

28 May 2026

# UOA Development

## Slow Progress On Existing Projects

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UOADEV's 1QFY26 net profit (-27% YoY) missed expectations as its developments' progress appears to be facing some setbacks. While the launch and commencement of its new Aethera Residence would supplement to its existing portfolio, we are wary that demand for the group's projects could waver slightly in the near-term, with higher construction cost potentially weighing down the group in the medium term. We cut our FY26F/FY27F earnings by 9%/3% with a lower TP of RM1.82 (from RM1.91). **Maintain MARKET PERFORM.**

**1QFY26 below expectations.** UOADEV's 1QFY26 core net profit of RM54.3m came in at 15% of both our full-year forecast and consensus full-year estimates. The negative deviation was attributed to slower-than-expected development progress recognition across all projects.

**YoY,** 1QFY26 core net profit declined by 27% to RM54.3m (adjusting for fair value adjustments). Possibly due to slower progress made owing to the quarter's festivities, revenue fell by 25%. On the other hand, other income remained supportive with improvements in its hospitality division.

**QoQ,** despite a 35% drop in revenue from the same abovementioned development progress, core net profit expanded by 130%, thanks to lower effective tax rates of 18.1% (-4.9 pts) and fewer non-controlling distributions.

**Outlook.** UOADEV has commenced development of its Aethera Residences project in Johor Bahru (GDV: RM800m), which should replenish its development pipeline following the eventual completion of Aster Hill by 2HFY26. The group also continues to benefit from stable recurring income, supported by improving occupancy across its office and retail assets, including Bamboo Hills and Sphere. In addition, its hospitality segment, particularly Komune Living & Wellness, is expected to gain from both domestic and international visitor traffic.

That said, rising logistics and construction costs could pose challenges for developers lacking a diversified project mix to offset margin pressures. Meanwhile, softer sales traction at certain projects such as Aster Hill may indicate moderating demand, which could weigh on near-term project profitability.

**Forecasts.** We cut our FY26F/FY27F earnings by 9%/3% as we anticipate development progress to remain hindered in the near-term, particularly with UOADEV's concentrated portfolio (four ongoing projects).

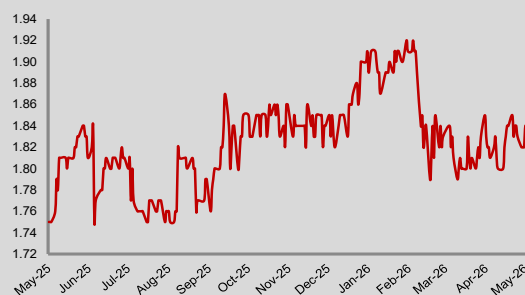
**Maintain MARKET PERFORM with a lower TP of RM1.82 (from RM1.91).** In addition to RNAV updates, we also increased our RNAV discount from 50% to 55%, reflecting our concerns on the group's GDV realisability following several instances of missed earnings. Still, even with the revised earnings, the stock is still projected to offer dividend yields of 6%-7%, balancing its risk-reward.

**Risks to our call include:** (i) weaker/better-than-expected recovery in the property, hospitality, and MICE sectors, (ii) changes in mortgage rates affecting affordability, and (iii) more restrictive urban development policies in the Klang Valley.

# MARKET PERFORM ↔

Price : **RM1.80**  
Target Price : **RM1.82** ↓

## Share Price Performance



KLCI 1,699.02  
YTD KLCI chg 1.1%  
YTD stock price chg -2.7%

## Stock Information

Shariah Compliant Yes  
Bloomberg Ticker UOAD MK Equity  
Market Cap (RM m) 4,779.0  
Shares Outstanding 2,655.0  
52-week range (H) 1.92  
52-week range (L) 1.75  
3-mth avg. daily vol. 303,048  
Free Float 26%  
Beta 0.46

## Major Shareholders

UOA Holdings Sdn Bhd 69.3%  
Employees Provident Fund 14.4%  
Amanah Saham Nasional 4.2%

## Summary Earnings Table

| FYE Dec (RM m)         | 2025A        | 2026F        | 2027F        |
|------------------------|--------------|--------------|--------------|
| Turnover               | 674.3        | 610.4        | 675.0        |
| Operating Profit       | 589.5        | 390.8        | 434.0        |
| Profit Before Tax      | 637.1        | 438.8        | 496.0        |
| <b>Net Profit</b>      | <b>474.0</b> | <b>326.8</b> | <b>369.4</b> |
| <b>Core Net Profit</b> | <b>304.8</b> | <b>326.8</b> | <b>369.4</b> |
| Consensus (CNP)        | -            | 365.3        | 388.5        |
| Earnings Revision      | -            | -9%          | -3%          |
| Core EPS (sen)         | 11.6         | 12.5         | 14.1         |
| Core EPS Growth (%)    | 27.0         | 7.2          | 13.0         |
| NDPS (sen)             | 10.0         | 11.2         | 12.7         |
| BV/Share (RM)          | 2.3          | 2.3          | 2.3          |
| Core PER (x)           | 15.5         | 14.4         | 12.8         |
| Price/BV (x)           | 0.8          | 0.8          | 0.8          |
| Net Gearing (x)        | 0.0          | -0.1         | -0.2         |
| Dividend Yield (%)     | 5.6          | 6.2          | 7.0          |

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### Results Highlight

|                             | 1Q          | 4Q           | QoQ         | 1Q          | YoY         | 3M          | 3M          | YoY         |
|-----------------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FYE Dec (RM m)              | FY26        | FY25         | Chg         | FY25        | Chg         | FY26        | FY25        | Chg         |
| Revenue                     | 113.9       | 174.7        | -35%        | 152.1       | -25%        | 113.9       | 152.1       | -25%        |
| Cost of Goods Sold          | -78.7       | -112.7       | -30%        | -91.2       | -14%        | -78.7       | -91.2       | -14%        |
| <b>Gross Profit</b>         | <b>35.1</b> | <b>62.0</b>  | <b>-43%</b> | <b>60.9</b> | <b>-42%</b> | <b>35.1</b> | <b>60.9</b> | <b>-42%</b> |
| Fair Value Adjustments      | -12.3       | 169.2        | -107%       | 0.0         | N.M.        | -12.3       | 0.0         | N.M         |
| Other Income                | 104.0       | 107.7        | -4%         | 98.9        | 5%          | 104.0       | 98.9        | 5%          |
| Impairment (Loss)/Reversal  | -0.3        | 5.1          | -106%       | 0.3         | -190%       | -0.3        | 0.3         | -190%       |
| Inventories Written Down    | -5.2        | -2.1         | 145%        | -6.5        | -20%        | -5.2        | -6.5        | -20%        |
| Administrative Expenses     | -54.9       | -52.1        | 5%          | -47.1       | 16%         | -54.9       | -47.1       | 16%         |
| Other Expenses              | -25.3       | -23.4        | 8%          | -25.6       | -1%         | -25.3       | -25.6       | -1%         |
| <b>Operating Profit</b>     | <b>41.1</b> | <b>266.5</b> | <b>-85%</b> | <b>81.0</b> | <b>-49%</b> | <b>41.1</b> | <b>81.0</b> | <b>-49%</b> |
| Net Finance Income / (Cost) | 12.4        | 12.7         | -2%         | 13.0        | -5%         | 12.4        | 13.0        | -5%         |
| <b>Profit Before Tax</b>    | <b>53.5</b> | <b>279.2</b> | <b>-81%</b> | <b>94.0</b> | <b>-43%</b> | <b>53.5</b> | <b>94.0</b> | <b>-43%</b> |
| Taxation                    | -9.7        | -64.3        | -85%        | -18.1       | -46%        | -9.7        | -18.1       | -46%        |
| Minority interest           | -1.9        | -22.0        | -91%        | -1.9        | -1%         | -1.9        | -1.9        | -1%         |
| <b>Net Profit</b>           | <b>42.0</b> | <b>192.8</b> | <b>-78%</b> | <b>74.0</b> | <b>-43%</b> | <b>42.0</b> | <b>74.0</b> | <b>-43%</b> |
| One-off Adjustments         | -12.3       | 169.2        | -107%       | 0.0         | N.M.        | -12.3       | 0.0         | N.M         |
| <b>Core Net Profit</b>      | <b>54.3</b> | <b>23.6</b>  | <b>130%</b> | <b>74.0</b> | <b>-27%</b> | <b>54.3</b> | <b>74.0</b> | <b>-27%</b> |
| Gross Profit Margin         | 30.9%       | 35.5%        |             | 40.0%       |             | 30.9%       | 40.0%       |             |
| Operating Margin            | 36.1%       | 152.5%       |             | 53.2%       |             | 36.1%       | 53.2%       |             |
| Pretax Margin               | 47.0%       | 159.8%       |             | 61.8%       |             | 47.0%       | 61.8%       |             |
| Net Margin                  | 36.9%       | 110.4%       |             | 48.6%       |             | 36.9%       | 48.6%       |             |
| Effective Tax Rate          | 18.1%       | 23.0%        |             | 19.2%       |             | 18.1%       | 19.2%       |             |
| Net Gearing                 | -0.29       | -0.30        |             | -0.34       |             | -0.32       | -0.33       |             |

Source: Company, Kenanga Research

### UOADEV's RNAV

| Project                                 | Remaining Land Bank<br>(acres) | Outstanding GDV<br>(RM m) | Effective NPV of profit<br>(RM m) |
|---|--------------------------------|---------------------------|-----------------------------------|
| <b>On-going/Up-coming Projects</b>      |                                |                           |                                   |
| Aster Hill                              | -                              | 480.0                     | 109.1                             |
| Duo Tower A                             | -                              | 1,300.0                   | 282.0                             |
| Bamboo Hills Residences (Block A&B)     | -                              | 1,400.0                   | 277.4                             |
| Aethera Residences                      | -                              | 800.0                     | 151.6                             |
| <b>To be developed</b>                  |                                |                           |                                   |
| UOA Business Park (Phase 2)             | -                              | 130.0                     | 26.9                              |
| Jalan Ipoh                              | 27.3                           | 4,600.0                   | 735.9                             |
| Bangsar South Land (Commercial)         | -                              | 2,300.0                   | 367.9                             |
| Bangsar South Land (Residential)        | -                              | 1,850.0                   | 295.9                             |
| Land Around Bangsar South               | -                              | 900.0                     | 144.0                             |
| Cyberjaya Land                          | -                              | 265.0                     | 42.4                              |
| <b>Total</b>                            | <b>27.3</b>                    | <b>14,025.0</b>           | <b>2,433.2</b>                    |
| <b>Unbilled Sales (as of 1QFY26)</b>    |                                | 612.4                     | 132.9                             |
| <b>Property Development Net Assets</b>  |                                |                           | 3,836.0                           |
| <b>Property Development RNAV (RM m)</b> |                                |                           | <b>6,402.0</b>                    |
| Discount ascribed to PD RNAV            |                                |                           | 55%                               |
| <b>Discounted PD RNAV</b>               |                                |                           | <b>2,880.9</b>                    |
| <b>Property Investment</b>              | 0.9x NAV                       | 2,173.5                   | <b>1,956.2</b>                    |
| <b>Total SoP</b>                        |                                |                           | <b>4,837.1</b>                    |
| Number of shares (m)                    |                                |                           | 2,655.0                           |
| <b>RNAV/share (RM)</b>                  |                                |                           | <b>1.82</b>                       |

Source: Company, Kenanga Research

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### Peer Table Comparison

| Name                         | Rating | Last Price (RM) | Target Price (RM) | Upside | Market Cap (RM m) | Shariah Compliant | Current FYE | Core EPS (sen) |            | Core EPS Growth |             | PER (x) - Core Earnings |             | PBV (x)    | ROE         | Net Div. (sen) | Net Div Yld |
|------------------------------|--------|-----------------|-------------------|--------|-------------------|-------------------|-------------|----------------|------------|-----------------|-------------|-------------------------|-------------|------------|-------------|----------------|-------------|
|                              |        |                 |                   |        |                   |                   |             | 1-Yr. Fwd.     | 2-Yr. Fwd. | 1-Yr. Fwd.      | 2-Yr. Fwd.  | 1-Yr. Fwd.              | 2-Yr. Fwd.  | 1-Yr. Fwd. | 1-Yr. Fwd.  | 1-Yr. Fwd.     | 1-Yr. Fwd.  |
| <b>PROPERTY DEVELOPERS</b>   |        |                 |                   |        |                   |                   |             |                |            |                 |             |                         |             |            |             |                |             |
| Eco World Development Group  | OP     | 2.05            | 2.35              | 14.6%  | 6,606.0           | Y                 | 10/2026     | 17.9           | 18.1       | 28.9%           | 1.4%        | 11.5                    | 11.3        | 1.0        | 8.6%        | 8.0            | 3.9%        |
| IOI Properties Group Bhd     | UP     | 4.24            | 3.00              | -29.2% | 23,346.1          | Y                 | 06/2026     | 13.5           | 14.3       | 154.5%          | 5.9%        | 31.5                    | 29.8        | 0.9        | 5.0%        | 6.0            | 1.4%        |
| LBS Bina Bhd                 | OP     | 0.450           | 0.640             | 42.2%  | 693.7             | Y                 | 12/2026     | 8.1            | 8.8        | 15.2%           | 8.3%        | 5.5                     | 5.1         | 0.3        | 6.9%        | 3.3            | 7.3%        |
| Mah Sing Group Bhd           | OP     | 0.975           | 1.78              | 82.6%  | 2,496.1           | Y                 | 12/2026     | 10.9           | 11.7       | 7.0%            | 7.3%        | 9.0                     | 8.4         | 0.6        | 6.7%        | 5.5            | 5.6%        |
| Malaysian Resources Corp Bhd | MP     | 0.320           | 0.560             | 75.0%  | 1,429.6           | Y                 | 12/2026     | 1.8            | 1.4        | 19.2%           | -18.9%      | 45.1                    | 24.2        | 0.3        | 1.7%        | 1.0            | 3.1%        |
| Paramount Corporation Bhd    | OP     | 1.02            | 1.47              | 44.1%  | 635.2             | Y                 | 12/2026     | 19.1           | 21.8       | 66.6%           | 14.2%       | 5.3                     | 4.7         | 0.4        | 7.8%        | 7.5            | 7.4%        |
| S P Setia Bhd                | OP     | 0.985           | 1.43              | 45.2%  | 4,928.4           | Y                 | 12/2026     | 6.1            | 7.3        | -33.3%          | 18.9%       | 16.2                    | 13.6        | 0.3        | 2.4%        | 2.0            | 2.0%        |
| Sime Darby Property Bhd      | OP     | 1.43            | 1.97              | 37.8%  | 9,725.2           | Y                 | 12/2026     | 8.2            | 9.2        | 8.0%            | 11.4%       | 17.4                    | 15.6        | 0.9        | 5.1%        | 3.3            | 2.3%        |
| Sunway Bhd                   | MP     | 5.24            | 5.66              | 8.0%   | 35,424.6          | Y                 | 12/2026     | 21.6           | 21.6       | 19.9%           | 0.3%        | 24.3                    | 24.2        | 2.0        | 8.3%        | 6.5            | 1.2%        |
| UOA Development Bhd          | MP     | 1.80            | 1.82              | 1.1%   | 4,779.0           | Y                 | 12/2026     | 12.3           | 13.9       | 7.2%            | 13.0%       | 14.6                    | 12.9        | 0.8        | 5.3%        | 11.1           | 6.2%        |
| <b>SECTOR AGGREGATE</b>      |        |                 |                   |        | <b>90,063.9</b>   |                   |             |                |            | <b>26.7%</b>    | <b>6.1%</b> | <b>22.6</b>             | <b>21.3</b> | <b>0.7</b> | <b>5.5%</b> |                | <b>4.1%</b> |

Source: Kenanga Research

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