dividend payments were dictated by UOA based on our Parent Group's cash management policies. The historical cash management policies of our Parent Group will not have any bearing on the future dividend policies of our Company, post listing.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

9. ACCOUNTANT'S REPORT*(Prepared for inclusion in this Prospectus)*

AF: 1954

ACCOUNTANTS' REPORT*Prepared for inclusion in the Prospectus of UOA Development Bhd*

29 April 2011

The Board of Directors
 UOA Development Bhd
 Wisma UOA, Bangsar South
 Tower 1 Avenue 3, The Horizon Bangsar South
 No. 8 Jalan Kerinchi
 59200 Kuala Lumpur

Dear Sirs,

ACCOUNTANTS' REPORT**1. Introduction**

This report has been prepared by Mazars, an approved company auditor, for inclusion in the Prospectus of UOA Development Bhd ("the Company" or "UOA Development") to be dated 18 May 2011 in connection with the listing and quotation of the shares of UOA Development on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied upon for any other purposes.

2. General information**2.1 Background**

UOA Development was incorporated in Malaysia under the Companies Act 1965 as a private limited liability company on 27 May 2004.

The Company is principally an investment holding company. The principal activities of UOA Development's subsidiaries are disclosed in paragraph 51.

2.2 Share Capital

UOA Development was incorporated with an authorised share capital of RM100,000 comprising 100,000 shares of RM1.00 each.

Movements in the Company's authorised share capital since the date of incorporation up to the date of this report are as follows:

Date	Transaction	No. of shares	Par value per share RM	Cumulative total	
				No. of shares	RM'000
27.5.2004	Date of incorporation	100,000	1.00	100,000	100
28.4.2005	Increase in authorised share capital	49,900,000	1.00	50,000,000	50,000
29.4.2011	Cancellation of shares with RM1.00 par value	(50,000,000)	1.00	-	-
29.4.2011	Creation of shares with RM0.05 par value	1,000,000,000	0.05	1,000,000,000	50,000

9. ACCOUNTANT'S REPORT (cont'd)

Movements in the Company's issued and fully paid up share capital since the date of incorporation up to the date of this report are as follows:

Date	Transaction	No. of shares	Par value	Cumulative total	
			per share RM	No. of shares	RM'000
27.5.2004	Issued for cash as subscribers' shares	51	1.00	51	*
28.4.2005	Issued for cash as working capital	37,736,725	1.00	37,736,776	37,737
15.11.2010	Issued for the acquisition of Allied Engineering Construction Sdn Bhd ("AEC")	4,272,730	1.00	42,009,506	42,010
21.12.2010	Issued for the acquisition of URC Engineering Sdn Bhd ("URC Engineering")	1,700,000	1.00	43,709,506	43,710
21.12.2010	Issued for the acquisition of UOA Properties Bhd ("UOA Properties")	45,314	1.00	43,754,820	43,755
26.04.2011	Issued for the acquisition of Everise Project Sdn Bhd ("Everise Project")	1,688,180	1.00	45,443,000	45,443
29.4.2011	Cancellation of shares with RM1.00 par value	(45,443,000)	1.00	-	-
29.4.2011	Replacement of shares with RM0.05 par value	908,860,000	0.05	908,860,000	45,443

* Represents RM51

3. Reorganisation, Pre-IPO Restructuring and Initial Public Offering ("IPO")

Prior to the IPO, the Company undertook a reorganisation ("the Reorganisation") and a pre-IPO restructuring exercise ("the Pre-IPO Restructuring"):

3.1 The Reorganisation

The Reorganisation involved the following:

3.1.1 Acquisition of Companies

Between 15 November 2010 and 21 December 2010, the Company acquired the following companies for consideration payable entirely in new UOA Development shares (with par value of RM1.00 each) at an issue price of RM11.00 per share.

9. ACCOUNTANT'S REPORT (cont'd)



Acquiree Company	No. of ordinary shares acquired	Equity interest acquired %	Purchase consideration RM	No. of shares of RM1.00 each in UOA Development issued as consideration
AEC	750,000	100	47,000,030	4,272,730
URC Engineering	7,020,002	100	18,700,000	1,700,000
UOA Properties	499,950	99.99	498,454	45,314
TOTAL			66,198,484	6,018,044

3.1.2 Disposal of Companies

In 2010, the Company disposed of its entire investment comprising ordinary shares in the following companies for a total cash consideration of RM24,157.

Disposed Companies	No. of ordinary shares disposed of	Equity interest disposed of %	Consideration RM
Midah Heights Sdn. Bhd.	231,250	92.5	1
Multiplex Strategy Sdn. Bhd.	220,000	88	1
Federaya Development Sdn. Bhd.	70	70	70
Pembangunan Novaraya Sdn. Bhd.	85	85	85
Xianyang Development Sdn. Bhd.	24	24	24,000

3.2 The Pre-IPO Restructuring

The Pre-IPO Restructuring involved the following:

3.2.1 Acquisition of Companies

On 17 January 2011, the Company entered into an agreement to acquire the following company for a consideration payable entirely in new UOA Development shares (with par value of RM1.00 each) at an issue price of RM11.00 per share:

Acquiree Company	No. of ordinary shares acquired	Equity interest acquired %	Purchase consideration RM	No. of shares of RM1.00 each in UOA Development issued as consideration
Everise Project	117,000	39	18,569,980	1,688,180

Additionally, on 22 April 2011 UOA Development acquired the remaining 50 ordinary shares of RM1.00 each in UOA Properties that it did not already acquire under paragraph 3.1.1 above for a total cash consideration of RM50.

9. ACCOUNTANT'S REPORT (cont'd)

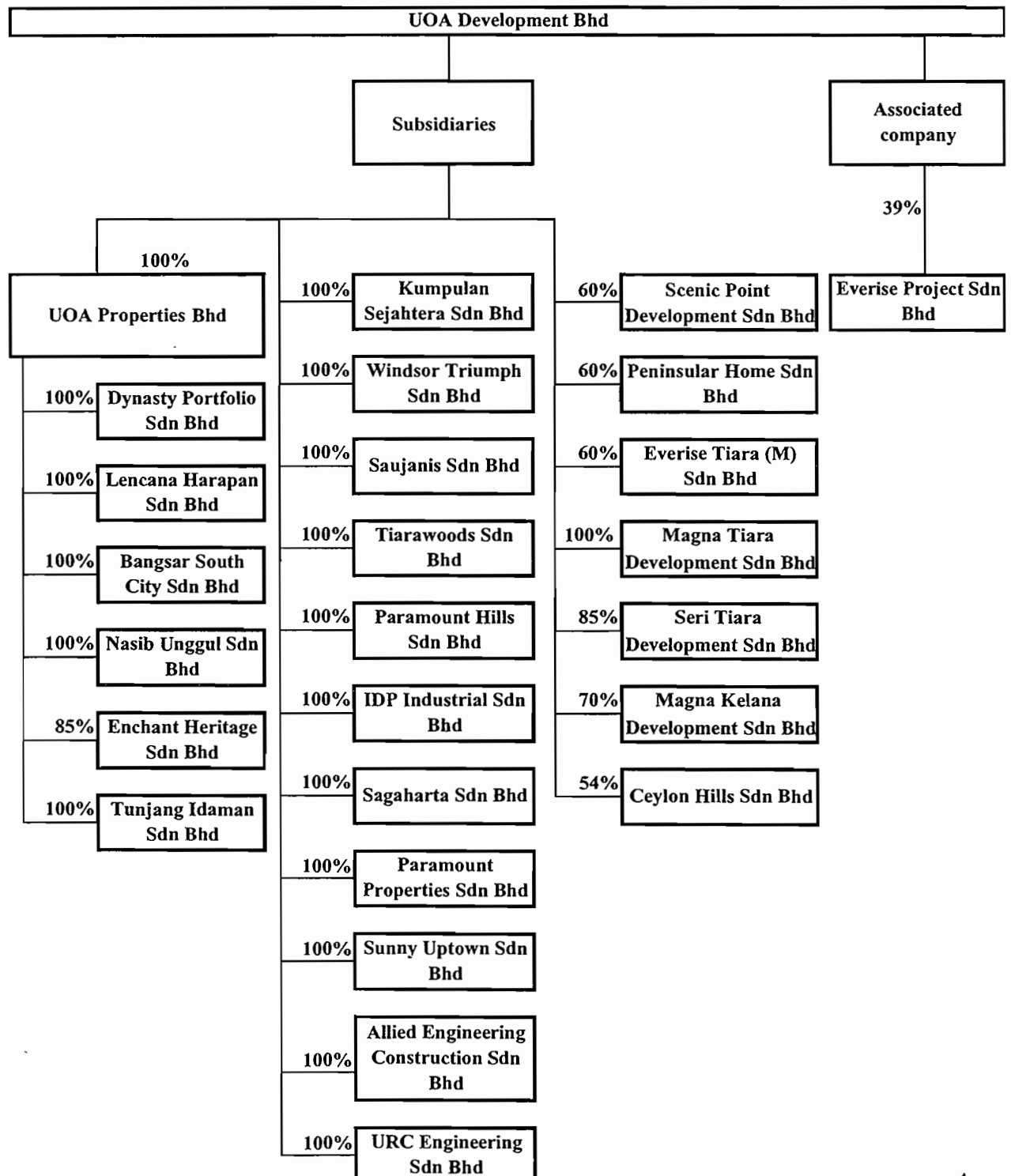


3.2.2 Share Split

On 29 April 2011, the Company sub-divided the par value of its issued ordinary shares of RM1.00 each into 20 ordinary shares of RM0.05 each ("the Share Split").

4. Group Structure

The group structure of UOA Development as at date of this report is as follows:



9. ACCOUNTANT'S REPORT (cont'd)



5. IPO

The Company's IPO consist of the following:

- 5.1 A public issue of 287,000,000 new ordinary shares of RM0.05 each in UOA Development ("the Issue Shares") at an institutional price to be determined by way of bookbuilding ("Institutional Price") ("the Public Issue").

The proceeds of the Public Issue will be utilised as follows:

	RM'000	%
Repayment of intercompany debt	365,911	43.97
Repayment of bank borrowings	95,059	11.42
Working capital	346,330	41.61
Estimated listing expenses	25,000	3.00
TOTAL	832,300	100.00

- 5.2 An offer for sale by existing shareholders of up to 120,000,000 ordinary shares of RM0.05 each in UOA Development ("the Offer Shares") at the Institutional Price ("the Offer for Sale").

The Issue Shares and Offer Shares (collectively "the IPO Shares") will be available for subscription as follows:

- Institutional offering of up to 337,000,000 IPO Shares to Malaysian and foreign institutional and selected investors (including the Cornerstone Investor) at the Institutional price.
- Retail offering of 70,000,000 IPO Shares to the Malaysian public, eligible directors of UOA Development, eligible employees of the UOA Development and its subsidiaries and eligible persons who have contributed to the success of UOA Development and its subsidiaries at a retail price of RM 2.90 per share ("Retail Price") and subject to refund of the difference, if the final retail price is less than the Retail Price.

Listing and quotation

In conjunction with the IPO, UOA Development proposes to seek the listing of and quotation for its entire enlarged issued and paid up ordinary share capital of RM59,793,000 comprising 1,195,860,000 ordinary shares of RM0.05 each on the Main Market of Bursa Securities.

9. ACCOUNTANT'S REPORT *(cont'd)*



6. The financial year of UOA Development and its subsidiaries ends on 31 December.

Mazars acted as auditors of the Company and of all its subsidiaries for the financial years ended 31 December ("FYE") 2009 and 2010.

The financial statements of the Company and of its subsidiaries (save for Tunjang Idaman Sdn Bhd and Ceylon Hills Sdn Bhd) for FYE 2008 were audited by:

Moore Rowland,
Wisma Selangor Dredging,
7th Floor, South Block
142-A, Jalan Ampang
50450 Kuala Lumpur

The financial statements of Tunjang Idaman Sdn Bhd for the period from 15 May 2008 (date of incorporation) to 31 December 2008 were audited by:

Messrs. W.F. Yong & Co.
11A-5, Level 5, Block F1
Jalan PJU 1/42,
Dataran Prima,
47301 Petaling Jaya, Selangor

Ceylon Hills Sdn Bhd was incorporated on 29 March 2010.

The financial statements of the associated company, Everise Project, for the year ended 31 May 2010 were audited by Mazars. The financial statements for the years ended 31 May 2008 and 2009 were audited by:

Messrs. S.F Yap & Co.
No.17 & 19,
Jalan Brunei Barat
Off Jalan Pudu
55100 Kuala Lumpur

The auditors' reports on all the audited financial statements for the relevant financial years under review were not subject to any qualification.

9. ACCOUNTANT'S REPORT (cont'd)



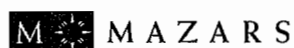
7. Dividends

Dividends paid by the Company during the financial years covered by this report were as follows:

		Gross RM'000	Tax RM'000	Net RM'000
FYE 2008	First interim of 2 sen per share, less tax at 26%	830	210	614
	Second interim of 7 sen per share, less tax at 26%	2,561	666	1,895
	Third interim of 35 sen per share (single tier)	13,368	-	13,368
FYE 2010	First interim of 2 sen per share (single tier)	1,000	-	1,000
	Second interim of 4 sen per share (single tier)	1,500	-	1,500
	Third interim of 0.3 sen per sen (single tier)	130	-	130

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9. ACCOUNTANT'S REPORT (cont'd)



8. Combined Statements of Financial Position

		FYE 2008	FYE 2009	FYE 2010
	Para	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	18	26,648	51,405	50,932
Investment properties	19	77,973	84,329	354,783
Land held for property development	20	57,686	57,686	78,343
Investment in associated company	21	-	-	18,570
Available-for-sale ("AFS") financial assets	22	21,483	24,612	26,797
Deferred tax assets	23	8,869	6,661	8,929
Total non-current assets		192,659	224,693	538,354
Current assets				
Property development costs	24	228,029	240,319	335,192
Gross amount due from customers	25	4,258	2,311	-
Inventories	26	27,155	147,417	184,069
Accrued billings	27	148,701	37,085	69,114
Trade and other receivables	28	26,570	82,543	119,275
Amounts owing by UOA Holdings Sdn Bhd ("UOA Holdings")	29	12	1	22,036
Amounts owing by other related companies	30	8,191	2,382	2,465
Short term investments	31	11,708	53,682	1,423
Deposits with licensed financial institutions	32	11,278	3,829	12,517
Cash and bank balances	33	22,357	21,825	24,256
Total current assets		488,259	591,394	770,347
TOTAL ASSETS		680,918	816,087	1,308,701

9. ACCOUNTANT'S REPORT (cont'd)

 M A Z A R S

8. Combined Statements of Financial Position (continued)

		FYE 2008	FYE 2009	FYE 2010
	Para	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
Equity				
Reserves attributable to UOA		273,181	420,074	699,480
Non-controlling interest		38,948	27,697	21,059
Total equity		312,129	447,771	720,539
LIABILITIES				
Non-current liabilities				
Amounts owing to non-controlling interest	34	2,284	31,742	36,948
Deferred tax liabilities	35	625	553	10,498
Hire purchase and finance lease liabilities	36	4,690	3,929	2,540
Long term borrowings	37	11,257	11,225	2,065
Total non-current liabilities		18,856	47,449	52,051
Current liabilities				
Progress billings	27	6,222	4,043	20,385
Trade and other payables	38	71,935	86,015	139,690
Amounts owing to UOA	39	1,488	360	-
Amounts owing to UOA Holdings	29	141,779	147,044	211,638
Amounts owing to other related companies	30	54,351	44,802	10,124
Hire purchase and finance lease liabilities	36	1,700	2,121	2,374
Short term borrowings	40	51,277	27,530	149,432
Current tax liabilities		21,181	8,952	2,468
Current liabilities		349,933	320,867	536,111
TOTAL LIABILITIES		368,789	368,316	588,162
TOTAL EQUITY AND LIABILITIES		680,918	816,087	1,308,701

9. ACCOUNTANT'S REPORT (cont'd)



9. Combined Statements of Comprehensive Income

	<i>Para</i>	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Revenue	41	492,841	427,776	375,229
Cost of sales	42	(282,391)	(186,161)	(192,148)
Gross profit		210,450	241,615	183,081
Fair value adjustment on investment properties		14,294	(3,761)	178,250
Other income		22,790	14,006	24,807
Other expenses		(2,049)	(2,943)	(3,946)
General and administrative expenses		(25,183)	(10,706)	(38,871)
Profit before finance costs		220,302	238,211	343,321
Finance costs		(2,155)	(1,746)	(2,762)
Profit before tax	43	218,147	236,465	340,559
Tax expense	44	(56,696)	(58,870)	(54,727)
Profit for the year		161,451	177,595	285,832
Other comprehensive income, net of tax				
Fair value adjustment on available-for-sale financial assets		-	-	3,930
Total comprehensive income for the year		161,451	177,595	289,762

9. ACCOUNTANT'S REPORT (cont'd)



9. Combined Statements of Comprehensive Income (continued)

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Profit attributable to:			
UOA	129,323	146,393	278,684
Non-controlling interest	32,128	31,202	7,148
	<u>161,451</u>	<u>177,595</u>	<u>285,832</u>
Total comprehensive income attributable to:			
UOA	129,323	146,393	282,614
Non-controlling interest	32,128	31,202	7,148
	<u>161,451</u>	<u>177,595</u>	<u>289,762</u>
<i>Gross profit margin (%)</i>	<i>42.70</i>	<i>56.48</i>	<i>48.79</i>
<i>Profit before tax margin (%)</i>	<i>44.26</i>	<i>55.28</i>	<i>90.76</i>
<i>Effective tax rate (%)</i>	<i>25.99</i>	<i>24.90</i>	<i>16.07</i>
<i>Interest coverage ratio (times)</i>	<i>101</i>	<i>135</i>	<i>123</i>

9. ACCOUNTANT'S REPORT (cont'd)



10. Combined Statements of Changes in Equity

	UOA RM'000	Non-controlling interest RM'000	Total RM'000
FYE 2008			
At 1 January 2008	159,735	16,817	176,552
Total comprehensive income for the year	129,323	32,128	161,451
Acquisition of new subsidiaries	-	3	3
Dividends	(15,877)	(10,000)	(25,877)
At 31 December 2008	273,181	38,948	312,129
FYE 2009			
Balance at 1 January 2009	273,181	38,948	312,129
Total comprehensive income for the year	146,393	31,202	177,595
Acquisition of additional stake in existing subsidiary company	-	(1)	(1)
Acquisition of UOA Properties	500	-	500
Acquisition of new subsidiary	-	100	100
Dividends	-	(42,552)	(42,552)
At 31 December 2009	420,074	27,697	447,771
FYE 2010			
At 1 January 2010	420,074	27,697	447,771
Effect of adoption of FRS 139	7,852	-	7,852
At 1 January 2010 (restated)	427,926	27,697	455,623
Total comprehensive income for the year	282,614	7,148	289,762
Acquisition of additional stake in existing subsidiary company	-	(11)	(11)
Acquisition of Everise Project	18,570	-	18,570
Dividends	(29,630)	(13,775)	(43,405)
At 31 December 2010	699,480	21,059	720,539

9. ACCOUNTANT'S REPORT (cont'd)



11. Combined Statements of Cash Flows

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	218,147	236,465	340,559
Adjustment for:			
Bad and doubtful debts/(written back)	(775)	(14)	7,930
Depreciation	3,348	4,607	5,054
Gain on disposal of property, plant and equipment	(25)	(89)	(205)
Property, plant and equipment written off	155	69	2
Goodwill/(Discount) on acquisition of additional shares in subsidiary company	-	792	(11)
(Diminution in value written back)/Impairment of AFS financial assets	6,650	(3,383)	3,552
Gain on disposal of AFS financial assets	(332)	-	(34)
Dividend income	(15,230)	(3,366)	(5,403)
Distribution income from short term investments	-	(1,329)	(422)
Fair value adjustment on investment properties	(14,294)	3,761	(178,250)
Interest income	(1,395)	(750)	(3,801)
Interest expense	2,155	1,746	2,762
Inventories written down	1,512	-	-
Unrealised loss on foreign exchange	54	-	-
Operating profit before working capital changes	199,970	238,509	171,733
Change in current assets	(196,212)	(81,948)	(202,026)
Change in current liabilities	(1,486)	11,681	69,528
Cash generated from operations	2,272	168,242	39,235
Interest received	110	519	520
Tax paid	(38,960)	(68,651)	(52,671)
Cash (used in)/generated from operating activities	(36,578)	100,110	(12,916)

9. ACCOUNTANT'S REPORT (cont'd)



11. Combined Statements of Cash Flows (continued)

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash inflow from acquisition of new subsidiaries	3	100	-
Acquisition of additional shares in existing subsidiary	-	(793)	-
Additions to investment properties	(20,858)	(26,915)	(92,188)
Repayment from/(Advances to) UOA and UOA Holdings	789	11	(22,035)
Repayment from/(Advances to) other related companies	10,291	5,809	(83)
Dividends received	11,735	3,054	4,540
Interest received	1,278	228	113
Proceeds from disposal of investment properties	84,280	-	-
Proceeds from disposal of AFS financial assets	663	-	192
Proceeds from disposal of property, plant and equipment	47	114	233
Purchase of property, plant and equipment	(5,784)	(2,584)	(3,332)
Purchase of land held for property development	-	-	(20,657)
Capital repayment from AFS financial assets	-	254	-
Distribution received from short term investments	-	1,324	438
Net cash generated from/(used in) investing activities	82,444	(19,398)	(132,779)

9. ACCOUNTANT'S REPORT (cont'd)



11. Combined Statements of Cash Flows (continued)

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
CASH FLOW FROM FINANCING ACTIVITIES			
Advances from UOA and UOA Holdings	50,547	4,637	64,234
Repayment to other related companies	(64,134)	(9,549)	(34,678)
Dividend paid to non-controlling interests	(10,000)	(42,552)	(13,775)
Dividend paid to UOA and UOA Holdings	(15,877)	-	(29,630)
Interest paid	(5,268)	(3,091)	(4,611)
Proceeds from borrowings	75,000	23,250	214,802
Repayment of borrowings	(51,557)	(47,029)	(102,060)
Fixed deposit pledged to secure bank loan	-	-	(354)
Repayment of hire purchase and finance lease liabilities	(1,467)	(1,843)	(2,232)
Advance from minority shareholders	481	29,458	12,505
Net cash (used in)/generated from financing activities	(22,275)	(46,719)	104,201
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	23,591	33,993	(41,494)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	21,752	45,343	79,336
CASH AND CASH EQUIVALENTS CARRIED FORWARD	45,343	79,336	37,842
Represented by:			
Short term investments	11,708	53,682	1,423
Fixed deposits with licensed banks	11,278	3,829	12,517
Cash and bank balances	22,357	21,825	24,256
Fixed deposit pledged to secure bank borrowings	-	-	(354)
	45,343	79,336	38,196
	45,343	79,336	37,842

9. ACCOUNTANT'S REPORT (cont'd)



12. Basis of preparation of historical financial information

- 12.1 The historical financial information presented in this report is prepared on a combined basis by aggregating the financial information extracted from the financial statements of those entities included in the group structure shown in paragraph 4 of this report.

Those entities have been under the common management and control of United Overseas Australia Limited ("UOA") and, for the purpose of the IPO, are now being reorganised and restructured to form the UOA Development Group as depicted by the group structure shown in paragraph 4 of this report.

The combined financial information has been carved out from the consolidated financial statements of the UOA Group (comprising UOA and its subsidiaries) and, where appropriate, adjustments have been made to specifically present only the combined financial position, results of operations and cash flows of the UOA Development Group in accordance with Financial Reporting Standards ("FRSs") in Malaysia.

The combined financial information has been prepared as if the UOA Development Group as depicted by the group structure shown in paragraph 4 of this report had operated as a single economic entity since 1 January 2008.

For avoidance of doubt, the combined financial information may not be the same as the consolidated financial statements of UOA Development after incorporating the Reorganisation, Pre-IPO Restructuring and the IPO.

The combined financial information is derived from individual entity financial statements that have been audited.

The combined financial information has been labeled as audited in this report only by virtue of the fact that it is derived from audited entity financial statements.

Details of the entities whose financial information has been included in the combined financial information are set out in paragraph 51 of this report.

- 12.2 In the preparation of the historical financial information presented in this report, the audited entity financial statements of certain entities have been restated in the following manner:

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Land held for property development (included as a non-current asset)			
Per audited entity financial statements	-	83,505	-
Re-classified from property development costs	57,686	(25,819)	-
	<u>57,686</u>	<u>57,686</u>	<u>-</u>
Per combined statements of financial position	<u>57,686</u>	<u>57,686</u>	<u>-</u>

9. ACCOUNTANT'S REPORT (cont'd)



	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Property development costs (included as a current asset)			
Per audited entity financial statements	285,715	214,500	-
Re-classified to land held for property Development	(57,686)	25,819	-
	<u>228,029</u>	<u>240,319</u>	<u>-</u>
Per combined statements of financial position	<u>228,029</u>	<u>240,319</u>	<u>-</u>

Additionally, the following related party transactions previously not disclosed in the audited financial statements have been included in paragraph 46.

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
<i>Transaction with directors and their close family members</i>			
Sales of properties to Kong Chong Soon @ Chi Suim	-	2,552	-
	<u>-</u>	<u>2,552</u>	<u>-</u>
<i>Transaction with UOA Holdings Sdn Bhd ("UOA Holdings")</i>			
Acquisition of			
- Dynasty Portfolio Sdn Bhd	-	*	-
- Lencana Harapan Sdn Bhd	-	*	-
- Bangsar South City Sdn Bhd	-	*	-
- Nasib Unggul Sdn Bhd	-	*	-
- Enchant Heritage Sdn Bhd	-	*	-
- Tunjang Idaman Sdn Bhd	-	*	-
	<u>-</u>	<u>*</u>	<u>-</u>
<i>Transaction with related companies</i>			
Construction services rendered	42,788	34,615	-
	<u>42,788</u>	<u>34,615</u>	<u>-</u>
<i>Transaction with other related parties</i>			
Building management fees paid	-	180	-
Rental received	19	18	-
Landscaping fees paid	58	85	-
	<u>77</u>	<u>283</u>	<u>-</u>

* Represents RM201 in total

9. ACCOUNTANT'S REPORT (cont'd)

- 12.3 No combined financial information has been prepared in respect of any period subsequent to 31 December 2010.

13. Basis of measurement

The measurement bases applied in the preparation of the combined financial information include cost, recoverable value, realisable value, revalued amount and fair value. Estimates are used in measuring these values.

14. Functional and presentation currency

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

15. Statement of compliance

The combined financial information has been prepared in accordance with FRSs issued by the Malaysian Accounting Standards Board ("the MASB") and generally accepted accounting principles in Malaysia.

- 15.1 On 1 January 2010, the UOA Group adopted the following FRSs and Amendments to FRSs which are relevant to its operations and which came into effect for financial periods beginning on or after:

1 July 2009

FRS 8	Operating Segments
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1 January 2010

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRSs	Improvements to FRSs (2009)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate
IC Interpretation 10	Interim Financial Reporting and Impairment

9. ACCOUNTANT'S REPORT (cont'd)



The adoption of the above FRSs and Amendments to FRSs did not have significant financial impact on the financial information except for the following:

FRS 101 – Presentation of Financial Statements

The revised FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (comprising the income statement and statement of comprehensive income).

The UOA Group has elected to present the statement of comprehensive income in a single statement. As a result, the UOA Group has presented all owner changes in equity in the consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the consolidated statement of comprehensive income. There is no impact on the results of the UOA Group since these changes affect only the presentation of items of income and expense.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the UOA Group to make new disclosures to enable users of the financial statements to evaluate the UOA Development Group's objective, policies and processes for managing capital.

The revised FRS 101 has been adopted retrospectively in the presentation of the combined financial information.

Amendment to FRS 117 – Leases

Prior to the adoption of the *Amendment to FRS 117*, leasehold land that has an indefinite economic life and with title not expected to pass to the lessee at the end of the lease term was classified as operating lease. Upfront payments for the rights to use the land over a predetermined period were accounted for as prepaid lease payments and amortised on a straight-line basis over the remaining period of the lease.

Upon adoption of the *Amendment to FRS 117* in relation to the classification of leasehold land, the UOA Group reassessed the classification of its leasehold land as finance leases or operating leases as at the date the UOA Group adopted the amendment on the basis of information existing at the inception of those leases. The UOA Group has determined that all its leasehold land are in substance finance leases and has reclassified its leasehold land from prepaid lease payments to property, plant and equipment and investment properties accordingly. The reclassification has been accounted for retrospectively in accordance with the transitional provisions and comparative figures have accordingly been restated.

9. ACCOUNTANT'S REPORT (cont'd)



Amendment to FRS 140 – Investment Property

Prior to the adoption of *FRS 140*, assets under construction for future use as investment properties were classified as property, plant and equipment.

Upon the adoption of *Amendment to FRS 140*, a property under construction or development for future use as an investment property is classified as an investment property. The comparative figures have been restated to conform to the current financial year's presentation.

- 15.2 The UOA Group has not applied the following revised FRSs and IC Interpretations (including their consequential amendments) that have been issued by the MASB and that are relevant to its operations but not yet effective:

<i>Revised FRSs and IC Interpretation</i>		<i>Effective for financial periods beginning on or after</i>
FRS 3	Business Combinations (revised)	1 July 2010
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012

Consequential amendments were also made to various FRSs and IC Interpretations already adopted by the UOA Group in the previous years. The UOA Group has not applied these amendments as they are only effective for financial periods beginning on or after 1 July 2010 and 1 January 2012.

The above revised FRSs, IC Interpretations, Amendments to FRSs and Amendments to IC Interpretations are not expected to have any significant financial impact on the UOA Group upon their initial application.

16. Significant accounting judgments and estimates

The preparation of combined financial information requires management to exercise judgment in the process of applying accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and reported amounts of income and expenses during the financial period.

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.

9. ACCOUNTANT'S REPORT (cont'd)



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

16.1 Critical judgment made in applying accounting policies

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

16.1.1 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 judgment. In making its judgment, 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. Properties that do not qualify as investment properties such as owner-occupied properties are accounted for as property, plant equipment and are stated on the statement of financial position at cost less depreciation and impairment loss. The depreciation charge and impairment loss are included in the income statement in the year which they arise.

16.1.2 Revenue recognition for property development activities and construction contracts

The UOA 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 judgment 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. In making these judgments, management relies on past experience and the work of specialists.

9. ACCOUNTANT'S REPORT *(cont'd)*



16.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at each financial reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

16.2.1 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.

16.2.2 Impairment loss and write down of inventories

Inventories are stated at the lower of cost and net realisable value. The UOA 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 UOA Group will make an impairment loss for obsolete inventories based primarily on historical trends and management estimates of expected and future product 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 UOA Group's products, the UOA Group might be required to reduce the value of its inventories and additional impairment losses for slow moving inventories may be required.

16.2.3 Allowance for doubtful debts

The collectibility 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 judgment 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.

9. ACCOUNTANT'S REPORT (cont'd)



16.2.4 Income taxes

Significant judgment 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 UOA 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.

17. Significant accounting policies

17.1 Subsidiaries

A subsidiary company is an entity controlled by UOA. Control exists when UOA has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether UOA has the power to govern the financial and operating policies of another entity.

17.2 Associated companies

The UOA Group treats associated companies as those companies (that are neither subsidiaries nor jointly-controlled entities) in which the UOA Group holds a long term equity interest, has representation on the board of directors and is in a position to exercise significant influence over financial and operating policies.

Investments in associated companies are accounted for in the combined financial information by the equity method of accounting. Under the equity method, investment in associated companies is initially recognised at cost and adjusted thereafter for post-acquisition changes in the UOA Group's share of net assets of the associated companies.

The UOA Group's share of the associated companies' net profits or losses and changes to equity are recognised in the combined statements of comprehensive income and combined statements of changes of equity, directly.

17.3 Basis of combination

The combined financial information incorporate the financial information extracted from the financial statements of those entities listed in paragraph 51 below made up to the end of each financial year, and are prepared using uniform accounting policies for like transactions in similar circumstances.

9. ACCOUNTANT'S REPORT (cont'd)



All intra-group balances are eliminated in full on combination and the combined financial information reflects external balances only.

All entities are combined using the purchase method of accounting except for URC Engineering, AEC and UOA Properties which are combined using the pooling-of-interest method of accounting.

Under the purchase method of accounting, the cost of an acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued at the date of exchange, plus any costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date.

The excess (if any) of the acquisition cost over the fair values of identifiable assets acquired less liabilities and contingent liabilities assumed is retained in the combined statements of financial position as goodwill, while the shortfall (if any) is immediately credited to the combined statements of comprehensive income.

Under the pooling-of-interest 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 assets and liabilities acquired are included in the combined statements of financial position at their existing carrying amounts.

Non-controlling interests represents the portion of the net assets of subsidiaries attributable to equity interest that is not owned by the UOA Group, and are presented in the combined statements of financial position separately from equity attributable to UOA.

17.4 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 UOA Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised.

9. ACCOUNTANT'S REPORT (cont'd)

M A Z A R S

All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred. 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 income statement.

Depreciation

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%
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 financial reporting period.

17.5 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 combined statements of comprehensive income for the year in which they arise.

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 income statement.

17.6 Leased assets

Finance lease

Leases where the UOA 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. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

9. ACCOUNTANT'S REPORT (cont'd)



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. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Operating lease

Leases where the UOA Group does not assume substantially all the risks and rewards of ownership are classified as operating lease and, except for property interests held under operating lease, the leased assets are not recognised on the UOA Group's 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 statement of comprehensive income 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.

17.7 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 lands. Accordingly, land held for property development is classified as non-current assets on the balance sheet 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 recognized 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 are expected to 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.

9. ACCOUNTANT'S REPORT (cont'd)

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When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement 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.

The excess of revenue recognised in the income statement 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 income statement is recognised as progress billings under current liabilities.

17.8 Long term construction contracts

The UOA 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 statement of comprehensive income 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).

9. ACCOUNTANT'S REPORT (cont'd)



17.9 Financial instruments

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

Arising from the adoption of FRS139, *Financial Instruments: Recognition and Measurement*, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2010, different accounting policies were applied.

17.9.1 Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the UOA 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.

17.9.2 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.

Financial assets at fair value through profit or loss

This category includes financial assets held for trading, including derivatives (except for a derivative that is 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 income statement.

Held-to-maturity investments

Held-to-maturity investments comprise debt instruments that are quoted in an active market and which the UOA Group has the positive intention and ability to hold to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

9. ACCOUNTANT'S REPORT (cont'd)

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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 categorized 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 hedge risks of fair value hedges which are recognised in the income statement. On de-recognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in the income statement.

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 income statement.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

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.

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 income statement.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

9. ACCOUNTANT'S REPORT *(cont'd)*



17.9.3 De-recognition of financial assets and liabilities

A financial asset or part of it is de-recognised 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 de-recognition 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 equity is recognised in the income statement.

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

On de-recognition 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 income statement.

17.10 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.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

17.11 Income recognition

Revenue from sale of development properties and construction contracts which are under development is recognised on the percentage of completion method; where the outcome of the development projects and contracts can be reliably estimated.

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 of development properties is measured at the fair value of the consideration receivable and is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer.

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

9. ACCOUNTANT'S REPORT (cont'd)



17.11 Income recognition (continued)

Distribution received from short term managed funds is recognised when the right to receive payment is established.

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

Interest income is recognised on a time proportion basis.

Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.

17.12 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 UOA Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised in the statement of comprehensive income 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.

9. ACCOUNTANT'S REPORT (cont'd)

M A Z A R S

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

Property, plant and equipment, investment properties, land held for development, investment in subsidiaries and investment in associated companies are assessed at each financial 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 statement of comprehensive income.

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.

17.13 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 an 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 statement of comprehensive income.

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.

9. ACCOUNTANT'S REPORT (cont'd)



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 statement of comprehensive income.

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.

17.14 Foreign currencies

Transactions in foreign currencies are translated to Ringgit Malaysia at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the financial reporting date are translated at foreign exchange rates ruling at that date.

Exchange differences arising from the settlement of monetary items and the translation of monetary items are included in the statement of comprehensive income.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in the statement of comprehensive income, any corresponding exchange gain or loss is recognised in the statement of comprehensive income.

9. ACCOUNTANT'S REPORT (cont'd)



17.15 Employee benefits

Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits 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 the property development costs.

Post-employment benefits

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

The legal or constructive obligation of the UOA Group is limited to the amount that it agrees to contribute to the EPF. The contributions to the EPF are charged to the income statement in the period to which they relate.

17.16 Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs ceases when the assets are completed or during extended periods when active development is interrupted.

All other borrowing costs are charged to the statement of comprehensive income in the period in which they are incurred. The interest component of hire purchase payments and finance lease payments is charged to the income statement over the hire purchase and finance lease period so as to give a constant periodic rate of interest on the remaining tenure of the hire purchase and finance lease liabilities.

17.17 Taxation

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

On the combined statements 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.

9. ACCOUNTANT'S REPORT (cont'd)

M A Z A R S

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 financial 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 equity if the tax relates to items that are credited or charged, whether in the same or a different period, directly to equity.

17.18 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.

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9. ACCOUNTANT'S REPORT (cont'd)**18. Property, plant and equipment**

FYE 2008	Leasehold		Plant, machinery and motor vehicles	Furniture, fittings and equipment	Total
Cost	Building RM'000	Land RM'000	RM'000	RM'000	RM'000
At 1.1.2008	12,170	2,294	14,494	96	29,054
Additions	-	-	8,914	143	9,057
Disposals	-	-	(53)	-	(53)
Written-off	-	-	(865)	(22)	(887)
At 31.12.2008	12,170	2,294	22,490	217	37,171
Accumulated depreciation					
At 1.1.2008	304	23	7,570	41	7,938
Charge for the year	304	23	3,000	21	3,348
Disposals	-	-	(31)	-	(31)
Write-off	-	-	(729)	(3)	(732)
At 31.12.2008	608	46	9,810	59	10,523
Net carrying amount at 31.12.2008	11,562	2,248	12,680	158	26,648

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9. ACCOUNTANT'S REPORT (cont'd)



18. Property, plant and equipment (continued)

FYE 2009	Leasehold		Plant, machinery and motor vehicles	Furniture, fittings and equipment	Total
Cost	Building RM'000	Land RM'000	RM'000	RM'000	RM'000
At 1.1.2009	12,170	2,294	22,490	217	37,171
Additions	-	-	3,274	26	3,300
Disposals	-	-	(73)	-	(73)
Write-off	-	-	(78)	(8)	(86)
Transferred from investment properties (see para 19)	26,158	-	-	-	26,158
At 31.12.2009	38,328	2,294	25,613	235	66,470
Accumulated depreciation					
At 1.1.2009	608	46	9,810	59	10,523
Charge for the year	958	23	3,593	33	4,607
Disposals	-	-	(48)	-	(48)
Write-off	-	-	(13)	(4)	(17)
At 31.12.2009	1,566	69	13,342	88	15,065
Net carrying amount at 31.12.2009	36,762	2,225	12,271	147	51,405

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9. ACCOUNTANT'S REPORT (cont'd)

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18. Property, plant and equipment (continued)

FYE 2010	Leasehold		Plant, machinery and motor vehicles	Furniture, fittings and equipment	Total
Cost	Building RM'000	Land RM'000	RM'000	RM'000	RM'000
At 1.1.2010	38,328	2,294	25,613	235	66,470
Additions	-	-	4,316	295	4,611
Disposals	-	-	(873)	-	(873)
Write-off	-	-	(32)	(1)	(33)
At 31.12.2010	38,328	2,294	29,024	529	70,175
Accumulated depreciation					
At 1.1.2010	1,566	69	13,342	88	15,065
Charge for the year	958	23	4,033	40	5,054
Disposals	-	-	(845)	-	(845)
Write-off	-	-	(30)	(1)	(31)
At 31.12.2010	2,524	92	16,500	127	19,243
Net carrying amount at 31.12.2010	35,804	2,202	12,524	402	50,932

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

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Plant and machinery	6,763	5,918	5,115
Motor vehicles	1,074	784	662
	7,837	6,702	5,777

9. ACCOUNTANT'S REPORT (cont'd)



19. Investment properties

	At fair value			At cost	
	Freehold condominium and apartment RM'000	Freehold commercial properties RM'000	Long leasehold commercial properties RM'000	Properties under develop- ment RM'000	Total RM'000
FYE 2008					
At 1.1.2008	1,165	85,027	11,856	-	98,048
Additions from subsequent expenditure	-	973	-	19,885	20,858
Disposals	-	(86,000)	-	-	(86,000)
Transfer from property development costs (see para 24)	-	-	25,520	5,253	30,773
Fair value adjustments	-	-	14,294	-	14,294
At 31.12.2008	1,165	-	51,670	25,138	77,973
FYE 2009					
At 1.1.2009	1,165	-	51,670	25,138	77,973
Additions from subsequent expenditure	-	-	3,359	23,556	26,915
Transfer to property, plant and equipment (see para 18)	-	-	(26,158)	-	(26,158)
Transfer from property development cost (see para 24)	-	-	-	9,360	9,360
Fair value adjustments	20	-	(3,781)	-	(3,761)
Reclassifications	-	-	57,180	(57,180)	-
At 31.12.2009	1,185	-	82,270	874	84,329

9. ACCOUNTANT'S REPORT (cont'd)**19. Investment properties (continued)**

	At fair value			At cost	Total
	Freehold condominium and apartment	Freehold commercial properties	Long leasehold commercial properties	Properties under develop- ment	
FYE 2010					
At 1.1.2010	1,185	-	82,270	874	84,329
Additions from subsequent expenditure	-	-	25,460	66,744	92,204
Fair value adjustments	-	-	178,250	-	178,250
Reclassifications	-	-	7,040	(7,040)	-
At 31.12.2010	1,185	-	293,020	60,578	354,783

Included in investment properties are the following stated at carrying amount:

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Land charged to secure bank borrowings referred to paragraphs 37 and 40 below	430	430	-
Land with title deeds pending transfer to the Group, or pending issuance by the relevant authorities	14,500	14,500	-

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

20. Land held for property development

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Freehold land at cost	1,779	1,779	1,779
Leasehold land at cost	48,534	48,534	48,534
Property development cost	7,373	7,373	7,373
At 1 January	57,686	57,686	57,686
Purchase of additional development land	-	-	18,958
Development costs incurred during the financial year	-	-	1,699
At 31 December	57,686	57,686	78,343
Land with title deeds pending transfer to the Group	-	-	15,958

9. ACCOUNTANT'S REPORT (cont'd)



21. Investment in associated company

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Unquoted shares at cost	-	-	18,570

The associated company is Everise Project, a company incorporated in Malaysia in which the UOA Group owns 39% of its issued and fully paid up share capital.

22. Available for sale financial assets

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
At market value			
Investment in UOA Real Estate Investment Trust ("UOA REIT") (quoted in Malaysia)	-	-	26,797
At cost			
Investment in UOA REIT (quoted in Malaysia)	21,021	21,021	-
Shares quoted in Malaysia	1,804	1,804	1,804
Shares quoted outside Malaysia	7,883	7,629	7,629
Unquoted shares	39	39	-
	30,747	30,493	36,230
Diminution in value/Impairment of quoted shares	(9,264)	(5,881)	(9,433)
	21,483	24,612	26,797
Market value of			
- investment in UOA REIT	19,222	22,995	26,797
- shares quoted in Malaysia	167	242	-
- shares quoted outside Malaysia	2,055	3,310	-

23. Deferred tax assets

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
At 1 January	3,288	8,869	6,661
Originating/(reversal) during the year	5,581	(2,208)	2,268
At 31 December	8,869	6,661	8,929

The deferred tax assets arose from the difference in the treatment of property development profits for tax and accounting purposes. The Group has recognised the deferred tax assets as it is probable that its existing housing development projects would generate sufficient taxable profit in the future against which the deferred tax assets can be utilised.

9. ACCOUNTANT'S REPORT (cont'd)



23. Deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of the following temporary differences:

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Unabsorbed tax losses	1,010	50	-
Property development profits	639	452	-
Excess of accumulated depreciation on property plant and equipment over capital allowance claimed	(2)	(6)	-
	<u>1,647</u>	<u>496</u>	<u>-</u>

24. Property development costs

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Freehold land at cost	34,890	39,346	123,768
Leasehold land at cost	116,404	101,084	27,012
Property development cost	143,340	425,674	220,070
Cost recognised as expense in prior years	(80,601)	(338,075)	(130,531)
At 1 January	<u>214,033</u>	<u>228,029</u>	<u>240,319</u>
Costs incurred during the financial year			
- freehold land at cost	11,456	84,422	43,420
- leasehold land at cost	6,000	1,067	-
- development and construction costs	310,132	279,974	291,087
	<u>541,621</u>	<u>593,492</u>	<u>574,826</u>
Cost recognised as expense in income statement	(265,456)	(166,723)	(189,709)
Cost transferred to inventories	(17,363)	(177,090)	(49,925)
Cost transferred to investment properties (see para 19)	(30,773)	(9,360)	-
At 31 December	<u>228,029</u>	<u>240,319</u>	<u>335,192</u>

9. ACCOUNTANT'S REPORT (cont'd)**24. Property development costs (continued)**

Included in property development costs are the following stated at carrying amount:

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Land with title deeds which is registered in the name of a third party with whom the Group has entered into a joint development agreements	8,558	8,558	8,558
Land with title deeds which is registered in the name of a third party *	-	5,000	5,000
Land charged to secure bank borrowings referred to paragraphs 37 and 40 below	9,816	9,816	79,184
	<u>1,921</u>	<u>376</u>	<u>344</u>
Interest capitalised during the financial year	1,921	376	344

* The title deeds are currently being transferred to the relevant subsidiary of the Group.

25. Gross amount due from customers

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Aggregate contract expenditure incurred to date	433,196	190,068	-
Attributable profit recognised to-date	29,678	12,231	-
	<u>462,874</u>	<u>202,299</u>	<u>-</u>
Progress billings to-date	(458,616)	(199,988)	-
	<u>4,258</u>	<u>2,311</u>	<u>-</u>
Gross amount due from customers	4,258	2,311	-

26. Inventories

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Stock of completed development properties at cost	27,155	147,417	184,069
Development properties for which title deeds have yet to be issued in the name of the subsidiary, at cost	4,707	4,707	4,707

9. ACCOUNTANT'S REPORT (cont'd)**27. Accrued billings/(progress billings)**

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Revenue recognised to date	554,020	855,274	534,365
Progress billings to date	(411,541)	(822,232)	(485,636)
	<u>142,479</u>	<u>33,042</u>	<u>48,729</u>
Accrued billings	148,701	37,085	69,114
Progress billings	(6,222)	(4,043)	(20,385)
	<u>142,479</u>	<u>33,042</u>	<u>48,729</u>

28. Trade and other receivables

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Trade receivables (<i>see para 28.1</i>)	22,066	71,112	101,037
Sundry receivables, deposits and prepayments (<i>see para 28.2</i>)	8,770	15,684	22,366
	<u>30,836</u>	<u>86,796</u>	<u>123,403</u>
Allowance for doubtful debts	(4,266)	(4,253)	(4,128)
	<u>26,570</u>	<u>82,543</u>	<u>119,275</u>

28.1 Trade receivables

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Progress billings receivable	19,403	68,940	78,650
Funds held by stakeholders	754	-	14,650
Other gross receivables	1,909	2,172	7,737
	<u>22,066</u>	<u>71,112</u>	<u>101,037</u>
Total gross receivables	22,066	71,112	101,037
Allowance for doubtful debts	(31)	(31)	(82)
	<u>22,035</u>	<u>71,081</u>	<u>100,955</u>

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

The funds held by stakeholders are due within 12 months except for amounts totalling RM4.88 million as at 31 December 2010 which are to be refunded within 13 to 24 months. These amounts are not considered material to be classified as non-current assets.

Other receivables are due within 14 to 45 days.

9. ACCOUNTANT'S REPORT (cont'd)**28. Trade and other receivables (continued)****28.2 Sundry receivables, deposits and prepayment**

	FYE 2008	FYE 2009	FPE 2010
	RM'000	RM'000	RM'000
Refundable deposits paid for the acquisition of development land	910	2,741	9,063
Amounts owing by companies in which certain directors of the Company has financial interest	27	21	7
Other sundry receivables	5,138	6,812	7,388
Deposits and prepayments	2,695	6,110	5,908
	8,770	15,684	22,366
Allowance for doubtful debts	(4,235)	(4,222)	(4,046)
	4,535	11,462	18,320

* Allowance for doubtful debts provided in respect of the advances given to third parties to facilitate the procurement of the development lands.

29. Amounts owing by/to UOA Holdings

UOA Holdings, a company incorporated in Malaysia owns 88.47% of the issued share capital of UOA Development.

The amount owing by UOA Holdings represents interest-free advances which are payable within 12 months.

The amount owing to UOA Holdings is unsecured and analysed as follows:

	FYE 2008	FYE 2009	FYE 2010
	RM'000	RM'000	RM'000
Interest free advances	132,794	137,476	202,930
Management fees payable	8,985	9,568	8,708
	141,779	147,044	211,638

The interest free advances are payable within 12 months. The management fees payable are expected to be settled within the normal credit period.

9. ACCOUNTANT'S REPORT (cont'd)**30. Amounts owing by/to other related companies**

The amounts owing by the other related companies represent unsecured interest free advance which are payable within 12 months.

The amounts owing to the other related companies are unsecured and analysed as follows:

	FYE 2008	FYE 2009	FYE 2010
	RM'000	RM'000	RM'000
Unpaid balance for acquisition of land	13,436	-	-
Interest free advances	18,964	24,657	10,124
Interest bearing loan	21,622	20,000	-
Accrued interest	329	145	-
	<u>54,351</u>	<u>44,802</u>	<u>10,124</u>

31. Short term investments

	FYE 2008	FYE 2009	FYE 2010
	RM'000	RM'000	RM'000
Short term funds, at amortised cost	<u>11,708</u>	<u>53,682</u>	<u>1,423</u>

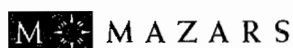
The short term funds are managed and invested into fixed income securities and money market instruments by fund management companies. The short term funds are readily convertible to cash.

32. Deposits with licensed financial institutions

	FYE 2008	FYE 2009	FYE 2010
	%	%	%
Effective interest rates of the fixed deposits (per annum ("p.a."))	<u>2.65-3.60</u>	<u>1.50-3.20</u>	<u>1.75-2.65</u>

All deposits have maturities of less than one year.

9. ACCOUNTANT'S REPORT (cont'd)



33. Cash and bank balances

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Cash and cash balances include cash maintained in Housing Development Accounts amounting to	7,826	6,503	18,580
	%	%	%
These accounts earn interest at the following rates (p.a.)	2 - 2.8	1	1 - 1.75

Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

34. Amounts owing to non-controlling interest

The amounts owing to non-controlling interest represent unsecured interest free advances which are not expected to be recalled within the next 12 months.

35. Deferred tax liabilities

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
At 1 January	339	625	553
Origination/(reversal) during the year	286	(72)	9,945
At 31 December	625	553	10,498
Represented by:			
Tax effects of excess of capital allowances over accumulated depreciation on property, plant and equipment	625	553	675
Real Property Gains Tax	-	-	9,823
	625	553	10,498

9. ACCOUNTANT'S REPORT (cont'd)**36. Hire purchase and financial lease liabilities**

	FYE 2008	FYE 2009	FYE 2010
	RM'000	RM'000	RM'000
Total future installments payable	7,359	6,764	5,379
Unexpired term charges	(969)	(714)	(465)
	=====	=====	=====
Total outstanding principal	6,390	6,050	4,914
	=====	=====	=====
Future installments payable			
- not later than one year	2,153	2,527	2,665
- later than one year but not later than five years	5,206	4,237	2,714
	=====	=====	=====
Total future installments payable	7,359	6,764	5,379
	=====	=====	=====
Outstanding principal			
- not later than one year (<i>included under current liabilities</i>)	1,700	2,121	2,374
- later than one year but not later than five years (<i>included under non-current liabilities</i>)	4,690	3,929	2,540
	=====	=====	=====
Total outstanding principal	6,390	6,050	4,914
	=====	=====	=====
Effective interest rate (% p.a.)	2.26 - 8.69	2.26 - 8.69	4.30 - 8.84
	=====	=====	=====

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9. ACCOUNTANT'S REPORT (cont'd)**37. Long term borrowings**

	FYE 2008	FYE 2009	FYE 2010
	RM'000	RM'000	RM'000
<u>Loan I</u>			
RM280,000 bank term loan repayable by 180 monthly instalments commencing 25 August 1995	89	60	-
<u>Loan II</u>			
RM9,129,491 revolving loan	9,130	9,130	9,130
<u>Loan III</u>			
RM2,065,490 revolving loan	2,065	2,065	2,065
	-----	-----	-----
	11,284	11,255	11,195
Repayments due within the months included under short term borrowings (see para 40)	(27)	(30)	(9,130)
	-----	-----	-----
Repayments due later than 12 months but not more than five years included under non-current liabilities	11,257	11,225	2,065
	=====	=====	=====

The effective interest rates for the above bank borrowings are as follows:-

	FYE 2008	FYE 2009	FYE 2010
	% p.a	% p.a	% p.a
Loan I	8.25	7.25	-
Loan II	3.00	3.00	3.00
Loan III	*	*	*
	=====	=====	=====

Loan I was secured by a charge over an investment property.

Loan II is secured by a bank guarantee provided by the UOA Holdings. It is payable on or before 17 August 2011.

Loan III is secured by an assignment of apartments to be built on a development project currently undertaken by the Group. The loan is payable on or before 30 July 2014.

** Interest at 3% p.a. is payable with effect from 30 July 2011.*

9. ACCOUNTANT'S REPORT (cont'd)**M A Z A R S****38. Trade and other payables**

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Trade payables (<i>see para 38.1</i>)	60,709	67,178	101,240
Sundry payables, deposit and accruals (<i>see para 38.2</i>)	11,226	18,837	38,450
	<u>71,935</u>	<u>86,015</u>	<u>139,690</u>

38.1 Trade payables

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Sub-contractors' claims	32,680	34,994	45,644
Retention sums	12,755	15,920	21,370
Accruals construction costs	5,410	13,349	26,648
Other trade payables	9,864	2,915	7,578
	<u>60,709</u>	<u>67,178</u>	<u>101,240</u>

The normal credit terms extended by sub-contractors and suppliers range from 30 to 45 days.

The retention sums are payable upon the expiry of the defect liability period of 12 to 18 months. An amount of RM8.25 million as at 31 December 2010 is payable within 13 to 24 months. This amount is not considered material to be classified to non-current liabilities.

Other trade payables are required to be settled within 30 to 60 days.

38.2 Sundry payable, deposits and accruals

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Unpaid considerations for property, plant and equipment acquired	67	199	382
Amounts owing to companies in which certain directors of the UOA Development has financial interest	1	333	333
Sundry payables	3,856	4,138	15,487
Deposits	1,308	4,494	6,739
Accruals	5,994	9,673	15,509
	<u>11,226</u>	<u>18,837</u>	<u>38,450</u>

9. ACCOUNTANT'S REPORT (cont'd)**39. Amount owing to UOA**

The amount owing to UOA represents unsecured interest free advances which are payable on demand. These advances are denominated in the following currencies:-

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
- RM	360	360	-
- USD	1,128	-	-
	<u>1,488</u>	<u>360</u>	<u>-</u>

40. Short term borrowings

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Current portion of long term borrowings (see para 37)	27	30	9,130
Revolving credits	51,250	27,500	140,065
Bridging loan	-	-	237
	<u>51,277</u>	<u>27,530</u>	<u>149,432</u>

The effective interest rate for the above revolving credits, bridging loan and bank overdraft are as follows:-

	FYE 2008 % p.a	FYE 2009 % p.a	FYE 2010 % p.a
Revolving credits	5.20	4.50	4.70-4.95
Bridging loan	-	-	4.48

The revolving credit is secured by a corporate guarantee from UOA Holdings. The revolving credit is repayable on demand.

9. ACCOUNTANT'S REPORT (cont'd)

The bridging loan is secured as follows:

- (i) a charge over a fixed deposit of the Group amounting to RM354,119.
- (ii) a corporate guarantee from UOA Holdings.
- (iii) a legal charge over a vacant commercial land included under property, development costs at RM79.2 million (RM95.9 million inclusive of development costs incurred).

41. Revenue

	FYE 2008	FYE 2009	FYE 2010
	RM'000	RM'000	RM'000
Sales of of development properties	488,106	427,776	375,229
Contract revenue	4,735	-	-
	<u>492,841</u>	<u>427,776</u>	<u>375,229</u>

42. Cost of sales

	FYE 2008	FYE 2009	FYE 2010
	RM'000	RM'000	RM'000
Cost of properties sold	277,718	186,161	192,148
Contract cost recognised as expense	4,673	-	-
	<u>282,391</u>	<u>186,161</u>	<u>192,148</u>

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9. ACCOUNTANT'S REPORT (cont'd)



43. Profit before tax

Profit before tax is stated
after charging:

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Auditors' remuneration	100	155	152
Allowance for doubtful debts	349	-	262
Bad debts written off	-	-	8,055
Depreciation	3,348	4,607	5,054
Directors' fee	22	23	-
Goodwill on acquisition of additional shares in a subsidiary	-	792	-
Interest expense	2,155	1,746	2,762
Property, plant and equipment written off	155	69	2
Provision for diminution in value/ impairment of AFS financial assets	6,650	-	3,552
Rental of premises	212	332	-
Loss on foreign exchange	-	-	-
- Realised	-	13	-
- Unrealised	54	-	-
and crediting:			
Bad and doubtful debts written back	1,124	14	387
Diminution in value of AFS financial assets written back	-	3,383	-
Distribution income from short term investment	-	1,329	422
Gain on disposal of:			
- property, plant and equipment	25	89	205
- AFS financial assets	332	-	34
Gross dividend from:			
- related companies	13,625	1,233	3,453
- AFS financial assets	1,605	2,133	1,950
Interest income	1,395	750	3,801
Rental income	2,195	5,161	11,848

9. ACCOUNTANT'S REPORT (cont'd)**44. Tax expense**

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Malaysia tax based on results for the year			
- current taxation	62,374	56,865	46,384
- deferred taxation	(5,297)	2,121	(3,567)
- Real Property Gains Tax	-	-	11,293
	57,077	58,986	54,110
(Over)/Under provision in prior year	(381)	(116)	617
	56,696	58,870	54,727

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

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Accounting profit	218,147	236,465	340,559
Taxation at statutory rate	56,579	59,457	85,140
Tax effect of			
- non-deductible expenses	4,606	659	4,844
- non-taxable income	(231)	(1,521)	(1,135)
Difference between income tax rate and Real Property Gains Tax rate applicable on fair value adjustments on investment properties	(4,075)	940	(34,739)
Deferred tax assets not recognised	198	(549)	-
(Over)/Under provision in prior year	(381)	(116)	617
	56,696	58,870	54,727

45. Employee benefits expense

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Salaries, bonuses and allowances	12,787	13,308	18,735
Key management personnel	-	-	-
Others	12,787	13,308	18,735
	12,787	13,308	18,735
Salaries, bonuses and allowances include EPF amounting to	792	894	1,290

9. ACCOUNTANT'S REPORT (cont'd)



46. Related party transactions

Significant related party transactions during the financial years were as follows:

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
<i>Transactions with UOA</i>			
Acquisition of			
- AEC	-	-	47,000
- URC Engineering	-	-	8,500

Transactions with UOA Holdings

Acquisition of			
- URC Engineering	-	-	10,200
- UOA Properties	-	-	498
- Dynasty Portfolio Sdn Bhd	-	*	-
- Lencana Harapan Sdn Bhd	-	*	-
- Bangsar South City Sdn Bhd	-	*	-
- Nasib Unggul Sdn Bhd	-	*	-
- Enchant Heritage Sdn Bhd	-	*	-
- Tunjang Idaman Sdn Bhd	-	*	-
Disposal of			
- Midah Heights Sdn Bhd	-	-	**
- Multiplex Strategy Sdn Bhd	-	-	**
- Federaya Development Sdn Bhd	-	-	***
Management fee payable	9,041	9,622	16,786
Rental received	38	123	2,976
Rental paid	-	-	99
Sale of UOA REIT units	-	-	130

Transactions with other related companies

Acquisition of Ceylon Hills Sdn Bhd	-	-	****
Disposal of investment property	86,000	-	-
Interest paid	1,655	908	570
Rental paid	243	132	31
Construction services rendered to	43,550	34,615	-

* Represents RM201 in total

** Represents RM1

*** Represents RM70

**** Represents RM54

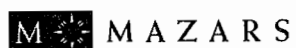
9. ACCOUNTANT'S REPORT (cont'd)



46. Related party transactions (continued)

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
<i>Transaction with directors and their close family members</i>			
Sales of properties to			
- Kong Pak Lim	1,148	-	2,046
- Kong Chong Soon @ Chi Suim	-	3,903	1,810
- Wong Kiu Nguik, a close family member of Kong Pak Lim	603	-	-
- Kong Sze Choon, a close family member of Kong Chong Soon @ Chi Suim	412	-	-
- Kong Ai Chee, a close family member of Kong Chong Soon @ Chi Suim	-	-	869
- Alan Charles Winduss	-	-	864
	=====	=====	=====
<i>Transaction with a company in which a director, Kong Chong Soon @ Chi Suim has a financial interest</i>			
Sale of properties to Global Transact Sdn Bhd	-	-	758
	=====	=====	=====
<i>Assignment of debts by related companies to UOA Holdings:</i>			
(i) Sunny Uptown Sdn Bhd			
- amount owing to Windsor Triumph Sdn Bhd	-	22,428	-
(ii) Paramount Properties Sdn Bhd			
- amount owing to Kumpulan Sejahtera Sdn Bhd	-	8,601	-
(iii) IDP Industrial Development Sdn Bhd			
- amount owing to Windsor Triumph Sdn Bhd	-	21,244	-
(iv) Windsor Triumph Sdn Bhd			
- amount owing to UOA Development Bhd	28,625	-	-
	=====	=====	=====
<i>Assumption by UOA Development Bhd of debt owing to Wisma UOA by Sunny Uptown Sdn Bhd</i>	-	-	18,651
	=====	=====	=====
<i>Assumption by UOA Holdings of debts owing to Wisma UOA Sdn Bhd by Tunjang Idaman Sdn Bhd</i>	-	15	-
	=====	=====	=====

9. ACCOUNTANT'S REPORT (cont'd)



46. Related party transactions (continued)

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
<i>Assumptions by Paramount</i>			
<i>Properties Sdn Bhd of debts owing to</i>			
<i>UOA Holdings by the following</i>			
<i>companies:</i>			
(i) Tunjang Idaman Sdn Bhd	-	2,277	-
(ii) Dynasty Portfolio Sdn Bhd	-	3,231	-
(iii) Nasib Unggul Sdn Bhd	-	2,939	-
(iv) Bangsar South City Sdn Bhd	-	4,121	-
(v) Lencana Harapan Sdn Bhd	-	1,424	-
	=====	=====	=====
<i>Transactions with related parties</i>			
Building management fees paid to			
Dats Management Sdn Bhd	-	180	252
Rental received to Dats Management Sdn Bhd	19	18	543
Landscaping fees paid to Sehati Pertiwi Sdn Bhd	58	85	164
	=====	=====	=====

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9. ACCOUNTANT'S REPORT (cont'd)



47. Operating lease commitments

The UOA Development Group as lessee

The UOA Development 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 UOA Development Group 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:

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Not later than one year	59	49	42
Later than one year but not later than 5 years	-	-	-
	=====	=====	=====
	59	49	42

The UOA Development Group as lessor

The UOA Development Group leases out its investment properties under non-cancellable 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 UOA Development Group by entering into these leases.

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:

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Not later than one year	649	11,663	13,561
Later than one year but not later than 5 years	608	13,547	7,836
	=====	=====	=====
	1,257	25,210	21,397

9. ACCOUNTANT'S REPORT (cont'd)



48. Commitments

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Commitments to acquire			
- development land	8,958	29,401	51,805
- property, plant and equipment	-	-	3,180
	<u>8,958</u>	<u>29,401</u>	<u>54,985</u>

49. Segmental information

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

- (i) Property development
- (ii) Construction

	FYE 2008 RM'000	FYE 2009 RM'000	FYE 2010 RM'000
Property development	193,750	238,397	161,526
Construction	24,396	21,373	19,039
Fair value adjustment on investment properties	14,294	(3,761)	178,250
Others	13,605	5,237	4,655
	<u>246,045</u>	<u>261,246</u>	<u>363,470</u>
Inter-segment profit	(27,898)	(24,781)	(22,911)
	<u>218,147</u>	<u>236,465</u>	<u>340,559</u>

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.

50. Financial instruments

FYE 2010

	Loans and receivables RM'000	Available- for-sale RM'000	Total RM'000
Financial assets			
Available-for-sales financial assets	-	26,797	26,797
Trade and other receivables	110,212	-	110,212
Amount owing by immediate holding company	22,036	-	22,036
Amounts owing by related companies	2,465	-	2,465
Short term investments	1,423	-	1,423
Deposits with financial institutions	12,517	-	12,517
Cash and bank balances	24,256	-	24,256
	<u>172,909</u>	<u>26,797</u>	<u>199,706</u>
Total financial assets			

9. ACCOUNTANT'S REPORT (cont'd)



50. Financial instruments (continued)

	At amortised cost RM'000	Total RM'000
Financial liabilities		
Trade and other payables	139,690	139,690
Amount owing to immediate holding company	211,638	211,638
Amounts owing to related companies	10,124	10,124
Amount owing to non-controlling interest	36,948	36,948
Long term borrowings	2,065	2,065
Hire purchase and finance lease liabilities	4,914	4,914
Short term borrowings	149,432	149,432
	<hr/>	<hr/>
Total financial liabilities	554,811	554,811

Comparative figures have not been presented by virtue of the exemption given in paragraph 44AA of FRS 7.

51. The entities representing the UOA Development Group, all incorporated in Malaysia, are as follows:

	Effective equity interest held by UOA Development as at 31.12.2010 (%)	Principal activities
IDP Industrial Development Sdn Bhd	100.00	Property development
Kumpulan Sejahtera Sdn Bhd	100.00	Property development
Magna Tiara Development Sdn Bhd	100.00	Property investment
Paramount Hills Sdn Bhd	100.00	Property development
Paramount Properties Sdn Bhd	100.00	Property development
Sagaharta Sdn Bhd	100.00	Property development
Saujanis Sdn Bhd	100.00	Property development
Sunny Uptown Sdn Bhd	100.00	Property development
Tiarawoods Sdn Bhd	100.00	Property development
Windsor Triumph Sdn Bhd	100.00	Property development
Seri Tiara Development Sdn Bhd	85.00	Property development
Magna Kelana Development Sdn Bhd	70.00	Property development
Everise Tiara (M) Sdn Bhd	60.00	Property development
Peninsular Home Sdn Bhd	60.00	Property development
Scenic Point Development Sdn Bhd	60.00	Property development
Ceylon Hills Sdn Bhd	54.00	Property development
UOA Properties Bhd	99.99	Property investment
Dynasty Portfolio Sdn Bhd	100.00	Property investment
Lencana Harapan Sdn Bhd	100.00	Property investment
Bangsar South City Sdn Bhd	100.00	Property investment
Nasib Unggul Sdn Bhd	100.00	Property investment
Enchant Heritage Sdn Bhd	85.00	Property investment
Tunjang Idaman Sdn Bhd	100.00	Property investment
Allied Engineering Construction Sdn Bhd	100.00	Civil contractor
URC Engineering Sdn Bhd	100.00	Civil contractor

9. ACCOUNTANT'S REPORT (cont'd)



52. Financial risk management objectives and policies

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

The UOA 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 UOA Group has a gain position. The UOA Group has no significant concentration of credit risk. Nevertheless, the UOA Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counterparties.

In respect of the UOA Group's development properties, most of the customers obtain end-financing to fund their purchases of the UOA Group's properties. In such cases, the UOA Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development properties 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 UOA Group's investment properties, the UOA 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 default on the part of the tenant.

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

The ageing analysis of receivables as at FYE 2010 is as follows:

	Gross RM'000	Impairment RM'000
<i>Trade receivables</i>		
Not past due	86,122	-
Less than 44 days past due	5,184	-
Between 44 and 110 days past due	8,769	-
More than 110 days past due	962	82
	<u>101,037</u>	<u>82</u>

9. ACCOUNTANT'S REPORT (cont'd)



52. Financial risk management objectives and policies (continued)

	Gross RM'000	Impairment RM'000
<i>Other receivables</i>		
Not past due	15,829	-
Between 6 and 12 months past due	1,112	-
Between 1 and 5 years past due	2,122	1,434
More than 5 years past due	3,303	2,612
	<u>22,366</u>	<u>4,046</u>

Movement in the allowance for doubtful debts are as follows:

	RM'000
At 1 January 2010	4,253
Additional allowance	262
Allowance no longer required	(387)
	<u>4,128</u>
At 31 December 2010	<u>4,128</u>

(b) *Interest rate risk*

The UOA 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 relates primarily to the UOA Group's interest-bearing borrowings and fixed deposits.

The UOA 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 UOA 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 UOA Group manages its interest rate risk by placing such funds on short tenures of 12 months or less.

(c) *Foreign currency risk*

The UOA Development Group is exposed to currency risk in respect of a foreign currency loan from UOA. The UOA Development Group does not consider it necessary to hedge against translation exposure as the amount involved is insignificant.

9. ACCOUNTANT'S REPORT (cont'd)

M A Z A R S

(d) *Market risk*

The UOA 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 UOA Group optimises returns by disposing of investments after thorough analysis.

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

(e) *Liquidity and cash flow risk*

The UOA 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 UOA Group seeks to maintain sufficient credit lines available to meet the liquidity requirements while ensuring an effective working capital management within the UOA Group.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2010 based on contractual undiscounted cash flows.

	Less than 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
Trade and other payables	139,005	-	-	139,005
Amounts owing to UOA Holdings	211,638	-	-	211,638
Amounts owing to other related companies	10,124	-	-	10,124
Amount owing to non-controlling interest	-	44,237	-	44,237
Hire purchase and finance lease liabilities	2,665	2,714	-	5,379
Bank borrowings	151,810	2,251	-	154,061
	<u>515,242</u>	<u>49,202</u>	<u>-</u>	<u>564,444</u>

9. ACCOUNTANT'S REPORT (cont'd)

**53. Subsequent events**

Other than the Pre-IPO Restructuring as disclosed in paragraph 3.2 of this report, there were no significant events between the date of the last financial statements used in the preparation of this report and the date of this report which will affect materially the contents of this report.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Lum'.

MAZARS
No. AF: 1954
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Tang Kin Kheong'.

TANG KIN KHEONG
No. 1501/9/11 (J/PH)
Partner

10. OUR MAJOR LICENCES

As the Latest Practicable Date, the approvals, major licenses and permits issued to our Group in order for us to carry out our operations other than those pertaining to the general business requirements are as follows:

No.	Authority/ (Reference no.)	Date of issue/ Date of commencement/(expiry)	Type of business/ Transaction approved	Major conditions imposed	Compliance status
1.	Ceylon Hills Service Apartments, Ceylon Hills				
(i)	DO DBKL (Ref no.: (20)dlm.DBKL.JPRB.1105/59)	23 February 2011 / 23 February 2011 / (N/A) ⁽¹⁾	Hotel on Lot 1288 (Lot Baru), Seksyen 57, Lorong Berangan, Off Jalan Ceylon, Kuala Lumpur.	No major conditions	N/A
(ii)	Building Plans (36) dlm. BP T4 OSC 20103887	28 March 2011 / 28 March 2011 / (27 March 2012)	Hotel on Lot 1288 (Lot Baru), Seksyen 57, Lorong Berangan, Off Jalan Ceylon, Kuala Lumpur.	No major conditions	N/A
2.	Kepong Business Park, IDP Industrial Development				
(i)	DO DBKL (Ref no.: No.(181) dlm.DBKL.JPRB.5591/95)	5 May 2010 / 5 May 2010 / (N/A) ⁽¹⁾	Commercial blocks (boutique bungalow shops) on Lot 423, Lot 424, Lot 808, Lot 809, Lot 810, Lot 1835 and Lot 1836, Off Jalan Segambut, Mukim Batu, Kuala Lumpur.	No major conditions	N/A
(ii)	Building Plans DBKL (Ref no.: BPT1OSC 20102049)	3 September 2010 / 3 September 2010 / (N/A) ⁽²⁾	A commercial development (boutique bungalow shops) on Lot 423, Lot 424, Lot 808, Lot 809, Lot 810, Lot 1835 and Lot 1836, Off Jalan Segambut, Mukim Batu, Kuala Lumpur.	No major conditions	N/A
3.	Desa III, Magna Kelana Development				
(i)	DO DBKL (no.: DBKL (No. (21) dlm.DBKL.JPRB.7244/2009 [OSC(B)A07 S1 100331-016])	8 October 2010 / 8 October 2010 / (N/A) ⁽¹⁾	Bungalows on Lot 5698, Lot 5701 and 5702, Off Jalan Desa Utama, Taman Desa, Kuala Lumpur.	No major conditions	N/A
(ii)	Building Plans DBKL (Ref.: No. (28) dlm. BP S1 OSC 2010 0819)	20 December 2010 / 20 December 2010 / (19 December 2011)	Bungalows on Lot 5698, Lot 5701 and 5702, Off Jalan Desa Utama, Taman Desa, Kuala Lumpur.	No major conditions	N/A

10. OUR MAJOR LICENCES (cont'd)

No.	Authority/ (Reference no.)	Date of issue/ Date of commencement/(expiry)	Type of business/ Transaction approved	Major conditions imposed	Compliance status
4.	Villa Pines, Paramount Hills				
(i)	Housing Developer's Licence Ministry of Housing and Local Government (Ref no.: 11201-1/04-2013/375)	8 April 2010 / 8 April 2010 / (7 April 2013)	Luxury terrace houses on Lot 61588 – Lot 61591 & PT 25759, Town of Kuala Lumpur, Mukim Wilayah Persekutuan Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.	No major conditions	N/A
(ii)	DO DBKL (Ref no.: No. (106)dim.DBKL.JPRB.5393/79)	10 September 2008 / 10 September 2008 / (N/A) ⁽¹⁾	Luxury terrace houses on Lot PT 19269 – PT 19272, Jalan Segambut, Mukim Batu in the City of Kuala Lumpur.	No major conditions	N/A
(iii)	Building Plans DBKL (Ref no.: BPT1OSC20094820)	4 March 2010 / 4 March 2010 / (N/A) ⁽²⁾	Terrace houses on Lot PT 19269 – PT 19272, Jalan Segambut, Mukim Batu in the City of Kuala Lumpur.	No major conditions	N/A
5.	The Vertical and Horizon Phase II, Paramount Properties				
(i)	DO DBKL (Ref no.: No.(45)dim.DBKL.JPRB.6080/2004 PT1)	18 August 2010 / 18 August 2010 / (N/A) ⁽¹⁾	A commercial centre on Lot 51516 (PT 3626), Bangsar South, Jalan Kerinchi, Kuala Lumpur: 1) The Horizon Phase II 2) The Vertical 3) Phase IV ⁽³⁾ on a part of Lot 51516 (PT 3626), Bangsar South, Jalan Kerinchi, Kuala Lumpur.	No major conditions	N/A
(ii)	Building Plans DBKL (Ref no.:BP S1 200800063)	22 June 2009 / 22 June 2009 / (N/A) ⁽²⁾	A commercial centre on Lot 51516 (PT 8097), Mukim Kuala Lumpur, Kuala Lumpur.	No major conditions	N/A

10. OUR MAJOR LICENCES (cont'd)

No.	Authority/ (Reference no.)	Date of issue/ Date of commencement/(expiry)	Type of business/ Transaction approved	Major conditions imposed	Compliance status
6.	Binjai 8, Scenic Point Development				
(i)	Housing Developer's Licence Ministry of Housing and Local Government (Ref no.: 11087-1/12-2014/1260)	15 December 2009 / 10 December 2009 / (9 December 2014)	Luxury service apartment on Lot 298, Seksyen 63, Town of Kuala Lumpur, Mukim Wilayah Persekutuan Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.	No major conditions	N/A
(ii)	DO DBKL (Ref no.: No. (40)dim.DBKL.JPRB.2177/2006)	7 March 2008 / 7 March 2008 / (N/A) ⁽¹⁾	Service apartment on Lot 298, Seksyen 63, Town of Kuala Lumpur, Mukim Wilayah Persekutuan Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.	No major conditions	N/A
(iii)	Building Plans DBKL (Ref no.: No. BP T3 OSC 20095833)	30 December 2009 / 30 December 2009 / (N/A) ⁽²⁾	Service apartment on Lot 298, Seksyen 63, Town of Kuala Lumpur, Mukim Wilayah Persekutuan Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur.	No major conditions	N/A
7.	Desa Il (Commercial), Seri Tiara Development				
(i)	DO DBKL (Ref no.: (23)dim.DBKL.JPRB.4331/2007)	20 November 2008 / 20 November 2008 / (19 November 2011)	Office blocks on Lot 2276, Lot 2277, Lot 2246, Lot 1456 and Lot 3678, Federal Highway/ Persimpangan Taman Desa in the City of Kuala Lumpur.	No major conditions	N/A
8.	Desa Il (Residential), Seri Tiara Development				
(i)	DO ⁽⁴⁾ DBKL (Ref no.: (24)dim.DBKL.JP&KB.4331/2007)	20 November 2008 / 20 November 2008 / (19 November 2010) ⁽⁵⁾	'Superlink' houses on Lot 2246 and Lot 1456, Federal Highway/Persimpangan Taman Desa, Kuala Lumpur.	No major conditions	N/A

10. OUR MAJOR LICENCES (cont'd)

No.	Authority/ (Reference no.)	Date of issue/ Date of commencement/(expiry)	Type of business/ Transaction approved	Major conditions imposed	Compliance status
9. Camellia Service Apartments and Annex Building, Sunny Uptown					
(i)	Housing Developer's Licence Ministry of Housing and Local Government (Ref no.: 3762) DL No. 10697-2/06-2015/658	11 June 2010 / 11 June 2010 / (10 June 2015)	Housing developer to develop luxury service apartments on Lot No. 58192, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	No major conditions	N/A
(ii)	DO DBKL (Ref no.: No. (29) dlm.DBKL.JPRB.6080/2004/3) DO (Ref No.: No. (44) dlm DBKL.JPRB.6080/2004/3 [OSC(S)A13 S1 101102-008]) dated 10 December 2010 to amend existing DO by increasing from 480 units to 720 units.	10 December 2010 / 10 December 2010 / (N/A) ⁽¹⁾	Service apartments on Lot PT 8094, Mukim Kuala Lumpur, Kuala Lumpur.	No major conditions	N/A
(iii)	Building Plans DBKL (Ref no.: (19) dlm. BP S1 OSC 2010 2432) BP (Ref no.: (15) dlm. BP S1 OSC 2010 4404) dated 21 January 2011 to amend the existing BP by increasing from 480 units to 720 units.	21 January 2011 / 21 January 2011 / (20 January 2012)	Service apartments on Lot PT 8094, Mukim Kuala Lumpur, Kuala Lumpur.	No major conditions	N/A
10. The Park Residences and The Clubhouse, Sunny Uptown					
(i)	DO DBKL (Ref no.: No.(91) dlm.DBKL.JPRB.6080/2004)	25 July 2008 / 25 July 2008 / (24 July 2011) ⁽⁶⁾	Apartments on Lot 51516 (PT 8094 and PT 8096), Mukim Kuala Lumpur in the city of Kuala Lumpur.	No major conditions	N/A

10. OUR MAJOR LICENCES (cont'd)

No.	Authority/ (Reference no.)	Date of issue/ Date of commencement/(expiry)	Type of business/ Transaction approved	Major conditions imposed	Compliance status
11.	Klara IV, Everise Tiara				
(i)	DO DBKL (Ref no.: (41)dIm.DBK.L.JPRB.5238/2005 [OSC (B) A07 T2 101005-025])	8 December 2010 / 8 December 2010 / (N/A) ⁽¹⁾	Semi detached houses on Lot 1218, Mukim Batu, Kuala Lumpur.	No major conditions	N/A
(ii)	Building Plans (16) dIm. T1 OSC 20103327	31 March 2011/ 31 March 2011/ (30 March 2012)	Semi detached houses on Lot 1218, Mukim Batu, Kuala Lumpur.	No major conditions	N/A
12.	Lot 2507, Tunjang Idaman				
(i)	DO DBKL (Ref no.: (111) dIm.DBK.L.JPRB.1570/72 [OSC (B) A13 S1 100427-003])	3 December 2010 / 3 December 2010 / (2 December 2011)	Office block on Lot 2507, Mukim Kuala Lumpur, Kuala Lumpur.	No major conditions	N/A
13.	Setapak Green, Sagaharta				
(i)	Housing Developer's Licence Ministry of Housing and Local Government (Ref no.: 4539) DL No. 10115-2/12-2015/1426	23 December 2010 / 16 December 2010 / (15 December 2015)	Housing developer to develop condominium.	No major conditions	N/A
(ii)	DO DBKL (Ref no.: (83)dIm.DBK.L.JPRB.5176/2005 [OSC(B)A10 U2 100813-024])	12 November 2010 / 12 November 2010 / (N/A) ⁽¹⁾	Apartments on Lot 333, Lot 334 and Lot 337, Off Jalan Gombak, Mukim Setapak, Wilayah Persekutuan Kuala Lumpur.	No major conditions	N/A
(iii)	Building Plan DBKL (Ref no.: BPU2OSC20102689)	3 December 2010 / 3 December 2010 / (2 December 2011)	Apartments on Lot 333, Lot 334 and Lot 337, Off Jalan Gombak, Mukim Setapak, Wilayah Persekutuan Kuala Lumpur.	No major conditions	N/A

10. OUR MAJOR LICENCES (cont'd)

No.	Authority/ (Reference no.)	Date of issue/ Date of commencement/(expiry)	Type of business/ Transaction approved	Major conditions imposed	Compliance status
14.	Glenmarie Land, Everise Project				
(i)	DO Planning approval: (48) MBSA/PRG/KP/600- 3/SEK.U1/0109/10/MBSA/OSC/KM (DO)/SEK.U1/0065/2010	4 March 2011 / 4 March 2011 / (3 March 2012)	Commercial complex on Lot PT 16867, Section U1, 40150 Shah Alam, Selangor Darul Ehsan.	No major conditions	N/A
15.	AEC				
(i)	CIDB Certification CIDB (Ref no. 1961107- WP012676)	30 March 2010 / 30 March 2010 / (29 March 2011) ⁽⁷⁾	Building construction / civil engineering construction / general construction works / civil engineering works.	No major conditions	N/A
16.	URC Engineering				
(i)	CIDB Certification CIDB (Ref no. 1970426- WP029995)	6 January 2010 / 6 January 2010 / (5 January 2013)	Building construction / civil engineering construction / general construction works / civil engineering works.	No major conditions	N/A

Notes:

- (1) *Not applicable as building plans approval has been obtained.*
- (2) *Not applicable as construction has commenced.*
- (3) *This future development will be located at the site where The Sphere is currently.*
- (4) *An application has been submitted to DBKL to amend the DO to permit the erection of two blocks of 14-storey apartments. The amended DO has not been issued as at 31 March 2011.*
- (5) *An application dated 23 September 2010 was made to extend the DO validity period. The extension for the DO has not been issued as at 31 March 2011.*
- (6) *An extension has been given to the original DO in regards to its validity period. The DO is now valid up till 24 July 2011.*
- (7) *An application has been submitted by AEC for renewal of CIDB registration.*

11. PROPERTIES**11.1 PROPERTIES OCCUPIED BY OUR GROUP****(A) PROPERTIES OCCUPIED AND OWNED BY OUR GROUP**

The details of land and buildings owned by us as at the Latest Practicable Date are set out below:

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property/ Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
1.	Paramount Properties										
	Pajakan Negeri No. Hakmilik 46338, No. Lot 58190, Mukim Kuala Lumpur, Daerah Kuala Lumpur ("Master Land")	A block of 11-storey boutique office known as Tower 1, Avenue 3, The Horizon Phase I, erected on part of the Master Land.	20 May 2009	7,008	Nil	Nil	30,075.01	52,400.00 31 December 2010 Comparison Method	22,324.99	100	22,324.99
	Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.	Rented out to UOA Group as administration office. Car park rented out to Dats Management.									
	Leasehold - 99 years expiring on 16 August 2106										
2.	Sunny Uptown										
	Pajakan Negeri No. Hakmilik 46331 No. Lot 58194, Mukim Kuala Lumpur, Daerah Kuala Lumpur	Show Village (three storey sales gallery) Our sales office / showroom	18 April 2008	3,930	Nil	Nil	14,500.00	17,700.00 31 December 2010 Cost Method	3,200.00	100	3,200.00

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property/ Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
3.	Bangsar South, No. 2, Jalan 1/112H, Off Jalan Kerinchi, 59200 Kuala Lumpur.										
	Leasehold - 99 years expiring on 16 August 2106										
	Windor Triumph (Beneficial Owner)										
	Megah Kepong Sdn Bhd (Registered Owner)										
	Geran Mukim 8695/M1/1/6 Lot 63151 (Parcel No.: A-G-6, Kepong Low Cost Shop)	Low cost shop	9 August 2005	290	Nil	Nil	266.35	N/A ⁽²⁾	N/A	100	N/A
		Rented out to AEC as site office for Kepong Business Park.									
	Geran Mukim 8695/M1/5/54 Lot 63151 (Parcel No.: 04-01, Kepong Low Cost Flat)	Low cost flats	9 August 2005	378	Nil	Nil	252.00	N/A ⁽²⁾	N/A	100	N/A
		Six units rented out to AEC as hostel for workers.									
	Geran Mukim 8695/M1/5/58 Lot 63151 (Parcel No.: 04-05, Kepong Low Cost Flat)										

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property/ Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
	Geran Mukim 8695/M1/5/62 Lot 63151 (Parcel No.: 04-09, Kepong Low Cost Flat)										
	Geran Mukim 8695/M1/5/64 Lot 63151 (Parcel No.: 04-11, Kepong Low Cost Flat)										
	Geran Mukim 8695/M1/8/129 Lot 63151 (Parcel No.: 07-16, Kepong Low Cost Flat)										
	all in Mukim Batu, State of Wilayah Persekutuan										
	No.1, Jalan Undang Harimau 1, Kepong, 52000 Kuala Lumpur.										
	Freehold										
4.	Lencana Harapan (Beneficial Owner)										
	Hoong Ken Housing Development Sdn Bhd (Registered Owner)										

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property/ Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
	Geran Mukim 1076/M6/2/305 Lot No. 22516 (Unit no. 16-1-1, La Villas Condo)	Condominium Rented out to AEC as hostel for workers.	23 February 1993	245	Nil	Nil	415.00	N/A ⁽²⁾	N/A	100	N/A
	Geran Mukim 1076/M6/2/308 Lot No. 22516 (Unit no. 16-1-4, La Villas Condo)										
	Geran Mukim 1076/M6/2/309 Lot No. 22516 (Unit no. 16-1-5, La Villas Condo)										
	Geran Mukim 1076/M1/2/5 Lot No. 22516 (Unit no. 6-1-5, La Villas Condo)	Own use		186	Nil	Nil	340.00	N/A ⁽²⁾	N/A	100	N/A
	Geran Mukim 1076/M2/2/82 Lot No. 22516 (Unit no. 8-1-10, La Villas Condo)										
	Daerah Wilayah Persekutuan										
	Jalan 1/21B, Taman Setapak, Setapak, 53000 Kuala Lumpur										
	Freehold										

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property/ Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010	Market value / Date of valuation / Method of valuation	Revaluation surplus as at 31 December 2010 ⁽¹⁾	Effective interest	Effective revaluation surplus as at 31 December 2010
5.	URC Engineering										
	Geran 5668/M1/24/580 Lot 1165 Seksyen 0057, Petak 580, Tingkat 24, Bangunan M1, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan	Condominium	6 June 1983	142	Nil	Nil	430.00	N/A ⁽²⁾	N/A	100	N/A
	Unit No: 24.06, Wisma Cosway										
	88, Jalan Raja Chulan, 50200 Kuala Lumpur										
	Freehold										
TOTAL									25,524.99		25,524.99

Notes:

(1) Pursuant to Paragraph 5.35 of the Equity Guidelines, a valuation exercise was carried out by an independent valuer on the material property assets of our Group. The revaluation surplus disclosed in this Prospectus is shown for illustrative purposes and has not been used in arriving at the purchase consideration paid by the Company under the Reorganisation and Pre-IPO Restructuring, nor has it been incorporated in the balance sheet of our Group as at LPD. In addition, the revaluation surplus does not require the approval of the SC.

(2) No valuation was conducted in respect of these properties as they are deemed immaterial compared to the total value of our properties.

None of the properties disclosed above are in breach of any land use conditions and/or is in non-compliance with current statutory requirements, land rules or building regulations or subject to environmental issues that would have a material adverse impact on our Group's business operations and/or our financial position.

11. PROPERTIES (cont'd)

(B) PROPERTIES OCCUPIED WHICH ARE LEASED/TENANTED BY OUR GROUP

The details of material properties leased/tenanted by us as at the Latest Practicable Date are set out below:

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee; Location/Postal address	Description of property/Existing use	Built-up area/(Land area) sq ft	Tenure/date of expiry	Rental per month (Unless otherwise stated) RM
1.	Yap Wan Chuan (as Landlord) / AEC (as Tenant) Geran Mukim 1198 Lot 3572 Mukim Batu Tempa Bangkong Daerah Kuala Lumpur measuring approximately 0.7082 hectares; Geran Mukim 3207 Lot 3571 Mukim Batu Tempa Bangkong Daerah Kuala Lumpur measuring approximately 0.7081 hectares; and Geran Mukim 1791 Lot 1035 Mukim Batu Tempa Bangkong Daerah Kuala Lumpur measuring approximately 1.555 hectares Off Jalan Ipoh within Bamboo Garden Estate	Vacant land Storage yard	319,828	Two years commencing from 15 March 2010	8,714.30
2.	Ng Chan Ancestral Hall Malaysia (as Landlord) / IDP Industrial Development (as Tenant) Part of land under master title No. 4566 (previously known as PT No. 21988), Mukim Batu Kuala Lumpur, Wilayah Persekutuan Adjacent to Taman Megah Kepong	Vacant land Storage yard	Not available ⁽¹⁾	One year expiring on 31 August 2011	5,000.00
3.	Desa Bangsar Ria Sdn Bhd (as Landlord) / AEC (as Tenant) Unit No 32-LG1-3, Desa Bangsar Ria, Jalan Kapas, 59100 Kuala Lumpur Unit No 32-LG1-4, Desa Bangsar Ria, Jalan Kapas, 59100 Kuala Lumpur	Condominium Hostel for workers	735 659	One year expiring on 31 December 2010 One year expiring on 31 December 2010	1,300.00 1,300.00
4.	Saripah Bt. Ahmad (as Landlord) / AEC (as Tenant) 9-1-5, Block 9, Jalan 6/112A, Taman Bukit Angsana, Off Jalan Pantai Dalam, 59200 Kuala Lumpur	Low cost apartment Hostel for workers	Not available ⁽¹⁾	No expiry date indicated, commencing from 28 July 2008	650.00

11. PROPERTIES (cont'd)

No.	Name of lessor/lessee or landlord/tenant or grantor/grantee; Location/Postal address	Description of property/Existing use	Built-up area/(Land area) sq ft	Tenure/date of expiry	Rental per month (Unless otherwise stated) RM
5.	Woo Mai Keng (as Landlord) / URC Engineering (as Tenant) 5-11-4, Corinthian Condo, Jalan Binjai, 50450 Kuala Lumpur	Condominium Site office for Binjai 8	Not available ⁽¹⁾	Two years expiring on 19 January 2012	3,600.00
6.	How Kock Leong (as Landlord) / URC Engineering (as Tenant) 17-1-1, Jalan 3/50, Diamond Square, Setapak	Shop office / Site office for Setapak Green	Not available ⁽¹⁾	Pending tenancy agreement Commencing from 15 December 2010	1,500.00
7.	UNI-Metropolitan Sdn Bhd (as Landlord) / AEC (as Tenant) Geran 29770 Lot 1032, Mukim Batu, Wilayah Persekutuan	Storage yard	56,564	Three years expiring on 15 March 2014	6,000.00

Note:

(1) Built-up area / land area was not stated in the tenancies as it is not material information as rental is not calculated with reference to built-up area or land area.

None of the properties disclosed above are in breach of any land use conditions and/or is in non-compliance with current statutory requirements, land rules or building regulations or subject to environmental issues that would have a material adverse impact on our Group's business operations and/or our financial position.

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11. PROPERTIES (cont'd)**11.2 DEVELOPMENT PROJECTS****(A) COMPLETED DEVELOPMENT**

The details of completed development with unsold units as at the Latest Practicable Date are set out below:

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property / Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
1.	Kumpulan Sejahtera (Beneficial owner)										
	Pembangunan Hysham (Registered owner)										
	Setapak Flats	One block of 12-storey low cost flats (330 units).	16 April 2003	801	This land cannot be transferred or leased without the consent of Federal Territories Land Executive (Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur)	Nil	225.63	N/A ⁽²⁾	N/A	100	N/A
	Pajakan Negeri No. Hakmilik 29090 Lot 28260, Mukim Setapak, Daerah Kuala Lumpur	14 units unsold as at 31 March 2011 held for sale / allotted to squatters for future land acquisitions.									
	No. 2, Jalan Prima Setapak 7, Prima Setapak, 53300 Kuala Lumpur										
	Leasehold – 99 years expiring on 10 February 2079										

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property / Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in Interest	Encumbrances on property	Audited	Market value	Revaluation	Effective Interest	Effective revaluation surplus as at 31 December 2010
							NBV as at 31 December 2010	/ Date of valuation / Method of valuation	surplus as at 31 December 2010 ⁽¹⁾		
Kumpulan Sejahtera (Registered owner)											
	Prima Setapak II	One block of 22-storey apartment (248 units) with three-storey car park (375 spaces), swimming pool and public facilities at the lower ground.	10 September 2008	119	Nil	Nil	290.56	N/A ⁽²⁾	N/A	100	N/A
	Geran Mukim 1990 Lot 29346, Mukim Setapak, Daerah Kuala Lumpur										
	No. 4, Jalan Gombak Sejahtera, 53000 Kuala Lumpur										
	Freehold	Only one unit unsold as at 31 March 2011.									

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11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property / Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
2.	Peninsular Home (Beneficial owner)										
	Desa Bukit Pantai Sdn Bhd (Registered owner)										
	Menara UOA Bangsar	Integrated commercial development comprising four levels of basement car park, three levels of retail podium (lower ground, level 1 and 2), six levels of elevated car park (level 3 to level 8) and two office towers of 15-storey (Tower B) and 31-storey (Tower A).	22 June 2009	8,694	This land cannot be transferred, leased, pledged and charged without the consent of Federal Territories Land Executive (Jawatan Kuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur)	Nil	26,021.93	85,580.00 31 December 2010 Comparison Method	59,558.07	60	35,734.84
	Pajakan Negeri No. Hakmilik 43411 Lot 421, Seksyen 96, Bandar Kuala Lumpur, Daerah Kuala Lumpur										
	No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur										
	Leasehold - 99 years expiring on 27 November 2106										
		Comprise 46* units of business suites that are unsold as at 31 March 2011 held for rental / future sale.									

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property / Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
3.	Sunny Uptown										
	The Park Residences Phase I (Acacia and Begonia)	Phase 1: One block of 25-storey apartment (179 units) with five-storey car park (tower 7), 1 block of 27-storey apartment (291 units) with four-storey car park (tower 8), erected on part of the Master Land.	3 August 2010	19,002	Nil	Nil	49,019.53	99,000.00 31 December 2010 Comparison Method	49,980.47	100	49,980.47
	Pajakan Negeri 46333, No. Lot 58191, Mukim Kuala Lumpur Daerah Kuala Lumpur ("Master Land")										
	Bangsar South, No. 2A, Jalan 1/112H, Off Jalan Kerinchi, 59200 Kuala Lumpur										
	Leasehold - 99 years expiring on 16 August 2106	35 unsold units (Acacia) as at 31 March 2011.									
		36 unsold units (Begonia) as at 31 March 2011.									
4.	Windsor Triumph (Beneficial owner)										
	Perbadanan Pengurusan Kepong Megah (Registered owner)										

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner: Location / Tenure	Description of property / Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
	Kepong Low Cost Flat	One block of 13-storey low cost flat (215 units) with car park and shop at lower ground and level 1 with public facilities and service space at level 2.	9 August 2005	3,149	Nil	Lease of part of the master land to Tenaga Nasional Berhad for 30 years expiring on 14 December 2037 via Presentation No. 7308/2008	2,058.00	N/A ⁽²⁾	N/A	100	N/A
	Geran Mukim 8695 Lot 63151, Mukim Batu, Tempat 5 ½ Miles, Railway Line, Daerah Kuala Lumpur										
	No. 1 Jalan Udang Harimau 1, 52000 Kepong, Kuala Lumpur	55 unsold unit as at 31 March 2011, six of which were rented out to AEC (please refer to Section 11.1(A)(3) above).									
	Freehold										
	Kepong Low Cost Shop	Nine units of two-storey shops.	9 August 2005	2,801	Nil	Lease of part of the master land to Tenaga Nasional Berhad for 30 years expiring on 14 December 2037 via Presentation No. 7308/2008	2,130.77	N/A ⁽²⁾	N/A	100	N/A
	Geran Mukim 8695 Lot 63151, Mukim Batu, Tempat 5 ½ Miles, Railway Line, Daerah Kuala Lumpur	Eight unsold unit as at 31 March 2011. One unit was rented to AEC (please refer to Section 11.1(A)(3) above).									
	No. 1 Jalan Udang Harimau 1, 52000 Kepong, Kuala Lumpur										
	Freehold										

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property / Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
	Plaza Menjalara	One block of 18-storey building with two basement car park levels, 94 units of shop/office lots (on level 1 to 3), two levels of elevated car park on level 4 and 5 and 234 units of condominium within levels 6 to 18.	9 November 2009	17,234	Nil	Nil	37,104.94	46,000.00 31 December 2010 Comparison Method	8,895.06	100	8,895.06
	H.S.(D) 117211 PT 26136 (formerly held under PN 16665 No. Lot 44669), Mukim Batu, Daerah Kuala Lumpur										
	No. 1, Jalan Menjalara Idaman, Bandar Sri Menjalara, Kepong, 52200 Kuala Lumpur										
	Leasehold - 99 years expiring on 25 August 2106										

5. Saujanis (Beneficial owner)

Perbadanan Pengurusan Villa Saujanis (Registered owner)

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property / Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
	Villa Yari	19 units of three-storey bungalow with basement car park and public facilities.	8 March 2007	2,363	Nil	Lease of part of the master land measuring approximately 44 square meter to Tenaga Nasional Berhad on 26 May 2010 for 30 years expiring on 14 December 2037 via Presentation No. 37541/2009	5,066.09	9,690.00	4,623.91	100	4,623.91
	Geran 68517 Lot 44985, Mukim Petaling, Daerah Kuala Lumpur							December 2010 Comparison Method			
	No. 1, Jalan Awan Selimpit, Taman Yari, 58200 Kuala Lumpur	Two unsold unit as at 31 March 2011.									
	Freehold										

6. Paramount Properties**The Horizon Phase I**

Part of the land held under Pajakan Negeri No. Hakmilik 46338, No. Lot 58190, Mukim Kuala Lumpur, Daerah Kuala Lumpur	14 blocks of 10 and 11 storeys shop office with 3 ½ floor basement car parks (Phase 1) above part of Lot PT 7523 (Part of old Lot 51516 Kuala Lumpur).	10 April 2009 and 20 May 2009	25,230	Nil	Nil		102,247.99	198,700.00	96,452.01	100	96,452.01
Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur	Comprises four blocks which are unsold as at 31 March 2011 held for future sale / rental and a 3 ½							December 2010 Comparison Method			
Leasehold - 99 years expiring on 16 August 2106											

11. PROPERTIES (cont'd)

No.	Name of registered owner / Beneficial owner; Location / Tenure	Description of property / Existing use	Date of issuance / approval of certificate of fitness / CCC or as otherwise stated	Built-up area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000
	Unsold unit as at 31 December 2010 is 6 units	storey basement car parks (please refer to Section 11.1(A)(1) above).									
	The Sphere										
	Part of the land held under Pajakan Negeri No. Hakmilik 46338, No. Lot 58190, Mukim Kuala Lumpur, Daerah Kuala Lumpur	Two-storey of temporary building for commercial use (supermarket, shops and restaurants). ⁽³⁾	15 May 2009	6,211	Nil	Nil	104,800.00	104,800.00	N/A	100	N/A
	Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur	Rented out to multiple tenants.						December 2010 Comparison Method			
	Leasehold - 99 years expiring on 16 August 2106										
								TOTAL	219,509.52		195,686.29

Notes:

- * 22 of the 46 units available for sale are subject to a claim for specific performance. Based on the advice of its legal counsel, Peninsular Home is of the view that there was neither valid nor binding contract for the sale of the said 22 units to the plaintiff and as such, the fair market value of Menara UOA Bangsar did not take into consideration of the said claim.
- (1) Pursuant to Paragraph 5.35 of the Equity Guidelines, a valuation exercise was carried out by an independent valuer on the material property assets of our Group. The revaluation surplus disclosed in this Prospectus is shown for illustrative purposes and has not been used in arriving at the purchase consideration paid by our Company under the Reorganisation and Pre-IPO Restructuring, nor has it been incorporated in the balance sheet of our Group as at the LPD. In addition, the revaluation surplus does not require the approval of the SC.
- (2) No valuation was conducted in respect of these properties as they are deemed immaterial compared to the total value of our properties.

11. PROPERTIES (cont'd)

- (3) *Future development for this property will comprise the following:*
- (a) *two blocks of 27-storey service apartment with one-storey of M&E space (Block S2-270 unit, Block S3-270 unit); and*
 - (b) *one block of 32-storey service apartment (Block S4-400 unit) with one-storey of M&E space at the level 7 podium containing four-storey of shopping complex and three-storey of car park with one basement shopping complex and six-storey basement car park,*
- and the valuation in respect of The Sphere as stated above is based on the aforementioned approved proposed development and not the existing two-storey temporary structure.*

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11. PROPERTIES (cont'd)

(B) UNDER CONSTRUCTION

The details of development under construction as at the Latest Practicable Date are set out below:

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issuance/ approval of certificate of fitness / CCC or as otherwise stated	Land area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010	Market value / Date of valuation / Method of valuation	Revaluation surplus as at 31 December 2010 ⁽¹⁾	Effective interest %	Effective revaluation surplus as at 31 December 2010	Total saleable area sold	Completion progress %
1.	Paramount Properties												
	The Horizon Phase II ⁽²⁾	On-going development known as The Horizon Phase II.	N/A	111,400 ⁽³⁾	Nil	Nil	190,903.75	443,000.00	252,096.25	100	252,096.25	24.99	75.00% (Blocks 1 to 4)
	Part of the land held under Pajakan Negeri No. Hakmilik 46338, No. Lot 58190, Mukim Kuala Lumpur, Daerah Kuala Lumpur							December 2010 Residual Method					40.00% (Blocks 7 to 10)
	Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur												
	Leasehold - 99 years expiring on 16 August 2106												

11. PROPERTIES (cont'd)

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issuance/ approval of certificate of fitness / CCC or as otherwise stated	Land area sq m	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000	Total saleable area sold %	Completion progress %
2.	IDP Industrial Development												
	Kepong Business Park	On-going development known as Kepong Business Park.	N/A	75,571	Nil	Right of way for power line via Presentation No. 58/2007 (GM 1559, Lot 1836 and 1201 Lot 424)	45,420.85	68,100.00	22,679.15	100	22,679.15	41.50	35.50
	GM 2416 Lot 423							December 2010 Residual Method					
	GM 1566 Lot 1835												
	GM 1559 Lot 1836												
	GM 1202 Lot 808												
	GM 1201 Lot 424												
	GM 1200 Lot 809												
	GM 2418 Lot 810												
	all in Mukim Batu, Daerah Kuala Lumpur												
	Adjacent to Kepong low cost flat that bears the address of No. 1 Jalan Undang Harimau 1, 52000 Kepong, Kuala Lumpur												
	Freehold												

11. PROPERTIES (cont'd)

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issuance/ approval of certificate of fitness / CCC or as otherwise stated	Land area sq m	Restriction In Interest	Encumbrances on property	Audited NBV as at December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010		Completion progress %
											RM 000	Total saleable area sold %	
3.	Paramount Hills (Beneficial Owner)												
	Windsor Triumph (Registered owner)												
	Kiara III (Villa Pines)	On-going development known as Villa Pines.	N/A	3,907	Nil	Nil	8,904.11	15,900.00 December 2010 Residual Method	6,995.89	100	6,995.89	20.07	33.00
	HS(M) 12722 PT 26139, Mukim Batu, Daerah Kuala Lumpur												
	Along Jalan 1/60A, Off Jalan Segambut, Kuala Lumpur												
4.	Freehold												
	Sunny Uptown												
	Camellia Service Apartments	On-going development known as Camellia Service Apartments.	N/A	8,101	Nil	Nil	35,128.65	65,700.00 December 2010 Residual Method	30,571.35	100	30,571.35	-(4)	10.00
	Pajakan Negeri No. Hakmilik 46332, No. Lot 58192, Mukim Kuala Lumpur, Daerah Kuala Lumpur												
	Bangsar South, adjacent to the Park Residences Phase I, along Jalan Kerinchi, Kuala Lumpur												

11. PROPERTIES (cont'd)

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issuance/ approval of certificate of fitness / CCC or as otherwise stated	Land area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective interest %	Effective revaluation surplus as at 31 December 2010 RM 000	Total saleable area sold %	Completion progress %
	Leasehold - 99 years expiring on 16 August 2106												
5.	Scenic Point Development												
	Binjai 8	On-going development known as Binjai 8.	N/A	3,773	Nil	Charged the land to United Overseas Bank (Malaysia) Berhad vide registration no. 18243/2010 on 24 May 2010	83,103.92	165,100.00 December 2010 Residual Method	81,996.08	60	49,197.65	53.22	18.00
	Geran 10568 Lot 298, Seksyen 0063, Bandar Kuala Lumpur, Daerah Kuala Lumpur												
	Along Lorong Binjai, Off Jalan Ampang, Kuala Lumpur												
	Freehold												

11. PROPERTIES (cont'd)

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issuance/ approval of certificate of fitness / CCC or as otherwise stated	Land area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010	Market value / Date of valuation / Method of valuation	Revaluation surplus as at 31 December 2010 ⁽¹⁾	Effective interest %	Effective revaluation surplus at 31 December 2010	Total saleable area sold	Completion progress %
							RM 000	RM 000	RM 000	%	RM 000	%	%
6.	Sagaharta												
	Setapak Green												
	HS (M) 2554 PT No. 9119	On-going development known as Setapak Green.	N/A	13,394	Nil	Nil	14,906.53	28,300.00	13,393.47	100	13,393.47	8.75	⁽⁵⁾
	HS (M) 2555 PT No. 9120, both in Mukim Setapak, Daerah Kuala Lumpur							December 2010 Comparison Method					
	Off Jalan Gombak, Kuala Lumpur Freehold												
								TOTAL	407,732.19		374,933.76		

Notes:

- (1) Pursuant to Paragraph 5.35 of the Equity Guidelines, a valuation exercise was carried out by an independent valuer on the material property assets of our Group. The revaluation surplus disclosed in this Prospectus is shown for illustrative purposes and has not been used in arriving at the purchase consideration paid by our Company under the Reorganisation and Pre-IPO Restructuring, nor has it been incorporated in the balance sheet of our Group as at the LPD. In addition, the revaluation surplus does not require the approval of the SC.
- (2) Beneficial ownership in three provisional blocks have been sold to Lencana Harapan and Nasib Unggul (both of which are our wholly-owned Subsidiaries).
- (3) The land area shown is in respect of the land area of the master land upon which the entire commercial development of Bangsar South comprising The Horizon, The Vertical and The Sphere, is located. The provisional land area for The Horizon Phase II is approximately 22,224.82 sq m.
- (4) Project has not been launched.
- (5) Construction has not commenced.

11. PROPERTIES (cont'd)

(C) FUTURE DEVELOPMENT

The details of future development as at the Latest Practicable Date are set out below:

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issue/ Date of commencement/ (expiry) of planning approvals	Land area		Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010		Market value / Date of valuation / Method of valuation		Revaluation surplus as at 31 December 2010 ⁽¹⁾		Effective Interest %	Effective revaluation surplus as at 31 December 2010
				sq m	RM 000			RM 000	RM 000	RM 000	RM 000				
1.	Paramount Properties														
	Vertical	Vacant land / development land	DO – 18 August 2010 / 18 August 2010 / (N/A) ⁽⁵⁾	111,400 ⁽³⁾	Nil	Nil	Nil	36,811.49	160,900.00	124,088.51	100	124,088.51			
	Part of land held under Pajakan Negeri No. Hakmilik 46338, No. Lot 58190, Mukim Kuala Lumpur, Daerah Kuala Lumpur ⁽²⁾														
	Bangsar South, Along Jalan Kerinchi														
	Leasehold - 99 years expiring on 16 August 2106														
	Geran 32170, 32172 and 32174 Lot 52417, 52418 and 52419 respectively all within Mukim Kuala Lumpur, Daerah Kuala Lumpur	Vacant land / development land	N/A	2,543	Nil	Nil	Nil	1,997.19	6,570.00	4,572.81	100	4,572.81			
	Off Federal Highway, adjacent to Bangsar South														
	Freehold														

11. PROPERTIES (cont'd)

No.	Name of registered owner/Beneficial owner: Location/Tenure	Description of property/ Existing use	Date of issue/ Date of commencement/ (expiry) of planning approvals	Land area sq m	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010.	Market value / Date of valuation / Method of valuation	Revaluation surplus as at December 2010 ⁽¹⁾	Effective Interest	Effective revaluation surplus as at 31 December 2010
							RM 000	RM 000	RM 000	%	RM 000
Paramount Properties (Beneficial Owner)											
Infinite Accomplishment Sdn Bhd (Registered Owner)											
	Geran 53546, 73532, and 43042, Lot Nos. 54985, 54986 and 2496 respectively, all within Mukim Kuala Lumpur, Daerah Kuala Lumpur	Vacant land / development land	N/A	6,290	Nil	Nil	18,957.45	19,000.00	42.55	100	42.55
	Off Federal Highway, adjacent to Bangsar South							December 2010 Comparison Method			
	Freehold										

11. PROPERTIES (cont'd)

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issue/ Date of commencement/ (expiry) of planning approvals	Land area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective Interest %	Effective revaluation surplus as at 31 December 2010 RM 000
2.	Sunny Uptown										
	The Park Residences Phase II and III	Vacant land / development land	DO - 25 July 2008 / 25 July 2008 / (24 July 2011)	84,020 ⁽⁴⁾	Nil	Nil	70,536.60	180,400.00 31 December 2010 Comparison Method	109,863.40	100	109,863.40
	The Clubhouse										
	Part of the land held under Pajakan Negeri (WP) Hakmilik 46333 Lot 58191, Mukim Kuala Lumpur, Daerah Kuala Lumpur										
	Bangsar South, adjacent to The Park Residences Phase I, along Jalan Kerinchi										
	Leasehold - 99 years expiring on 16 August 2106										
3.	Ceylon Hills										
	Ceylon Hills		DO - 23 February 2011 / 23 February 2011 / (N/A) ⁽⁵⁾	1,566	Nil	Nil	26,443.63	35,000.00 31 December 2010 Residual Method	8,556.37	54	4,620.44
	Geran 47691 Lot 1288 Seksyen 0057, Bandar Kuala Lumpur, Daerah Kuala Lumpur	Rented out as car parks / development land	Building Plans - 28 March 2011 / 28 March 2011 / (27 March 2012)								
	Along Lorong Ceylon Freehold										

11. PROPERTIES (cont'd)

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issue/ Date of commencement/ (expiry) of planning approvals	Land area sq m	Restriction in interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at 31 December 2010 ⁽¹⁾ RM 000	Effective Interest %	Effective revaluation surplus as at 31 December 2010 RM 000
4.	Seri Tiara Development										
	Desa II	Vacant land / development land	DO for Desa II Commercial - 20 November 2008 / 20 November 2008 / (19 November 2011)	21,062 ⁽⁷⁾	Nil	Nil	18,744.16	61,300.00 31 December 2010 Comparison Method	42,555.84	85	36,172.46
	⁽⁸⁾ GM 916 Lot 3678										
	GM 3395 Lot 2246										
	GM 820 Lot 1456										
	GM 1044 Lot 2276		DO for Desa II Residential - 20 November 2008 / 20 November 2008 / (19 November 2010). Application to renew DO has been made on 23 September 2010								
	GM 1045 Lot 2277										
	Mukim Kuala Lumpur, Daerah Kuala Lumpur										
	Taman Desa, off Lebuhraya Hubungan Timur-Barat										
	Freehold										
5.	Magna Kelana Development										
	Desa III	Vacant land / development land	DO - 8 October 2010 / 8 October 2010 / (N/A) ⁽⁹⁾	2,460	Nil	Nil	5,392.51	8,000.00 31 December 2010 Comparison Method	2,607.49	70	1,825.24
	GM 2211 Lot 5701										
	GM 2092 Lot 5702										
	GM 2065 Lot 5698		Building Plans - 20 December 2010 / 20 December 2010 / (19 December 2010)								
	Mukim Kuala Lumpur, Daerah Kuala Lumpur										

11. PROPERTIES (cont'd)

No.	Name of registered owner/Beneficial owner; Location/Tenure	Description of property/ Existing use	Date of issue/ Date of commencement/ (expiry) of planning approvals	Land area sq m	Restriction in Interest	Encumbrances on property	Audited NBV as at 31 December 2010 RM 000	Market value / Date of valuation / Method of valuation RM 000	Revaluation surplus as at December 2010 ⁽¹⁾ RM 000	Effective Interest %	Effective revaluation surplus as at 31 December 2010 RM 000
6.	Taman Desa, Off Jalan Desa Utama		2011)								
	Freehold										
	Everise Project										
	Glenmarie Land	Vacant land / development land	DO - 4 March 2011 / 4 March 2012)	42,264	Nil	Charged to RHB Sakura Merchant Bankers Berhad vide registration nos. 64009 & 64010 both on 19 July 2006	57,929.13	91,000.00	33,070.87	39	12,897.64
	HS (D) 103043, PT 18867, Mukim Damansara, Daerah Petaling							31 December 2010 Comparison Method			
7.	Glenmarie, Federal Highway										
	Freehold										
	Tunjang Idaman										
	Lot 2507 - Federal Highway	Vacant land / development land	DO - 3 December 2010 / 3 December 2011)	16,110	Nil	Nil	46,000.00	46,000.00	N/A	100	N/A
	Geran 12833 Lot 2507, Mukim Kuala Lumpur, Daerah Kuala Lumpur							31 December 2010 Comparison Method			
	Off Federal Highway, adjacent to Bangsar South										
	Freehold										

11. PROPERTIES (cont'd)**Notes:**

- (1) Pursuant to Paragraph 5.35 of the Equity Guidelines, a valuation exercise was carried out by an independent valuer on the material property assets of our Group. The revaluation surplus disclosed in this Prospectus is shown for illustrative purposes and has not been used in arriving at the purchase consideration paid by our Company under the Reorganisation and Pre-IPO Restructuring, nor has it been incorporated in the balance sheet of our Group as at LPD. In addition, the revaluation surplus does not require the approval of the SC.
- (2) Beneficial ownership in four provisional blocks have been sold to Bangsar South City and Dynasty Portfolio (both of which are our wholly-owned Subsidiaries).
- (3) The land area shown is in respect of the land area of the master land upon which the entire commercial development of Bangsar South comprising The Horizon, The Vertical and The Sphere, is located. The provisional land area for The Vertical is approximately 39,340.63 sq m.
- (4) The land area shown is in respect of the land area of the master land upon which the entire residential development of Bangsar South comprising The Park Residences and The Clubhouse, is located. The provisional land area for The Park Residences Phase II and III is approximately 26,165.59 sq m and 24,830.26 sq m, respectively.
- (5) Not applicable as building plans approval has been obtained.
- (6) Beneficial ownership of this property has been sold to Enchant Heritage, an 85% owned Subsidiary.
- (7) The land area was derived from the approved pre-computation plan by the Federal Territories Land Executive Committee for the said development which takes into consideration the acquisition of land by the Malaysian Highway Authority.
- (8) The acquisition of the said property was pending completion as at 31 December 2010 and the audited net book value as at 31 December 2010 was RM5,658,895. The acquisition was subsequently completed on 7 February 2011 with a net book value of RM51,810,269.
- (9) The building plans has expired. Paramount Properties will apply to renew the building plans when it intends to commence development of the project.

12. INFORMATION ON OUR GROUP

12.1 HISTORY AND BACKGROUND

12.1.1 History and Business

Our Company was incorporated in Malaysia under the Act on 27 May 2004 as a public limited company. Prior to the IPO, we implemented the Reorganisation to consolidate the property development, construction and property investment activities under our Company.

Our Company is an investment holding company, whilst our Subsidiaries and Associated Company are principally engaged in property development, construction and property investment.

12.1.2 Reorganisation

The Reorganisation comprised the following:

- (i) the disposal of all the shares held by our Company in the following companies:
 - (a) to UOA Holdings for a total purchase consideration of RM72.00:
 - (A) 88.00% equity interest in Multiplex Strategy Sdn Bhd, which completion had taken place on 16 December 2010;
 - (B) 92.50% equity interest in Midah Heights Sdn Bhd, which completion had taken place on 16 December 2010;
 - (C) 70.00% equity interest in Federaya Development Sdn Bhd, which completion had taken place on 1 November 2010; and
 - (b) to third parties for a total purchase consideration of RM24,085.00:
 - (A) 85.00% equity interest in Pembangunan Novaraya Sdn Bhd; and
 - (B) 24.00% equity interest in Xian Yang Development Sdn Bhd (*formerly known as Syametra Development Sdn Bhd*),

the completion of which had taken place on 27 January 2011.

The purchase consideration was determined based on the book value of the said companies as at 31 December 2009.

12. INFORMATION ON OUR GROUP *(cont'd)*

- (ii) the acquisition of the following Subsidiaries:
- (a) on 15 November 2010, our Company entered into a sale and purchase agreement to acquire 750,000 ordinary shares of RM1.00 each in AEC, representing the entire issued and paid-up share capital of AEC, from UOA for a purchase consideration of RM47,000,000.00 satisfied by the issuance of 4,272,730 ordinary shares of RM1.00 each by our Company at an issue price of RM11.00 per share to UOA. The purchase consideration was determined after taking into consideration the net asset value of AEC as at 30 September 2010. The sale and purchase was completed on 21 December 2010;
 - (b) on 21 December 2010, our Company entered into a sale and purchase agreement to acquire 3,194,800 ordinary shares of RM1.00 each in URC Engineering and 3,825,202 ordinary shares of RM1.00 each in URC Engineering representing 45.51% and 54.49% respectively of the issued and paid-up share capital of URC Engineering held by UOA and UOA Holdings respectively, for a total purchase consideration of RM18,700,000.00 satisfied by the issuance of 773,670 ordinary shares of RM1.00 each and 926,330 ordinary shares of RM1.00 each by our Company at an issue price of RM11.00 per share to UOA and UOA Holdings respectively. The purchase consideration was determined after taking into consideration the net asset value of URC Engineering as at 30 September 2010. The sale and purchase was completed on 21 December 2010; and
 - (c) on 21 December 2010, our Company entered into a sale and purchase agreement to acquire 499,950 ordinary shares of RM1.00 each in UOA Properties representing 99.99% of the issued and paid-up share capital of UOA Properties from UOA Holdings for a total purchase consideration of RM498,454.00 satisfied by the issuance of 45,314 ordinary shares of RM1.00 each by our Company at an issue price of RM11.00 per share to UOA Holdings. The purchase consideration was determined after taking into consideration the net asset value of UOA Properties as at 30 September 2010. The sale and purchase was completed on 21 December 2010.

12. INFORMATION ON OUR GROUP *(cont'd)*

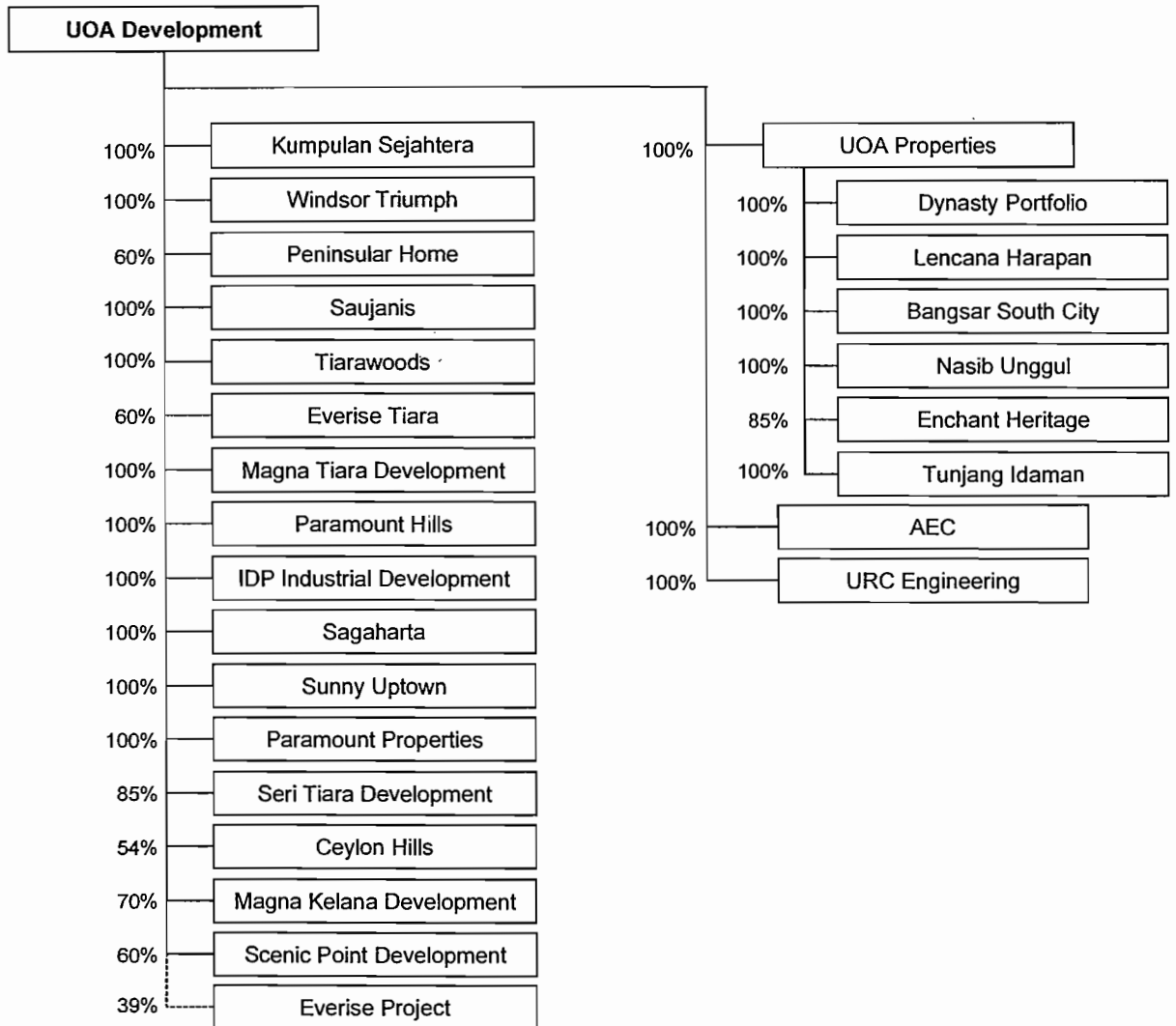
12.1.3 Pre-IPO Restructuring

The Pre-IPO Restructuring comprised the following:

- (i) Acquisitions:
 - (a) on 17 January 2011, our Company entered into conditional sale and purchase agreements with the 50 minority shareholders of UOA Properties to acquire the remaining 50 shares of RM1.00 each in UOA Properties not owned by our Company for a cash purchase consideration of RM1.00 for each ordinary share of RM1.00 in UOA Properties. The purchase consideration was determined after taking into consideration the net asset value of UOA Properties as at 30 September 2010. This sale and purchase was completed on 22 April 2011; and
 - (b) on 17 January 2011, our Company entered into a conditional sale and purchase agreement with, inter alia, UOA Corporation to acquire from UOA Corporation 117,000 ordinary shares of RM1.00 each in Everise Project and 8,315,156 RPS of RM0.01 each in Everise Project, representing 39.00% of the issued and paid-up share capital of Everise Project for a purchase consideration of RM18,569,980.00 to be satisfied by the issuance of 1,688,180 ordinary shares of RM1.00 each by our Company at an issue price of RM11.00 per share to UOA Corporation or its nominee. Arising therefrom, UOA Corporation nominated UOA Holdings to receive the said shares. The purchase consideration was determined after taking into consideration the net asset value of Everise Project as at 30 September 2010. This sale and purchase was completed on 22 April 2011;
- (ii) subsequent to the completion of the Acquisitions, our Company completed the Share Split resulting in the revision of our Company's issued and paid-up share capital from RM45,443,000.00 comprising 45,443,000 ordinary shares of RM1.00 each (post completion of the Acquisitions) to RM45,443,000.00 comprising 908,860,000 Shares.

12. INFORMATION ON OUR GROUP (cont'd)

Our group structure after the Reorganisation and Pre-IPO Restructuring is set out below:



Legend:

— Subsidiary

----- Associated company

12. INFORMATION ON OUR GROUP (cont'd)

12.1.4 Share Capital

As at 30 April 2011, our authorised share capital is RM100,000,000.00 comprising 2,000,000,000 ordinary shares of RM0.05 each and our issued and paid-up share capital is RM45,443,000.00 comprising 908,860,000 Shares.

The changes in our issued and paid-up share capital for the past three years preceding 30 April 2011 are as follows:

Date of allotment	No. of shares issued	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
27 May 2004	51	1.00	Cash	51.00
28 April 2005	240,000	1.00	Otherwise than cash ⁽¹⁾	240,051.00
28 April 2005	37,496,725	1.00	Otherwise than cash ⁽¹⁾	37,736,776.00
21 December 2010	1,700,000	1.00	Otherwise than cash ⁽²⁾	39,436,776.00
21 December 2010	45,314	1.00	Otherwise than cash ⁽³⁾	39,482,090.00
21 December 2010	4,272,730	1.00	Otherwise than cash ⁽⁴⁾	43,754,820.00
22 April 2011	1,688,180	1.00	Otherwise than cash ⁽⁵⁾	45,443,000.00

Notes:

- (1) Shares issued and allotted as consideration shares pursuant to a share sale agreement dated 28 May 2004 entered into between our Company and UOA Holdings in relation to the acquisition by our Company of certain equity interests held by UOA Holdings in Kumpulan Sejahtera, Saujanis, Windsor Triumph, Everise Tiara, Multiplex Strategy Sdn Bhd, Rakan Harapan Sdn Bhd and Midah Heights Sdn Bhd. Multiplex Strategy Sdn Bhd, Rakan Harapan Sdn Bhd and Midah Heights Sdn Bhd have since been disposed of by our Company.
- (2) Shares issued and allotted as consideration shares pursuant to a sale and purchase agreement dated 21 December 2010 entered into amongst our Company, UOA and UOA Holdings in relation to the acquisition by our Company of 45.51% and 54.49% shareholdings held by UOA and UOA Holdings respectively in URC Engineering.
- (3) Shares issued and allotted as consideration shares pursuant to a sale and purchase agreement dated 21 December 2010 entered into between our Company and UOA Holdings in relation to the acquisition by our Company of 99.99% shareholdings held by UOA Holdings in UOA Properties.
- (4) Shares issued and allotted as consideration shares pursuant to a sale and purchase agreement dated 15 November 2010 entered into between our Company and UOA in relation to the acquisition by our Company of 100.00% shareholdings held by UOA in AEC.
- (5) Shares issued and allotted as consideration shares pursuant to a sale and purchase agreement dated 17 January 2011 entered into between our Company, UOA Corporation and Transmetro in relation to amongst others, the acquisition by our Company of 39.00% shareholdings in Everise Project from UOA Corporation.

12. INFORMATION ON OUR GROUP (cont'd)

Our Company completed the Share Split on 26 April 2011 resulting in the revision of our Company's issued and paid-up share capital from RM45,443,000.00 comprising 45,443,000 ordinary shares of RM1.00 each (post completion of the Acquisitions) to RM45,443,000.00 comprising 908,860,000 Shares.

Our issued and paid-up share capital will increase to RM59,793,000.00 comprising 1,195,860,000 Shares following the Public Issue.

12.2 SUBSIDIARIES AND ASSOCIATED COMPANY

Our Subsidiaries and Associated Company as at 30 April 2011 are as follows:

Name	Date and place of incorporation	Issued and paid-up share capital RM	Group effective equity interest %	Principal activities
Wholly-owned Subsidiaries directly held by UOA Development				
AEC	23 January 1987 Malaysia	750,000.00	100.00	Civil contractor
IDP Industrial Development	2 June 1984 Malaysia	5,000,000.00	100.00	Property development
Kumpulan Sejahtera	8 April 1991 Malaysia	1,000,000.00	100.00	Property development
Magna Tiara Development	29 April 2005 Malaysia	100.00	100.00	Property investment
Paramount Hills	21 October 2004 Malaysia	250,000.00	100.00	Property development
Paramount Properties	31 March 2005 Malaysia	250,000.00	100.00	Property development
Sagaharta	13 January 1997 Malaysia	250,000.00	100.00	Property development
Saujanis	6 February 1997 Malaysia	250,000.00	100.00	Property development
Sunny Uptown	25 September 2003 Malaysia	250,000.00	100.00	Property development
Tiarawoods	1 July 2003 Malaysia	250,000.00	100.00	Property development
UOA Properties	14 October 2009 Malaysia	500,000.00	100.00	Property investment
URC Engineering	16 September 1981 Malaysia	7,020,002.00	100.00	Civil contractor
Windsor Triumph	4 November 1999 Malaysia	250,000.00	100.00	Property development

12. INFORMATION ON OUR GROUP (cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital RM	Group effective equity interest %	Principal activities
Wholly-owned Subsidiaries indirectly held through UOA Properties				
Bangsar South City	2 April 2008 Malaysia	2.00	100.00	Property investment
Dynasty Portfolio	17 March 1997 Malaysia	2.00	100.00	Property investment
Lencana Harapan	14 June 1999 Malaysia	10.00	100.00	Property investment
Nasib Unggul	7 April 2008 Malaysia	2.00	100.00	Property investment
Tunjang Idaman	15 May 2008 Malaysia	100.00	100.00	Property investment
Partly-owned Subsidiaries held directly by UOA Development				
Ceylon Hills	29 March 2010 Malaysia	250,000.00	54.00	Property development
Everise Tiara	3 August 1999 Malaysia	300,000.00	60.00	Property development
Magna Kelana Development	14 July 2008 Malaysia	10,000.00	70.00	Property development
Peninsular Home	12 June 2007 Malaysia	100.00	60.00	Property development
Scenic Point Development	31 July 2009 Malaysia	250,000.00	60.00	Property development
Seri Tiara Development	2 August 2007 Malaysia	250,000.00	85.00	Property development
Partly-owned Subsidiaries indirectly held through UOA Properties				
Enchant Heritage	2 April 2008 Malaysia	100.00	85.00	Property investment
Associated Company of UOA Development				
Everise Project	5 January 2006 Malaysia	513,209.14 ⁽¹⁾	39.00	Property development

Note:

- (1) The share capital of Everise Project consists of 300,000 ordinary shares of RM1.00 each and 21,320,914 RPS of RM0.01 each.

12. INFORMATION ON OUR GROUP (cont'd)

The details of our wholly-owned Subsidiaries as at 30 April 2011 are set out below:

12.2.1 AEC (Company No. 159169-K)

AEC was incorporated in Malaysia under the Act on 23 January 1987 as a private limited company under the name of Xebel Sdn Bhd. The company changed its name to Allied Rubber Industries Sdn Bhd on 18 August 1987 and subsequently to its present name on 2 April 1997. AEC is principally involved as a civil contractor and commenced its business in April 1988.

The authorised share capital of AEC is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM750,000.00 comprising 750,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of AEC for the past three years preceding 30 April 2011.

AEC does not have any subsidiaries or associates.

12.2.2 Bangsar South City (Company No. 812035-U)

Bangsar South City was incorporated in Malaysia under the Act on 2 April 2008 as a private limited company under the name of Ingenious Opportunity Sdn Bhd. The company changed to its present name on 21 January 2010. Bangsar South City is principally involved in property investment and commenced its business in April 2008.

The authorised share capital of Bangsar South City is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2.00 comprising two ordinary shares of RM1.00 each. Bangsar South City is a wholly-owned subsidiary of UOA Properties, which in turn is a wholly-owned subsidiary of our Company.

There has been no change in the issued and paid-up share capital of Bangsar South City for the past three years preceding 30 April 2011.

Bangsar South City does not have any subsidiaries or associates.

12.2.3 Dynasty Portfolio (Company No. 423442-W)

Dynasty Portfolio was incorporated in Malaysia under the Act on 17 March 1997 as a private limited company under its present name. Dynasty Portfolio is principally involved in property investment and commenced its business in July 1997.

The authorised share capital of Dynasty Portfolio is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2.00 comprising two ordinary shares of RM1.00 each. Dynasty Portfolio is a wholly-owned subsidiary of UOA Properties, which in turn is a wholly-owned subsidiary of our Company.

There has been no change in the issued and paid-up share capital of Dynasty Portfolio for the past three years preceding 30 April 2011.

Dynasty Portfolio does not have any subsidiaries or associates.

12. INFORMATION ON OUR GROUP (cont'd)**12.2.4 IDP Industrial Development (Company No. 120908-V)**

IDP Industrial Development was incorporated in Malaysia under the Act on 2 June 1984 as a private limited company under the name of Zulat Supermarket Sdn Bhd. The company changed its name to Integrated Drugs & Pharmaceutical Sdn Bhd on 12 November 1991 and subsequently to its present name on 12 June 1997. IDP Industrial Development is principally involved in property development and commenced its business in April 1995.

The authorised share capital of IDP Industrial Development is RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of IDP Industrial Development for the past three years preceding 30 April 2011.

IDP Industrial Development does not have any subsidiaries and associates.

12.2.5 Kumpulan Sejahtera (Company No. 215333-T)

Kumpulan Sejahtera was incorporated in Malaysia under the Act on 8 April 1991 as a private limited company under its present name. Kumpulan Sejahtera is principally involved in property development and commenced its business in November 2001.

The authorised share capital of Kumpulan Sejahtera is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Kumpulan Sejahtera for the past three years preceding 30 April 2011.

Kumpulan Sejahtera does not have any subsidiaries or associates.

12.2.6 Lencana Harapan (Company No. 485773-M)

Lencana Harapan was incorporated in Malaysia under the Act on 14 June 1999 as a private limited company under its present name. Lencana Harapan is principally involved in property investment and commenced its business in December 1999.

The authorised share capital of Lencana Harapan is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM10.00 comprising 10 ordinary shares of RM1.00 each. Lencana Harapan is a wholly-owned subsidiary of UOA Properties, which in turn is a wholly-owned subsidiary of our Company.

There has been no change in the issued and paid-up share capital of Lencana Harapan for the past three years preceding 30 April 2011.

Lencana Harapan does not have any subsidiaries or associates.

12.2.7 Magna Tiara Development (Company No. 689980-X)

Magna Tiara Development was incorporated in Malaysia under the Act on 29 April 2005 as a private limited company under its present name. Magna Tiara Development is principally involved in property investment and commenced its business in May 2005.

12. INFORMATION ON OUR GROUP (cont'd)

The authorised share capital of Magna Tiara Development is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100.00 comprising 100 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Magna Tiara Development for the past three years preceding 30 April 2011.

Magna Tiara Development does not have any subsidiaries or associates.

12.2.8 Nasib Unggul (Company No. 812625-M)

Nasib Unggul was incorporated in Malaysia under the Act on 7 April 2008 as a private limited company under its present name. Nasib Unggul is principally involved in property investment and commenced its business in April 2008.

The authorised share capital of Nasib Unggul is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2.00 comprising two ordinary shares of RM1.00 each. Nasib Unggul is a wholly-owned subsidiary of UOA Properties, which in turn is a wholly-owned subsidiary of our Company.

There has been no change in the issued and paid-up share capital of Nasib Unggul since for the past three years preceding 30 April 2011.

Nasib Unggul does not have any subsidiaries or associates.

12.2.9 Paramount Hills (Company No. 670156-V)

Paramount Hills was incorporated in Malaysia under the Act on 21 October 2004 as a private limited company under its present name. Paramount Hills is principally involved in property development and commenced its business in September 2009.

The authorised share capital of Paramount Hills is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Paramount Hills for the past three years preceding 30 April 2011 save for the allotment of 249,998 ordinary shares of RM1.00 each on 4 February 2010 for cash.

Paramount Hills does not have any subsidiaries or associates.

12.2.10 Paramount Properties (Company No. 686757-K)

Paramount Properties was incorporated in Malaysia under the Act on 31 March 2005 as a private limited company under the name of Paramount Printers Sdn Bhd. The company changed to its present name on 21 February 2006. Paramount Properties is principally involved in property development and commenced its business in February 2006.

The authorised share capital of Paramount Properties is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

12. INFORMATION ON OUR GROUP (cont'd)

There has been no change in the issued and paid-up share capital of Paramount Properties for the past three years preceding 30 April 2011 save for the allotment of 249,998 ordinary shares of RM1.00 each on 24 February 2011 for cash.

Paramount Properties does not have any subsidiaries or associates.

12.2.11 Sagaharta (Company No. 416525-K)

Sagaharta was incorporated in Malaysia under the Act on 13 January 1997 as a private limited company under its present name. Sagaharta is principally involved in property development and commenced its business in April 2004.

The authorised share capital of Sagaharta is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Sagaharta for the past three years preceding 30 April 2011.

Sagaharta does not have any subsidiaries or associates.

12.2.12 Saujanis (Company No. 419483-H)

Saujanis was incorporated in Malaysia under the Act on 6 February 1997 as a private limited company under its present name. Saujanis is principally involved in property development and commenced its business in December 2001.

The authorised share capital of Saujanis is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Saujanis for the past three years preceding 30 April 2011.

Saujanis does not have any subsidiaries or associates.

12.2.13 Sunny Uptown (Company No. 629260-H)

Sunny Uptown was incorporated in Malaysia under the Act on 25 September 2003 as a private limited company under its present name. Sunny Uptown is principally involved in property development and commenced its business in September 2003.

The authorised share capital of Sunny Uptown is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Sunny Uptown for the past three years preceding 30 April 2011.

Sunny Uptown does not have any subsidiaries or associates.

12. INFORMATION ON OUR GROUP (cont'd)**12.2.14 Tiarawoods (Company No. 620283-H)**

Tiarawoods was incorporated in Malaysia under the Act on 1 July 2003 as a private limited company under the name of Tiarawood Sdn Bhd. The company changed to its present name on 8 October 2003. Tiarawoods is principally involved in property development and commenced its business in December 2004.

The authorised share capital of Tiarawoods is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Tiarawoods for the past three years preceding 30 April 2011.

Tiarawoods does not have any subsidiaries or associates.

12.2.15 Tunjang Idaman (Company No. 817763-T)

Tunjang Idaman was incorporated in Malaysia under the Act on 15 May 2008 as a private limited company under its present name. Tunjang Idaman is principally involved in property investment and commenced its business in June 2009.

The authorised share capital of Tunjang Idaman is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100.00 comprising 100 ordinary shares of RM1.00 each. Tunjang Idaman is a wholly-owned subsidiary of UOA Properties, which in turn is a wholly-owned subsidiary of our Company.

There has been no change in the issued and paid-up share capital of Tunjang Idaman since its incorporation save for the following allotments:

- (i) two subscriber shares of RM1.00 each on 15 May 2008; and
 - (ii) 98 ordinary shares of RM1.00 each on 17 June 2008,
- all for cash.

Tunjang Idaman does not have any subsidiaries or associates.

12.2.16 UOA Properties (Company No. 875170-V)

UOA Properties was incorporated in Malaysia under the Act on 14 October 2009 as a private limited company under the name of Ganjaran Kelana Sdn Bhd. The company converted into a public company on 6 January 2010 as Ganjaran Kelana Bhd and subsequently changed its name to UOA Properties Bhd on 7 April 2010. The board of directors and the shareholders' resolutions for the conversion of UOA Properties into a private limited company were passed on 28 April 2011. The Form 11 (Notice of Resolution) for the same was lodged with the Registrar of Companies on 28 April 2011 and is pending issuance of the Form 19 (Certificate of Incorporation on Conversion to a Private Company) by the Registrar of Companies as at 30 April 2011. UOA Properties is a holding company with various subsidiaries principally involved in acquisition of lands, houses for investment purposes and commenced its business in October 2009.

The authorised share capital of UOA Properties is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each.

12. INFORMATION ON OUR GROUP (cont'd)

There has been no change in the issued and paid-up share capital of UOA Properties since its incorporation save for the allotment of 499,998 ordinary shares of RM1.00 each on 23 December 2009 for cash.

UOA Properties has six subsidiaries namely Dynasty Portfolio, Lencana Harapan, Bangsar South, Nasib Unggul, Tunjang Idaman and Enchant Heritage in which UOA Properties holds 100.00% equity interest in each of them except Enchant Heritage in which UOA Properties holds 85.00% equity interest.

UOA Properties does not have any associates.

12.2.17 URC Engineering (Company No. 75610-T)

URC Engineering was incorporated in Malaysia under the Act on 16 September 1981 as a private limited company under the name of Sabah Matsushita Corporation Sdn Bhd. The company changed its name to United Rubber Corporation (Sabah) Sdn Bhd on 24 May 1989 and to its present name on 8 October 2001. URC Engineering is principally involved as a civil contractor and commenced its business in September 1981.

The authorised share capital of URC Engineering is RM10,000,000.00 comprising 10,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM7,020,002.00 comprising 7,020,002 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of URC Engineering for the past three years preceding 30 April 2011.

URC Engineering does not have any subsidiaries and associates.

12.2.18 Windsor Triumph (Company No. 498228-A)

Windsor Triumph was incorporated in Malaysia under the Act on 4 November 1999 as a private limited company under its present name. Windsor Triumph is principally involved in property development and commenced its business in August 2002.

The authorised share capital of Windsor Triumph is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Windsor Triumph for the past three years preceding 30 April 2011.

Windsor Triumph does not have any subsidiaries or associates.

12. INFORMATION ON OUR GROUP (cont'd)

The details of our partly-owned Subsidiaries as at 30 April 2011 are set out below:

12.2.19 Ceylon Hills (Company No. 895943-M)

Ceylon Hills was incorporated in Malaysia under the Act on 29 March 2010 as a private limited company under the name of Muncul Warisan Sdn Bhd. The company changed to its present name on 22 September 2010. Ceylon Hills is principally involved in property development and commenced its business in August 2010.

The authorised share capital of Ceylon Hills is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Ceylon Hills since its incorporation save for the following allotments:

- (i) two subscriber shares of RM1.00 each on 29 March 2010;
- (ii) 98 ordinary shares of RM1.00 each on 9 August 2010; and
- (iii) the allotment of 249,900 ordinary shares of RM1.00 each on 6 April 2011, all for cash.

The shareholders of Ceylon Hills and their shareholdings in Ceylon Hills as at 30 April 2011 are set out below:

Shareholders	No. of ordinary shares	%
UOA Development	135,000	54.00
Transmetro	90,000	36.00
Eugene Lee Chin Jin	25,000	10.00
Total	250,000	100.00

Ceylon Hills does not have any subsidiaries or associates.

12.2.20 Enchant Heritage (Company No. 812146-K)

Enchant Heritage was incorporated in Malaysia under the Act on 2 April 2008 as a private limited company under its present name. Enchant Heritage is principally involved in property investment and commenced its business in October 2008.

The authorised share capital of Enchant Heritage is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100.00 comprising 100 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Enchant Heritage for the past three years preceding 30 April 2011.

12. INFORMATION ON OUR GROUP (cont'd)

The shareholders of Enchant Heritage and their shareholdings in Enchant Heritage as at 30 April 2011 are set out below:

Shareholders	No. of ordinary shares	%
UOA Properties ⁽¹⁾	85	85.00
Biomerit Sdn Bhd	15	15.00
Total	100	100.00

Note:

(1) UOA Properties is a wholly-owned subsidiary of our Company.

Enchant Heritage does not have any subsidiaries or associates.

12.2.21 Everise Tiara (Company No. 490330-H)

Everise Tiara was incorporated in Malaysia under the Act on 3 August 1999 as a private limited company under its present name. Everise Tiara is principally involved in property development and commenced its business in November 2001.

The authorised share capital of Everise Tiara is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM300,000.00 comprising 300,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Everise Tiara for the past three years preceding 30 April 2011.

The shareholders of Everise Tiara and their shareholdings in Everise Tiara as at 30 April 2011 are set out below:

Shareholders	No. of ordinary shares	%
UOA Development	180,000	60.00
Transmetro	120,000	40.00
Total	300,000	100.00

Everise Tiara does not have any subsidiaries or associates.

12.2.22 Magna Kelana Development (Company No. 825242-D)

Magna Kelana Development was incorporated in Malaysia under the Act on 14 July 2008 as a private limited company under its present name. Magna Kelana Development is principally involved in property development and commenced its business in October 2008.

The authorised share capital of Magna Kelana Development is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM10,000.00 comprising 10,000 ordinary shares of RM1.00 each.

12. INFORMATION ON OUR GROUP (cont'd)

There has been no change in the issued and paid-up share capital of Magna Kelana Development since its incorporation save for the following allotments:

- (i) two subscriber shares of RM1.00 each on 15 July 2008;
 - (ii) 198 ordinary shares of RM1.00 each on 15 October 2008; and
 - (iii) 9,800 ordinary shares of RM1.00 each on 29 December 2008,
- all for cash.

The shareholders of Magna Kelana Development and their shareholdings in Magna Kelana Development as at 30 April 2011 are set out below:

Shareholders	No. of ordinary shares	%
UOA Development	7,000	70.00
Ang Kheng Im	375	3.75
Tong Ee Ping	750	7.50
Eugene Lee Chin Jin	750	7.50
Khor Soo Beng	375	3.75
Cecelia Chan	750	7.50
Total	10,000	100.00

Magna Kelana Development does not have any subsidiaries or associates.

12.2.23 Peninsular Home (Company No. 776827-X)

Peninsular Home was incorporated in Malaysia under the Act on 12 June 2007 as a private limited company under its present name. Peninsular Home is principally involved in property development and commenced its business in June 2007.

The authorised share capital of Peninsular Home is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100.00 comprising 100 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Peninsular Home for the past three years preceding 30 April 2011.

The shareholders of Peninsular Home and their shareholdings in Peninsular Home as at 30 April 2011 are set out below:

Shareholders	No. of ordinary shares	%
UOA Development	60	60.00
Transmetro	40	40.00
Total	100	100.00

Peninsular Home does not have any subsidiaries or associates.

12. INFORMATION ON OUR GROUP (cont'd)**12.2.24 Scenic Point Development (Company No. 866754-X)**

Scenic Point Development was incorporated in Malaysia under the Act on 31 July 2009 as a private limited company under its present name. Scenic Point Development is principally involved in property development and commenced its business in September 2009.

The authorised share capital of Scenic Point Development is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Scenic Point Development since its incorporation save for the following allotments:

- (i) two subscriber shares of RM1.00 each on 31 July 2009;
 - (ii) 98 ordinary shares of RM1.00 each on 1 September 2009; and
 - (iii) 249,900 ordinary shares of RM1.00 each on 12 October 2009,
- all for cash.

The shareholders of Scenic Point Development and their shareholdings in Scenic Point Development as at 30 April 2011 are set out below:

Shareholders	No. of ordinary shares	%
UOA Development	150,000	60.00
Transmetro	100,000	40.00
Total	250,000	100.00

Scenic Point Development does not have any subsidiaries or associates.

12.2.25 Seri Tiara Development (Company No. 783264-U)

Seri Tiara Development was incorporated in Malaysia under the Act on 2 August 2007 as a private limited company under its present name. Seri Tiara Development is principally involved in property development and commenced its business in October 2007.

The authorised share capital of Seri Tiara Development is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM250,000.00 comprising 250,000 ordinary shares of RM1.00 each.

There has been no change in the issued and paid-up share capital of Seri Tiara Development for the past three years preceding 30 April 2011 save for the allotment of 249,900 ordinary shares of RM1.00 each on 6 April 2011 for cash.

12. INFORMATION ON OUR GROUP (cont'd)

The shareholders of Seri Tiara Development and their shareholdings in Seri Tiara Development as at 30 April 2011 are set out below:

Shareholders	No. of ordinary shares	%
UOA Development	212,500	85.00
Biomerit Sdn Bhd	37,500	15.00
Total	250,000	100.00

Seri Tiara Development does not have any subsidiaries or associates.

The details of our Associated Company as at 30 April 2011 are set out below:

12.2.26 Everise Project (Company No. 720014-T)

Everise Project was incorporated in Malaysia under the Act on 5 January 2006 as a private limited company under its present name. Everise Project is principally involved in property development and commenced its business in December 2009.

The authorised share capital of Everise Project is RM1,000,000.00 comprising 300,000 ordinary shares of RM1.00 each and 70,000,000 RPS of RM0.01 each. The issued and paid-up share capital is RM513,209.14 comprising 300,000 ordinary shares of RM1.00 each and 21,320,914 RPS of RM0.01 each.

There has been no change in the issued and paid-up share capital of Everise Project for the past three years preceding 30 April 2011 save for the allotment of 200,000 ordinary shares of RM1.00 each and 21,320,914 RPS of RM0.01 each, all on 25 August 2010 as follows:

- (i) 5,000 ordinary shares of RM1.00 each and 7,462,320 RPS of RM0.01 each, both by way of a conversion of debt; and
- (ii) 195,000 ordinary shares of RM1.00 each and 13,858,594 RPS of RM0.01 each, both for cash.

The shareholders of Everise Project and their shareholdings in Everise Project as at 30 April 2011 are set out below:

Substantial shareholders	No. of ordinary shares	%	No. of RPS	%
UOA Development	117,000	39.00	8,315,156	39.00
Transmetro	78,000	26.00	5,543,438	26.00
Kencana Capital Assets Holdings Sdn Bhd	105,000	35.00	7,462,320	35.00
Total	300,000	100.00	21,320,914	100.00

Everise Project does not have any subsidiaries and associates.

12. INFORMATION ON OUR GROUP *(cont'd)*

For details of our principal place of business and principal assets, please refer to Section 7 of this Prospectus.

Save as disclosed in this Prospectus, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital as at 30 April 2011.

None of our Shares and shares/charter capital in our Subsidiaries were issued and allotted at a discount or have any special terms. Our issued Shares and issued shares/charter capital in our Subsidiaries are fully paid-up.

As at 30 April 2011, neither our Company nor our Subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS

13.1 BOARD OF DIRECTORS

Within the limits set by our Articles, our Board is responsible for the governance and management of our Company. To ensure the effective discharge of its functions, our Board endeavours to follow our corporate governance guidelines, which set out the following responsibilities:

- (i) to review and approve our annual corporate plan, which includes our overall corporate strategy, marketing plan, human resources plan, information technology plan, financial plan, budget, regulations plan and risk management plan;
- (ii) to oversee the conduct of our businesses, and to evaluate whether the businesses are being properly managed;
- (iii) to identify principal risks and ensure the implementation of appropriate systems to manage these risks;
- (iv) to manage succession planning, including appointing, training, fixing the compensation of, and where appropriate, replacing senior management;
- (v) to develop and implement an investor relations program or shareholders' communications policy for our Company;
- (vi) to review the adequacy and integrity of our internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines (including Bursa Securities LR, securities laws and the Act);
- (vii) to review and approve our financial statements;
- (viii) to review and approve our Audit Committee Report at the end of each financial year;
- (ix) to review and approve our Annual Report; and
- (x) to prepare a corporate governance statement in compliance with the Malaysian Code of Corporate Governance and an internal control statement for the Annual Report.

In accordance with Article 115 of our Articles, at the first annual general meeting of our Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office but shall be eligible for re-election provided that all Directors shall retire from office, once at least in every three years. A retiring Director shall retain office until the close of the meeting at which he retires.

In accordance with Article 112 of our Articles, unless otherwise determined by our Company in the general meeting, the number of Directors shall not be less than two nor more than 15.

As at the date of this Prospectus, our Board consists of five Directors, two of whom are Independent Directors.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

The members of our Board of Directors, all of whom are Malaysians (save for Tan Chok Kian Alphonsus and Alan Charles Winduss, who are Singaporean and Australian respectively), as at the date of this Prospectus are as follows:

Name	Age	Date of appointment	Designation
Tan Sri Dato' Alwi bin Jantan	76	24 January 2011	Chairman / Independent Non-Executive Director
Kong Chong Soon @ Chi Suim	70	27 May 2004	Managing Director
Kong Pak Lim	59	27 May 2004	Executive Director
Tan Chok Kian Alphonsus	79	24 January 2011	Independent Non-Executive Director
Alan Charles Winduss	70	24 January 2011	Non-Independent Non-Executive Director

The management and operations of our Company is led by Kong Chong Soon @ Chi Suim, our Managing Director.

The details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the Latest Practicable Date are as follows:

Director	Date of appointment	Date of expiration of the current term of office	No. of years in office
Tan Sri Dato' Alwi bin Jantan	24 January 2011	Shall retire and be eligible for re-election at our 2012 annual general meeting ⁽¹⁾	< 1 year
Kong Chong Soon @ Chi Suim	27 May 2004	Shall retire and be eligible for re-election at our 2012 annual general meeting ⁽¹⁾	6
Kong Pak Lim	27 May 2004	Shall retire and be eligible for re-election in accordance with Article 115 of our Articles provided that UOA Development has two or more Directors below 70 years of age ⁽²⁾	6
Tan Chok Kian Alphonsus	24 January 2011	Shall retire and be eligible for re-election at our 2012 annual general meeting ⁽¹⁾	< 1 year
Alan Charles Winduss	24 January 2011	Shall retire and be eligible for re-election at our 2012 annual general meeting ⁽¹⁾	< 1 year

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Notes:

- (1) *All our Directors, save for Kong Pak Lim, are required to submit themselves for yearly re-election as they are over 70 years of age, in accordance with Section 129(6) of the Act.*
- (2) *Article 115 of our Articles requires one-third of our Directors to retire from office once every three years and be eligible for re-election.*

Kong Pak Lim is currently the only Director below the age of 70. As such, the requirement of one-third of the directors to retire by rotation shall not be applicable and hence Kong Pak Lim will not need to retire at our forthcoming annual general meeting.

13.1.1 Profiles of our Directors

(i) Tan Sri Dato' Alwi bin Jantan

Tan Sri Dato' Alwi bin Jantan, aged 76, is our Chairman / Independent Non-Executive Director and was appointed on 24 January 2011. He has had a distinguished career in public service in Malaysia culminating as the Director General of Public Services, a position he held for over three years until his retirement in April 1990. His other notable appointments were as Secretary General, Ministry of Agriculture (1984 – 1987), Deputy Secretary General, Prime Minister's Department (1981 – 1984), Secretary General, Ministry of Health (1977 – 1981), Secretary General, Ministry of Local Government and Federal Territory (1976 – 1977), State Secretary, Selangor (1972 – 1976) and Director General of National Archives and Library (1966 – 1971). He concurrently served as Private Secretary to His Royal Highness the Timbalan Yang di Pertuan Agong between 1961 and 1962 and in 1965.

Upon his retirement after 32 years in the public service, he joined Genting Malaysia Berhad (formerly known as Resorts World Bhd) as an Executive Vice President – Public Affairs and Human Resources in 1990. He was redesignated as Executive Director in 2007 and is currently a Non-Independent Non-Executive Director. He also sits on the board of Hiap Teck Venture Bhd, a company listed on the Main Market of Bursa Securities.

Tan Sri Dato' Alwi bin Jantan graduated from University Malaya with a Bachelor of Arts (Honours in History) Degree in 1958. While in the public service, he also obtained a diploma from the State Technique International d'Archives, Paris and an honorary degree from the University of Rome in 1966 and 1979 respectively. In 1980, he attended the Advanced Management Programme from the Harvard Graduate School of Business. Tan Sri Dato' Alwi bin Jantan was a United Nations Education, Scientific and Cultural Organisation (UNESCO) Fellow as well as a former President of the Harvard Business School Alumni Club of Malaysia.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS *(cont'd)*

(ii) Kong Chong Soon @ Chi Suim

Kong Chong Soon @ Chi Suim, aged 70, is our Managing Director and is responsible for overall group management and strategy development. He has over 30 years experience in the construction and property development industry both in Singapore and Malaysia. 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 the Hotel Meridien, the Glass Hotel and the Changi Meridien Hotel, valued in excess of SGD866.0 million, during the 1970s and 1980s.

In 1987, he co-founded UOA and spearheaded our Parent Group's rapid growth in Malaysia. Over the last 21 years, our Parent Group together with our Group has 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 include 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.

(iii) Kong Pak Lim

Kong Pak Lim, aged 59, is our Executive Director. He oversees the planning and designs of our commercial and residential projects and is also responsible for the identification and negotiations of all new land acquisitions.

Mr. Kong has over 20 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 a Project Engineer in Davis Wemco in charge of mining design and construction and material handling and as a director of Ferro Engineering Pty Ltd responsible for structural and mechanical fabrication of oil and gas and mining equipment.

He co-founded UOA with Mr. Kong Chong Soon @ Chi Suim and played an integral part in spearheading our Parent Group's and our Group's rapid growth over the years.

He graduated with a Bachelor of Engineering degree with Honours from the University of Western Australia in 1975. He is a member of the Institute of Engineers Australia, the Australian Institute of Management, the Institution of Engineers Malaysia and the Association of Professional Engineers Malaysia.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

(iv) Tan Chok Kian Alphonsus

Tan Chok Kian Alphonsus, aged 79, is our Independent Non-Executive Director and was appointed as our Director on 24 January 2011. He has held various senior appointments in the Singapore civil service from 1956 until his retirement in 1986 including the positions of Permanent Secretary in the Ministry of Finance, the Ministry of Social Affairs and the Ministry of National Development. He was Chairman of the Central Provident Fund Board and was appointed to the positions of Acting Vice-Chancellor / Director General, Nanyang University and Chairman of the Post Office Savings Bank of Singapore.

Following his retirement from the civil service, he was appointed Executive Chairman of the Stock Exchange of Singapore Limited between 1987 and 1989 and served as Singapore's trade representative to Taipei between 1988 and 1991. Mr. Tan presently sits as Non-Executive Chairman of Tat Hong Holdings Ltd, a company listed on the Main Board of the SGX which specialises in the international supply of heavy machinery and equipment as well as Asia Pacific Investment Company Ltd, a property investment company associated with the Lend Lease Group of Australia. He was appointed the non-executive Chairman of the Securities Investors Association of Singapore in 2007.

Mr. Tan graduated with a Bachelor of Arts degree with Honours from the University of Malaya in 1955.

(v) Alan Charles Winduss

Alan Charles Winduss, aged 70, is our Non-Independent Non-Executive Director and was appointed as our Director on 24 January 2011. He is also a Director of Winduss & Associates Pty Ltd. He has been involved in professional accounting public practice for over 25 years, specialising in matters relating to corporate management, restructuring, corporate finance and company secretarial matters including ASX and the ASIC compliance. The accounting practice of Winduss & Associates Pty Ltd lists among its fields of expertise matters relating to property development, management and ownership. He sits on the board of four companies listed on the ASX including as non-executive chairman of Quest Minerals Limited, as well as, serving on the board of Australian incorporated private limited companies.

Mr. Winduss graduated from the then 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 is a registered Australian company auditor.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.1.2 Directors' Shareholdings

Our Directors' interests in our Shares before and after the IPO based on our Register of Directors' Shareholdings as at 30 April 2011 (assuming full subscription of the allocation to eligible Directors as set out in Section 4.3.5 of this Prospectus entitled "Details of Allocation to Eligible Directors of Our Company, Employees and Persons who have Contributed to the Success of Our Company and Our Subsidiaries") are as follows:

Director	Before the IPO			After the IPO ⁽¹⁾ (Assuming Over-allotment Option is not exercised)			After the IPO ⁽¹⁾ (Assuming Over-allotment Option is exercised in full)		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares	%		No. of Shares	%		No. of Shares	%	
Tan Sri Dato' Alwi bin Jantan	-	-	-	700,000	*	-	700,000	*	-
Kong Chong Soon @ Chi Suim	-	-	⁽²⁾ 908,859,040	-	-	⁽²⁾ 788,859,040	-	-	⁽²⁾ 727,809,040
Kong Pak Lim	-	-	⁽³⁾ 908,859,020	-	-	⁽³⁾ 788,859,020	-	-	⁽³⁾ 727,809,020
Tan Chok Kian Alphonsus	-	-	-	300,000	*	-	300,000	*	-
Alan Charles Winduss	-	-	-	100,000	*	-	100,000	*	-

Notes:

* Less than 0.01% / negligible.

(1) Excludes Shares that they may subscribe under the Retail Offering (via balloting).

(2) Deemed interested by virtue of Section 6A of the Act (shareholdings held through his associates, Griyajaya, Dream Legacy, Transmetro, Mahareno, Transmetro Corporation, Macrolantic Technology and United Overseas Corporation Pty Ltd, in UOA and shareholdings held through his associates, Transmetro and LTG Development Sdn Bhd, in UOA Development).

(3) Deemed interested by virtue of Section 6A of the Act (shareholdings held through his associates, Griyajaya, Dream Legacy, Metrowana and United Overseas Corporation Pty Ltd, in UOA and shareholdings held through his associate, LTG Development Sdn Bhd, in UOA Development).

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.1.3 Principal Business Activities Performed Outside Our Group in the Past Five Years

Save as disclosed below, none of our Directors has performed any principal business activities outside our Group.

The directorships and involvement of our Directors in business activities outside our Group at present and in the last five years preceding the Latest Practicable Date are as follows:

Name	Directorships	Involvement in principal business activities other than as a director
Tan Sri Dato' Alwi bin Jantan	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • UOA Asset Management Sdn Bhd • UOA Holdings • Genting Malaysia Bhd (formerly known as Resorts World Bhd) • Hiap Teck Hardware Sdn Bhd • Hiap Teck Venture Berhad • Maxi Leisure Sdn Bhd • Nurin Sendirian Berhad <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Awana Vacation Resorts Development Bhd (<i>resigned July 2009</i>) • Bandar Pelabuhan Sdn Bhd (<i>resigned July 2009</i>) • Best Fishing Corporation Sdn Bhd (<i>resigned September 2009</i>) • Bistari Mediabuku Sdn Bhd (<i>resigned July 2007</i>) • Genting Centre of Excellence Sdn Bhd (<i>resigned July 2009</i>) • Genting Golf Course Bhd (<i>resigned July 2009</i>) • Genting Highlands Bhd (<i>resigned July 2009</i>) • Genting Highlands Tours & Promotions Sdn Bhd (<i>resigned September 2007</i>) • Genting Irama Sdn Bhd (<i>resigned July 2009</i>) • Guinness Anchor Bhd (<i>resigned November 2008</i>) • Ikhlas Tiasa Sdn Bhd (<i>resigned July 2009</i>) • Kijal Resort Sdn Bhd (<i>resigned July 2009</i>) • Lafleur Limited (<i>resigned July 2009</i>) • Resort Tavern Sdn Bhd (<i>resigned July 2009</i>) • Resort World Tours Sdn Bhd (<i>resigned July 2009</i>) • Sierra Springs Sdn Bhd (<i>resigned July 2009</i>) • R.W. Overseas Investments Limited (<i>dissolved August 2009</i>) • UOA (<i>resigned 24 January 2011</i>) 	<p>Substantial shareholder of the following companies:</p> <ul style="list-style-type: none"> • Nurin Sendirian Berhad

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Name	Directorships	Involvement in principal business activities other than as a director
Kong Chong Soon @ Chi Suim	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Citicrest (M) Sdn Bhd • Damai Positif Sdn Bhd • Desa Bangsar Ria Sdn Bhd • Desa Bukit Pantai Sdn Bhd • Dream Legacy • Federaya Development Sdn Bhd • Ganjaran Restu Sdn Bhd • Gerak Perdana Sdn Bhd • Global Transact Sdn Bhd • Griyajaya • Julung Perdana Sdn Bhd • Ken Tat Sdn Bhd • LTG Development Sdn Bhd • Macrolantic Technology • Mahareno • Midah Heights Sdn Bhd • Mintwood Holdings Pte Ltd • Multiplex Strategy Sdn Bhd • Rich Accomplishment Sdn Bhd • Splendid Country Sdn Bhd • Transmetro Corporation • Transmetro • United Overseas Corporation Pty Ltd • UOA Capital Sdn Bhd • UOA Corporation • UOA Holdings • UOA (Singapore) Pte Ltd • UOA • Wismera Sdn Bhd • Wisma UOA Sdn Bhd <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Crystal Milestone Sdn Bhd (resigned on 29 June 2007) • Crystalaim Development Sdn Bhd (resigned on 29 June 2007) • Ganda Wijaya Sdn Bhd (resigned on 24 February 2009) • Megasiast Construction Sdn Bhd (resigned on 2 April 2010) • Promond (Asia) Sdn Bhd (resigned on 31 July 2007) • Rakan Harapan Sdn Bhd (resigned on 29 June 2007) • Wismara Sdn Bhd (resigned on 11 June 2007) • UOA Asset Management Sdn Bhd (resigned on 1 December 2010) 	<p>Substantial shareholder of the following companies:</p> <ul style="list-style-type: none"> • Citicrest (M) Sdn Bhd • Damai Positif Sdn Bhd • Desa Bangsar Ria Sdn Bhd • Desa Bukit Pantai Sdn Bhd • Dream Legacy • Federaya Development Sdn Bhd • Ganjaran Restu Sdn Bhd • Gerak Perdana Sdn Bhd • Global Transact Sdn Bhd • Griyajaya • Julung Perdana Sdn Bhd • Ken Tat Sdn Bhd • LTG Development Sdn Bhd • Macrolantic Technology • Mahareno • Midah Heights Sdn Bhd • Mintwood Holdings Pte Ltd • Multiplex Strategy Sdn Bhd • Rich Accomplishment Sdn Bhd • Transmetro Corporation • Transmetro • United Overseas Corporation Pty Ltd • UOA Asset Management Sdn Bhd • UOA Capital Sdn Bhd • UOA Corporation • UOA Holdings • UOA REIT (trust in which he is a substantial unit holder) • UOA (Singapore) Pte Ltd • UOA • Wismera Sdn Bhd • Wisma UOA Sdn Bhd <p>Nil</p>

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Name	Directorships	Involvement in principal business activities other than as a director
Kong Pak Lim	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Citicrest (M) Sdn Bhd • Damai Positif Sdn Bhd • Desa Bangsar Ria Sdn Bhd • Desa Bukit Pantai Sdn Bhd • Dream Legacy • Federaya Development Sdn Bhd • Ganjaran Restu Sdn Bhd • Gerak Perdana Sdn Bhd • Griyajaya • Ideal Element Sdn Bhd • Julung Perdana Sdn Bhd • Ken Tat Sdn Bhd • Limbungan Sejahtera Sdn Bhd • LTG Development Sdn Bhd • Metrowana Development • Rich Accomplishment Sdn Bhd • Spondid Country Sdn Bhd • United Overseas Corporation Pty Ltd • UOA Capital Sdn Bhd • UOA Corporation • UOA Holdings • UOA (Singapore) Pte Ltd • UOA • Wisma UOA Sdn Bhd • Xianyang Sdn Bhd <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Crystal Milestone Sdn Bhd (resigned on 29 June 2007) • Crystalaim Development Sdn Bhd (resigned on 29 June 2007) • Impian Palms Sdn Bhd (resigned on 25 July 2007) • Megasiast Construction Sdn Bhd (resigned on 2 April 2010) • Promond (Asia) Sdn Bhd (resigned on 31 July 2007) • Rakan Harapan Sdn Bhd (resigned on 29 June 2007) • Xianyang Development Sdn Bhd (formerly known as Syametra Development Sdn Bhd) (resigned on 27 January 2011) 	<p>Substantial shareholder of the following companies:</p> <ul style="list-style-type: none"> • Citicrest (M) Sdn Bhd • Damai Positif Sdn Bhd • Desa Bangsar Ria Sdn Bhd • Desa Bukit Pantai Sdn Bhd • Dream Legacy • Ganjaran Restu Sdn Bhd • Gerak Perdana Sdn Bhd • Griyajaya • Ideal Element Sdn Bhd • Julung Perdana Sdn Bhd • Ken Tat Sdn Bhd • Limbungan Sejahtera Sdn Bhd • LTG Development Sdn Bhd • Metrowana Development • Rich Accomplishment Sdn Bhd • United Overseas Corporation Pty Ltd • UOA Capital Sdn Bhd • UOA Corporation • UOA Holdings • UOA REIT (trust in which he is a substantial unit holder) • UOA (Singapore) Pte Ltd • UOA • Wisma UOA Sdn Bhd • Xianyang Sdn Bhd <p>Nil</p>
Tan Chok Kian Alphonsus	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Asia Pacific Investment Company Pte Ltd • Tat Hong Holdings Ltd • UOA <p><i>Previous directorship:</i></p> <p>Nil</p>	Nil

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Name	Directorships	Involvement in principal business activities other than as a director
Alan Charles Winduss	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Acacia Mining Pty Ltd • Advanced Share Registry Limited • Alan Winduss Pty Ltd • Alison Smith Pty Ltd • Chartreuse Nominees Pty Ltd • DYHM Pty Ltd • Quest Gold Projects Pty Ltd • Magna Mining N.L. • Mulga Mining Pty Ltd • Quest Minerals Limited • United Overseas Corporation Pty Ltd • UOA • UOA Asset Management Sdn Bhd • Winduss & Associates Pty Ltd <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Alan Winduss Corporate Services Pty Ltd (resigned on 19 December 2007) • Alloy Steel Australia Pty Ltd (resigned on 30 June 2010) • Ames Nominees Pty Ltd (resigned on 12 August 2008) • Autumnland Pty Ltd (resigned on 12 August 2010) • Coating Products Group Pty Ltd (resigned on 12 August 2010) • Dover Securities Pty Ltd (resigned on 4 June 2006) • Hampton Capital Ltd (resigned on 24 April 2009) • Hard Surfaces Pty Ltd (resigned on 12 August 2009) • Jevin Pty Ltd (resigned on 12 August 2009) • Kostecki Engine Company Pty Ltd (resigned on 12 August 2010) • Kroko Nominees Pty Ltd (resigned on 12 August 2010) • Palan Pty Ltd (resigned 22 April 2010) • Raglan Securities Pty Ltd (resigned on 12 August 2009) • Scarborough Equities Pty Ltd (resigned on 28 April 2009) • Sonit Pty Ltd (resigned on 12 August 2009) • Unaly Hill Pty Ltd (resigned on 11 January 2010) • United Overseas Finance Limited (resigned on 13 March 2009) • Westrel Wireless Systems Pty Ltd (resigned on 26 June 2009) • Winduss & Cook Proprietary (resigned on 26 November 2009) 	<p>Substantial shareholder of the following companies:</p> <ul style="list-style-type: none"> • Advanced Share Registry Ltd • Alan Winduss Pty Ltd • Chartreuse Nominees Pty Ltd • DYHM Pty Ltd • Quest Minerals Limited • Winduss & Associates Pty Ltd • UOA <ul style="list-style-type: none"> • Alan Winduss Corporate Services Pty Ltd • Alloy Steel Australia Pty Ltd • Palan Pty Ltd • United Overseas Finance Limited • Winduss & Cook Proprietary

Our Directors are of the view that the interests held by our Directors in the businesses and corporations mentioned in Section 13.1.3 of this Prospectus entitled "Principal Business Activities Performed Outside Our Group in the Past Five Years" do not affect their contribution to our Company.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Historically, they have been able to divide their time and attention between the said businesses and corporations.

13.1.4 Involvement of Our Managing Director in other Businesses/Corporations

Save as disclosed in Section 13.1.3 of this Prospectus entitled "Principal Business Activities Performed Outside our Group in the Past Five Years", Kong Chong Soon @ Chi Suim, our Managing Director is not involved in the operations of other businesses or corporations outside of our Group.

13.1.5 Involvement in Other Businesses or Corporations which Carry on a Similar Trade as our Group or which are Customers or Suppliers of our Group

Save as disclosed below, as at the Latest Practicable Date, none of our Directors have any interest, direct or indirect, in other businesses and corporations which are (i) carrying on a similar trade as that of our Group; or are (ii) customers of and/or suppliers to our Group:

Director	Businesses/Corporations	Principal Activities	Nature of interest
Tan Sri Dato' Alwi bin Jantan	<p><i>Similar trade as that of our Group:</i></p> <p>Nil</p> <p><i>Customers of and/or suppliers to our Group:</i></p> <p>Nil</p>	Nil	Nil
Kong Chong Soon @ Chi Suim	<p><i>Similar trade as that of our Group:</i></p> <ul style="list-style-type: none"> • Citicrest (M) Sdn Bhd • Damai Positif Sdn Bhd • Desa Bangsar Ria Sdn Bhd • Griyajaya • Limbungan Sejahtera Sdn Bhd • Transmetro • UOA • UOA Holdings • UOA REIT • Wisma UOA Sdn Bhd • Xianyang Sdn Bhd <p><i>Customers of and/or suppliers to our Group:</i></p> <p>Nil</p>	<ul style="list-style-type: none"> • Property development • Property investment • Property investment • Investment holding • Property development • Property investment and consultancy services • Investment holding • Investment holding and provision of management services • To own and invest in real estate and real estate-related assets used, or predominantly used, for commercial purposes, whether directly or indirectly through the ownership of single-purpose companies who wholly own real estate • Property investment • Property developer 	<ul style="list-style-type: none"> • Substantial shareholder • Substantial shareholder • Substantial shareholder • Director and substantial shareholder • Substantial shareholder • Director and substantial shareholder • Director and substantial shareholder • Director and substantial shareholder • Substantial unitholder • Substantial shareholder • Substantial shareholder

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Director	Businesses/Corporations	Principal Activities	Nature of interest
Kong Pak Lim	<i>Similar trade as that of our Group:</i>		
	<ul style="list-style-type: none"> Citicrest (M) Sdn Bhd Damai Positif Sdn Bhd Desa Bangsar Ria Sdn Bhd Griyajaya 	<ul style="list-style-type: none"> Property development Property investment Property investment Investment holding 	<ul style="list-style-type: none"> Substantial shareholder Substantial shareholder Substantial shareholder Director and substantial shareholder
	<ul style="list-style-type: none"> Limbangan Sejahtera Sdn Bhd UOA 	<ul style="list-style-type: none"> Property development Investment holding 	<ul style="list-style-type: none"> Substantial shareholder Director and substantial shareholder
	<ul style="list-style-type: none"> UOA Holdings 	<ul style="list-style-type: none"> Investment holding and provision of management services 	<ul style="list-style-type: none"> Director and substantial shareholder
	<ul style="list-style-type: none"> UOA REIT 	<ul style="list-style-type: none"> To own and invest in real estate and real estate-related assets used, or predominantly used, for commercial purposes, whether directly or indirectly through the ownership of single-purpose companies who wholly own real estate 	<ul style="list-style-type: none"> Substantial unitholder
	<ul style="list-style-type: none"> Wisma UOA Sdn Bhd Xianyang Sdn Bhd 	<ul style="list-style-type: none"> Property investment Property developer 	<ul style="list-style-type: none"> Substantial shareholder Substantial shareholder
	<i>Customers of and/or suppliers to our Group:</i>		
	Nil		
	<hr/>		
	<hr/>		
Tan Chok Kian Alphonsus	<i>Similar trade as that of our Group:</i>		
	Nil		
	<i>Customers of and/or suppliers to our Group:</i>		
	Nil		
	<hr/>		
Alan Charles Winduss	<i>Similar trade as that of our Group:</i>		
	Nil		
	<i>Customers of and/or suppliers to our Group:</i>		
	Nil		

Our Directors are of the view that the interests held by our Directors in the businesses and corporations mentioned in Section 13.1.5 of this Prospectus entitled "Involvement in other businesses or corporations which carry on a similar trade as our Group or which are customers or suppliers of our Group" do not affect their contribution to our Company. Conflicts of interest, if any, in respect of investment properties activities carried out by those businesses/corporations in which our Directors have an interest in, are minimal, as the Group's investment properties are currently only located in Bangsar South.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS *(cont'd)*

UOA Holdings and its subsidiaries (excluding our Group) do not have any investment properties in Bangsar South, but the properties which are held through the various subsidiaries including interests in UOA REIT, namely Desa Bangsar Ria Condominium, Menara UOA Bangsar and Wisma UOA Pantai, are located in the surrounding areas of Bangsar South. Moreover, the investment properties activities carried out by our Group and by UOA Holdings (through its subsidiaries excluding our Group) are managed by separate and independent leasing personnel and such transactions are carried out on an arm's length basis and on commercial terms.

Subsequent to the Reorganisation and the Pre-IPO Restructuring, our Parent Group does not intend to carry out any property development or construction activities in Malaysia, as such activities will be carried out by our Group. The Group will undertake land acquisition as and when necessary, should the opportunity arise. Consequently, the focus of our Parent Group (excluding our Group) will shift to property investment activities, potentially including acquisition of development lands, where appropriate. In the event Parent Group acquires land in Malaysia in the future, any development of the said land will be carried out by our Group. Under these circumstances, such arrangements between the Group and Parent Group may complement the business of our Group, whilst mitigating potential conflicts of interest, if any.

Our Directors are also involved, either in their individual capacity or through their personal private limited companies, in renting out properties. However, these are on a relatively small scale (i.e. less than 10 units) compared to our Group's property investment activities. As such, our Directors do not believe that there is any direct conflict of interests arising therefrom.

Our Managing Director, Mr. Kong Chong Soon @ Chi Suim, and our Executive Director, Mr. Kong Pak Lim, are also executive directors of our Parent Company. Our Directors do not believe that there is, at present, any conflict of interests arising therefrom as Mr. Kong Chong Soon @ Chi Suim and Mr. Kong Pak Lim allocate a substantial portion of their time to our Group.

Certain of our Directors, either in their individual capacity or through their personal private limited companies, are our customers. Please refer to Section 18.1.1 of this Prospectus entitled "Non-Recurrent Related Party Transactions" for details. These transactions are carried out on an arm's length basis and on commercial terms.

On matters or transactions requiring the approval of our Board, Directors who are deemed interested or conflicted in such matters shall be required to abstain from deliberations and voting on the resolutions relating to these matters or transactions.

13.1.6 Audit Committee

Our Audit Committee was formed by our Board pursuant to its meeting on 25 January 2011. Our Audit Committee consists of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. Its primary responsibility is to provide assistance to the Board of Directors in fulfilling its corporate governance responsibilities in relation to our financial reporting, internal control structure, related party transactions and external and internal audit functions. Our Audit Committee 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. Our Audit Committee shall meet at least four times a year and any additional meetings will be on a need to basis.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS *(cont'd)*

Our Audit Committee currently comprises the following members:

Name	Position	Date of Appointment	Directorship
Tan Chok Kian Alphonsus	Chairman	25 January 2011	Independent Non-Executive Director
Tan Sri Dato' Alwi bin Jantan	Member	25 January 2011	Independent Non-Executive Director
Alan Charles Winduss	Member	25 January 2011	Non-Independent Non-Executive Director

The duties and functions of our Audit Committee are:

(i) External audit

- (a) To recommend to the Board any matter relating to the appointment of external auditors, the fees and any matter in relation to resignation or dismissal of the external auditors; and
- (b) To review and discuss with the external auditors its scope and upon completion of the audit assessment, to present the audit findings and recommendations of the external auditors to our Board.

(ii) Internal audit

- (a) To review the internal audit plan, consider the major findings of internal audits and management's responses, and ensure coordination between the internal and external auditors;
- (b) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (c) To review the audit reports; and
- (d) To direct internal auditors to any specific area or procedure where necessary.

(iii) Financial reporting review

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

(iv) Related party transactions

To review any related party transaction and conflict of interest situation that may arise in our Group.

(v) Internal control systems

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

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS *(cont'd)*

(vi) Other matters

- (a) To discuss problems and reservation arising from the internal audit, interim and final audits, and matters the internal and external auditors may wish to discuss (in the absence of our management where necessary);
- (b) Where our Audit Committee is of the view that a matter reported by it to our Board has not been satisfactorily resolved resulting in a breach of Bursa Securities LR, our Audit Committee must promptly report such matter to Bursa Securities; and
- (c) Carrying out any other functions that may be mutually agreed upon by our Audit Committee and our Board.

13.1.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established on 25 January 2011. Our Nomination and Remuneration Committee currently comprises the following members:

Name	Position	Date of Appointment	Directorship
Tan Chok Kian Alphonsus	Chairman	25 January 2011	Independent Non-Executive Director
Tan Sri Dato' Alwi bin Jantan	Member	25 January 2011	Independent Non-Executive Director
Alan Charles Winduss	Member	25 January 2011	Non-Independent Non-Executive Director

Our Nomination and Remuneration Committee undertakes the following functions:

- (i) periodically assess the performance of our Board;
- (ii) assist our Board in assessing the adequacy of our Board or to identify candidates to fill vacancies if such vacancies arise and to assess qualified individuals for appointment to our Board, if necessary;
- (iii) review and recommend to our Board appropriate corporate governance policies and procedures for our Company;
- (iv) Recommend to our Board the remuneration of the executive directors in all its forms, drawing from outside advice as necessary; and
- (v) recommend incentive compensation plans to our Board.

13.1.8 Service Contracts with Directors

As at the date of this Prospectus, we do not have any existing or proposed service contracts with our Directors.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.1.9 Remuneration and Benefits of Directors

For FYE 2010 and the year ending 31 December 2011, the estimated remuneration and benefits to be paid to our Directors are as follows:

Director	FYE 2010	For the year ending 31 December 2011 (Forecast)
	RM 000	RM 000
Tan Sri Dato' Alwi bin Jantan	*	60.00
Kong Chong Soon @ Chi Suim	1,150.00	1,150.00
Kong Pak Lim	1,150.00	1,150.00
Tan Chok Kian Alphonsus	*	60.00
Alan Charles Winduss	*	70.00

Note:

* Appointed to our Board on 24 January 2011.

13.2 KEY MANAGEMENT

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

The members of our key management, as at the date of this Prospectus, are as follows:

Name	Nationality	Age	Designation
Kong Chong Soon @ Chi Suim	Malaysian	70	Managing Director
Kong Pak Lim	Malaysian	59	Executive Director
Cecelia Chan	Singaporean	57	Property Director
Tong Ee Ping ⁽¹⁾	Malaysian	53	Chief Operating Officer (Construction)
Khor Soo Beng	Malaysian	48	Chief Operating Officer (Development)
Ang Kheng Im	Malaysian	46	Chief Financial Officer
Michael Yeow Siew Meng ⁽¹⁾	Malaysian	46	General Manager (Contracts and Projects)
Chan Hoy Weng ⁽¹⁾	Malaysian	49	General Manager (Construction)

Note:

(1) Employee of AEC.

Please refer to Section 7.16 of this Prospectus entitled "Employees" for further details.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.2.1 Profiles of Our Key Management

- (i) Please refer to Section 13.1.1(ii) of this Prospectus entitled "Profiles of Our Directors" for Mr. Kong Choon Soon @ Chi Suim's profile.
- (ii) Please refer to Section 13.1.1(iii) of this Prospectus entitled "Profiles of Our Directors" for Mr. Kong Pak Lim's profile.
- (iii) Ms. Cecelia Chan, aged 57, was appointed as Property Director of UOA Holdings since 1989, a position she held until the establishment of UOA REIT in 2005 where she was then appointed as Chief Executive Officer of UOA Asset Management (REIT Manager for UOA REIT) in 2005, a position she held until her resignation on 14 January 2011. Whilst at UOA Asset Management, she oversaw the property leasing and building management activities of UOA REIT. Prior to this, Ms. Chan held the position of property director at UOA Holdings between 1989 and 2004 and was responsible for leading and formulating its marketing and sales strategies. Following the Reorganisation, Ms. Chan was transferred to our Company and re-designated as our Property Director. Before joining our Parent Group, Ms. Chan 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.
- (iv) Mr. Tong Ee Ping, aged 53, who is our Chief Operating Officer (Construction) has been with our Parent Group since 1988 and has been responsible for overseeing our Parent Group's construction activities undertaken through AEC and URC Engineering. Following the Reorganisation, Mr. Tong was transferred to our Company. Prior to joining our Parent Group and our Group, he was Senior Site Foreman at Progressive Builders Pte Ltd between 1985 and 1988 where he supervised building works. Mr. Tong holds a Bachelor of Science in BioChemistry degree with Honours from Punjab Agricultural University where he graduated in 1981.
- (v) Mr. Khor Soo Beng, aged 48, who is our Chief Operating Officer (Development) has been with the Parent Group since 1994 and has been responsible for project planning and development and overseeing our Parent Group's contracts, M&E technical, facilities management and security departments. Following the Reorganisation, Mr. Khor was transferred to our Company. Prior to joining our Parent Group, he was a project manager at HC Project Management Consultants between 1993 and 1994. Prior to that, between 1990 and 1993, Mr. Khor was a project manager and project quantity surveyor for MCB Management Services Sdn Bhd. Currently, Mr. Khor is also a director of UOA Asset Management Sdn Bhd, the asset manager of UOA REIT. Mr. Khor is also the Joint Management Body (JMB) committee chairman for various commercial building which UOA has substantial interests. Mr. Khor graduated with a Bachelor of Science in Building degree with Honours, from the University of Ulster, UK in 1990. He is also an incorporated member (ICIOB) of the Chartered Institute of Building, UK.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

- (vi) Ms. Ang Kheng Im, aged 46, has been the Finance Director and Group Financial Officer of our Parent Group since 1994. She is not only responsible for our finance and accounts departments but also oversees the internal controls function, company secretarial compliance, tax compliance, management of information system and legal matters. Following the Reorganisation, Ms. Ang was transferred to our Company. Prior to this, Ms. Ang spent four years as a senior auditor at Khoo Wong and Chan. Ms. Ang completed the final year of professional education at Emile Woolf College, London, UK in 1992 and obtained her professional qualification from the Association of Chartered Certified Accountants in London, UK in the same year. She is a Chartered Accountant of Malaysia and is a member of the Malaysian Institute of Accountants.
- (vii) Mr. Michael Yeow Siew Meng, aged 46, who is our General Manager (Contracts and Projects) joined our Group in 2009 and is responsible for negotiating our Group's contracts. Prior to joining our Group, he had worked both locally and abroad (in Singapore and Vietnam) for property developers and main constructor companies primarily in the area of contracts and property development handling a wide spectrum of building projects comprising commercial, residential and institutional products. Mr. Yeow holds a Bachelor of Science (Building) degree from the National University of Singapore where he graduated in 1988. He is also a member of the Royal Institute of Chartered Surveyors (RICS) and the Malaysia Institute of Surveyors (Quantity Surveying Division MISM).
- (viii) Mr. Chan Hoy Weng, aged 49, who is our General Manager (Construction) joined our Group in 2009 and is responsible for supervising our Group's construction activities. Prior to joining our Group, he was the general manager (operation) of Setiakon Builders Sdn Bhd where he was responsible for the overall construction works and proposed projects. Mr. Chan holds a Bachelor of Engineering degree (1st class honours) from the University Malaya where he graduated in 1987. Mr. Chan is a member of the Institution of Engineers, Malaysia and is also a Professional Engineer (Ir.).

Save for Mr. Tong Ee Ping who is the nephew of Mr. Kong Chong Soon @ Chi Suim, none of the key management are related to each other, the Directors or the Substantial Shareholders.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.2.2 Our Key Management's Shareholdings

As at 30 April 2011, the direct and indirect shareholding of our key management before and after the IPO (assuming full subscription of the allocation to eligible Directors and employees as set out in Section 4.3.5 of this Prospectus) are as follows:

Director	Before the IPO				After the IPO ⁽¹⁾ (Assuming Over-allotment Option is not exercised)				After the IPO ⁽¹⁾ (Assuming Over-allotment Option is exercised in full)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kong Chong Soon @ Chi Suim	-	-	⁽²⁾ 908,859,040	99.99	-	-	⁽²⁾ 788,859,040	65.97	-	-	⁽²⁾ 727,809,040	60.86
Kong Pak Lim	-	-	⁽³⁾ 908,859,020	99.99	-	-	⁽³⁾ 788,859,020	65.97	-	-	⁽³⁾ 727,809,020	60.86
Cecelia Chan	20	*	-	-	170,020	0.01	-	-	170,020	0.01	-	-
Tong Ee Ping	20	*	-	-	110,520	0.01	-	-	110,520	0.01	-	-
Khor Soo Beng	20	*	-	-	130,020	0.01	-	-	130,020	0.01	-	-
Ang Kheng Im	20	*	-	-	100,020	0.01	-	-	100,020	0.01	-	-
Michael Yeow Siew Meng	-	-	-	-	18,500	*	-	-	18,500	*	-	-
Chan Hoy Weng	-	-	-	-	18,500	*	-	-	18,500	*	-	-

Notes:

* Less than 0.01% / negligible.

(1) Excludes Shares that they may subscribe under the Retail Offering via balloting.

(2) Deemed interested by virtue of Section 6A of the Act (shareholdings held through his associates, Griyalaya, Dream Legacy, Transmetro, Mahareno, Transmetro Corporation, Macrolantic Technology and United Overseas Corporation Pty Ltd, in UOA and shareholdings held through his associates, Transmetro and LTG Development Sdn Bhd, in UOA Development).

(3) Deemed interested by virtue of Section 6A of the Act (shareholdings held through his associates, Griyalaya, Dream Legacy, Metrovana Development and United Overseas Corporation Pty Ltd, in UOA and shareholdings held through his associate, LTG Development Sdn Bhd, in UOA Development).

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.2.3 Service Contracts of Key Management

As at the date of this Prospectus, we do not have any existing or proposed service contracts with our Managing Director and Executive Directors. The terms of employment with the other members of our key management are contained under standard letters of employment.

13.2.4 Involvement of Key Management in other Businesses/Corporations

Save as disclosed in Section 13.1.4 of this Prospectus entitled "Involvement of Our Managing Director in other Businesses/Corporations" and save as disclosed below, none of our key management are involved in the operations of other businesses or corporations outside our Group:

Name	Directorships	Principal Activities	Involvement in business activities other than as a director
Cecelia Chan	<p><i>Present directorship:</i></p> <ul style="list-style-type: none"> • UOA Holdings <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Ganda Wijaya (resigned on 24 February 2009) • UOA Asset Management Sdn Bhd (resigned on 17 January 2011) 	<ul style="list-style-type: none"> • Investment holding and provision of management services 	Nil
Tong Ee Ping	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> • Global Transact Sdn Bhd • Hunting-Mesco Surveys Sdn Bhd • Impian Palms Sdn Bhd • Limbungan Sejahtera Sdn Bhd • Midah Heights Sdn Bhd • Transmetro • Transmetro Corporation <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> • Dats Management (resigned on 29 June 2007) • Debunga Emas Sdn Bhd (resigned on 17 February 2009) • Nakkon (M) Sdn Bhd (resigned on 3 February 2009) • Nakkon Systems Sdn Bhd (resigned on 18 February 2009) • Panwira Sdn Bhd (resigned on 14 December 2007) 	<ul style="list-style-type: none"> • Investment holding • Surveyors and consultants • Housing developer • Property development • Property development • Property investment and consultancy services • Investment 	Nil
Khor Soo Beng	<p><i>Present directorship:</i></p> <ul style="list-style-type: none"> • Infomore Sdn Bhd • UOA Asset Management Sdn Bhd <p><i>Previous directorship:</i></p> <p>Nil</p>	<ul style="list-style-type: none"> • Investment holding • Fund management company of a unit trust scheme 	Nil

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Name	Directorships	Principal Activities	Involvement in business activities other than as a director
Ang Kheng Im	<i>Present directorship:</i>		Nil
	• Infomore Sdn Bhd	• Investment holding	
	<i>Previous directorship:</i>		
	Nil		
Michael Yeow Siew Meng	<i>Present directorship:</i>	Nil	Nil
	Nil		
	<i>Previous directorship:</i>		
	Nil		
Chan Hoy Weng	<i>Present directorship:</i>	Nil	Nil
	Nil		
	<i>Previous directorship:</i>		
	Nil		

The involvement of our key management in other businesses and/or corporations outside our Group as highlighted above are not expected to affect their contribution to our Company and/or our Group as our key management are not actively involved in the management and day-to-day operations of these businesses and/or corporations whereby their involvement are only to the extent of attending board meetings.

On matters or transactions requiring the approval of the board of directors of the relevant Subsidiaries in respect of a contract or proposed contract with the abovementioned companies, those directors who are deemed interested or conflicted in such matters shall be required to abstain from deliberations and voting on the resolutions relating to these matters or transactions.

13.2.5 Management Succession Planning

Our Executive Directors, Mr. Kong Pak Lim and Mr. Kong Chong Soon, co-founded our Parent Group. Both of them are supported by other members of the key management team, a majority of whom has been working with both our Executive Directors for more than 15 years and has been involved in growing our Parent Group's business. Our key management team has in-depth knowledge of the business of the Group and within their respective areas of responsibility, is able to make major decisions in accordance with the strategy and objectives set by our Board as the need arises.

Nevertheless, we recognise the importance of ensuring continuity in our management in order to maintain our competitive edge over our competitors. Our Board believes that our continued success depends on, among other factors, the leadership capability and dedication of our management personnel. We have in place human resource strategies which include suitable compensation packages and structured succession planning. Our succession planning efforts in place include:

- (i) Identification of critical positions, key competencies and requirements for managers and higher positions in line with our business goals, strategies and culture; and

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

- (ii) Proactive leadership identification and development approach where potential leaders and successors are identified through rigorous selection process and continuously developed through structured leadership development to be readily available to undertake leadership positions throughout our Group.

In addition, our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge and competency necessary for them to advance to senior management positions.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.3 PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND SELLING SHAREHOLDERS

13.3.1 Shareholdings

As at 30 April 2011, our Promoters and substantial shareholders and their respective interest in our Shares before and after the IPO are as follows:

	Before the IPO			After the IPO (Assuming Over-allotment Option is not exercised)			After the IPO (Assuming Over-allotment Option is exercised in full)		
	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Promoter and Substantial Shareholder									
UOA Holdings	807,931,010	88.89	⁽¹⁾ 20	* 788,859,000	65.97	⁽¹⁾ 20	* 727,809,000	60.86	⁽¹⁾ 20 *
UOA	100,927,990	11.10	⁽²⁾ 807,931,030	88.89	-	⁽²⁾ 788,859,020	-	-	⁽²⁾ 727,809,020 60.86
Kong Chong Soon @ Chi Suim	-	-	⁽³⁾ 908,859,040	99.99	-	⁽³⁾ 788,859,040	-	-	⁽³⁾ 727,809,040 60.86
Kong Pak Lim	-	-	⁽⁴⁾ 908,859,020	99.99	-	⁽⁴⁾ 788,859,020	-	-	⁽⁴⁾ 727,809,020 60.86
Substantial Shareholder									
Griyajaya	-	-	⁽⁵⁾ 908,859,020	99.99	-	⁽⁵⁾ 788,859,020	-	-	⁽⁵⁾ 727,809,020 60.86
Transmetro	20	*	⁽⁶⁾ 908,859,020	99.99	20	⁽⁶⁾ 788,859,020	20	*	⁽⁶⁾ 727,809,020 60.86

Notes:

* Less than 0.01% / negligible.

(1) Deemed interested by virtue of Section 6A of the Act (shareholdings held through LTG Development Sdn Bhd).

(2) Deemed interested by virtue of UOA being entitled to control the exercise of 100.00% of the votes attached to the voting shares in UOA Holdings.

(3) Deemed interested by virtue of Section 6A of the Act (shareholdings held through his associates, Griyajaya, Dream Legacy, Transmetro, Mahareno, Transmetro Corporation, Macrolantic Technology and United Overseas Corporation Pty Ltd, in UOA and shareholdings held through his associates, Transmetro and LTG Development Sdn Bhd, in UOA Development).

(4) Deemed interested by virtue of Section 6A of the Act (shareholdings held through his associates, Griyajaya, Dream Legacy, Melrowana Development and United Overseas Corporation Pty Ltd, in UOA and shareholdings held through his associate, LTG Development Sdn Bhd, in UOA Development).

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS
(cont'd)

- (5) *Deemed interested by virtue of Section 6A of the Act (shareholdings held through UOA and as an associate of Kong Chong Soon @ Chi Suim) and deemed interested by virtue of UOA being entitled to control the exercise of 100.00% of the votes attached to the voting shares in UOA Holdings.*
- (6) *Deemed interested by virtue of Section 6A of the Act (through its shareholdings in Griyajaya and Transmetro Corporation, its wholly-owned subsidiary in UOA) and as an associate of Kong Chong Soon @ Chi Suim.*

Except as set out above, we are not aware of any other person who directly or indirectly, jointly or severally, exercises control over us.

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13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.3.2 Profile of Our Promoters, Selling Shareholders and Substantial Shareholders

The profile of our Promoters, who are also our substantial shareholders namely Mr Kong Chong Soon @ Chi Suim and Mr Kong Pak Lim are set out in Section 13.1.1 (ii) and (iii), respectively.

The profiles of our Promoters, who are also our substantial shareholders and Selling Shareholders, are set out below:

(i) UOA

UOA was incorporated in Australia under the Corporations Act 2001 (Cth) of Australia on 17 June 1987 as a company with limited liability under the name of United Overseas Securities Ltd. It subsequently changed to its present name on 12 December 1990. The company is an investment holding company whilst its subsidiaries (including our Group) are principally engaged in property development, construction and property investment.

The substantial shareholders of UOA and its respective shareholdings in UOA as at 30 April 2011 are as follows:

Substantial shareholder ⁽¹⁾	Direct	
	No. of ordinary shares*	%
Griyajaya	298,276,849	30.37
Dream Legacy	120,729,831	12.29
Metrowana Development	83,331,347	8.49
Transmetro	69,709,639	7.10
Mahareno	59,951,285	6.10
Transmetro Corporation	59,951,273	6.10
Macrolantic Technology	59,951,273	6.10
The Central Depository (Pte) Limited ⁽²⁾	51,864,516	5.29

Notes:

* There is no par value for the shares of UOA.

(1) Substantial shareholders who have notified UOA in accordance with Section 671B of the Corporations Act 2001 (Cth) of Australia.

(2) Shares held by the Central Depository (Pte) Limited pursuant to the secondary listing of UOA on the SGX.

Save for the issuance of ordinary shares of RM1.00 each in UOA Development to UOA and UOA Holdings pursuant to the Reorganisation and Pre-IPO Restructuring, there has been no change in UOA's shareholdings in our Company for the past three years preceding 30 April 2011.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

As at 30 April 2011, the members of the board of directors of UOA and their shareholdings in UOA are as follows:

Director	No. of ordinary shares
Kong Chong Soon @ Chi Suim	⁽¹⁾⁽²⁾ 669,823,266
Kong Pak Lim	⁽¹⁾⁽³⁾ 514,487,675
Alan Charles Winduss	⁽¹⁾ 1,453,346
Tan Sri Dato' Alwi Bin Jantan	⁽⁴⁾ 5,059,667
Teo Chee Seng	⁽⁴⁾ 111,092
Tan Chok Kian Alphonsus	⁽⁴⁾ 319,359

Notes:

- (1) Direct and indirect interests.
- (2) Indirect interest held through Dream Legacy, Griyajaya, Transmetro, Mahareno, Macrolantic Technology, Transmetro Corporation, United Overseas Corporation Pty Ltd and the Kong Chong Soon @ Chi Suim family via Chin Wai Chee, Kong May Chee, Kong Ai Chee and Kong Sze Choon.
- (3) Indirect interest held through Dream Legacy, Griyajaya, Metrowana Development, United Overseas Corporation Pty Ltd and the Kong Pak Lim family via himself, Wong Kiu Ngiuk and Lucas Kong Seng Lok.
- (4) Direct interests.

Kong May Chee is the alternate director for Kong Chong Soon @ Chi Suim.

Save for its shareholdings in UOA Holdings, UOA does not have any interest, direct or indirect, in other businesses and corporations (other than those held through our Company) which are (i) carrying on similar trade as our Group; or are (ii) customers of and/or suppliers to our Group.

(ii) UOA Holdings

UOA Holdings is wholly-owned by UOA. UOA Holdings was incorporated in Malaysia under the Act on 30 November 1989 as a private limited company under the name of Auswide Holdings Sdn Bhd. The company changed to its present name on 8 November 2002. UOA Holdings is an investment holding company whilst its subsidiaries (including our Group) are principally engaged in property development, construction and property investment.

Save for the issuance of ordinary shares of RM1.00 each in UOA Development to UOA Holdings pursuant to the Reorganisation and Pre-IPO Restructuring, there has been no change in the UOA Holdings' shareholdings in our Company for the past three years preceding 30 April 2011.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

As at 30 April 2011, the members of the board of directors of UOA Holdings and their respective shareholdings in UOA Holdings are as follows:

Director	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tan Sri Dato' Alwi bin Jantan	-	-	-	-
Kong Chong Soon @ Chi Suim	-	-	⁽¹⁾ 500,000	100.00
Kong Pak Lim	-	-	⁽²⁾ 500,000	100.00
Cecelia Chan	-	-	-	-

Notes:

- (1) Deemed interested by virtue of Section 6A of the Act (shareholdings held through his associates, Griyajaya, Dream Legacy, Transmetro, Mahareno, Transmetro Corporation, Macrolantic Technology and United Overseas Corporation Pty Ltd in UOA, the parent company of UOA Holdings).
- (2) Deemed interested by virtue of Section 6A of the Act (shareholdings held through his associates, Griyajaya, Dream Legacy, Metrowana Development and United Overseas Corporation Pty Ltd in UOA, the parent company of UOA Holdings).

Save as disclosed below, as at 30 April 2011, UOA Holdings does not have any interest, direct or indirect, in other businesses and corporations (other than those held through our Company) which are (i) carrying on similar trade as our Group; or are (ii) customers of and/or suppliers to our Group:

Substantial shareholder	Businesses/Corporations	Principal Activities	Nature of interest
UOA Holdings	Similar trade as that of our Group:		
	<ul style="list-style-type: none"> Citicrest (M) Sdn Bhd Damai Positif Sdn Bhd Desa Bangsar Ria UOA REIT 	<ul style="list-style-type: none"> Property development Property investment Property investment To own and invest in real estate and real estate-related assets used, or predominantly used, for commercial purposes, whether directly or indirectly through the ownership of single-purpose companies who wholly own real estate 	<ul style="list-style-type: none"> Substantial shareholder Substantial shareholder Substantial shareholder Substantial unitholder
	<ul style="list-style-type: none"> Wisma UOA Sdn Bhd 	<ul style="list-style-type: none"> Property investment 	<ul style="list-style-type: none"> Substantial shareholder
	Customers of and/or suppliers to our Group:		
	Nil	Nil	Nil

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Our Directors are of the view that the interests held by UOA Holdings in the businesses and corporations mentioned above do not presently conflict with the interests of our Group. Citicrest (M) Sdn Bhd is part of our Parent Group (excluding our Group) and our Parent Group (excluding our Group) does not intend to carry out any property development or construction activities in Malaysia, as such activities will be carried out by our Group. Please refer to Section 13.1.5 of this Prospectus entitled "Involvement in other Businesses or Corporations which Carry on a Similar Trade as Our Group or which are Customers or Suppliers of our Group". Conflicts of interest, if any, in respect of investment properties activities carried out by those businesses/corporations in which our Directors, substantial shareholders, Selling Shareholders and Promoter have an interest in, are minimal, as the Group's investment properties are currently only located in Bangsar South.

UOA Holdings or its subsidiaries (excluding our Group) do not have any investment properties in Bangsar South, but the properties which are held through various subsidiaries including interests in UOA REIT, namely Desa Bangsar Ria Condominium, Menara UOA Bangsar and Wisma UOA Pantai, are located in the surrounding areas of Bangsar South. Moreover, the investment properties activities carried out by our Group and by UOA Holdings (through its subsidiaries excluding our Group) are managed by separate and independent leasing personnel and the property development activities carried out by these companies are on a smaller scale (i.e. less than 10 units) than that carried out by our Group. Such transactions are carried out on an arm's length basis and on commercial terms.

The profile of each of our remaining substantial shareholders is set out below:

(iii) Griyajaya

Griyajaya was incorporated in Malaysia under the Act on 9 December 1981 as a private limited company under its present name. The company is an investment holding company.

The substantial shareholders of Griyajaya and its respective shareholdings in Griyajaya as at 30 April 2011 are as follows:

Substantial shareholder	Direct	
	No. of Shares	%
Transmetro	50,000	50.00
Kong Pak Lim	49,999	49.99

Save for the issuance of ordinary shares of RM1.00 each in UOA Development to UOA and UOA Holdings pursuant to the Reorganisation and Pre-IPO Restructuring, there has been no change in Griyajaya's shareholdings in our Company for the past three years preceding 30 April 2011.

As at 30 April 2011, the members of the board of directors of Griyajaya are Kong Chong Soon @ Chi Suim and Kong Pak Lim. Please see above for their respective shareholdings in Griyajaya.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

Save as disclosed below, as at 30 April 2011, Griyajaya does not have any interest, direct or indirect, in other businesses and corporations (other than those held through our Company) which are (i) carrying on similar trade as our Group; or are (ii) customers of and/or suppliers to our Group:

Substantial shareholder	Businesses/Corporations	Principal Activities	Nature of interest
Griyajaya	<i>Similar trade as that of our Group:</i>		
	<ul style="list-style-type: none"> • Citicrest (M) Sdn Bhd • Limbungan Sejahtera Sdn Bhd • Xianyang Sdn Bhd 	<ul style="list-style-type: none"> • Property development • Property development • Property developer 	<ul style="list-style-type: none"> • Substantial shareholder • Substantial shareholder • Substantial shareholder
	<i>Customers of and/or suppliers to our Group:</i>		
	Nil	Nil	Nil

Our Directors are of the view that the interests held by Griyajaya in the businesses and corporations mentioned above do not presently conflict with the interests of our Group. Citicrest (M) Sdn Bhd is part of our Parent Group (excluding our Group) and our Parent Group (excluding our Group) does not intend to carry out any property development or construction activities in Malaysia, as such activities will be carried out by our Group. Please refer to Section 13.1.5 of this Prospectus entitled "Involvement in other Businesses or Corporations which Carry on a Similar Trade as Our Group or which are Customers or Suppliers of Our Group". As for the other businesses in which Griyajaya is involved, these companies are managed by different personnel and the property development activities carried out by these companies are on a smaller scale (i.e. less than 10 units) than that carried out by our Group and such transactions are carried out on an arm's length basis and on commercial terms.

(iv) Transmetro

Transmetro was incorporated in Malaysia under the Act on 7 October 1989 as a private limited company under its present name. The company is principally involved in property investment and consultancy services.

The substantial shareholder of Transmetro and its respective shareholdings in Transmetro as at 30 April 2011 is as follows:

Substantial shareholder	Direct	
	No. of Shares	%
Kong Chong Soon @ Chi Suim	499,999	99.99

Save for the issuance of ordinary shares of RM1.00 each in UOA Development to UOA and UOA Holdings pursuant to the Reorganisation and Pre-IPO Restructuring, there has been no change in Transmetro's shareholdings in our Company for the past three years preceding 30 April 2011.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

As at 30 April 2011, the members of the board of directors of Transmetro and their respective shareholdings in Transmetro are as follows:

Directors	Direct	
	No. of shares	%
Kong Chong Soon @ Chi Suim	499,999	99.99
Tong Ee Ping	1	*
Kong Sze Choon	-	-
Kong May Chee	-	-

Note:

* Negligible

Save as disclosed below, as at 30 April 2011, Transmetro does not have any interest, direct or indirect, in other businesses and corporations (other than those held through our Company) which are (i) carrying on similar trade as our Group; or are (ii) customers of and/or suppliers to our Group:

Substantial shareholder	Businesses/Corporations	Principal Activities	Nature of interest
Transmetro	<p><i>Similar trade as that of our Group:</i></p> <ul style="list-style-type: none"> Griyajaya Citicrest (M) Sdn Bhd Limbangan Sejahtera Sdn Bhd LTG Development Sdn Bhd Everise Tiara* Peninsular Home* Scenic Point Development* Ceylon Hills* Everise Project* Transmetro Corporation Xianyang Sdn Bhd <p><i>Customers of and/or suppliers to our Group:</i></p> <p>Nil</p>	<ul style="list-style-type: none"> Investment holding Property development Property development Property development Property development Property development Housing developer Acquisition of lands, houses, to transact business as general traders, to run contracting business Property development Investment Property developer <p>Nil</p>	<ul style="list-style-type: none"> Controlling shareholder Substantial shareholder Substantial shareholder Substantial shareholder Substantial shareholder Substantial shareholder Substantial shareholder Substantial shareholder Substantial shareholder Controlling shareholder Substantial shareholder <p>Nil</p>

Note:

* Subsidiaries of our Company.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS *(cont'd)*

Our Directors are of the view that the interests held by Transmetro in the businesses and corporations mentioned above do not presently conflict with the interests of our Group. Citicrest (M) Sdn Bhd is part of our Parent Group (excluding our Group) and our Parent Group (excluding our Group) does not intend to carry out any property development or construction activities in Malaysia, as such activities will be carried out by our Group. Please refer to Section 13.1.5 of this Prospectus entitled "Involvement in other Businesses or Corporations which Carry on a Similar Trade as Our Group or which are Customers or Suppliers of Our Group". As for the other businesses in which Transmetro is involved, these companies are managed by different personnel and the property development activities carried out by these companies are on a smaller scale (i.e. less than 10 units) than that carried out by our Group and such transactions are carried out on an arm's length basis and on commercial terms.

13.4 RELATIONSHIPS OR ASSOCIATIONS BETWEEN OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

Save as disclosed below, there is no family relationship or association between any of the Directors, key management, substantial shareholders and Promoters after the Reorganisation.

13.4.1 Association between Directors and the Substantial Shareholders/Promoters of Our Company

Our Directors, Kong Chong Soon @ Chi Suim, Kong Pak Lim, Alan Charles Winduss and Tan Chok Kian Alphonsus are also Directors of UOA and/or Directors of several subsidiaries of our Promoters, UOA and UOA Holdings, as disclosed in Section 13.1.3 of this Prospectus entitled "Principal Business Activities Performed Outside Our Group in the Past Five Years".

Save as disclosed above, there are no family relationships or associations between any of the Directors and the substantial shareholders/Promoters of our Company.

13.4.2 Association Between Key Management and the Substantial Shareholders/Promoters of our Company

- (i) Our key management, Cecelia Chan, Khor Soo Beng and Tong Ee Ping are directors of several subsidiaries of UOA, as disclosed in Section 13.2.4 of this Prospectus entitled "Involvement of Key Management in other Businesses/Corporations", and Khor Soo Beng is also a director of UOA Asset Management Sdn Bhd, the asset manager of UOA REIT.
- (ii) Our key management, Tong Ee Ping, is the nephew of our Director, Promoter and substantial shareholder, Kong Chong Soon @ Chi Suim.

Save as disclosed above, there are no association between key management and the substantial shareholders/Promoters of our Company.

13. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, SUBSTANTIAL SHAREHOLDERS, PROMOTERS AND SELLING SHAREHOLDERS (cont'd)

13.5 DECLARATION BY OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SELLING SHAREHOLDERS

Except as disclosed below, none of our Directors, key management, the Promoters or the Selling Shareholders is or has been involved in the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

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