United Overseas Australia Ltd

ANNUAL REPORT 2021

Cover

Komune Living & Wellness is an integrated co-living and wellness hub situated next to an urban park in the thriving township of Cheras, with an emphasis on senior care facilities and services. Designed to create a holistic living environment, it houses a co-living hotel, senior living facilities, and a wellness centre - collectively offers comprehensive health, wellness and care services for better community living.

Bangsar South Aerial View

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CORPORATE DIRECTORY

A.C.N 009 245 890
A.B.N 81 009 245 890

DIRECTORS
Mr. Alan Charles Winduss
(Non-Executive Chairman)
(ceased on 14 July 2021)
Mr. Chong Soon Kong
(Managing Director)
Mr. Pak Lim Kong
(Executive Director)
Mr. Chee Seng Teo
(Independent Director)
Mr. Stuart Alexander Third
(Independent Director)
(appointed on 29 July 2021)
Ms. May Chee Kong
(alternate for C.S. Kong)

COMPANY SECRETARY
Mr. Alan Charles Winduss
(ceased on 14 July 2021)
Mr. Stuart Alexander Third
(appointed on 15 July 2021)

ASX CODE
UOS

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PRINCIPAL PLACE OF MANAGEMENT
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Lobby A, Avenue 10, The Vertical
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No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

SHARE REGISTRY
Advanced Share Registry Services Ltd
110, Stirling Highway
Nedlands
Perth Western Australia 6009

AUDITORS
Grant Thornton Audit Pty Ltd
Central Park
Level 43, 152-158, St Georges Terrace
Perth Western Australia 6000

FROM THE OFFICE OF MANAGING DIRECTOR

Dear Valued Shareholders,

The financial year 2021 continued to be challenging against the backdrop of a volatile business environment and the underlying risks of economic disruptions caused by the Covid-19 pandemic.

With the country's high vaccination rate, new normal safety control, and gradual relaxation of restrictions, the economy is expected to recover positively with the reopening of more economic and social sectors, in line with improved domestic and global demand.

Profit after tax and minority interest for the financial year ended 31 December 2021 was $80.3 million. This is a decrease of 17.5% in comparison to the results for the preceding financial year. The Board of Directors has resolved to declare a final dividend of 1.35c (unfranked) for the year ended 31 December 2021.

Despite the tumultuous impacts of the pandemic, we remain committed to ensuring resilience in an uncertain environment as we work on strengthening the long-term value of our business with prudence and agility.

With profound sadness, we would also like to acknowledge the invaluable contributions of our Non-Executive Chairman/Independent Director, Alan Charles Winduss, who passed away in July 2021. His illustrious career was marked with many achievements and he brought a great wealth of knowledge, experience and energy to our Company. He will be deeply missed.

Last but not least, I would like to take this opportunity to express my sincere gratitude to our shareholders, Board of Directors, Management, esteemed customers, business associates and staff, for their unrelenting dedication, support and commitment to United Overseas Australia Ltd. I look forward to your continued support as we strive to achieve a better fiscal 2022.

Thank you.

C.S. Kong
Managing Director

IN REMEMBRANCE OF THE LATE

Alan Charles Winduss

On 14 July 2021, United Overseas Australia Ltd mourned the loss of our Non-Executive Chairman/ Independent Director, the late Alan Charles Winduss. The late Alan Charles Winduss was a Director of United Overseas Australia Ltd from 1990 until the time of his sudden demise. Highly regarded as a leader of principle and pragmatism, he made enduring contributions during various phases in the history of United Overseas Australia Ltd. The late Alan Charles Winduss also led the team with an admirable degree of professionalism, financial prudence and foresight that not only brought United Overseas Australia Ltd to the forefront of the property industry, but also laid the groundwork for our future growth.

More than the well-earned reputation as a quintessential gentleman and true stalwart who personified integrity, honesty and strong work ethics, the late Alan Charles Winduss was also fondly known for his compassion, generosity and irrepressible good humour. A caring leader, mentor, business associate, and loving family man as well as a philanthropist, he has left behind a lasting legacy of humility and dedication. We will be missing his continuous guidance, positive attitude and energy. May his immense contributions and larger than life achievements continue to inspire.

EXECUTIVE DIRECTOR'S REVIEW OF OPERATIONS

The year ended 31 December 2021 has been one of profitable operations for the Group albeit in a very difficult market, allowing it to continue to retain a strong and positive balance sheet.

REVIEW OF OPERATIONS

Australia

East Parade Condominiums

The company currently has 4 remaining rental units that are available for sale.

Leederville

The buildings within the Leederville complex are currently 75% occupied following the completion of the buildings' refurbishment exercise in January 2020. Enquiries on the remaining available spaces were encouraging, with positive response and renewed interest in the precinct.

Vietnam

UOA Vietnam Tower continued its leasing activities amidst a challenging market condition. There has been some gradual improvement in leasing activities albeit the risks posed by potential Covid-19 outbreaks still exist.

Malaysia

UOA Development Bhd and its subsidiaries (the "Group") continued to deliver positive results for financial year 2021. As at 31 December 2021, the Group achieved a total revenue of $177.0 million and profit after tax of $73.8 million.

UOA Development Bhd

A full set of Financial Statements and Reports for year ended 31 December 2021 can be downloaded at www.uoadev.com.my. UOA Development Bhd is 71.53% owned.

UOA Real Estate Investment Trust

A full set of Financial Statements and Reports for year ended 31 December 2021 can be downloaded at www.uoareit.com.my. UOA Real Estate Investment Trust is 34.08% owned.

SNAPSHOT OF COMPLETED AND CURRENT DEVELOPMENTS

In year 2021, the final phase of Sentul Point Suite Apartments and South Link Lifestyle Apartments were completed.

Sentul Point Suite Apartments is a residential project located in the district of Sentul which is in close proximity to public transportation hubs and major highways, providing swift connections to Kuala Lumpur City Centre. It consists of a total of 3 blocks of freehold residences with 2,352 units of serviced apartments and 142 units of retail shops. The first phase of Sentul Point Suite Apartments was completed in year 2020, whereas the final phase of this project was completed and commenced delivery of vacant possession in year 2021.

South Link Lifestyle Apartments is located within the vicinity of Bangsar South, adjacent to South View Serviced Apartments and Komune Living. It comprises 1 block of 44-storey freehold service apartments with 1,422 units and features a myriad of amenities and conveniences with its 2-storey trendy lifestyle retail podium. The project was completed in year 2021.

The 2 completed projects have a combined GDV of AUD $677.3 million.

South Link Lifestyle Apartments

Executive Director's Review Of Operations
(Continued)

The Goodwood Residence, Bangsar South

Sentul Point Suite Apartments

The Goodwood Residence is located within Bangsar South and consists of 1 block of 40-storey residential tower with 678 units which is ideal for multi-generational living. This project is expected to be completed in year 2022.

Located within an established township of Sri Petaling, Aster Green Residence consists of a single block of 440 residential units. This project is strategically located close to major highways and plenty of established amenities in the vicinity.

Komune Living & Wellness (formerly known as Bandar Tun Razak development) is a project located within the dynamic and thriving township of Cheras. This development is positioned to be an integrated co-living and wellness hub, with health, wellness and community at its core for better community living. This project is expected to be completed in year 2022.

The 3 on-going projects have an anticipated combined GDV of AUD $379.9 million.

Located within our future development near Jalan Ipoh, Bamboo Hills is a development which is slated to be an exclusive dining location. This development is centred around a lush landscape, unique dining pavilions and vast outdoor spaces nestled in lush greenery just minutes away from the city centre. This project is expected to be completed in year 2022.

Komune Living and Wellness

Executive Director’s Review Of Operations
(Continued)

Bamboo Hills

FUTURE DEVELOPMENTS

The planned developments namely Desa 3, Laurel Residence and Sri Petaling Phase 2, are targeted to be launched by the Group in year 2022. Desa 3 is a project that comprises 8 units of semi-detached houses which is located in Taman Desa. Laurel Residence is a project that comprises 2 blocks of 1,260 residential units which is located in Bangsar South and Sri Petaling development Phase 2, located adjacent to Aster Green Residence is another residential project that comprises 2 blocks of 1,238 units. The 3 projects have an anticipated combined GDV of approximately of AUD $346.2 million.

Moving into the year 2022, the Group is cautiously optimistic on the improving property market outlook given the nation’s high vaccination rate, a less restricted environment for consumers, a more consistent regulations for the operations of economic activities, as well as improving market sentiments and consumer confidence, which will lead to greater economic stability. The Group continues its focus on future development projects in targeted strategic locations such as Bangsar South and Sri Petaling. Future launches will be timed carefully in line with the country’s economic recovery that meet the objective of the Group.

Aster Green Residence

Laurel Residence

DIRECTORS' REPORT

The Directors present their report together with the Financial Report of the Company and of the Group, being the Company, its subsidiaries and the Group's interest in any jointly controlled entities for the financial year ended 31 December 2021 together with the report of the Company's Auditors.

Name	Current Occupation/Position
Alan Charles Winduss	Non-Executive Chairman/Independent Director *(ceased on 14 July 2021)*
Chong Soon Kong @ Chi Suim	Managing Director
Pak Lim Kong	Executive Director
Terence Teo Chee Seng	Independent Director
Stuart Alexander Third	Independent Director *(appointed on 29 July 2021)*
May Chee Kong	Alternate Director to Chong Soon Kong @ Chi Suim

Information on the areas of prime responsibility, the business and working experience of the Directors is set out below.

Chong Soon Kong @ Chi Suim (Managing Director)

Chong Soon Kong @ Chi Suim, Malaysian, male, aged 81, is responsible for the overall group management and strategy development. He has over 37 years of experience in the construction and property development industries, both in Malaysia and Singapore. He played a key role as Project Advisor to the Harapan group of companies where he was instrumental in overseeing the successful construction of three internationally-rated hotels in Singapore, namely Hotel Meridien, Glass Hotel and Changi Meridien Hotel, valued in excess of SGD866.0 million, during the 1970s and 1980s.

In 1987, Mr. Kong co-founded United Overseas Australia Ltd ("UOA" or "Parent Group") and spearheaded our Parent Group's rapid growth in Malaysia. Over the last 32 years, our Parent Group together with other Group members have successfully completed numerous residential, industrial and commercial developments in various parts of Kuala Lumpur. He has in the past served in various capacities in several public-listed companies both in Malaysia and Singapore which included Raleigh Bhd, Town and City Properties Ltd and Tuan Sing Holdings Ltd.

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

He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years or any conflict of interest with the Company.

May Chee Kong, Alternate Director for Mr. Kong on United Overseas Australia Ltd Board and Sze Choon Kong, Alternate Director for Mr. Kong on UOA Development Bhd Board and Executive Director of UOA REIT, are both children of Mr. Kong.

Kong Sze Hou, Head of the Group Hospitality Division and Investment Officer for the Group's Vietnam operations is a child of Mr. Kong.

Mr. Kong is a Director of:

UOA Development Bhd	Bursa Malaysia Securities Berhad Listed

Directors' Report
(Continued)

Pak Lim Kong (Executive Director)

Pak Lim Kong, Malaysian, male, aged 69, oversees the planning and design of the Group's commercial and residential projects and is also responsible for the identification and negotiation of all new land acquisitions.

Mr. Kong has over 42 years of experience in the construction, mining and property development industries in both Malaysia and Australia. He has worked extensively in various capacities in Australia, among them as Project Engineer in Davis Wemco in charge of mining design, construction and material handling and as a Director of Ferro Engineering Pty Ltd responsible for structural and mechanical fabrication of oil & gas and mining equipment.

He co-founded United Overseas Australia Ltd with Mr. Chong Soon Kong and has played an integral part in spearheading the Group's rapid growth.

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

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

Stephanie Kong Pei Zen, Alternate Director for Pak Lim Kong on the UOA Development Bhd Board is a daughter of Mr. Kong.

Mr. Kong is a Director of:

UOA Development Bhd	Bursa Malaysia Securities Berhad Listed

Terence Teo Chee Seng (Independent Non-Executive Director)

Mr. Chee Seng Teo, Singaporean, male, aged 67, is an Independent Non-Executive Director of the Company. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

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

Mr. Teo is a Director of:

Lasseters International Holdings Limited	SGX-ST Listed
Envictus International Holdings Limited	SGX-ST Listed
Soilbuild Group Holdings Ltd	SGX-ST Listed
UOA Development Bhd	Bursa Malaysia Securities Berhad Listed

Directors' Report
(Continued)

May Chee Kong (Alternate Director to Chong Soon Kong @ Chi Suim)

May Chee Kong, Singaporean, female, aged 48, is the Alternate Director for Chong Soon Kong @ Chi Suim.

May Chee Kong is the daughter of Chong Soon Kong @ Chi Suim.

Stuart Alexander Third (Independent Director)

Stuart Alexander Third, male, aged 51, is also a member of the Audit and Risk Management Committee. He is a director of Winduss & Associates Pty Ltd Chartered Accountants. He has been involved in professional public practice for over 25 years providing business and taxation advice to clients in various industries. Mr. Third has experience in corporate governance, company secretarial, management and restructuring matters. He currently is on the Board of, and company secretary of, ASX listed Advanced Share Registry Ltd and has previously served as company secretary of other ASX listed companies. He also works within the accounting profession as a facilitator for the Chartered Accountants Program.

Mr. Third graduated from University of Tasmania in year 1993 with a Bachelor of Business and from University of New South Wales in year 2001 with a Master of Taxation as well as having completed a Graduate Diploma in Applied Corporate Governance in year 2014. He is a Fellow of Chartered Accountants Australia and New Zealand, a Chartered Tax Adviser and an Associate of both the Governance Institute of Australia and The Chartered Governance Institute.

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

Directors' Report
(Continued)

Company Secretary

Stuart Alexander Third

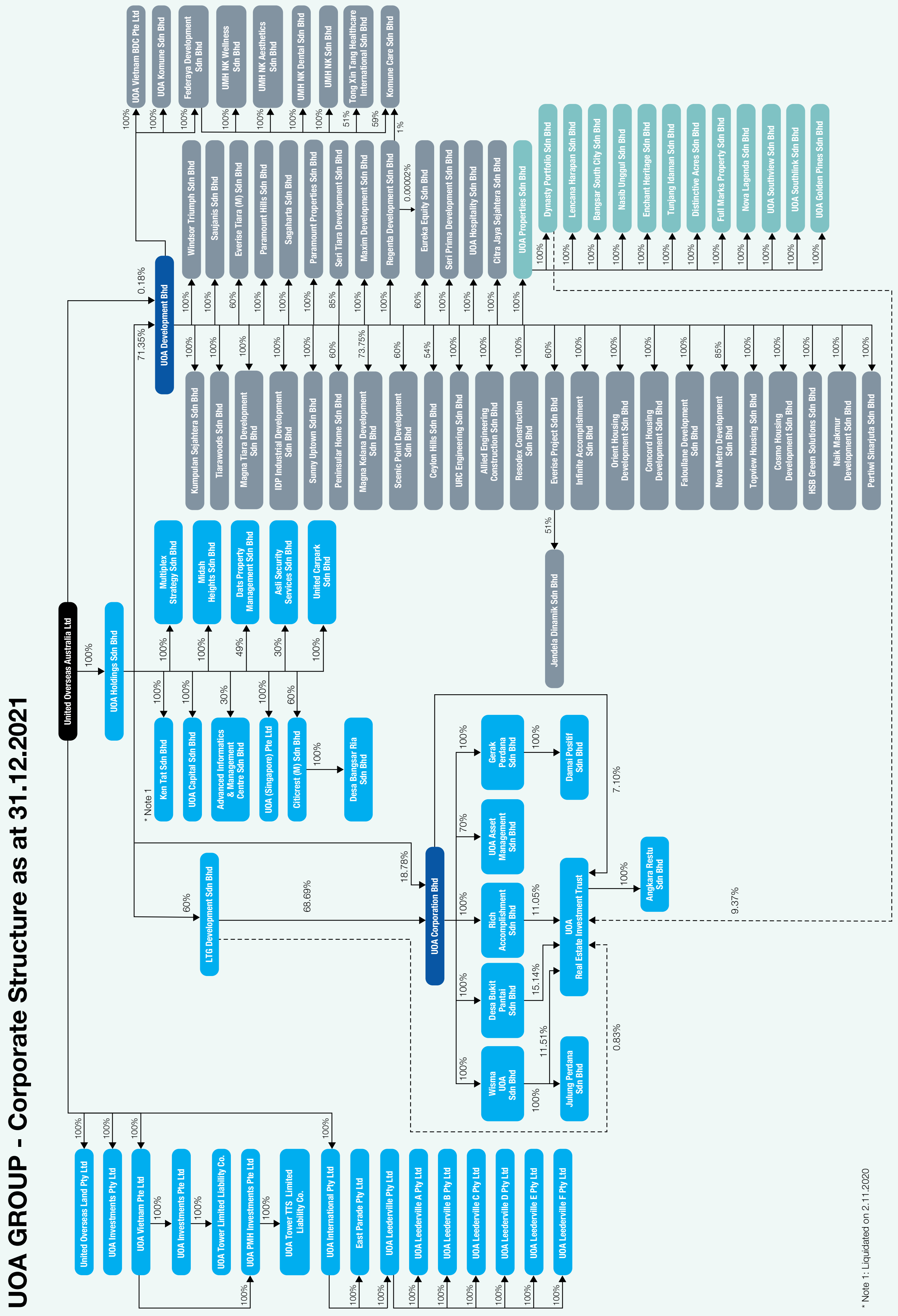
Director	Director's Meetings		Audit and Risk Management Committee		Nomination and Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
A C Winduss	2	2	2	2	2	2
C S Kong	5	5	-	-	-	-
P L Kong	5	5	3	3	3	3
C S Teo	5	5	3	3	3	3
S A Third	2	2	1	1	1	1

Corporate Governance Statement

The Company has established a Corporate Governance framework which is set out in the Company's Corporate Governance Statement which is available on its website (www.uoa.com.my) under the section marked "Investor relations UOA Ltd".

Dividends	Cents
Final dividend recommended	
• On ordinary shares	1.35
Dividends paid in the year	
Interim for the year	
• On ordinary shares	NIL
Final for 2020 shown as recommended in the 2020 report	
• On ordinary shares	2.0

Directors' Report
(Continued)



Directors' Report
(Continued)

Nature of Operations and Principal Activities of The Group

The principal activities during the year of the members of the consolidated entities were:
- Development and resale of land and buildings
- Investment in the form of rental properties
- Investment in the UOA Real Estate Investment Trust
- Operation of hotels and food and beverages outlets
- Rental of co-sharing office facilities

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

Employees

The consolidated entity employed 1,193 employees as at 31 December 2021 (2020: 1,511).

Review and Results of Operations

Group Overview

The Company was incorporated in Western Australia in 1987 as United Overseas Securities Limited and a prospectus issued to facilitate a listing on the 'Second Board' of the Australian Securities Exchange-Perth; the Company transferred to the Main Board of the Australian Securities Exchange on 1 January 1992.

UOA Development Bhd

On the 8 June 2011, the Company's majority owned subsidiary UOA Development Bhd listed on the Malaysian Stock Exchange (Bursa Malaysia).

At the date of this report, United Overseas Australia Ltd has a direct equity interest of 0.18% and an indirect interest of 71.35% (via UOA Holdings Sdn Bhd) in UOA Development Bhd.

UOA Real Estate Investment Trust

As at 31 December 2021, the Group has an effective equity holding of 34.08% in the Trust.

Directors' Report
(Continued)

	2021 Revenue ($000)	2021 Results ($000)	2020 Revenue ($000)	2020 Results ($000)
Summarised Operating Results are as follows:				
Operating Segments				
Land Development and Sale	334,626	67,052	483,936	97,710
Investment	374,630	36,293	366,056	36,252
Other	12,612	7,135	15,075	10,713
	721,868	110,480	865,067	144,675
Consolidated adjustments	(400,457)	-	(445,513)	-
Non-segment unallocated revenue	-	-	-	-
	321,411	110,480	419,554	144,675

The Group's operations for the year have been impacted by the Covid-19 pandemic through the various restrictions imposed by different Governments in the different jurisdictions in which the Group operates.

Revenue recognition from land sales and development is lower than expected as sales of property and the progress of developments have been slowed during the year. The Malaysian Government's Movement Control Order ("MCO") prevented construction activities from continuing on all projects within Malaysia for several months, which has deferred the recognition of revenue from the progress of the projects. Sales were also impacted as prospective buyers and our selling agents were also required to observe the requirements of the MCO. The Group did not commence any new projects during the year preferring to defer commencement until more certainty of how the pandemic would impact the property markets was obtained.

Revenue from other segments has been particularly affected by the downturn in the hospitality areas of the Group's business. The travel restrictions, MCO and other measures imposed by Governments have, at times, required closure of various facilities within the Group's operations, or where the businesses were able to operate, these were operating significantly below capacity.

Despite the reduced revenue in these segments of the Group's operations, the Group has achieved an increase in revenue from the investment sector which, when combined with savings made through some operational expenditure reductions, saw the Group's profit after tax remain stable with a small increase compared to the prior year.

Shareholder Returns

After consideration of the final profit for the year ended 31 December 2021, the Board proposed the payment of the final dividend of 1.35 cents, making a total for the year of 1.35 cents. The final dividend will be eligible for participation in the Company's Dividend Reinvestment Plan.

	2021	2020	2019	2018
Basic earnings per share (cents)	5.33	6.56	6.32	7.22
Return on assets (%)	7.43	12.75	16.66	20.19
Return on equity (%)	9.01	11.87	12.72	13.97
Net debt/equity ratio (%)	15.32	16.49	8.33	8.81

Directors' Report
(Continued)

Cash Flows from Operations

The cash flow from operations of the Group has increased over the prior year. It is expected that the Group's future cash flow from operations will be sufficient to meet its funding requirements. It is the Group's intention to repay debt with any cash surpluses that may be generated from operations. Cash surpluses will also be used to internally fund the construction of on-going development projects as the Group does not intend to increase its levels of gearing.

Liquidity and Funding

The Group relies in part from its bankers to support some acquisitions of property. There are adequate facilities and securities available to meet any unforeseen expenditure. However, it is the Director's policy to use the internally generated funds wherever possible.

Risk Management

The Directors of the parent Company and members of the Board of Group Companies are actively committed to risk management criteria as outlined in the Company's Corporate Governance Statement.

Dividends

In respect of the current year, a final dividend for year ended 31 December 2020 of $29,700,956 (2.0 cents per share) was paid on 4 June 2021.

After the reporting date, the Board has proposed the payment of a final dividend of $20,559,624 (1.35 cents per share) to be paid on 3 June 2022 (2020: $29,700,956).

Significant Events during the Financial Year and after the Reporting Date

Significant events during the financial year and after the reporting date are disclosed in Note 35 to the Financial Statements.

Likely Development and Results

The Directors believe that the likely developments in the operations of the consolidated entity and the expected results of these operations have been adequately disclosed in the review of the Group's activities.

Share Capital

During the year, 37,887,339 shares were issued under the Company's Dividend Reinvestment Plan, refer Note 24.

Indemnities given to, and Insurance Premiums paid for, Directors and Officers

There has been no premium paid or indemnification given to any person who is a Director or Officer of the Company.

Indemnities given to, and Insurance Premiums paid for, Auditors and Officers

The Group has agreed to indemnify its auditors, Grant Thornton, to the extent permitted by law, against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Directors' Report
(Continued)

Environmental Legislation

The Group is subject to environmental issues arising from Malaysian regulations and at all times the Companies and their Officers act in the best code of conduct in respect of environmental issues. The Group is not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

There has been no breach of regulations.

Remuneration Report (Audited)

The Remuneration Report outlines the Director and Executive Remuneration Agreements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and Corporations Regulations 2001. For the purposes of this report, the Key Management Personnel (KMP) are those persons identified as having authority and responsibility for planning, directing and controlling the activities of the Company and the Group, directly or indirectly, including its Directors, whether executive or not.

The Remuneration Report is set out under the following main headings:

a. Principles used to determine the nature and amount of remuneration
b. Details of remuneration
c. Service agreements
d. Bonuses included in remuneration; and
e. Other information

(a) Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:
- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high-performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment marketplace to support the attraction, motivation and retention of executive talent.

The Company has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Director and the Executive Team.

The remuneration structure that has been adopted by the Group consists of the following components.

- fixed remuneration being annual salary; and
- short term incentives, being employee share schemes and bonuses.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and Executive Team.

Directors' Report
(Continued)

The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Short Term Incentive (STI)

The Group performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values.

The performance measures are set annually after consultation with the Directors and Executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators (KPI's) for the Executive Team are summarised as follows:

Performance areas
- financial – operating profit and earnings per share; and
- non-financial – strategic goals set by each individual business unit based on job descriptions.

The STI Program incorporates both cash and share-based components for the Executive Team and other employees.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

Voting and Comments made at the Company's Last Annual General Meeting

The Company received 100% of 'yes' votes on its Remuneration Report for the financial year ended 31 December 2020. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four (4) financial years:

	2021	2020	2019	2018	2017
EPS (cents)	5.33	6.52	6.32	7.22	8.42
Dividends (cents per share)	1.35	2.0	2.5	2.5	3.0
Net profit ($'000)	111,056	145,171	140,029	160,220	175,762
Share price ($)	0.68	0.77	0.88	0.68	0.64

(b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel (kmp) of united overseas australia ltd are shown in the table below:

Year Ended 31 December 2021	Date of Appointment	Base Fee	Bonus $	Equivalent Superannuation $	Non-Monetary Fund $	Others Allowance Benefits $	Total $	Performance Related (%) $
Non-Executive Directors								
A C Winduss	05/12/1990	28,369	-	-	-	4,490	32,859	-
Independent								
C S Teo	11/06/2008	38,784	-	-	-	2,586	41,370	-
Independent								
M C Kong	01/08/2000	39,161	326	6,721	-	-	46,208	1
Alternate/Non-Independent								
Sub Total Non-Executive Directors		106,314	326	6,721	-	7,076	120,437	
Executive Directors								
C S Kong	01/07/1989	627,491	-	73,357	4,673	20,789	726,310	-
Managing Director								
P L Kong	17/06/1987	627,491	-	73,357	4,820	31,277	736,945	-
Executive Director								
Other Key Management Personnel ("KMP")								
E P Tong	01/01/1988	135,385	-	5,974	16,524	32,631	190,514	-
COO (Construction)*								
C Chan	01/09/1992	163,412	40,853	192	1,618	6,593	212,668	19
Property Director								
K I Ang	16/03/1994	314,156	122,818	52,735	4,929	579	495,217	25
Chief Financial Officer								
S C Kong	09/10/2006	194,227	16,186	26,768	6,634	2,686	246,501	7
CEO (UOA REIT)								
S H Kong	01/01/2016	193,924	16,160	192	2,806	108	213,190	8
Head, Investment								
S P Z Kong	01/01/2016	81,448	6,787	10,887	-	-	99,122	7
General Manager, Project								
Sub Total Executive KMP		2,337,534	202,804	243,462	42,004	94,663	2,920,467	
TOTAL		2,443,848	203,130	250,183	42,004	101,739	3,040,904	

* Chief Operating Officer (COO)

(b) Details of remuneration (continued)

Year Ended 31 December 2020	Date of Appointment	Base Fee	Bonus $	Equivalent Superannuation $	Non-Monetary Fund $	Others Allowance Benefits $	Total $	Performance Related (%) $
Non-Executive Directors								
A C Winduss *Independent*	05/12/1990	57,808	-	-	-	6,220	64,028	-
C S Teo *Independent*	11/06/2008	41,292	-	-	-	2,409	43,701	-
M C Kong *Alternate/Non-Independent*	01/08/2000	41,231	-	7,018	-	-	48,249	-
Sub Total Non-Executive Directors		140,331	-	7,018	-	8,629	155,978	
Executive Directors								
C S Kong *Managing Director*	01/07/1989	506,192	1,277,545	211,878	5,505	23,712	2,024,832	63
P L Kong *Executive Director*	17/06/1987	506,192	1,277,545	211,878	8,464	24,941	2,029,020	63
Other Key Management Personnel ("KMP")								
E P Tong *COO* (Construction)*	01/01/1988	138,726	35,561	14,644	5,742	2,879	197,552	18
C Chan *Property Director*	01/09/1992	160,924	86,986	204	2,271	7,191	257,576	34
K I Ang *Chief Financial Officer*	16/03/1994	310,921	275,537	72,825	5,505	19,352	684,140	40
S C Kong *CEO (UOA REIT)*	09/10/2006	180,651	85,156	33,485	7,062	3,948	310,302	27
B H Ng *COO* (Planning)*	17/06/2014	190,971	100,151	27,017	3,854	172	322,165	31
Sub Total Executive KMP		1,994,577	3,138,481	571,931	38,403	82,195	5,825,587	
TOTAL		2,134,908	3,138,481	578,949	38,403	90,824	5,981,565	

* Chief Operating Officer (COO)

Directors' Report
(Continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration $	At Risk - STI $	At Risk - Options $
Other Key Management Personnel			
C Chan	163,412	40,853	-
K I Ang	314,156	122,818	-
S C Kong	194,227	16,186	-
S H Kong	193,924	16,160	-
S P Z Kong	81,448	6,787	-

(c) Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary $	Term of agreement	Notice period
Executive Directors			
C S Kong	627,491	Unspecified	Unspecified
P L Kong	627,491	Unspecified	Unspecified
Other Key Management Personnel			
E P Tong	135,385	Unspecified	6 months
C Chan	163,412	Unspecified	6 months
K I Ang	314,156	Unspecified	6 months
S C Kong	194,227	Unspecified	6 months
S H Kong	193,924	Unspecified	6 months
S P Z Kong	81,448	Unspecified	6 months

(d) Bonuses included in remuneration

Details of the short-term incentive cash bonuses awarded as remuneration to each Key Management Personnel, the percentage of the available bonus that was paid in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria are set out below. No part of the bonus is payable in future years.

Name	Included in Remuneration $	Percentage Vested During the Year %	Percentage Forfeited During the Year %
Other Key Management Personnel			
C Chan	40,853	100	-
K I Ang	122,818	100	-
S C Kong	16,186	100	-
S H Kong	16,160	100	-
S P Z Kong	6,787	100	-

The bonuses received by Other Key Management Personnel are based on current market norms for personnel of a similar role as determined by the Group's Human Resource team to foster and retain talented and engaged people and achieve the overall strategic goals of the Group. Market norms are based on market surveys performed by the Group taking into account remuneration amounts and job roles and responsibilities.

The performance criteria for bonuses to Other Key Management Personnel is determined at each financial year and the performance of the Key Management Personnel is assessed on a quarterly basis with payment made in the following year in three tranches.

Directors' Report
(Continued)

(e) Other information

Shares held by Other Key Management Personnel

The number of ordinary shares in the Company during the 2021 reporting period held by each of the Group's key management personnel, including their related parties, is set out below.

Parent Entity Directors	Balance at start of year	Granted as remuneration	Received on exercise	Acquisition/ (Disposal)	Held at the end of reporting period
Direct interest					
Mr. C S Kong	1,882,248	-	-	994,856	2,877,104
Ms. M C Kong	501,051	-	-	13,776	514,827
Mr. C S Teo	177,748	-	-	4,887	182,635
	2,561,047	-	-	1,013,519	3,574,566
Indirect interest					
Mr. C S Kong	1,081,007,970	-	-	25,943,587	1,106,951,557
Mr. P L Kong	828,188,470	-	-	22,755,937	850,944,407
Ms. M C Kong	93,041,368	-	-	2,557,839	95,599,207
	2,002,237,808	-	-	51,257,363	2,053,495,171
Other Key Management Personnel					
Direct interest					
Mr. E P Tong	14,748	-	-	406	15,154
Ms. K I Ang	471,686	-	-	-	471,686
Mr. S C Kong	647,145	-	-	17,793	664,938
	1,133,579	-	-	18,199	1,151,778
Indirect interest					
Mr. E P Tong	6,514,596	-	-	-	6,514,596
Ms. K I Ang	22,561	-	-	621	23,182
	6,537,157	-	-	621	6,537,778

Other Transactions with Key Management Personnel

The parent entity receives accounting and secretarial services from a company, Winduss & Associates. During the year, the fees paid to Winduss & Associates totalled $233,234 (2020: $251,456).

The parent entity receives registry services from Advanced Share Registry. During the year, the fees paid to Advanced Share Registry totalled $34,911 (2020: $39,651).

End of Remuneration Report

Directors' Report
(Continued)

Non-Audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied with the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reason:

- All non-audit services are reviewed and approved by the Audit Committee prior to the commencement to ensure they do not adversely affect the integrity and objectivity of the auditors.
- The nature of the services provided does not compromise the general principles relating to the auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia Professional Statement APES 110: Professional and Independence.

Auditors Independence Declaration

The Lead Auditor's Independence Declaration for the year ended 31 December 2021 has been received and can be found on page 24 of the Directors' Report.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporation Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Rounding of Amounts

United Overseas Australia Ltd is a type of Company referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to nearest $1,000, or in certain cases, to the nearest dollar.

Signed in accordance with a Resolution of the Directors

Kong Pak Lim
Director
Kuala Lumpur, 30 March 2022

Grant Thornton

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Auditor's Independence Declaration

To the Directors of United Overseas Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of United Overseas Australia Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 30 March 2022

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 31 December 2021

	Notes	CONSOLIDATED 2021 $'000	2020 $'000
Property and construction revenue	5	181,925	292,545
Cost of sales	6	(100,981)	(168,770)
Gross profit		80,944	123,775
Other revenues	6	90,918	94,101
Other income	6	445	117
Fair value adjustment on investment properties		48,123	32,791
Impairment losses of financial assets		(2,683)	(610)
Impairment losses of non-financial assets		(19,242)	(1,406)
General and administrative expenses	6	(62,125)	(76,899)
Foreign exchange gain/(loss)		934	(1,290)
Share of profit of associate companies		479	379
Finance income		10,947	9,862
Finance costs	6	(7,342)	(3,762)
Profit before income tax		141,398	177,058
Income tax expense	7	(30,342)	(31,887)
Profit for the year		111,056	145,171
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to the profit or loss			
Exchange differences on translating foreign operations		41,842	(122,490)
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income		1,540	859
Other comprehensive income/(loss) for the year		43,382	(121,631)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		154,438	23,540
Profit attributable to:			
Owners of the parent		80,289	97,343
Non-controlling interest		30,767	47,828
		111,056	145,171
Total comprehensive income attributable to :			
Owners of the parent		123,298	(24,488)
Non-controlling interest		31,140	48,028
		154,438	23,540
Earnings per share (cents per share)			
- basic for profit for the year	8	5.33	6.56
- diluted for profit for the year	8	5.33	6.56
Unfranked dividends per share (cents per share)	9	1.35	2.0

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Notes	CONSOLIDATED 2021 $'000	2020 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	688,041	629,848
Trade and other receivables	13	158,928	114,534
Contract assets	14	40,975	59,747
Amount owing by associate companies		1,133	1,079
Inventories	15	443,098	442,161
Current tax assets		15,508	14,696
Total current assets		1,347,683	1,262,065
Non-current assets			
Investment in subsidiaries	16	-	-
Property, plant and equipment	17	122,452	141,900
Investment properties	18	1,241,183	1,104,608
Inventories	15	195,398	202,823
Investment in associates	19	1,108	603
Equity investments	20	10,359	8,105
Other receivables	13	1,804	20,056
Goodwill		133	133
Deferred tax assets	21	11,790	19,536
Total non-current assets		1,584,227	1,497,764
TOTAL ASSETS		2,931,910	2,759,829
LIABILITIES			
Current liabilities			
Trade and other payables	22	199,548	176,431
Amount owing to associate companies		236	426
Other financial liabilities	23	251,694	228,970
Current tax liabilities		3,402	11,502
Total current liabilities		454,880	417,329
Non-current liabilities			
Other payables	22	4,685	4,474
Other financial liabilities	23	221	21,823
Deferred tax liabilities	21	22,161	21,679
Total non-current liabilities		27,067	47,976
TOTAL LIABILITIES		481,947	465,305
NET ASSETS		2,449,963	2,294,524
EQUITY			
Parent entity interest			
Share capital	24	288,214	260,651
Reserves	25	8,214	(34,795)
Retained earnings		1,348,427	1,294,914
Total attributable to owners of parent		1,644,855	1,520,770
Total non-controlling interest	16	805,108	773,754
TOTAL EQUITY		2,449,963	2,294,524

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

for the Year Ended 31 December 2021

	Notes	CONSOLIDATED 2021 $'000	2020 $'000
Cash flows from operating activities			
Profit before income tax		141,398	177,058
Adjustments for :			
Impairment losses of financial assets		2,683	681
Depreciation of property, plant and equipment		6,259	7,696
Impairment loss on goodwill		334	-
Dividend income		(252)	(123)
Fair value adjustment on investment properties		(48,123)	(32,791)
Finance costs		7,342	3,762
Foreign currency (gain)/loss		(936)	975
Impairment losses on property, plant and equipment		17,948	-
Inventories written down		1,294	-
Gain on disposal of property, plant and equipment		(97)	(117)
Interest income		(10,947)	(9,862)
Listing expenses		(62)	-
Gain on disposal of investment properties		(348)	-
Property, plant and equipment written off		9	156
Share of profit of associate companies		(479)	(379)
Operating profit before working capital changes		116,023	147,056
Decrease in inventories		13,517	15,744
Increase in receivables		(24,693)	(12,850)
Decrease in contract assets		19,851	32,885
Increase in payables		17,402	8,950
Cash from operations		142,100	191,785
Interest paid		(7,054)	(4,485)
Interest received		10,700	9,704
Income taxes paid		(31,065)	(38,759)
Net cash generated from operating activities		114,681	158,245

Statement of Cash Flows
for the Year Ended 31 December 2021
(Continued)

		CONSOLIDATED	
	Notes	2021 $'000	2020 $'000
Cash flows from investing activities			
Acquisition of additional shares in existing subsidiaries		-	76,400
Acquisition of additional shares in an associate company		-	(9)
Acquisition of shares in new subsidiary companies, net of cash	33	68	-
Dividend received		252	123
Payment for purchase of equity investments		(539)	(34)
Payment for purchase of investment properties		(54,196)	(26,598)
Payment for purchase of property, plant and equipment		(1,442)	(5,711)
Proceeds from sale of investment properties		7,101	-
Proceeds from sale of property, plant and equipment		128	156
Advances to an associate company		(26)	-
Net cash (used in)/generated from investing activities		(48,654)	44,327
Cash flows from financing activities			
Repayments to other entities		(39)	(1,824)
Advances from/(repayments to) associate companies		193	(1,081)
Dividends paid to non-controlling shareholders of subsidiary companies		(40,839)	(53,905)
Dividends paid to owners of the Company		(2,138)	(26,427)
Issue of shares of a subsidiary to non-controlling shareholders		24,321	13,805
Payment of lease liabilities		(294)	(459)
Drawdown of borrowings		8,266	249,271
Repayment of borrowings		(14,126)	(109,838)
Net cash (used in)/generated from financing activities		(24,656)	69,542
Net increase in cash and cash equivalents		41,371	272,114
Cash and cash equivalents at beginning of year		629,848	407,294
Net foreign exchange differences		16,822	(49,560)
Cash and cash equivalents at end of year		688,041	629,848

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 December 2021

	Attributable to owners of parent						
	Share capital $'000	Retained earnings $'000	Foreign exchange reserves $'000	Other reserve $'000	Total $'000	Non-Controlling interests $'000	Total equity $'000
Balance at 1 January 2020	257,475	1,230,594	86,275	761	1,575,105	749,392	2,324,497
Dividends paid	-	(29,603)	-	-	(29,603)	(53,905)	(83,508)
Shares issued during the year							
- dividend re-investment plan	3,176	-	-	-	3,176	-	3,176
Other changes in non-controlling interests	-	-	-	-	-	(63,386)	(63,386)
Change in stake	-	(3,420)	-	-	(3,420)	93,625	90,205
Transaction with owners	**260,651**	**1,197,571**	**86,275**	**761**	**1,545,258**	**725,726**	**2,270,984**
Profit for the year	-	97,343	-	-	97,343	47,828	145,171
Other comprehensive income:							
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	659	659	200	859
Exchange differences on translation of foreign operations	-	-	(122,490)	-	(122,490)	-	(122,490)
Total comprehensive income for the year	**-**	**97,343**	**(122,490)**	**659**	**(24,488)**	**48,028**	**23,540**
Balance at 31 December 2020	**260,651**	**1,294,914**	**(36,215)**	**1,420**	**1,520,770**	**773,754**	**2,294,524**

Statement of Changes in Equity
for the Year Ended 31 December 2021
(Continued)

	Attributable to owners of parent						
	Share capital $'000	Retained earnings $'000	Foreign exchange reserves $'000	Other reserve $'000	Total $'000	Non-Controlling interests $'000	Total equity $'000
Balance at 1 January 2021	260,651	1,294,914	(36,215)	1,420	1,520,770	773,754	2,294,524
Dividends paid	-	(29,701)	-	-	(29,701)	(40,839)	(70,540)
Shares issued during the year							
- dividend re-investment plan	27,563	-	-	-	27,563	-	27,563
Other changes in non-controlling interests	-	-	-	-	-	19,937	19,937
Change in stake	-	2,925	-	-	2,925	21,116	24,041
Transaction with owners	**288,214**	**1,268,138**	**(36,215)**	**1,420**	**1,521,557**	**773,968**	**2,295,525**
Profit for the year	-	80,289	-	-	80,289	30,767	111,056
Other comprehensive income:							
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	1,167	1,167	373	1,540
Exchange differences on translation of foreign operations	-	-	41,842	-	41,842	-	41,842
Total comprehensive income for the year	**-**	**80,289**	**41,842**	**1,167**	**123,298**	**31,140**	**154,438**
Balance at 31 December 2021	**288,214**	**1,348,427**	**5,627**	**2,587**	**1,644,855**	**805,108**	**2,449,963**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2021

1. NATURE OF OPERATIONS

The principal activities of United Overseas Australia Ltd and subsidiaries (the Group) include land development and resale, holding of investment properties to generate rental income, operations of hotel and food and beverage outlets, provision of facilities support services and carpark operations, revenue from moneylending services and provision of management services.

2. GENERAL INFORMATION AND BASIS OF PREPARATION

The financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). United Overseas Australia Ltd is a for-profit entity for the purpose of preparing the financial statements.

United Overseas Australia Ltd is the Group's ultimate parent company. United Overseas Australia Ltd is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business are disclosed on Page 2.

The consolidated financial statements for the year ended 31 December 2021 were approved and authorised for issue by the Board of Directors on 30 March 2022.

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted new accounting pronouncement which have become effective from 1 January 2021. The adoption of these pronouncements does not have a significant impact on the Group's financial results or position.

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS

3.1 New standard adopted as at 1 January 2021

At the beginning of current financial year, the Group adopted new standards, amendments and Interpretations which are mandatory for the financial periods beginning on or after 1 January 2021.

Initial application of the new standards, amendments and Interpretations did not have material impact on the financial statements.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS (CONTINUED)

3.2 Standards, Amendments and Interpretations to existing standards that are not yet effective and have not been adopted early by the Group

AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address a current inconsistency between AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Venturess.*

The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 *Business Combinations*. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128.

The mandatory effective date of AASB 2014-10 has been deferred to 1 January 2022 by AASB 2017-5.

Based on the Group's preliminary assessment, when these amendments are first adopted for the year ending 31 December 2022, it is not expected to have a material impact on the financial statements.

AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

AASB 2020-1 makes amendments to AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for the liability for at least 12 months after the reporting period. The AASB recently issued amendments to AASB 101 to clarify the requirements for classifying liabilities as current. Specifically:

- Clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period;
- Stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability;
- Adding guidance about lending conditions and how these can impact classification; and
- Including requirements for liabilities that can be settled using an entity's own instruments.

The mandatory effective date of AASB 2020-1 has been deferred to 1 January 2022 by AASB 2020-6.

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS (CONTINUED)

3.2 Standards, Amendments and Interpretations to existing standards that are not yet effective and have not been adopted early by the Group (continued)

When these amendments are first adopted for the year ending 31 December 2022, there will be no material impact on the financial statements.

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

AASB 2021-2 amends the following Australian Accounting Standards:

- AASB 7 *Financial Instruments: Disclosures* (August 2015);
- AASB 101 *Presentation of Financial Statements* (July 2015);
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (August 2015); and
- AASB 134 *Interim Financial Reporting* (August 2015).

The Standard also makes amendments to AASB Practice Statement 2 Making Materiality Judgements (December 2017).

These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2021 of the following International Financial Reporting Standards;

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and
- (b) Definition of Accounting Estimates (Amendments to IAS 8).

Effective 1 January 2023.

When these amendments are first adopted for the year ending 31 December 2023, there will be no material impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The Group's financial statements have been prepared on an accrual basis and under the historical cost convention except for certain land, buildings and investments that are measured at fair values at the reporting date. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise indicated.

(b) Consolidation

Basis of consolidation
The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2021. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (continued)

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Business combination
The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Investment in associates
Associates are those entities over which the Group is able to exert significant influence and that is neither a subsidiary company nor an interest in a joint arrangement.

Investment in associates are accounted for using the equity method.

The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Australian Dollars (A$), which is also the functional currency of the parent company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year end and are measured at historical cost, except for non-monetary items measured at fair value which are translated using exchange rates at the date when fair value was determined.

Foreign operations
In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the A$ are translated into A$ upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting date. The functional currencies of the foreign subsidiaries are Ringgit Malaysia (RM), Singapore Dollar (SGD) and Vietnamese Dong (VND).

On consolidation, assets and liabilities have been translated into A$ at the closing rate at the reporting date. Income and expenses have been translated into A$ at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

(d) Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the assets to working condition for its intended use. All other repair and maintenance costs are recognised in profit or loss as incurred. All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairment losses.

Restoration costs relating to an item of property, plant and equipment are capitalised only if such expenditure is expected to increase the future benefits from the existing asset beyond its previously assessed standard of performance.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amounts of the assets and are recognised in profit or loss in the financial year in which such assets are derecognised.

Depreciation is recognised on the straight-line basis to write down the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated.

The principal annual rates used are as follows:

Plant and equipment	5 – 10 years
Furniture, fittings and equipment	10 years
Motor vehicles	5 years
Leasehold land	Over the remaining period of the lease
Leasehold buildings	50 years
Freehold buildings	50 years

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and rate of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowings costs are expensed in the period in which they are incurred and reported in finance costs (see Note 6).

(f) Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Investment properties are initially measured at cost including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are measured at fair value and are included in the statements of financial position at their open market values. Fair value is determined by independent valuation performed by an independent valuer at least once every three years. The directors assess the valuation of each investment property at each reporting date to ensure that the carrying amount reflects the market conditions at the reporting date. Gains or losses resulting from either a change in the fair values or the sale of an investment property is immediately recognised in profit or loss in the year in which they arise.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investments properties (continued)

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

(g) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Details of the estimated useful lives of right-of-use assets are set out in Note 4(d) to the Financial Statements.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment test as set out in Note 4(i) to the Financial Statements.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

On the statement of financial position, lease liabilities have been included in other financial liabilities.

Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(h) Inventories

Inventories comprise of land held for property for development, completed properties held for sale, properties held for development and resale and consumables.

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Inventories (continued)

Land held for property development and properties held for development and resale
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 statement of financial position and are 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 held for development and resale. Properties held for development and resale comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

(i) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of the non-financial assets exceeds the recoverable amount, which is the higher of fair value less costs to sell and its value-in-use. In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Impairment losses for cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

(j) Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:
- amortised cost
- fair value through profit or loss ("FVTPL")
- equity instruments at fair value through other comprehensive income ("Equity FVOCI")
- debt instruments at fair value through other comprehensive income ("Debt FVOCI")

The classification is determined by both:
- the Company's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

In the years presented, the Group does not have any financial assets categorised as FVTPL.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets – subsequent measurement

<u>Financial assets at amortised cost</u>

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables, amount owing by associate companies and cash and cash equivalents fall into this category of financial instruments.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial assets at FVOCI (Equity instrument)
Upon initial recognition, the Group can elect to classify irrevocably their equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably their equity investments under this category.

Financial assets – impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial liabilities - classification and measurement

The Group's financial liabilities comprise trade and other payables and amount owing to subsidiary companies and associate companies, amount owing to non-controlling shareholders of subsidiary companies, borrowings and lease liabilities.

Financial liabilities are initially recognised at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

At the reporting date, the Group carries only financial liabilities measured at amortised cost on statements of financial position.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Equity instruments

Ordinary shares are classified as equity instruments.

Gains and losses on certain financial instruments are included in fair value reserves.

Foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities in A$ are included in translation reserve (see Note 4(c)).

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved prior to the reporting date.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue from contracts with customers

Revenue recognition
Revenue is recognised when or as a performance obligation in the contract with the customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes.

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development or contract costs incurred to date as a percentage of the estimated total development or contract costs of the contract, i.e. the stage of completion).

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the properties has been passed to the buyers.

Other revenue earned by the Group are recognised on the following bases:
- Distribution from short term investments 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 as described in Note 4(g).
- Hotel room income is recognised when services are rendered.
- Food and beverage and other related income are recognised when services are rendered.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue from contracts with customers (continued)

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract costs
The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs amortised to cost of sales when related revenue are recognised.

(n) Income taxes

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and measured using tax rates that have been enacted by the end of the reporting year and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits

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

Post-employment benefits
The Group pays monthly contributions into an independent entity which is a defined contribution plan. The Group has no legal or constructive obligation to pay contributions in addition to its fixed contributions, which are recognised as an expense in the year to which they relate.

(p) Significant accounting judgements, estimates and assumptions

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Estimation uncertainty
Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Useful lives of depreciable assets
Property, plant and equipment and right-of-use assets 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.

At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group. However, changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

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

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

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Significant accounting judgements, estimates and assumptions (continued)

Estimation uncertainty (continued)

Inventories
Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to economical changes which may cause selling prices to change rapidly and the Company's net profit to change.

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

Information regarding the valuation techniques and inputs used in determining the fair value is disclosed in Note 18 to the Financial Statements.

Property development activities and construction contracts
As revenue from ongoing property development activities and construction contracts are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development or contract costs incurred for work performed to date bear to the estimated total property development or contract costs.

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

Provision for expected credit losses ("ECLs") of trade receivables and contract assets
The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward- looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and to forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Significant accounting judgements, estimates and assumptions (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets
An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustments to market risk and the appropriate adjustment to asset-specific risk factors.

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

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

Significant management judgements

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

Classification between investment properties and owner-occupied properties
The Group determines whether a property qualifies as an investment property and has developed the criteria in making that judgement. Investment property is a property held to earn rentals or capital appreciation or both.

Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or 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 an investment property.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Significant accounting judgements, estimates and assumptions (continued)

Significant management judgements (continued)

Deferred tax on investment properties
For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group reviews the investment properties and concluded that the Group's investment properties are held under a business model whose objective is to recover the carrying amount of the investment properties through sale.

Accordingly, the Group recognises deferred taxes in respect of the changes in fair value of investment properties based on Real Property Gains Tax ("RPGT"). The final tax outcome could be different from the deferred tax liabilities recognised in the financial statements should the economic benefits embodied in the investment properties be subsequently substantially consumed over time rather than through sale.

(q) Operating Segments

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the financial report have been included.

(r) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

5. REVENUE

(i) Disaggregated revenue information

	CONSOLIDATED	
	2021 $'000	**2020 $'000**
Types of revenue		
Property and construction revenue		
Construction revenue	-	208
Sales of inventories	31,714	22,240
Sales of development properties	150,211	270,097
	181,925	292,545
Timing of recognition		
Performance obligation satisfied at a point in time	31,714	22,240
Performance obligation satisfied over time	150,211	270,305
	181,925	292,545

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

5. REVENUE (CONTINUED)

(ii) Contract balances

	CONSOLIDATED	
	2021 $'000	2020 $'000
Trade receivables	81,603	81,477
Contract assets	40,975	59,747

There was no significant fluctuation in trade receivables.

Contract assets decreased as billings had been issued to customers in respect of work already performed.

There were no contract liabilities at the reporting date and previous years presented and no revenue was recognised from performance obligations satisfied in previous years.

(iii) Performance obligations

Sale of properties

For sale of development properties under construction, the performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use to the entity and the Group has an enforceable right to payment for performance completed to date.

For the sale of completed properties, the performance obligation is satisfied upon delivery of the properties.

The payment terms for progress billings made to purchasers are disclosed in Note 13 to the Financial Statements.

The nature of the properties that the Group has promised to transfer to purchasers are residential houses and commercial units/buildings.

The Group's properties are subject to a Defects Liability Period of generally twenty-four (24) months from delivery of a vacant possession. This requires the Group to rectify any defects which may appear and which are due to design, materials, goods, workmanship or equipment that are not in accordance with the sale and purchase agreements.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

5. REVENUE (CONTINUED)

(iii) Performance obligations (continued)

Sale of properties (continued)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the reporting date are as follows:

	CONSOLIDATED	
	2021 $'000	2020 $'000
Sale of development properties under construction	28,732	119,371

The remaining performance obligations are expected to be recognised within 1-5 years which are in accordance with the agreed time frames stated in the sale and purchase agreements signed with purchasers.

6. PROFIT FROM ORDINARY ACTIVITIES

	CONSOLIDATED	
	2021 $'000	2020 $'000
(i) Other revenues		
Rental revenue	68,849	67,295
Parking fee revenue	9,929	12,465
Management fee received	-	7
Hotel operations revenue	7,205	11,467
Dividends received from investments – other corporations	252	123
Other services	4,683	2,744
	90,918	94,101
(ii) Other income		
Gain on disposal of property, plant and equipment	97	117
Gain on disposal of investment properties	348	-
	445	117
	91,363	94,218
(iii) Cost of sales		
Development expenses	100,981	168,770
(iv) Expenses		
Depreciation		
Leasehold stratified properties	2,748	2,830
Plant and equipment	3,391	4,787
Lease equipment	120	79
	6,259	7,696

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

6. PROFIT FROM ORDINARY ACTIVITIES (CONTINUED)

	CONSOLIDATED	
	2021 $'000	**2020 $'000**
(iv) Expenses (continued)		
Employee benefit expenses	16,292	24,230
Property, plant and equipment written off	9	156
Property maintenance expenses	23,786	24,829
Marketing expenses	1,300	1,478
Professional fees	3,284	3,653
Other expenses	11,195	14,857
	55,866	69,203
Total general and administrative expenses	62,125	76,899
(v) Finance costs		
Interest expense	7,343	4,677
Finance costs capitalised	(1)	(915)
	7,342	3,762
(vi) Significant revenue and expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
- Impairment loss on property, plant and equipment	17,948	-
- Fair value gain on investment properties	(48,123)	(32,791)

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

7. INCOME TAX EXPENSE

	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
(i) The components of tax expense comprise:		
- Current tax	23,148	46,121
- Current RPGT	178	2
- Deferred tax	9,010	(3,623)
	32,336	42,500
Over provision in prior years		
- Current tax	(978)	(18)
- Deferred tax	(1,016)	(10,595)
	(1,994)	(10,613)
	30,342	31,887
(ii) The numerical reconciliation of tax expense on profit before tax with the statutory tax rate is as follows:		
Tax at statutory rate	33,936	42,494
Effect of difference in tax rate	(1,980)	1,125
Tax effect of		
Income not subject to tax	(11,731)	(12,580)
Non-deductible expenses	11,927	10,508
Utilisation of capital allowances	(365)	(240)
Utilisation of deferred tax assets previously not recognised	(1,443)	(244)
Deferred tax assets not recognised	2,557	1,524
Effect of share of results of associates	(115)	(91)
Effect of change in RPGT tax rate	284	-
Difference between income tax and RPGT rate applicable on fair value adjustments on investment properties	(912)	2
RPGT on disposal of investment properties	178	2
Over provision in prior years	(1,994)	(10,613)
Income tax expense attributable to ordinary activities	30,342	31,887
The effective tax rate	23%	24%

The decrease in the effective tax rate from 24% in year 2020 to 23% in year 2021 is mainly due to certain income not subjected to tax.

Real Property Gains Tax ("RPGT") is a tax levied by the Inland Revenue Board on chargeable gains derived from the disposal of real property.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

8. EARNINGS PER SHARE

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

	CONSOLIDATED	
	2021	**2020**
Profit attributable to owners of the parent company ($'000)	80,289	97,343
Weighted average number of ordinary shares ('000)	1,506,950	1,482,899
Net earnings per ordinary share (cents)	5.33	6.56

(b) Diluted
Diluted earnings per share equals basic earnings per share because there are no potential dilutive instruments in existence at the reporting date.

9. DIVIDENDS PAID AND PROPOSED

	COMPANY	
	2021 $'000	**2020 $'000**
(a) Dividends paid during the year		
Dividends paid or satisfied by the issue of shares under the dividend reinvestment plan during the year ended 31 December 2021 and 2020 were as follows:		
(i) Paid in cash		
Final 2020 (2020 – Final 2019)	2,138	26,427
(ii) Satisfied by issue of shares		
Final 2020 (2020 – Final 2019)	27,563	3,176
	29,701	29,603
(b) Dividends proposed and not recognised as a liability		
- unfranked dividends (1.35 cents per share) (2020: 2.0 cents per share)	20,560	29,701

After the reporting date, the directors proposed a dividend of 1.35 cents per ordinary share. No liability in this respect has been recognised in the 2021 consolidated financial statements.

(c) Franking credit balance
There is no franking credit balance for United Overseas Australia Ltd during the year ended 31 December 2021.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

10. PARENT COMPANY INFORMATION

	2021 $'000	2020 $'000
Statement of financial position		
Current assets	49,088	287,939
Total assets	282,763	291,917
Current liabilities	2,811	931
Total liabilities	2,811	931
Equity		
Issued capital	288,214	260,651
Fair value reserve	653	418
Retained earnings	40,173	29,917
	329,040	290,986
Financial performance		
Profit for the year	39,956	7,316
Total comprehensive income	39,956	7,316

11. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2021 $	2020 $
Audit and review of financial statements		
- Grant Thornton Australia	173,323	256,221
- overseas Grant Thornton network firms	235,230	252,053
- other auditors	17,123	14,974
	425,676	532,248

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

12. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2021 $'000	2020 $'000
Cash at bank and in hand	205,519	247,830
Short term funds	322,560	51,305
Short term bank deposits	159,962	330,713
	688,041	629,848

The effective interest rate on short-term bank deposits was 1.26% (2020: 1.47%) per annum. All funds are readily available and refundable to the Group at the discretion of the Group.

Included in the cash at banks of the Group is $165,143,055 (2020: $214,317,242) maintained in the Housing Development Accounts ("HDA"). Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991. The HDA safeguards the interests of buyers of primary market residential properties against developers for a specific period of time. These balances can still be used to pay for expenses related to the projects and usage is confined to the development projects they are linked to.

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.

Included in cash and cash equivalents of the Group are amounts denominated in foreign currencies (currencies other than the respective functional currencies of the Group entities) as follows:

	CONSOLIDATED	
	2021 $'000	2020 $'000
Singapore Dollar ("SGD")	71	330
US Dollar ("USD")	3,378	3,875
Ringgit Malaysia ("RM")	24,229	3,596
	27,678	7,801

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

13. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
CURRENT		
Trade receivables	89,284	86,677
Less: Allowance for credit losses	(7,681)	(5,200)
	81,603	81,477
Loan receivables	1,067	5,323
Sundry receivables	69,252	20,566
Deposits	10,182	9,885
	80,501	35,774
Less: Allowance for credit losses	(3,176)	(2,717)
	77,325	33,057
	158,928	114,534
NON-CURRENT		
Loan receivables	1,804	20,056

Terms and conditions relating to the above financial instruments:
(i) Trade receivables are interest bearing and generally on 14 - 30 days term.
(ii) Sundry receivables are non-interest bearing.
(iii) Debts that are known to be not collectible are written off. Allowance for credit losses is raised when some doubt as to collection exists.

Movements in the credit losses were as follows:

	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
At 1 January	7,917	7,966
Charge for the year	2,696	805
Foreign exchange translation	261	(653)
Reversal as no longer required	(13)	(196)
Reversal due to bad debts written off	(4)	(5)
At 31 December	10,857	7,917

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

14. CONTRACT ASSETS

	CONSOLIDATED	
	2021 $'000	2020 $'000
Contract assets		
Revenue recognised to date	1,129,648	964,910
Progress billings issued to date	(1,089,773)	(909,488)
	39,875	55,422
Contract costs		
Costs to obtain contracts	1,100	4,325
	40,975	59,747

Costs to obtain contracts comprise the following costs which resulted from obtaining contracts:-
- sales commission paid to intermediaries; and
- expenses borne on behalf of customers (i.e. legal fees and other expenses).

Sales commission paid to intermediaries are amortised to cost of sales when the related revenues are recognised.

Expenses borne on behalf of customers are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

During the finiancial year, $3,809,000 was amortised to cost of sales and $5,277,000 was amortised against revenue.

15. INVENTORIES

	CONSOLIDATED	
	2021 $'000	2020 $'000
CURRENT		
At cost		
Stock of properties	357,771	302,191
Property held for development and resale	85,198	139,910
Consumables	129	60
	443,098	442,161
NON-CURRENT		
At cost		
Land held for property development	195,398	202,823

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Details of subsidiary companies are as follows:

Name of the subsidiary companies	Country of incorporation and principal place of business	Notes	Ownership interest held by Group 2021 %	2020 %
United Overseas Land Pty Ltd	Australia		100	100
UOA Investments Pty Ltd	Australia		100	100
UOA International Pty Ltd	Australia		100	100
- East Parade Pty Ltd	Australia		51	51
- UOA Leederville Pty Ltd	Australia		100	100
- UOA Leederville A Pty Ltd	Australia		100	100
- UOA Leederville B Pty Ltd	Australia		100	100
- UOA Leederville C Pty Ltd	Australia		100	100
- UOA Leederville D Pty Ltd	Australia		100	100
- UOA Leederville E Pty Ltd	Australia		100	100
- UOA Leederville F Pty Ltd	Australia		100	100
UOA Vietnam Pte Ltd ^	Singapore		100	100
- UOA PMH Investments Pte Ltd ^	Singapore		100	100
- UOA Tower TTS Limited Liability Company	Vietnam		100	100
- UOA Investments Pte Ltd ^	Singapore		100	100
- UOA Tower Limited Liability Company ^	Vietnam		100	100
UOA Holdings Sdn Bhd *	Malaysia		100	100
UOA Capital Sdn Bhd *	Malaysia		100	100
Midah Heights Sdn Bhd *	Malaysia		100	100
Multiplex Strategy Sdn Bhd *	Malaysia		100	100
UOA (Singapore) Pte Ltd ^	Singapore		100	100
United Carparks Sdn Bhd *	Malaysia		100	100
Citicrest (M) Sdn Bhd *	Malaysia		60	60
Desa Bangsar Ria Sdn Bhd *	Malaysia		60	60
LTG Development Sdn Bhd *	Malaysia		60	60
UOA Corporation Bhd *	Malaysia		60	60
Rich Accomplishment Sdn Bhd *	Malaysia		60	60
Desa Bukit Pantai Sdn Bhd *	Malaysia		60	60
Wisma UOA Sdn Bhd *	Malaysia		60	60
Julung Perdana Sdn Bhd *	Malaysia		60	60
UOA Asset Management Sdn Bhd *	Malaysia	*16(c)*	42	42
UOA Real Estate Investment Trust (UOA REIT) *	Malaysia	*16(c)*	34.08	34.05
- Angkara Restu Sdn Bhd *	Malaysia	*16(c)*	34.08	34.05
Gerak Perdana Sdn Bhd *	Malaysia		60	60
Damai Positif Sdn Bhd *	Malaysia		60	60
UOA Development Bhd *	Malaysia		71.53	71.18
- Allied Engineering Construction Sdn Bhd *	Malaysia		71.53	71.18
- URC Engineering Sdn Bhd *	Malaysia		71.53	71.18
- Federaya Development Sdn Bhd *	Malaysia		71.53	100

Notes to the Financial Statements
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(Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(a) Details of subsidiary companies are as follows: (continued)

Name of the subsidiary companies	Country of incorporation and principal place of business	Notes	Ownership interest held by Group 2021 %	2020 %
- Resodex Construction Sdn Bhd *	Malaysia		71.53	71.18
- Tiarawoods Sdn Bhd *	Malaysia		71.53	71.18
- Kumpulan Sejahtera Sdn Bhd *	Malaysia		71.53	71.18
- Windsor Triumph Sdn Bhd *	Malaysia		71.53	71.18
- Saujanis Sdn Bhd *	Malaysia		71.53	71.18
- Magna Tiara Development Sdn Bhd *	Malaysia		71.53	71.18
- Paramount Properties Sdn Bhd *	Malaysia		71.53	71.18
- Paramount Hills Sdn Bhd *	Malaysia		71.53	71.18
- Sagaharta Sdn Bhd *	Malaysia		71.53	71.18
- Sunny Uptown Sdn Bhd *	Malaysia		71.53	71.18
- IDP Industrial Development Sdn Bhd *	Malaysia		71.53	71.18
- UOA Properties Sdn Bhd *	Malaysia		71.53	71.18
- Lencana Harapan Sdn Bhd *	Malaysia		71.53	71.18
- Dynasty Portfolio Sdn Bhd *	Malaysia		71.53	71.18
- Bangsar South City Sdn Bhd *	Malaysia		71.53	71.18
- Nasib Unggul Sdn Bhd *	Malaysia		71.53	71.18
- Tunjang Idaman Sdn Bhd *	Malaysia		71.53	71.18
- UOA Hospitality Sdn Bhd *	Malaysia		71.53	71.18
- Peninsular Home Sdn Bhd *	Malaysia	*16(c)*	42.92	42.71
- Everise Tiara (M) Sdn Bhd *	Malaysia	*16(c)*	42.92	42.71
- Seri Tiara Development Sdn Bhd *	Malaysia		60.80	60.50
- Enchant Heritage Sdn Bhd *	Malaysia		71.53	71.18
- Magna Kelana Development Sdn Bhd *	Malaysia		52.75	52.50
- Scenic Point Development Sdn Bhd *	Malaysia	*16(c)*	42.92	42.71
- Ceylon Hills Sdn Bhd *	Malaysia	*16(c)*	38.63	38.44
- Maxim Development Sdn Bhd *	Malaysia		71.53	71.18
- Infinite Accomplishment Sdn Bhd *	Malaysia		71.53	71.18
- Regenta Development Sdn Bhd *	Malaysia		71.53	71.18
- Seri Prima Development Sdn Bhd *	Malaysia		71.53	71.18
- Orient Housing Development Sdn Bhd *	Malaysia		71.53	71.18
- Eureka Equity Sdn Bhd *	Malaysia	*16(c)*	42.92	42.71
- Distinctive Acres Sdn Bhd *	Malaysia		71.53	71.18
- Full Marks Property Sdn Bhd *	Malaysia		71.53	71.18
- Concord Housing Development Sdn Bhd *	Malaysia		71.53	71.18
- Fabullane Development Sdn Bhd *	Malaysia		71.53	71.18
- Nova Metro Development Sdn Bhd *	Malaysia		60.80	59.79
- Topview Housing Sdn Bhd *	Malaysia		71.53	71.18
- Nova Lagenda Sdn Bhd *	Malaysia		71.53	71.18
- UOA Komune Sdn Bhd *	Malaysia		71.53	71.18
- Citra Jaya Sejahtera Sdn Bhd *	Malaysia		71.53	71.18
- Everise Project Sdn Bhd *	Malaysia	*16(c)*	42.92	42.71
- Jendela Dinamik Sdn Bhd *	Malaysia	*16(c)*	21.88	21.78

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(a) Details of subsidiary companies are as follows: (continued)

Name of the subsidiary companies	Country of incorporation and principal place of business	Notes	Ownership interest held by Group 2021 %	Ownership interest held by Group 2020 %
- Cosmo Housing Development Sdn Bhd *	Malaysia		71.53	71.18
- HSB Green Solutions Sdn Bhd *	Malaysia		71.53	71.18
- Naik Makmur Development Sdn Bhd *	Malaysia		71.53	71.18
- UOA Southlink Sdn Bhd *	Malaysia		71.53	71.18
- UOA Southview Sdn Bhd *	Malaysia		71.53	71.18
- UOA Golden Pines Sdn Bhd *	Malaysia		71.53	71.18
- Pertiwi Sinarjuta Sdn Bhd *	Malaysia		71.53	71.18
- UOA Vietnam BDC Pte Ltd #	Singapore	16 (b)	71.53	-
- Tong Xin Tang Healthcare International Sdn Bhd *	Malaysia	16 (b) 16 (c)	36.48	-
- Komune Care Sdn Bhd *	Malaysia	16 (b) 16 (c)	42.92	-
- UMH NK Sdn Bhd #	Malaysia	16 (b)	71.53	-
- UMH NK Wellness Sdn Bhd #	Malaysia	16 (b)	71.53	-
- UMH NK Aesthetics Sdn Bhd #	Malaysia	16 (b)	71.53	-
- UMH NK Dental Sdn Bhd #	Malaysia	16 (b)	71.53	-

* Audited by a member firm of Grant Thornton.
^ Audited by firms other than Grant Thornton.
# There is no statutory requirement for this financial statement in respect of financial period ended 31 December 2021 to be audited.

(b) Incorporation of subsidiary companies during the year

Name of subsidiary companies	Paid up capital $	Group's effective interest %	Date of incorporation
UOA Vietnam BDC Pte Ltd	1	100	30 September 2021
Tong Xin Tang Healthcare International Sdn Bhd	97,587	51	30 March 2021
Komune Care Sdn Bhd	1	60	25 August 2021
UMH NK Sdn Bhd	1	100	10 October 2021
UMH NK Wellness Sdn Bhd	1	100	27 October 2021
UMH NK Aesthetics Sdn Bhd	1	100	25 October 2021
UMH NK Dental Sdn Bhd	1	100	16 November 2021

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Controlled entities with less than 50% ownership

The financial statements of UOA Asset Management Sdn Bhd, UOA REIT and Angkara Restu Sdn Bhd were consolidated because the parent entity can exercise control and influence over the Board of Directors of UOA Asset Management Sdn Bhd, which in turn is the asset manager of UOA REIT.

Under the Trust Deed signed between UOA Asset Management Sdn Bhd and RHB Trustees Berhad (the trustee), UOA Asset Management Sdn Bhd is responsible for the 'day to day' management of the assets held by UOA REIT, investment strategies, policy setting and compliance with all relevant Acts, Legislation, Regulations and Guidelines.

The financial statements of Peninsular Home Sdn Bhd, Everise Tiara (M) Sdn Bhd, Scenic Point Development Sdn Bhd, Ceylon Hills Sdn Bhd, Eureka Equity Sdn Bhd, Everise Project Sdn Bhd, Jendela Dinamik Sdn Bhd, Tong Xin Tang Healthcare International Sdn Bhd and Komune Care Sdn Bhd were consolidated because the parent entity can exercise control and influence over the Board of Directors of the subsidiary companies.

(d) Subsidiaries with material non-controlling interests

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

Name of subsidiary companies	Proportion of ownership interests held by non-controlling interests		Profit allocated to non-controlling interests		Carrying amount of non-controlling interests	
	2021 %	2020 %	2021 $'000	2020 $'000	2021 $'000	2020 $'000
LTG Development Sdn Bhd	40%	40%	1,401	1,915	48,079	47,412
UOA Development Bhd	28%	29%	20,573	39,270	529,364	502,939

Notes to the Financial Statements
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(Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(d) Subsidiaries with material non-controlling interests (continued)

The summary of financial information before intra-group elimination for the Group's subsidiaries that have material non-controlling interests is as below:

2021	LTG Development Sdn Bhd Group $'000	UOA Development Bhd Group $'000
Financial position at reporting date		
Non-current assets	584,043	886,486
Current assets	13,267	1,231,063
Non-current liabilities	(243,697)	(72,533)
Current liabilities	(233,419)	(185,306)
Net assets	120,194	1,859,710
Summary of financial performance for the financial year		
Profit for the year	12,565	73,802
Other comprehensive income	196	1,472
Total comprehensive income	12,761	75,274
Included in the total comprehensive income is:		
Revenue	38,112	176,950
Summary of cash flows for the financial year		
Net cash inflows/(outflows) from operating activities	23,216	63,565
Net cash inflows/(outflows) from investing activities	6,156	(41,210)
Net cash inflows/(outflows) from financing activities	(28,387)	(11,351)
Net cash inflows/(outflows)	985	11,004
Other information		
Dividends paid to non-controlling interests	9,417	1,983

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(d) Subsidiaries with material non-controlling interests (continued)

2020	LTG Development Sdn Bhd Group $'000	UOA Development Bhd Group $'000
Financial position at reporting date		
Non-current assets	578,370	819,779
Current assets	15,499	1,168,845
Non-current liabilities	(239,426)	(70,758)
Current liabilities	(235,917)	(172,208)
Net assets	118,526	1,745,658
Summary of financial performance for the financial year		
Profit for the year	10,217	137,545
Other comprehensive income	(432)	1,301
Total comprehensive income	9,785	138,846
Included in the total comprehensive income is:		
Revenue	25,419	290,619
Summary of cash flows for the financial year		
Net cash inflows/(outflows) from operating activities	17,969	133,636
Net cash inflows/(outflows) from investing activities	(244,994)	206,678
Net cash inflows/(outflows) from financing activities	211,883	(59,122)
Net cash inflows/(outflows)	(15,142)	281,192
Other information		
Dividends paid to non-controlling interests	10,928	13,195

Notes to the Financial Statements
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(Continued)

17. PROPERTY, PLANT AND EQUIPMENT

	Notes	CONSOLIDATED 2021 $'000	2020 $'000
Freehold and leasehold stratified properties			
At cost		143,243	139,569
Accumulated depreciation		(15,815)	(12,662)
Accumulated impairment loss		(18,346)	-
	17(a)	109,082	126,907
Plant and equipment			
At cost		55,057	52,637
Accumulated depreciation		(41,932)	(38,070)
	17(a)	13,125	14,567
Leased plant and equipment			
At cost		611	758
Accumulated depreciation		(366)	(332)
	17(a)	245	426
Total property, plant and equipment			
Cost		198,911	192,964
Accumulated depreciation		(58,113)	(51,064)
Accumulated impairment loss		(18,346)	-
Total written down amount		122,452	141,900

(a) Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

2021 Consolidated	Freehold and leasehold stratified properties $'000	Plant and equipment $'000	Leased plant and equipment $'000	Total $'000
Balance at the beginning of the year	126,907	14,567	426	141,900
Additions	39	1,403	-	1,442
Disposals	-	(31)	-	(31)
Depreciation	(2,748)	(3,391)	(120)	(6,259)
Written off	-	(9)	-	(9)
Impairment loss	(17,948)	-	-	(17,948)
Acquisition of a subsidiary	-	234	-	234
Reclassification	-	68	(68)	-
Net foreign currency movements	2,832	284	7	3,123
Carrying amount at the end of the year	109,082	13,125	245	122,452

Notes to the Financial Statements
for the Year Ended 31 December 2021
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17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Movements in carrying amounts (continued)

2020 Consolidated	Freehold and leasehold stratified properties $'000	Plant and equipment $'000	Leased plant and equipment $'000	Total $'000
Balance at the beginning of the year	137,122	22,514	512	160,148
Additions	3,089	2,652	93	5,834
Disposals	-	(39)	-	(39)
Depreciation	(2,830)	(4,787)	(79)	(7,696)
Written off	(112)	(44)	-	(156)
Transfer to investment properties	-	(4,405)	-	(4,405)
Reclassification	-	66	(66)	-
Net foreign currency movements	(10,362)	(1,390)	(34)	(11,786)
Carrying amount at the end of the year	126,907	14,567	426	141,900

(b) Additional information on the right-of-use assets by classes of assets is as follows:

2021	Carrying amount $'000	Depreciation $'000	Additions/ (reversal) $'000
Leasehold land	643	7	-
Leasehold buildings	73,023	1,741	133
Motor vehicles	151	97	-
Plant and machineries	245	120	-
Total right-of-use assets	74,062	1,965	133

2020	Carrying amount $'000	Depreciation $'000	Additions/ (reversal) $'000
Leasehold land	635	8	-
Leasehold buildings	72,690	1,884	(107)
Motor vehicles	229	151	24
Plant and machineries	425	79	99
Total right-of-use assets	73,979	2,122	16

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

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(Continued)

18. INVESTMENT PROPERTIES

	CONSOLIDATED	
	2021 $'000	2020 $'000
Balance at beginning of the year	1,104,608	1,113,424
Transferred from property, plant and equipment	-	4,405
Transferred from inventories - land held for property development	7,558	601
Transferred from inventories - property held for development and resale	-	13,649
Net foreign currency movements	33,450	(87,775)
Additions	54,197	27,513
Disposals	(6,753)	-
Fair value adjustments	48,123	32,791
Balance at end of the year	1,241,183	1,104,608

The fair value model is applied to all investment properties. Investment properties are independently revalued, which represent the amounts at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the reporting date. The fair value should also reflect market conditions at the reporting date.

The fair values of the investment properties held by the UOA Real Estate Investment Trust ("UOA REIT") were assessed by the Board of Directors of UOA Asset Management Sdn Bhd, the Manager of UOA REIT based on update valuations conducted by an independent firm of professional valuers registered with Board of Valuers, Appraisers & Estate Agents Malaysia using comparison and income method of valuation.

The directors have reviewed the valuations of nine commercial properties which were done on 31 December 2021 by PA International Property Consultants (KL) Sdn Bhd based on the comparison and cost methods and are of the opinion that the carrying values reflect the fair value of the investment properties.

The directors have reviewed the update valuations of all other commercial properties which were done on 31 December 2021 by PA International Property Consultants (KL) Sdn Bhd based on the comparison method, investment method and cost method, and opined that the carrying values reflect the fair value of the investment properties.

The directors have reviewed the update valuations of all residential properties which were done on 31 December 2021 by PA International Property Consultants (KL) Sdn Bhd based on the comparison method, and opined that the carrying values reflect the fair value of the investment properties.

A loan of $174,177,000 (2020: $176,564,000) was secured by legal charges over UOA II Parcels, Wisma UOA Damansara II and UOA Corporate Tower. The fair value of assets pledged, as security was $404,155,000 (2020: $399,735,000).

Notes to the Financial Statements
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(Continued)

18. INVESTMENT PROPERTIES (CONTINUED)

A loan of $51,539,000 (2020: $50,261,000) was secured by Loan Agreements cum Assignment, Deeds of Extension of Deed of Assignment, Deeds of Assignment of Rental Proceeds ("DARP"), Deeds of Extension of DARP and four (4) Powers of Attorney, and legal charges over UOA Damansara Parcels and Parcel B - Menara UOA Bangsar (excluding Petak 9 and 14). The fair value of assets pledged, as security was $134,762,000 (2020: $132,643,000).

Leasehold land with carrying amount of $80,107,000 (2020: $51,695,000) has been pledged to secure bank borrowings.

The management has applied the following assumptions in the valuation:

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

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

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

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Freehold condominiums	-	1,064	-
Freehold bungalows	-	14,391	-
Freehold commercial properties	-	165,102	331,471
Leasehold commercial properties	-	104,701	577,793

The fair values of the investment properties included in Level 2 were determined using the comparison method and Level 3 was determined using the cost and investment methods. The most significant input into this valuation approach is price per square metre.

There has been no change in valuation methods used during the year.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

18. INVESTMENT PROPERTIES (CONTINUED)

There is no transfer between the fair value hierarchy except for the transferred from Level 2 to Level 3 as below:

Reconciliation of Level 3 Fair Value Measurement

	$'000
At 1 January 2021	718,343
Fair value adjustments	42,717
Transferred from Level 2	1,916
Reclassifications from property under construction	132,305
Net foreign currency movements	13,983
At 31 December 2021	909,264

Details of Level 3 fair value measurements are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Cost method which estimates the amount of reconstruction cost of the building based on current market prices.	Estimated replacement costs	The higher the estimated replacement costs, the higher the fair value.
Investment method which capitalises the actual or estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields.	Discount rate of 5.50% to 7.00%	The higher the discount rate, the lower the fair value.
	Estimated market yield of 5.50% to 7.00%	The higher the estimated market yield, the lower the fair value.
	Occupancy rates of 71.48% to 94.53%	The higher the occupancy rate, the higher the fair value.

The commercial buildings currently under construction are measured at cost because the fair value is not yet determinable as of 31 December 2021. The fair value of the property is expected to be reliably determinable when construction is complete.

Interest capitalised during the financial year amounted to $1,000 (2020: $915,000).

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

19. INVESTMENT IN ASSOCIATES

	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
Unquoted shares, at cost	273	267
Share of post-acquisition reserves	844	359
	1,117	626
Exchange differences	(9)	(23)
	1,108	603
Less : Accumulated impairment losses	-	-
Aggregate carrying amount of the Group's interest in associates	1,108	603

Name of entities	Country of incorporation	Principal activities	Ownership interest 2021 %	Ownership interest 2020 %
Advanced Informatics & Management Centre Sdn Bhd (AIMAC) ^	Malaysia	Providing telehealth or e-health facilities	30	30
Asli Security Services Sdn Bhd *	Malaysia	Provision of security services	30	30
Dats Property Management Sdn Bhd *(formerly known as Dats Management Sdn Bhd)* *	Malaysia	Provision of facilities support services	49	49

^ Audited by firms of auditors other than Grant Thornton.
* Audited by a member firm of Grant Thornton.

The reporting date of AIMAC is 30 September 2021. For the purposes of applying the equity method of accounting, the financial statements of AIMAC for period ended 31 December 2021 have been used.

Summarised financial information in respect of the Group's associates is set out below:

	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
Financial position:		
Total assets	9,618	8,441
Total liabilities	(3,263)	(3,221)
Net assets	6,355	5,220
Financial performance:		
Profit from continuing operations	980	788
Other comprehensive income	-	-
Total comprehensive income	980	788

Notes to the Financial Statements
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(Continued)

20. EQUITY INVESTMENTS

	CONSOLIDATED	
	2021 $'000	2020 $'000
At fair value		
- shares in listed corporations	9,775	8,073
- shares in unlisted corporation	584	32
	10,359	8,105

The fair value hierarchies of the Group's investments in listed corporations and unlisted corporation are at Level 1 and Level 3 respectively.

The Group deems the carrying value of the unlisted corporation as the fair value and has estimated that there would be no significant changes in the fair value as a result of any inter-relationship between significant unobservable inputs.

There is no tranfer between the fair value hierarchies during the financial year.

21. DEFERRED TAX LIABILITIES/(ASSETS)

	Notes	CONSOLIDATED	
		2021 $'000	2020 $'000
Deferred tax liabilities			
- tax allowance relating to property, plant and equipment		54	64
- real property gains tax		21,643	21,107
- other deductible temporary differences		464	508
		22,161	21,679
Deferred tax assets			
- property development and construction profits		(11,776)	(15,452)
- tax allowance relating to property, plant and equipment		(14)	(5)
- other deductible temporary differences		-	(4,079)
		(11,790)	(19,536)
		10,371	2,143
(a) Reconciliation The overall movement in the deferred tax account is as follows:			
Opening balance		2,143	16,745
Charge to profit or loss	7	7,994	(14,218)
Charge to equity		232	(384)
Acquisition of a subsidiary company		2	-
Closing balance		10,371	2,143
(b) Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 4(n) occur			
- Unabsorbed tax losses		17,765	17,357
- Unutilised capital allowances		28,757	28,903
- Unutilised investment tax allowances		46,277	50,144
- Inventories written off		2,606	1,426

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

22. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2021 $'000	2020 $'000
CURRENT		
Trade payables	87,863	81,899
Sundry payables	20,440	17,827
Deposits	18,591	16,490
Accruals	57,044	45,555
	183,938	161,771
Amounts payable to non-controlling shareholders of subsidiary companies	15,610	14,660
	199,548	176,431
NON-CURRENT		
Deposits	4,600	3,867
Amounts payable to non-controlling shareholders of subsidiary companies	85	607
	4,685	4,474

Terms and conditions relating to the above financial instruments:
(i) Trade payables are non-interest bearing and are normally on a 30 – 40 days term.
(ii) Other payables are non-interest bearing.
(iii) The amount payable to non-controlling shareholders of subsidiary companies represents non-trade interest free advances which is payable on demand.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

23. OTHER FINANCIAL LIABILITIES

	Notes	CONSOLIDATED 2021 $'000	2020 $'000
CURRENT			
Secured liabilities			
Lease liabilities	*23(a)*	200	291
Term loans		251,494	228,679
		251,694	228,970
NON-CURRENT			
Secured liabilities			
Lease liabilities	*23(a)*	137	271
Long term loans		84	21,552
		221	21,823
(a) Lease liabilities			
Payable – minimum lease payments			
- not later than one year		212	314
- later than one year but not later than five years		148	283
Minimum lease payments		360	597
Less: future finance charges		(23)	(35)
Present value of minimum lease payments		337	562
Current liabilities		200	291
Non-current liabilities		137	271
		337	562

Some of the Group's loan agreements (classified as non-current during the year) are subject to covenant clauses where the Group is, or particular entities within the Group are, required to meet certain key financial ratios. One of these ratios which was set to be measured on the results of one of the Group's subsidiaries was not met. Due to the impact of Covid-19 on the subsidiary, the subsidiary did not fulfil the ratio of EBITDA to Interest Expenses as required in the contract for a credit line of which the subsidiary has currently drawn an amount of $24,030,000. Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of $24,030,000. The outstanding balance is presented as a current liability as at 31 December 2021. A proposed solution to remedy the breach has been presented to the bank which has been tentatively accepted by the bank and is pending formal approval as at the date of this report. Upon formal acceptance of the proposal and waiver of the covenant, the outstanding balance will be presented as a non-current liability in future reporting periods.

Included in term loan is an amount denominated in USD amounting to $6,808,000 (2020: $5,815,000).

Terms and conditions relating to the above financial instruments:

(i) The revolving credit facility is secured by legal charges over the Group's strata-titled properties, a floating charge over leasehold strata properties and corporate guarantees by certain controlled entities. The interest rates range from 0.90% to 2.67% (2020: 0.90% to 5.08%).

(ii) The term loan is secured by a legal charge over a vacant commercial land and corporate guarantees by the Company. The interest rates range from 1.50% to 5.00% (2020: 1.60% to 7.75%).

Notes to the Financial Statements
for the Year Ended 31 December 2021
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23. OTHER FINANCIAL LIABILITIES (CONTINUED)

Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current interest-bearing liabilities are:

	CONSOLIDATED	
	2021 $'000	2020 $'000
Non-current		
Fixed charge		
Investment properties	619,025	584,073
Property, plant and equipment	4,683	4,664
Finance leases		
Leased plant and equipment	245	426
Total non-current assets pledged as security	623,953	589,163

The terms and conditions relating to the financial assets are as follows:

Investment properties and property, plant and equipment are pledged against secured bank loans on a fixed charge for the terms of the various secured loans.

24. SHARE CAPITAL

	COMPANY			
	2021		2020	
	Number of shares	$'000	Number of shares	$'000
Shares issued and fully paid				
Balance at beginning of the year	1,485,047,796	260,651	1,480,132,327	257,475
Issued during the year				
- dividend reinvestment plan	37,887,339	27,563	4,915,469	3,176
Balance at end of the year	1,522,935,135	288,214	1,485,047,796	260,651

The ordinary shares of the Company are shares with no par value.

The final dividend for year ended 31 December 2020 was paid on 4 June 2021. Some shareholders elected to take ordinary shares in lieu of cash, totaling 37,887,339 shares.

Terms and conditions of issued capital:

- Ordinary shareholders have the right to receive dividends as declared and in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.
- Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

25. RESERVES

The details of reserves are as follows:

2021	CONSOLIDATED Translation reserve $'000	Fair value reserves $'000	Total $'000
Balance at beginning of the year	(36,215)	1,420	(34,795)
Exchange differences on translating foreign operations	41,842	-	41,842
Changes in fair value of equity investments at fair value through other comprehensive income	-	1,167	1,167
Balance at end of the year	5,627	2,587	8,214

2020	CONSOLIDATED Translation reserve $'000	Fair value reserves $'000	Total $'000
Balance at beginning of the year	86,275	761	87,036
Exchange differences on translating foreign operations	(122,490)	-	(122,490)
Changes in fair value of equity investments at fair value through other comprehensive income	-	659	659
Balance at end of the year	(36,215)	1,420	(34,795)

26. CAPITAL COMMITMENTS

	CONSOLIDATED	
	2021 $'000	2020 $'000
The Group has the following capital commitments:		
Property, plant and equipment	2,438	705
Construction of investment properties	78,143	142,268

27. EMPLOYEE BENEFITS EXPENSE

	CONSOLIDATED	
	2021 $'000	2020 $'000
Employee benefits expense	16,292	24,230

Included in the employee benefits expense are contributions to superannuation funds on behalf of employees amounting $1,528,482 (2020: $2,237,384).

Notes to the Financial Statements
for the Year Ended 31 December 2021
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28. OPERATING SEGMENTS

The Group has three (3) operating segments: Investment, Land development and resale and Others.

The activities undertaken by the investment segment includes the holding of investment properties to generate rental income, capital appreciation or both.

The activities undertaken by the land development and resale segment includes development, construction and sale of residential and commercial properties.

The activities undertaken under the Others segment includes Operations of hotel and food and beverage outlets, provision of facilities support services and carpark operations, revenue from money lending services and provision of management services.

Each of these operating segments is managed separately as each segment requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under AASB 8 are the same as those used in its financial statements, except that:

- Gain or loss on disposal of property, plant and equipment,
- Gain or loss on disposal of interests in subsidiaries,
- Share of results of equity accounted investments, and
- Revenue, costs and fair value gains from investment property

are not included in arriving at the operating profit of the operating segments.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

28. OPERATING SEGMENTS (CONTINUED)

	Investment		Land development and resale		Others		Elimination		Consolidated	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Segment revenue										
Sales to customers outside the group	-	-	181,925	292,545	-	-	-	-	181,925	292,545
Other revenues from customers outside the group	101,806	85,074	25,508	27,654	12,172	14,281	-	-	139,486	127,009
Inter segment revenue	272,824	280,982	127,193	163,737	440	794	(400,457)	(445,513)	-	-
Total revenue	374,630	366,056	334,626	483,936	12,612	15,075	(400,457)	(445,513)	321,411	419,554
Finance income	4,610	2,113	6,456	6,581	(119)	1,168	-	-	10,947	9,862
Finance costs	(7,292)	(3,270)	(42)	(488)	(8)	(4)	-	-	(7,342)	(3,762)
Depreciation and amortisation	(4,074)	(4,963)	(1,442)	(2,058)	(743)	(675)	-	-	(6,259)	(7,696)
Write off of assets	(5)	(152)	(4)	(4)	-	-	-	-	(9)	(156)
Increase/(Decrease) in fair value of investment properties	36,212	39,325	11,911	(6,534)	-	-	-	-	48,123	32,791
Other non-cash expenses	(17,872)	(1,725)	(3,119)	(1,652)	-	-	-	-	(20,991)	(3,377)
Income tax expense	(5,956)	5,688	(24,464)	(37,384)	78	(191)	-	-	(30,342)	(31,887)
Segment net operating profit after tax	36,293	36,252	67,052	97,710	7,135	10,713	-	-	110,480	144,675

Reconciliation of segment net operating profit after tax to profit after tax as presented in its financial statements as follows:

	2021 $'000	2020 $'000
Segment net operating profit after tax	110,480	144,675
Gain on disposal of property, plant and equipment	97	117
Result from equity accounted investments	479	379
Total net profit after tax per profit or loss	111,056	145,171

The consolidated entity operates predominantly in two businesses; investment and land development and resale, and within three geographical segments; Australia, Malaysia and Vietnam. The Australian and Vietnam operations predominantly relate to the investment segment, with the remainder of the segments being related to the Malaysian operations.

The land development and resale business is predominantly focused on residential and commercial developments in Malaysia, whilst the investment business is made up of both property and share portfolios in Malaysian assets.

Inter segment pricing is based on normal terms and conditions.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

28. OPERATING SEGMENTS (CONTINUED)

	Investment		Land development and resale		Others		Elimination		Consolidated	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Segment assets	1,473,933	1,317,293	1,393,411	1,365,418	26,776	34,648	-	-	2,894,120	2,717,359
Reconciliation of segment operating assets to total assets										
Segment operating assets									2,894,120	2,717,359
Goodwill									133	133
Equity investments									10,359	8,105
Deferred tax assets									11,790	19,536
Current tax assets									15,508	14,696
Total assets as per the statement of financial position									2,931,910	2,759,829
Investment in associates	1,108	603	-	-	-	-	-	-	1,108	603
Capital expenditure	51,999	32,430	17,396	12,447	67	576	-	-	69,462	45,453
Segment liabilities	305,360	284,982	145,724	142,944	5,300	4,198	-	-	456,384	432,124
Reconciliation of segment operating liabilities to total liabilities										
Segment operating liabilities									456,384	432,124
Deferred tax liabilities									22,161	21,679
Current tax liabilities									3,402	11,502
Total liabilities per the statement of financial position									481,947	465,305

The consolidated entity operates predominantly in two businesses; investment and land development and resale, and within three geographical segments; Australia, Malaysia and Vietnam. The Australian and Vietnam operations predominantly relate to the investment segment, with the remainder of the segments being related to the Malaysian operations.

The land development and resale business is predominantly focused on residential and commercial developments in Malaysia, whilst the investment business is made up of both property and share portfolios in Malaysian assets.

Inter segment pricing is based on normal terms and conditions.

Notes to the Financial Statements
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29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings $'000	Short-term borrowings $'000	Lease liabilities $'000	Total $'000
1 January 2021	21,552	228,679	562	250,793
Cash flows:				
- Proceeds	1,045	7,221	-	8,266
- Repayment	-	(14,126)	(294)	(14,420)
Non-cash:				
- Foreign exchange	1,517	5,690	9	7,216
- Acquisition of a subsidiary	-	-	60	60
- Reclassification	(24,030)	24,030	-	-
31 December 2021	84	251,494	337	251,915

	Long-term borrowings $'000	Short-term borrowings $'000	Lease liabilities $'000	Total $'000
1 January 2020	13,324	116,889	949	131,162
Cash flows:				
- Proceeds	10,421	238,850	-	249,271
- Repayment	-	(109,838)	(459)	(110,297)
Non-cash:				
- Foreign exchange	(2,193)	(17,222)	(52)	(19,467)
- New leases	-	-	124	124
31 December 2020	21,552	228,679	562	250,793

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30. RELATED PARTY TRANSACTIONS

The Group's related parties include its associates, key management, post-employment benefit plans for the Group's employees and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with associated companies

	Transaction value		Balance outstanding	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Security services payable	1,084	1,498	75	86
Rental receivable	102	130	-	4
Administrative fee payable	175	208	4	4
Management fee payable	1,477	1,688	116	279
Landscaping fee payable	150	158	27	39

Transactions with key management personnel

Key management of the Group are the executive members of United Overseas Australia Ltd's Board of Directors and members of the executive council. Key management personnel remuneration includes the following expenses:

	CONSOLIDATED	
	2021 $	2020 $
Short term employee benefits:		
• salaries including bonuses	2,646,978	5,273,389
• non-monetary benefits	42,004	38,403
• others	101,739	90,824
Post-employment benefits:		
• defined benefit pension plans	250,183	578,949
Total remuneration	3,040,904	5,981,565

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30. RELATED PARTY TRANSACTIONS (CONTINUED)

The parent entity receives accounting and secretarial services from a company, Winduss & Associates. During the year, the fees paid to Winduss & Associates totalled $233,234 (2020: $251,456).

The parent entity receives registry services from Advanced Share Registry. During the year, the fees paid to Advanced Share Registry totalled $34,911 (2020: $39,651). Mr. A C Winduss was a Director of Advanced Share Registry.

Entity with significant influence over the Group – Griyajaya Sdn Bhd
Griyajaya Sdn Bhd owns 31.23% (2020: 31.17%) of the ordinary shares in United Overseas Australia Ltd. There was no related party transaction with Griyajaya Sdn Bhd during the financial year.

Terms and conditions of transactions with related parties
Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and normal commercial terms. There were no related party transactions during the financial year.

Allowance for credit loss on trade receivables
For the year ended 31 December 2021, the Group has not made any allowance for credit loss relating to amounts owed by related parties as the payment history has been excellent (2020: Nil). The Group makes use of a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's businesses whilst managing its credit risk, liquidity risk, interest rate risk and market risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows:

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's investments in fixed rate debt securities and fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short- term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year is as follows:

	CONSOLIDATED	
	2021 $'000	2020 $'000
Fixed rate instruments:		
Financial assets	159,962	330,713
Financial liabilities	139,758	136,524
Floating rate instruments:		
Financial liabilities	112,157	114,269

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting year would not affect the profit or loss.

A sensitivity analysis has been performed based on the outstanding floating rate borrowings of the Group as at the reporting date. If interest rates increase or decrease by 50 basis points, with all other variables held constant, the Group's post-tax profit or loss would decrease or increase by approximately $561,000 (2020: $571,000), as a result of higher or lower interest expense on these borrowings.

Foreign currency risk
The Group is exposed to currency risk as a result of the foreign currency transactions entered into by subsidiaries in currencies other than their functional currencies. The Group is also exposed to currency risk in respect of its foreign investments in subsidiaries and associates. The Group ensures that the net exposure to currency fluctuation is kept to an acceptable level.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below.

	CONSOLIDATED			
	SGD $'000	USD $'000	RM $'000	VND $'000
2021				
Net exposure	71	(2,848)	24,229	-
2020				
Net exposure	330	(620)	3,596	-

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (continued)

The following sensitivity is based on the foreign currency risk exposures in existence at the end of reporting period.

A 10% strengthening of the foreign currencies below against the functional currencies of the Group at the end of reporting period would increase or decrease post-tax profit or loss as shown in the table below, this analysis assumes that all other variables held constant:

	Post-tax profit or loss			
	SGD $'000	USD $'000	RM $'000	VND $'000
2021	7	(285)	2,423	-
2020	33	(62)	360	-

A 10% weakening of the foreign currencies above against the functional currencies of the Group at the end of reporting period would have an equal but opposite effect to the amounts shown above, on the basis that all other variables held constant.

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

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

Credit risk
Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses on its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group extends credit only to recognised and creditworthy third parties. It is the Group's policy that all customers are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

i. Trade receivables and contract assets

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

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

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. customer type and rating, and coverage by collateral). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if the Directors deem them uncollectable. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Collateral is considered an integral part of trade receivables and considered in the calculation of impairment. At the reporting date, all of the Group's trade receivables are covered by collateral. These collaterals resulted in a decrease in the expected credit losses/impairment losses as at the reporting date.

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as trade receivables consist of a large number of customers from various backgrounds.

Consolidated 2021	Expected credit loss rate %	Total gross carrying amount $'000	Expected credit loss $'000
Not past due	-	65,475	-
Between 31 and 60 days past due	-	1,239	-
Between 61 and 90 days past due	-	3,960	-
More than 90 days past due	-	10,929	-
More than 91 days after set off with deposits paid	100.00	7,681	7,681
		89,284	7,681
Contract assets	-	40,975	-

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

i. Trade receivables and contract assets (continued)

Consolidated 2020	Expected credit loss rate %	Total gross carrying amount $'000	Expected credit loss $'000
Not past due	-	72,030	-
Between 31 and 60 days past due	-	2,391	-
Between 61 and 90 days past due	-	585	-
More than 90 days past due	-	6,471	-
More than 91 days after set off with deposits paid	100.00	5,200	5,200
		86,677	5,200
Contract assets	-	59,747	-

ii. Financial institutions and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

iii. Financial guarantees

The maximum exposure to credit risk amounted to $24,030,000 (2020: $21,552,000), represented by the outstanding banking facilities of a subsidiary company at the end of the reporting year.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors these subsidiaries. As at the end of the reporting year, there was no indication that any subsidiary would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

iv. Investments and other financial assets

At the end of the reporting year, the Group has investments in foreign and domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Investments are allowed only in liquid securities and only with counterparties that have good credit ratings.

The Group's maximum exposure to credit risk for the components of the statements of financial position at the reporting date are their carrying amounts.

Liquidity and cash flow risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, due to shortage of funds.

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

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

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

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

CONSOLIDATED	< 1 year $'000	1 - 5 years $'000	> 5 years $'000	Total $'000
Trade and other payables	199,548	94	-	199,642
Amount owing to associate companies	236	-	-	236
Lease liabilities	212	148	-	360
Borrowings	258,838	93	-	258,931
	458,834	335	-	459,169

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

32. CAPITAL MANAGEMENT

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

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. As the market is constantly changing, management may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

During 2021, management paid dividends of $29,701,000 (2020: $29,603,000). Management's objective for dividend payments for 2022 to 2025 is to maintain the current level of dividends, assuming business and economic conditions allow.

Management monitors capital through the gearing ratio (net debt/total capital). The target for the Group's gearing ratio (excluding UOA REIT) is between 10% to 25%. The gearing ratio at the reporting date is as follows:

	CONSOLIDATED	
	2021 $'000	2020 $'000
Total borrowings*	456,148	431,698
Less: Cash and cash equivalents	(688,041)	(629,848)
Net cash	(231,893)	(198,150)
Total equity	1,644,855	1,520,770
Total capital	1,412,962	1,322,620
Gearing ratio (%)	27.73	28.39

* Includes interest bearing loans and borrowings and trade and other payables

The Group is not subject to any externally imposed capital requirements

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

33. ACQUISITION OF SHARES IN NEW SUBSIDIARIES COMPANIES

The details of the business combination are as follows:

Name of subsidiary companies acquired	Purchase consideration $	Group's effective interest %	Effective acquisition date
2021			
Tong Xin Tang Healthcare International Sdn Bhd	97,587	51	30 March 2021

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

	2021 $'000
Property, plant and equipment	234
Inventories	47
Trade and other receivables	108
Cash and cash equivalents	165
Other payables and accruals	(870)
Current tax liability	(76)
Lease liability	(61)
Deferred tax liability	(2)
Goodwill on consolidation	334
Net assets acquired	(121)
Non-controlling interests	218
Total purchase consideration	97
Less: Cash and cash equivalents acquired	(165)
Net cash inflow on acquisition during the year	(68)

Notes to the Financial Statements
for the Year Ended 31 December 2021
(Continued)

34. MATURITY ANALYSIS OF LEASE PAYMENTS

The Group as lessor

The Group leases out its investment properties and temporarily leases out its inventories under non-cancellable operating leases arrangement. These leases typically run for a period ranging from 1 to 5 years, with the option to renew. Subsequent renewals are negotiated with the lease on average rental period of 1 to 5 years. None of the leases include contingent rentals.

The future undiscounted lease payments receivable after the reporting date but not recognised as receivables are as follows:

As lessor	2021 $'000	2020 $'000
Within 1 year	61,849	65,406
In the second year	36,219	32,943
In the third year	17,461	14,944
In the fourth year	922	459
	116,451	113,752

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

On 25 February 2022, the directors of United Overseas Australia Ltd proposed a final dividend of 1.35 cents per ordinary shares (totalling $20,559,624) in respect of the financial year ended 31 December 2021. This dividend has not been provided for in the 31 December 2021 financial statements.

DIRECTOR'S DECLARATION

(1) In the opinion of the Directors of United Overseas Australia Ltd:

(a) The consolidated financial statements and notes of United Overseas Australia Ltd are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting interpretations) and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that United Overseas Australia Ltd will be able to pay its debts as and when they become due and payable.

(2) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2021.

(3) Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

On behalf of the Board

Director
Kong Pak Lim

Kuala Lumpur, Malaysia
30 March 2022

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Independent Auditor's Report

To the Members of United Overseas Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of United Overseas Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report
(Continued)

GrantThornton

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

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (Refer to Note 4 (f) and Note 18)	
The Group holds investment properties located in Australia, Malaysia and Vietnam that comprises completed investments and properties under construction amounting to $1.2 billion. The Group recognises investment properties initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Management uses an independent expert to undertake a valuation to determine fair value once every three years. The Directors utilise an independent expert to undertake valuations utilising equivalent market data for the intervening periods rather than a review of the asset itself. The valuation exercise relies on the accuracy of the underlying lease and financial information provided to the valuers. This is a key audit mater as the valuation of the Group's property portfolio includes significant judgement areas that include a number of assumptions and estimates including estimated replacement costs, rental yields and occupancy rates, future net operating income and discount rates.	Our procedures included, amongst others: • Assessing the scope, objectivity and competency of the Group's independent expert, by obtaining an understanding of their qualification and experience; • Ensuring management appropriately undertake property valuations every three years in line with their accounting policy; • Evaluating for impairment by comparing the valuation against equivalent property sales data; • Evaluating the valuations utilising equivalent market data prepared by management's expert against our independent auditor's expert to evaluate on a sample basis both the key inputs and estimates utilised and agreeing key inputs to external market data; • Assessing the competencies of the auditor's expert in accordance with ASA 620 *Using the work of an Auditors Expert* by utilising an independent expert to assess the work performed by management's expert; and • Reviewing the appropriateness of the related disclosures within the financial statements.

Independent Auditor's Report

(Continued)

GrantThornton

Revenue recognition (Refer to Note 4 (m) and Note 5)	
The Group recorded sales inventories and sales of property development of \$32 million and \$150 million respectively. The Group recognises revenue from contracts with customers as or when a performance obligation in the contract is satisfied. The recognition of revenue from property development is over time as it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue from the sale of completed properties, held as inventories is recognised at a point in time, upon delivery of the property. Performance against market expectation and profit based targets adopted by management places pressure to distort revenue recognition resulting in potential overstatement or deferral of revenue to meet financial targets or expectations. Significant judgement is required in determining the performance obligation completed to date in relation to property development revenue. This is a key audit matter as there is significant judgement and estimation relating to the recognition and measurement of property development and construction revenue.	Our procedures included, amongst others: • Documenting the design of internal controls and performing testing of key controls identified for each material revenue stream over revenue recognition, the billing process including those controls over the prevention and detection of fraud and errors in revenue recognition and controls governing approvals to contract amounts; • Assessing the Group's processes and controls in relation to the measurement and timing of revenue recognised; • Reviewing the Group's assessment of the application of the requirements of AASB 15 *Revenue from Contracts with Customers* and conclusions reach; • Selecting a sample of sale transactions taking place before and after balance sheet date to determine whether those transactions were recognised in the correct period; • Testing management's arithmetic accuracy of data provided including assumptions on projects recognised over time. Sample testing was completed on key estimates, corroborated to supporting evidence and historical accuracy of the Group's ability to estimate in prior periods; • Testing a sample for each material revenue stream to supporting documentation to support revenue recognised; • Assessed the transition adjustments recorded and ensured these were compliance with the requirements of AASB 15 and conclusions reached; and • Reviewing the appropriateness of the related disclosures within the financial statements

Valuation of inventory (Refer to Note 4 (h) and Note 15)	
The Group recorded inventories comprising land held for development purposes and completed properties held for sale or held for redevelopment and resale. The total value of inventory recorded amounted to \$638 million. Work in progress comprises developments under construction that are based on estimated cost forecasts that could be impacted by current and future events. The Group are required to value inventories at the lower of costs or net realisable value (NRV). Future selling prices can be affected affect by economic conditions including the impacts from COVID-19. This is a key audit mater as the value of the inventory is significant to the financial statements, in addition to the significance of management estimates and judgements in relation to net realisable value.	Our procedures included, amongst others: • Comparing the carrying value of management's indicative market value to ensure inventory is valued at the lower of cost and net realisable value; • Obtaining the data behind management's indicative market value and evaluating for appropriateness by comparing the valuation against equivalent property sales data; • Agreeing to supporting documentation the rights to properties by sighting title deeds; • Ensuring proper classification between land held for development and property development costs; • Performing analytical review for the key movements during the interim and final audit; and • Reviewing the appropriateness of the related disclosures within the financial statements

Independent Auditor's Report
(Continued)

Grant Thornton

Information other than the financial report and auditor's report thereon
The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report
The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report
We have audited the Remuneration Report included in pages 16 to 22 of the Directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of United Overseas Australia Limited, for the year ended 31 December complies with section 300A of the *Corporations Act 2001*.

Independent Auditor's Report
(Continued)

GrantThornton

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 30 March 2022

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 21 March 2022.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

	Ordinary shares	
	Number of holders	Number of units
1 – 1,000	181	46,304
1,001 – 5,000	248	711,116
5,001 – 10,000	170	1,328,620
10,001 – 100,000	402	13,553,105
100,001 And over*	114	1,507,295,990
	1,115	1,522,935,135

The number of shareholders holding less than a marketable parcel of shares are:

	Ordinary shares	
	Number of holders	Number of units
1 – 769	155	21,233
770 and over *	960	1,522,913,902
	1,115	1,522,935,135

* Included in this figure is 1,027,728,280 shares in respect of the Company's secondary listing in Singapore

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	The Central Depository (Pte) Limited	1,027,728,280	67.48%
2	Mahareno Sdn Bhd	95,599,229	6.28%
3	Transmetro Corporation Sdn Bhd	95,599,207	6.28%
4	Macrolantic Technology Sdn Bhd	95,599,207	6.28%
5	Wismara Sdn Bhd	63,776,908	4.19%
6	Amerena Sdn Bhd	39,686,584	2.61%
7	JP Morgan Nominees Australia Pty Limited	11,189,420	0.73%
8	National Nominees Limited	10,409,688	0.68%
9	Tan Sri Dato' Seri Alwi Jantan	8,317,946	0.55%
10	Lay Hoon Koh	6,514,596	0.43%
11	Chow Fong Wong	4,647,029	0.31%

ASX Additional Information
(Continued)

(b) Twenty largest shareholders (continued)

		Listed ordinary shares Number of shares	Percentage of ordinary shares
12	Colin Robert Macewan & Bronwyn Beder	3,060,000	0.20%
13	Chong Soon Kong	2,877,104	0.19%
14	Transmetro Sdn Bhd	2,786,509	0.18%
15	Hegford Pty Ltd	2,742,533	0.18%
16	Citicorp Nominees Pty Limited	2,190,894	0.14%
17	Chartreuse Nominees Pty Ltd	2,034,699	0.13%
18	Ju Lip Chew	1,559,010	0.10%
19	Reviresco Nominees Pty Ltd	1,541,238	0.10%
20	Mimi Miu-Kuen Ferguson	1,183,790	0.08%
		1,479,043,871	97.12%

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of shares held	% of issued shares
Chong Soon Kong	1,109,828,661	72.87%
Pak Lim Kong	850,944,407	55.88%

In calculating the number of shares, entities holding 664,382,016 shares as declared in the substantial shareholders are considered to be associates of both the substantial shareholders and have been included in the total for each shareholder above.

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

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