

UOA DEVELOPMENT BHD

(Company No. 654023-V)

(Incorporated in Malaysia)

QUESTIONS FROM MSWG

Operational/Financial Matters

1) The Group had ventured into medical-related businesses, and the new opening of Komune Living & Wellness in May 2022. (Page 25 of AR)

(a) Does the Group manage its medical-related business on its own or in partnership? If yes, please name the partner.

The medical-related business ventures are strategic partnerships mainly in Komune Living and Wellness. The partners, who are the specialists in their respective fields, are responsible for the operation of the medical-related businesses.

(b) What are the major differences between Komune Living in Bangsar South and Komune Living & Wellness in Cheras?

While both Komune Living in Bangsar South and Komune Living & Wellness in Cheras offer co-living spaces, they differ mainly in their focus and concept.

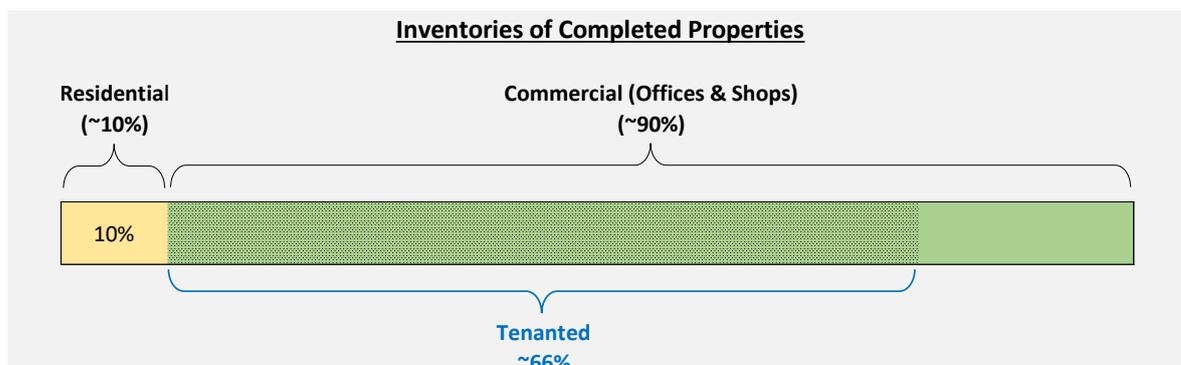
Komune Living is a co-living space that is designed to cater the needs of working community. It offers fully furnished private studios, apartment-style rooms for rent on a long or short-term basis. It focuses on community living by offering plenty of communal spaces including recreational facilities where residents congregate and interact.

Komune Living & Wellness in Cheras is a co-living space designed to promote holistic wellness with an emphasis on senior living facilities and services. It also provides a wide range of wellness services such as professional senior care services, Traditional Chinese Medicine, physiotherapy and others. The concept of Komune Living & Wellness is centred around promoting an integrated co-living and wellness hub that collectively offers comprehensive health, wellness and care services for better community living.

(c) What is the revenue and profit contribution from the Komune Living Wellness business in FY 2022?

Komune Living & Wellness was launched in May-22 and contributed to approximately 4% of total income from the hospitality division in FY2022.

- 2) The Group's completed properties stood at RM1,080 million in FY 2022 as compared to RM1,058 million in FY 2021, an increase of RM22 million or 2.1%.
- (a) Please provide a breakdown of the completed properties by projects and value for FY 2022 and FY 2021, respectively.
- (b) What were the challenges faced by the Group in selling the completed properties?
- (c) What measures have been taken to clear the slow-moving completed properties?



Close to 90% of the Group's inventories of completed properties are commercial properties including office blocks and shop lots with office towers in Bangsar South, UOA Business Park and Desa Commercial Center, combined, accounted for about two-thirds of the amount. The balance of approximately 10% are residential properties.

The sale status of completed residential properties are all above 90% with the exception of The Goodwood Residence which was completed in FY2022. The Goodwood Residence was approximately 80% sold.

Although the unsold properties are predominantly commercial office blocks that are classified as inventories, approximately two-thirds of the commercial properties are currently tenanted and earning a rental income. Naturally, due to the large size and value of commercial office blocks, the sale of these properties will be slow-moving. By filling up these office blocks with tenants, these tenanted properties can be sold with tenancies in the future. This is a strategy which was proven to be successful in The Horizon in Bangsar South. The unoccupied commercial property in the inventory is mainly from Desa Commercial Center. This property is currently being actively marketed for sale to end users.

- (d) Please provide the ageing profile of the completed properties in bands of more than 1 year, 2 years, 3 years and more than 3 years, respectively.

The ageing profile of the completed properties is as follows :-

Property Age	Commercial	Residential
Below 1 year	1%	65%
Between 1 to 2 years	10%	5%
Between 2 to 3 years	1%	0%
Above 3 years	88%	30%

- 3) In the Group's Cash Flow Statement on page 93 of the Annual Report, the Group reported a positive cash inflow of RM182.6 million in FY 2022 as compared to a cash outflow of RM152.2 million in FY 2021.
- Please explain the reason for the cash outflow in FY 2021 amounting to RM152.2 million.
 - Kindly provide a breakdown of the cash inflow of RM182.6 million by the category of receivables and the amount, respectively.
 - What is the amount the Group has collected from the RM152.2 million in FY 2022 and is there any outstanding amount yet to be collected? If yes, what is the amount?

The cash outflow in receivables in FY2021 was mainly due to the payment of advances amounting to USD31.5 million in respect of the proposed joint investment in Vietnam. Since the joint venture did not materialise, the advances were fully refunded in FY2022.

- 4) The "Others" business segment of the Group reported segment profit of RM4.94 million in FY 2022 as compared to RM18.1 million segment profit in FY 2021. (Page 149 of AR)
- Why is there no revenue reported in the "Others" business segment for both FYs 2021 and 2022?

The revenue line reported the revenue from development activities. Hence, there was no revenue reported in the "Others" business segment.

- Which business operation recorded the highest segment profit in the "Others" business segment in FYs 2022 and 2021 respectively?

Rental income formed a substantial part of other income in FY2022 and FY2021.

- 5) The sales of stocks were attributed to the Goodwood Residence, Aster Green Residence, and United Point Residence. (Page 24 of AR)
- What were the sales from the Goodwood Residence, Aster Green Residence and United Point Residence in terms of unit and value respectively in FY 2022?
 - What are the remaining unsold units and value from the Goodwood Residence, Aster Green Residence and United Point Residence as of March 2023?
 - What were the challenges faced by the Group in selling the remaining units in Goodwood Residence, Aster Green Residence and United Point Residence, respectively?

Project	Sold Units	Unsold Units
The Goodwood Residence	210	129
Aster Green Residence	3	0
United Point Residence	115	52
Total Units	328	181
Total Value	RM361.4 million	RM150.0 million

The total sales from these 3 projects were approximately RM361.4 million and the total units sold were approximately 328 units.

Aster Green Residence was completely sold while there is approximately 50 units unsold in United Point. The Goodwood Residence which was completed in FY2022 was about 80% sold and it continues to receive a good response from the buyers.

Corporate Governance Matters

- 1) The Company mentioned in its Corporate Governance Report 2022 that it did not circulate the minutes to shareholders, but key matters are published on the website for FY 2022.

However, a check on the Company's website on 9 May 2023, under the General Meetings in the Corporate Governance page shows only the Notice of 18th AGM and Poll Result of 18th AGM.

On further checking, even the Investors Resources page did not have key matters published.

Please confirm whether the Company has uploaded the key matters discussed at the 18th AGM on the Company's website.

Kindly also upload the questions from MSWG and the Company's responses to the questions.

There was an internal breakdown in communication and we overlooked to check our website. It was meant to be uploaded and the summary of key matters is at this date already published on our website.