1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments

Financial assets and financial liabilities are recognised when the Group become 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 all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value adjusted by transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

The Group determines the classification of the financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available for sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Available for sale financial assets

Available for sale financial assets are non-derivative financial assets, principally equity securities, that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. After initial recognition, available for sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories

Inventories consist of stocks of properties, property held for development and resale and construction work in progress.

Stocks of properties

Stocks of properties are stated at the lower of cost and net realisable value. Cost of inventories of completed houses held for sale is determined based on the specific identification method.

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

Property held for development and resale

Property held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of land acquisition, development, and interest on funds borrowed for the development and holding costs until completion of development. Interest and holding charges incurred after completion of the development are expensed as incurred.

Property held for development and resale is classified under two categories i.e. land held for property development and property development costs.

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

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

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

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

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

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Inventories (cont'd)

Construction work in progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Trade receivables are recognised and carried at the original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(i) 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.

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect on the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of time value of money and, where appropriate, the risks specific to the liability.

(k) Leases

Finance lease

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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

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

Rental income
Rental income is accounted for on a straight-line basis over the specific tenure of the respective leases. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

Interest income
Interest income is recognised on time proportion basis.

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

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

(m) Income tax

Deferred income tax is provided for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Share capital

Ordinary shares are classified as equity and are recognised at the fair value of the consideration received. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(o) Significant Accounting Judgements, Estimates and Assumptions

In applying the Group's accounting policies management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable and based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Investment Properties

The basis for determination of the fair value of investment properties has been set out in Note 15. Fair value is time specific as of a given date. Because market conditions may change, the amount reported as fair value may be incorrect or inappropriate if estimated as of another time. The fair value of investment property reflects, among other things, rental income from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental income from future leases in the light of current conditions.

Impairment of non financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

Provision for maintenance

In determining the level of provision required for maintenance the Group has made judgements in respect of the expected maintenance required on any of the development properties. Historical experience and current knowledge of the performance of products has been used in determining the provision.

Parent entity carrying value of investments and loans in subsidiaries

Investments in and loans to subsidiaries by the parent entity have been reviewed for impairment. No impairment has been considered to have occurred and therefore no impairment has been provided for at 31 December 2013.

(p) Earnings per share

Basic earnings per share is calculated as net profit attributable to the members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- cost of servicing equity (other than dividends) and preference share dividends
- the after tax effect of interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares;

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Earnings per share (cont'd)

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(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.

(s) New and amended accounting policies issued but not yet effective

The following Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group as at financial reporting date.

New/revised pronouncement	Nature of change	Effective date
AASB 9 *Financial Instruments* (December 2010)	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) New and amended accounting policies issued but not yet effective (cont'd)

New/revised pronouncement	Nature of change	Effective date
AASB 9 *Financial Instruments* (December 2010) (cont'd)	(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and • The remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. Consequential amendments arising from AASB 9 are contained in AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures.* On 19 November 2013, the IASB published a package of amendments to the accounting requirements of IFRS 9 Financial Instruments. The Amendments: • add a new chapter on hedge accounting to the Standard, substantially overhauling previous accounting requirements in this area; • allow the changes to address the so-called 'own credit' issue that were already included in IFRS 9 to be applied in isolation without the need to change any other accounting for financial instruments; and • defer the mandatory effective date of IFRS 9 from '1 January 2015' to 'indefinitely'.	1 January 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) New and amended accounting policies issued but not yet effective (cont'd)

New/revised pronouncement	Nature of change	Effective date
AASB 9 *Financial Instruments* (December 2010) (cont'd)	At its 11-12 December 2013 meeting, the AASB tentatively decided to defer the effective date of AASB 9 Financial Instruments to 1 January 2017, however the AASB is yet to issue a formal amendment to AASB 9. The entity has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2015 and that the IASB is yet to finalise the remaining phases of its project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 in Australia).	1 January 2015
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards. On 28 June 2013, the Australian government passed Corporations and Related Legislation Amendment Regulation 2013 (No.1) which inserts these disclosures, with minor changes, into Corporations Regulations 2001. For financial years commencing on or after 1 July 2013, these disclosures are required to be included in remuneration reports of listed companies. When these amendments are first adopted for the year ending 31 December 2014, they are unlikely to have any significant impact on the entity.	1 July 2013
AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. When AASB 2012-3 is first adopted for the year ended 31 December 2014, there will be no impact on the entitiy as this standard merely clarifies existing requirements in AASB 132.	1 January 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) New and amended accounting policies issued but not yet effective (cont'd)

New/revised pronouncement	Nature of change	Effective date
AASB 2013-3 Recoverable Amount Disclosures for Non-Financial Assets	These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets. When these amendments are adopted for the first time on 1 January 2014, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarification of existing requirements.	1 January 2014
AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting	AASB 2013-4 makes amendments to AASB 139 Financial Instruments: Recognition & Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. When these amendments are adopted for the first time on 1 January 2014, they are unlikely to have any significant impact on the entity.	1 January 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) New and amended accounting policies issued but not yet effective (cont'd)

New/revised pronouncement	Nature of change	Effective date
IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)	These amendments: • add a new chapter on hedge accounting to the Standard, substantially overhauling previous accounting requirements in this area; • allow the changes to address the so-called 'own credit' issue that were already included in IFRS 9 to be applied in isolation without the need to change any other accounting for financial instruments; and • defer the mandatory effective date of IFRS 9 from '1 January 2015' to 'indefinitely'. The entity has not yet assessed the full impact of these amendments.	Yet to be determined
Annual Improvements to IFRSs 2010–2012 Cycle	Annual Improvements to IFRSs 2010–2012 Cycle is a collection of amendments to IFRSs in response to eight issues addressed during the 2010–2012 cycle for annual improvements to IFRSs. Among other improvements, the amendments clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity), and amend IFRS 8 Operating Segements to explicitly require the disclosure of judgements made by management in applying the aggregation criteria. When these amendments are first adopted for the year ended 31 December 2015, there will be no material impact on the entitiy.	1 July 2014
Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle is a collection of amendments to IFRSs in response to four issues addressed during the 2011–2013 cycle. Among other improvements, the amendments clarify that an entity should assess whether an acquired property is an investment property under IAS 40 Investment Property and perform a separate assessment under IFRS 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination. When these amendments are first adopted for the year ended 31 December 2015, there will be no material impact on the entitiy.	1 July 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) New and amended accounting policies issued but not yet effective (cont'd)

New/revised pronouncement	Nature of change	Effective date
Defined Benefit Plans: Employee Contributions	These amendments revise the requirements in IAS 19 Employee Benefits for contributions from employees or third parties that are linked to service: • If the amount of the contributions is independent of the number of years of service, contributions may be recognised as a reduction in the service cost in the period in which the related service is rendered. • If the amount of the contributions depends on the number of years of service, those contributions must be attributed to periods of service using the same attribution method as used for the gross benefit in accordance with paragraph 70 of IAS 19. These amendments are expected to provide relief as entities are allowed to deduct contributions from service cost in the period in which the service is rendered. When these amendments are first adopted for the year ended 31 December 2015, there will be no material impact on the entitiy.	1 July 2014
AASB 127 Separate Financial Statements AASB 128 Investments in Associates and Joint Ventures	As a consequence of issuing AASB 10, AASB 11 and AASB 12, revised versions of AASB 127 and AASB 128 have also been issued. AASB 127 now only deals with separate financial statements. AASB 128 incorporates the requirements in Interpretation 113 Jointly Controlled Entities – Non-Monetary Contributions by Venturers, and guidance relating to the equity method for associates and joint ventures. When these revised standards are adopted for the first time for the financial year ending 31 December 2014, there will be no impact on the financial statements because they introduce no new requirements.	1 January 2014
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	AASB 2011-7 makes various consequential amendments to Australian Accounting Standards arising from AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011). When these amendments are first adopted for the year ending 31 December 2014, they are unlikely to have any significant impact on the entity given that they are largely of the editorial nature.	1 January 2014

2. REVENUE

	CONSOLIDATED	
	2013 $'000	2012 $'000
(i) Sales revenue		
Property development revenue	385,782	248,299
Construction revenue	24,233	1,375
	410,015	249,674
(ii) Other revenues from ordinary activities		
Rental revenue	36,456	31,003
Parking fee received	5,758	3,390
Dividends received from investments – other corporation	155	195
Doubtful debts no longer required	45	60
Interest received from investments – other corporation	10,409	5,951
Fair value of financial liabilities	851	747
Gain on disposal of property, plant and equipment	15,947	113
Gain on disposal of investment properties	20	1,318
Gain on disposal of available for sale financial assets	282	2
Unrealised gains on investment properties	497	12,102
Realised gains on investment properties	-	30,071
Unrealised gains on transfer to investment properties	21,214	-
Other services	6,669	3,363
	98,303	88,315

3. PROFIT FROM ORDINARY ACTIVITIES

	CONSOLIDATED	
	2013 $'000	2012 $'000
(i) Cost of sales		
Development expenses	216,429	128,799
(ii) Expenses		
Depreciation of non-current assets		
Freehold land and buildings	464	438
Plant and equipment	1,811	1,824
	2,275	2,262
Amortisation of non-current assets		
Lease equipment	1,344	733

3. PROFIT FROM ORDINARY ACTIVITIES (CONT'D)

	CONSOLIDATED	
	2013 $'000	2012 $'000
Bad and doubtful debts	258	191
Employee benefit expenses	14,681	9,798
Property, plant and equipment written off	8	10
Property maintenance expenses	16,337	9,170
Marketing expenses	26,631	14,144
Professional fees	1,327	807
Other expenses	9,638	5,452
	68,880	39,572
Total general and administrative expenses	72,499	42,567
(iii) Finance costs		
Interest expense	7,402	6,575
Finance costs capitalised	(429)	(194)
	6,973	6,381
(iv) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
- Gain on disposal of available for sale financial assets *	(282)	(2)
- Gain on disposal of investment properties **	(20)	(1,318)
- Unrealised gains on investment properties	(21,711)	(12,102)
- Realised gains on investment properties	-	(30,071)
- Unrealised foreign exchange gain	(4,096)	(3,813)
- Realised foreign exchange (gain)/loss	(510)	378

* There is no income tax expense applicable as income derived from these transactions is not taxable under the Malaysia tax regime.

** With effect from 1 January 2014, gains on disposal of investment properties will be subject to Real Property Gains Tax as follows:

(i) Properties held for 3 years or less will be taxed at 30%.
(ii) Properties held for more than 3 years but up to 4 years will be taxed at 20%.
(iii) Properties held for more than 4 years but up to 5 years will be taxed at 15%.
(iv) Properties held for more than 5 years will be taxed at 5%.

4. INCOME TAX EXPENSE

	CONSOLIDATED	
	2013 $'000	2012 $'000
(i) The components of tax expense comprise:		
Current tax	44,155	29,006
Deferred tax	77	(4,650)
Under provision in prior years	12,309	44
Real property gains tax ("RPGT")	4,862	6,122
	61,403	30,522
(ii) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax on profit from ordinary activities	54,788	40,982
Effect of difference in tax rate	(6)	(8)
Tax effect of		
Income not subject to tax	(8,253)	(4,253)
Non-deductible expenses	2,034	1,846
Utilisation of capital allowances	(826)	(758)
Deferred tax assets not recognised	377	218
Effect of share of results of associates	(532)	(63)
Effect of change in RPGT tax rate	1,855	-
Difference between income tax and RPGT rate applicable on fair value adjustments on investment properties	(343)	(7,486)
Under provision in prior years	12,309	44
Income tax expense attributable to ordinary activities	61,403	30,522
The effective tax rate	22%	19%

The increase in the effective tax rate from 19% in 2012 to 22% in 2013 is mainly due to a provision made for the difference between income tax and RPGT rates and the reinstatement of the provision for RPGT in respect of all investment properties held for more than 5 years as result of the amendment to the Real Property Gains Tax Act, 1976.

5. EARNINGS PER SHARE

	CONSOLIDATED	
	2013 $'000	2012 $'000
The following reflects the income and shares data used in the calculations of basic and diluted earnings per share:		
Profit for the year	157,750	133,406
Adjustments:		
Profits attributable to non-controlling interest	(59,936)	(51,429)
Earnings used in calculating basic and diluted earnings per share	97,814	81,977

5. EARNINGS PER SHARE (CONT'D)

	2013 Number of shares	2012 Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share:	1,095,528,617	1,042,827,273
Effects of dilutive securities:		
Nil (There are no securities other than ordinary shares.)	-	-
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share	1,095,528,617	1,042,827,273

6. DIVIDENDS PAID AND PROPOSED

	CONSOLIDATED	
	2013 $'000	2012 $'000
(a) Dividends paid during the year		
Dividends paid or satisfied by the issue of shares under the dividend re-investment plan during the year ended 31 December 2013 and 2012 were as follows:		
(i) Paid in cash		
Final 2012 (2012 – Final 2011)	1,128	756
Interim 2013 (2012 – Interim 2012)	231	292
	1,359	1,048
(ii) Satisfied by issue of shares		
Final 2012 (2012 – Final 2011)	20,270	14,500
Interim 2013 (2012 – Interim 2012)	5,322	4,994
	25,592	19,494
	26,951	20,542
(b) Dividends proposed and not recognised as a liability		
- unfranked dividends (2.0 cents per share) (2012: 2.0 cent per share)	22,417	21,407

After the reporting date, the above dividends were proposed for approval at the Company's Annual General Meeting. The amounts have not been recognised as a liability in 2013 but will be brought to account in 2014.

(c) Franking credit balance

There is no franking credit balance for United Overseas Australia Ltd during the year ended 31 December 2013.

7. PARENT COMPANY INFORMATION

	2013 $'000	2012 $'000
Statement of financial position		
Current assets	78,889	70,436
Total assets	81,859	72,982
Current liabilities	275	250
Total liabilities	275	250
Equity		
Issued capital	55,974	32,292
Reserves	350	-
Retained earnings	25,260	40,440
	81,584	72,732
Financial performance		
Profit for the year	11,771	5,449
Total comprehensive income	11,771	5,449

8. DIRECTORS' AND KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

Number of shares held by Directors and Key Management Personnel of the Parent Entity are as follows:

	Balance 1.1.2013	Net change*	Balance 31.12.2013
Parent Entity Directors			
Direct interest			
Mr. P. L. Kong	390,341	20,945	411,286
Mr. A. C. Winduss	14,374	774	15,148
Ms. M. C. Kong	344,445	18,483	362,928
Mr. C. S. Teo	122,191	6,559	`128,750
	871,351	46,761	918,112
Indirect interest			
Mr. C. S. Kong	736,732,625	39,628,513	776,361,138
Mr. P. L. Kong	565,511,613	30,342,237	595,853,850
Mr. A. C. Winduss	1,584,217	83,568	1,667,785
	1,303,828,455	70,054,318	1,373,882,773
Key Management Personnel			
Direct interest			
Mr. E. P. Tong	10,132	545	10,677
Ms. K. I. Ang	333,390	17,889	351,279
Ms. C. Chan	1,106,151	59,351	1,165,502
Mr. E. C. J. Lee	2,126	115	2,241
	1,451,799	77,900	1,529,699

8. DIRECTORS' AND KEY MANAGEMENT PERSONNEL SHAREHOLDINGS (CONT'D)

Number of shares held by Directors and Key Management Personnel of the Parent Entity are as follows:

	Balance 1.1.2013	Net change*	Balance 31.12.2013
Indirect interest			
Mr. E. P. Tong	4,617,174	247,737	4,864,911
Ms. K. I. Ang	15,505	832	16,337
Mr. E. C. J. Lee	213,517	11,457	224,974
	4,846,196	260,026	5,106,222

* Net change refers to shares purchased or sold during the financial year.

9. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2013 $'000	2012 $'000
Remuneration of the auditor of the parent entity for:		
- auditing and reviewing the financial report	123	110
Remuneration of other auditors of subsidiaries for:		
- auditing and reviewing the financial report	175	179
	298	289

10. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2013 $'000	2012 $'000
Cash at bank and in hand	53,992	46,322
Short term investments	311,729	169,605
Short term bank deposits	70,062	48,605
	435,783	264,532

The effective interest rate on short term bank deposits was 2.71% (2012: 2.67%); these deposits have an average maturity of less than 12 months.

Included in the cash assets of the Group is $30,513,177 (2012: $32,324,062) held in Housing Development Accounts as required by Section 7A of the Housing Developers (Control and Licensing) Act 1966 and Regulations in Malaysia. The cash is restricted in use by the Act which regulates and ensures that the funds are used to complete the relevant housing projects.

11. TRADE AND OTHER RECEIVABLES

	NOTES	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
CURRENT			
Trade receivables		105,347	90,905
Less: Allowance for impairment loss		(285)	(266)
		105,062	90,639
Sundry receivables		48,997	18,732
Refundable deposits on land	23(b)	5,618	1,379
Proceeds receivable from disposal of investment properties		-	101,686
Amounts other than trade debts receivable from related parties:			
- director related entities		-	3
Less: Allowance for impairment loss		(879)	(651)
		158,798	211,788

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. A provision for impairment loss is raised when some doubt as to collection exists.

(iv) Details of the terms and conditions of related parties are set out in note 28.

Movements in the provision for impairment loss were as follows:

	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
At 1 January	917	787
Charge for the year	206	178
Foreign exchange translation	86	12
Provision no longer required	(45)	(60)
At 31 December	1,164	917

At 31 December, the ageing analysis of trade receivables is as follows:

Consolidated	Total $'000	0 - 30 days $'000	31 – 60 days $'000	61 – 90 days PDNI* $'000	61 – 90 days CI** $'000	90 + days PDNI* $'000	90 + days CI** $'000
2013	105,347	97,536	1,572	2,344	-	3,610	285
2012	90,905	39,607	11,669	29,021	-	10,342	266

* Past due not impaired ("PDNI")

** Considered impaired ("CI")

12. INVENTORIES

	CONSOLIDATED	
	2013 $'000	2012 $'000
CURRENT		
At cost		
Stock of properties	47,791	115,684
Property held for development and resale	258,461	148,544
Consumables	159	63
Construction work in progress	3,391	136
	309,802	264,427
NON-CURRENT		
Land held for property development	24,364	57,977

Included in property held for development and resale is the cost of land held for resale and land rights. These land assets include finance costs, which have been recognised during the financial year as part of the carrying amount of the asset. These costs have been capitalised at a rate of 4.85% (2012: 4.78% to 4.98%).

Interest capitalized during the financial year amounted to $429,000 (2012 :$194,000).

13. CONTROLLED ENTITIES

(a) Controlled entities consolidated

Name	Country of incorporation	Domicile of the company	Notes	Ownership interest held by Group	
				2013 %	2012 %
UOA Holdings Sdn Bhd*	Malaysia	Malaysia		100	100
Ken Tat Sdn Bhd*	Malaysia	Malaysia		100	100
UOA Capital Sdn Bhd*	Malaysia	Malaysia		100	100
Midah Heights Sdn Bhd*	Malaysia	Malaysia		100	100
Multiplex Strategy Sdn Bhd*	Malaysia	Malaysia		100	100
Federaya Development Sdn Bhd*	Malaysia	Malaysia		70	70
UOA (Singapore) Pte Ltd*	Singapore	Singapore		100	100
Dats Management Sdn Bhd*	Malaysia	Malaysia		100	100
Citicrest (M) Sdn Bhd*	Malaysia	Malaysia		60	60
Desa Bangsar Ria Sdn Bhd*	Malaysia	Malaysia		60	60
LTG Development Sdn Bhd*	Malaysia	Malaysia		60	60
UOA Corporation Bhd*	Malaysia	Malaysia		60	60
Rich Accomplishment Sdn Bhd*	Malaysia	Malaysia		60	60
Desa Bukit Pantai Sdn Bhd*	Malaysia	Malaysia		60	60
Wisma UOA Sdn Bhd*	Malaysia	Malaysia		60	60
Julung Perdana Sdn Bhd*	Malaysia	Malaysia		60	60
UOA Asset Management Sdn Bhd*	Malaysia	Malaysia	*13(c)*	42	42
UOA Real Estate Investment Trust (UOA REIT)*	Malaysia	Malaysia	*13(c)*	46.22	46.25

13. CONTROLLED ENTITIES (CONT'D)

(a) Controlled entities consolidated (cont'd)

Name	Country of incorporation	Domicile of the company	Notes	Ownership interest held by Group 2013 %	2012 %
Gerak Perdana Sdn Bhd*	Malaysia	Malaysia		60	60
Damai Positif Sdn Bhd*	Malaysia	Malaysia		60	60
UOA Development Bhd*	Malaysia	Malaysia		68.23	67.99
- Allied Engineering Construction Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- URC Engineering Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Tiarawoods Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Kumpulan Sejahtera Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Windsor Triumph Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Saujanis Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Magna Tiara Development Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Paramount Properties Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Paramount Hills Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Sagaharta Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Sunny Uptown Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- IDP Industrial Development Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- UOA Properties Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Lencana Harapan Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Dynasty Portfolio Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Bangsar South City Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Nasib Unggul Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Tunjang Idaman Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- UOA Hospitality Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Peninsular Home Sdn Bhd*	Malaysia	Malaysia	*13(c)*	40.94	40.79
- Everise Tiara (M) Sdn Bhd*	Malaysia	Malaysia	*13(c)*	40.94	40.79
- Seri Tiara Development Sdn Bhd*	Malaysia	Malaysia		58.00	57.79
- Enchant Heritage Sdn Bhd*	Malaysia	Malaysia		58.00	57.79
- Magna Kelana Development Sdn Bhd*	Malaysia	Malaysia		50.32	50.14
- Scenic Point Development Sdn Bhd*	Malaysia	Malaysia	*13(c)*	40.94	40.79
- Ceylon Hills Sdn Bhd*	Malaysia	Malaysia	*13(c)*	36.84	36.71
- Maxim Development Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Infinite Accomplishment Sdn Bhd*	Malaysia	Malaysia		68.23	67.99
- Regenta Development Sdn Bhd*	Malaysia	Malaysia	*13(b)*	68.23	-
- Seri Prima Development Sdn Bhd*	Malaysia	Malaysia	*13(b)*	68.23	-
- Orient Housing Development Sdn Bhd*	Malaysia	Malaysia	*13(b)*	68.23	-

*These entities have been audited by firms of auditors other than Grant Thornton.

(b) Acquisition of Controlled entities

On 23 January 2013, the Group acquired 100% equity interest in Regenta Development Sdn Bhd and Seri Prima Development Sdn Bhd for a cash consideration of $1 respectively.

On 7 May 2013, the Group acquired 100% equity interest in Orient Housing Development Sdn Bhd for a cash consideration of $1.

13. CONTROLLED ENTITIES (CONT'D)

(c) Controlled entities which less than 50%

The financial statements of UOA Asset Management Sdn Bhd and UOA REIT 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 (formerly known as OSK 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 and Ceylon Hills Sdn Bhd were consolidated because the parent entity can exercise control and influence over the Board of Directors of the subsidiary companies.

14. PROPERTY, PLANT AND EQUIPMENT

	NOTES	CONSOLIDATED	
		2013 $'000	2012 $'000
Freehold land and building			
At cost		10,943	18,150
Accumulated depreciation		(1,420)	(1,886)
	14(a)	9,523	16,264
Plant and equipment			
At cost		18,861	14,654
Accumulated depreciation		(11,877)	(9,164)
	14(a)	6,984	5,490
Leased plant and equipment			
At cost		8,344	4,717
Accumulated depreciation		(2,287)	(1,108)
	14(a)	6,057	3,609
Total property, plant and equipment			
Cost		38,148	37,521
Accumulated depreciation		(15,584)	(12,158)
Total written down amount		22,564	25,363

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

(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:

2013 CONSOLIDATED	Freehold land and building $'000	Plant and equipment $'000	Leased plant and equipment $'000	Total $'000
Balance at the beginning of the year	16,264	5,490	3,609	25,363
Additions	-	2,812	3,646	6,458
Disposals	(7,831)	(21)	-	(7,852)
Depreciation	(464)	(1,811)	(1,344)	(3,619)
Written off	-	(8)	-	(8)
Reclassification	-	113	(113)	-
Net foreign currency movements	1,554	409	259	2,222
Carrying amount at the end of the year	9,523	6,984	6,057	22,564

2012 CONSOLIDATED	Freehold land and building $'000	Plant and equipment $'000	Leased plant and equipment $'000	Total $'000
Balance at the beginning of the year	16,352	4,320	2,436	23,108
Additions	-	2,441	2,400	4,841
Disposals	-	(11)	-	(11)
Depreciation	(438)	(1,824)	(733)	(2,995)
Written off	-	(10)	-	(10)
Reclassification	-	523	(523)	-
Net foreign currency movements	350	51	29	430
Carrying amount at the end of the year	16,264	5,490	3,609	25,363

(b) Valuation

Based on the directors' valuations on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction, and review of the property, plant and equipment balance there has been no impairment loss during the year.

15. INVESTMENT PROPERTIES

	CONSOLIDATED	
	2013 $'000	2012 $'000
Balance at beginning of the year	480,075	537,907
Transfer from/(to) inventories	35,459	(11,444)
Net foreign currency movements	42,426	7,919
Additions	69,375	21,938
Disposals	(202)	(118,418)
Fair value adjustments	21,711	42,173
Balance at end of the year	648,844	480,075

The fair value model is applied to all investment properties. Investment properties are independently revalued, which are performed on an open market basis, which represents the amounts for which the assets could be exchanged between knowledgeable willing buyer and knowledgeable willing seller in an arm's length transaction at a valuation date.

The fair value 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 an updated market valuation by an Independent Property Valuer, PPC International Sdn Bhd on 30 June 2013. In arriving at the market values, the valuer has applied the Investment and Comparison Methods to assess the market values of the investment properties.

The directors have reviewed the valuations of the commercial properties which were done on 31 October 2013 and 10 February 2014 by PA International Property Consultants (KL) Sdn Bhd, an Independent Property Valuer based on the Investment and Comparison Methods and opined that the carrying values reflect the fair value of the investment properties.

The directors have reviewed the valuation of the commercial property which was done on 26 November 2013 by PPC International Sdn Bhd, an Independent Property Valuer based on the Investment and Comparison Method, and opined that the carrying value reflects the fair value of the investment property.

All other commercial properties have been reviewed in conjunction with PA International Property Consultants (KL) Sdn Bhd by the directors who are of the opinion that the carrying values reflect the fair value of the investment properties.

The directors have reviewed the valuations of all residential properties which were done on 10 February 2014 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 $46,120,000 (2012: $42,445,000) was secured by a Deed of Assignment and Power of Attorney over the Sale and Purchase Agreement between RHB Trustees Berhad (formerly known as OSK Trustees Berhad) and a controlled entity, Wisma UOA Sdn Bhd for the purchase of its commercial properties. The fair value of assets pledged, as security was $112,220,000 (2012: $103,155,000).

15. INVESTMENT PROPERTIES (CONT'D)

A loan of $38,935,000 (2012: $35,832,000) was secured by an Asset Purchase Agreement and Asset Sale Agreement in respect of Wisma UOA Damansara II and a charge over Wisma UOA Damansara II. The fair value of assets pledged, as security was $75,994,000 (2012: $69,272,000).

A loan of $44,170,000 (2012: $41,532,000) 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 Power of Attorney, over the Sale and Purchase Agreement for the purchase of UOA Damansara Parcels and over the Sale and Purchase Agreement for the purchase of Parcel B - Menara UOA Bangsar. The fair value of assets pledged, as security was $138,233,000 (2012: $127,208,000).

The management has applied the followings 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.

(i) 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 end of the reporting period is as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Freehold condominium	-	3,625	-
Freehold bungalows	-	17,381	-
Freehold commercial properties	-	-	277,621
Leasehold commercial properties	-	105,057	205,748

There is no transfer between levels in the fair value hierarchy during the year.

The fair values of the investment properties included in Level 2 and Level 3 above are determined using Investment and Comparison Method. The most significant input into this valuation approach is price per square foot.

15. INVESTMENT PROPERTIES (CONT'D)

Reconciliation of Level 3 Fair Value Measurement

	$'000
At 1 January 2013	382,556
Fair value gains recognised in profit or loss	4,175
Additions	865
Reclassification from property under construction	62,481
Net foreign currency movements	33,292
At 31 December 2013	483,369

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 reconstructing a building based on current market prices	Estimated replacement costs ranging from $71 million to $75 million	The higher the estimated costs, replacement costs, the lower the fair value.
Investment method which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields.	Discount rate of 6.75% to 7%	The higher the discount rate, the lower the fair value.
	Estimated market yield of 6.5%	The higher the estimated market yield, the higher the fair value.
	Occupancy rates of 83% to 100%	The higher the occupancy rate, the higher the fair value.

The commercial buildings are currently under construction and fair value of the property is unable to be determined as there are uncertainties in estimating its fair value.

16. INVESTMENT IN ASSOCIATES

	CONSOLIDATED	
	2013 $'000	2012 $'000
Unquoted shares, at cost	6,717	6,181
Share of post-acquisition reserves	2,447	315
	9,164	6,496
Less : Unrealised profit	(1,017)	(70)
Exchange differences	71	2
	8,218	6,428
Less : Accumulated impairment losses	-	-
	8,218	6,428

16. INVESTMENT IN ASSOCIATES (CONT'D)

Name of entities	Country of incorporation	Principal activities	Ownership interest	
			2013 %	2012 %
Advanced Informatics & Management Centre Sdn Bhd (AIMAC)*	Malaysia	Providing telehealth or e-health facilities	30	30
Everise Project Sdn Bhd (EP)*	Malaysia	Property development	39	39
Asli Security Services Sdn Bhd*	Malaysia	Provision of security services	30	30

The reporting date of AIMAC is 30 September 2013. For the purposes of applying the equity method of accounting, the financial statements of AIMAC for period ended 31 December 2013 have been used.

The Group receives construction revenue from EP, EP has awarded a construction contract to a controlled entity, Allied Engineering Construction Sdn Bhd on new development known as Kencana Square. During the year, the construction revenue received from EP totaled $32,487,277 (2012:$1,823,464). Amount receivable from EP at reporting date is $1,082,375 (2012: $1,631,344).

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

	CONSOLIDATED	
	2013 $'000	2012 $'000
Financial position:		
Total assets	57,087	25,908
Total liabilities	(34,036)	(9,905)
Net assets	23,051	16,003
Financial performance:		
Total revenue	18,298	3,791
Total profit for the year	5,445	610

17. AVAILABLE FOR SALE FINANCIAL ASSETS

	CONSOLIDATED	
	2013 $'000	2012 $'000
(a) Listed investments, at fair value - shares in listed corporations	3,414	4,903
(b) Investments in golf membership, at cost	200	184
Total available for sale financial assets	3,614	5,087

17. AVAILABLE FOR SALE FINANCIAL ASSETS (CONT'D)

Available for sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Gains and losses arising from changes in fair value of available for sale financial assets are recognised as other reserves in the statement of changes in equity in the period in which they arise.

18. DEFERRED TAX LIABILITIES/(ASSETS)

	NOTES	CONSOLIDATED	
		2013 $'000	2012 $'000
Deferred tax liabilities			
- tax allowance relating to property, plant and equipment		493	425
- real property gains tax		8,883	4,401
		9,376	4,826
Deferred tax assets			
- property development and construction profits		(6,283)	(6,703)
- other deductible temporary differences		(698)	(442)
- unabsorbed tax losses		-	(211)
		(6,981)	(7,356)
		2,395	(2,530)
(a) Reconciliation			
The overall movement in the deferred tax account is as follows:			
Opening balance		(2,530)	499
Charge to profit or loss	*4*	4,947	(3,013)
Charge to equity		(22)	(16)
Closing balance		2,395	(2,530)
(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 1(m) occur			
- Unabsorbed tax losses		3,395	1,699
- Unabsorbed capital allowances		134	133

19. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2013 $'000	2012 $'000
CURRENT		
Trade payables	108,996	61,411
Sundry payables and accrued expenses	49,118	51,082
Amounts payable to non-controlling shareholders of a subsidiary company	8,036	-
Non-trade amount payable to directors and director related entities	17	11
	166,167	112,504
NON-CURRENT		
Amounts payable to non-controlling shareholders of subsidiary companies	19,163	23,047

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) Details of the terms and conditions of related parties are set out in note 28.

20. FINANCIAL LIABILITIES

	NOTES	CONSOLIDATED	
		2013 $'000	2012 $'000
CURRENT			
Secured liabilities			
Lease liabilities	23	2,170	1,271
Secured liabilities			
Term loans		132,695	125,568
		134,865	126,839
NON-CURRENT			
Secured liabilities			
Lease liabilities	23	3,703	2,708
Secured liabilities			
Long term loans		4,570	3,035
		8,273	5,743

Terms and conditions relating to the above financial instruments:

(i) In the previous year, the bridging loan was secured by a legal charge over a vacant commercial land and corporate guarantees by certain controlled entities. The interest rate ranged from 4.78% to 4.85%.

(ii) The revolving credit facility is secured by deeds of assignment over Sale and Purchase Agreements of strata-titled properties, a fixed and floating charge over freehold land, leasehold strata property and corporate guarantees by certain controlled entities. The interest rates ranging from 1.46% to 4.08% (2012: 1.46% to 4.98%).

(iii) The term loan is secured by a legal charge over a vacant commercial land and corporate guarantees by certain controlled entities. The interest rate is 4.85% (2012: 4.85%).

20. FINANCIAL LIABILITIES (CONT'D)

Assets pledged as security

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

	CONSOLIDATED	
	2013 $'000	2012 $'000
Current		
Fixed charge		
Inventories	12,425	25,425
Total current assets pledged as security	12,425	25,425
Non-current		
Fixed charge		
Investment properties	326,447	299,635
Property, plant and equipment	5,381	4,937
Finance leases		
Leased plant and equipment	6,057	3,609
Total non-current assets pledged as security	337,885	308,181
Total assets pledged	350,310	333,606

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.

21. SHARE CAPITAL

	2013 $'000	2012 $'000
(a) Issued and paid up capital		
Ordinary shares fully paid	55,974	32,292

	2013		2012	
	Number of shares	$'000	Number of shares	$'000
(b) Movements in shares on issue				
Balance at beginning of the year	1,070,351,034	32,292	1,017,041,997	94,174
Issued during the year				
- dividend re-investment plan	54,443,848	25,592	53,309,037	19,494
Buyback during the year	(3,949,434)	(1,910)	-	-
Capital repayment during the year	-	-	-	(81,376)
Balance at end of the year	1,120,845,448	55,974	1,070,351,034	32,292

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

21. SHARE CAPITAL (CONT'D)

The final dividend for year ended 31 December 2012 was paid on 31 May 2013. Some shareholders elected to take ordinary shares in lieu of cash, totaling 44,247,822 shares.

The interim dividend for year ended 31 December 2013 was paid on 4 November 2013. Some shareholders elected to take ordinary shares in lieu of cash, totaling 10,196,026 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.

(c) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2013, management paid dividends of $26,951,000 (2012:$20,542,000). Management's objective for dividend payments for 2014 to 2018 is to maintain the current level of dividends, assuming business and economic conditions allow.

Management has no current plans to issue further shares on the market. The Company has at present an on market share buyback scheme in operation.

Management monitors capital through the gearing ratio (net debt/total capital). The target for the Group's gearing ratio are between 10% to 25%. The gearing ratios based on continuing operations at 31 December 2013 and 2012 were as follows:

	CONSOLIDATED	
	2013 $'000	2012 $'000
Total borrowings*	328,468	268,133
Less: Cash and cash equivalents	(435,783)	(264,532)
Net (cash)/debt	(107,315)	3,601
Total equity	844,842	692,829
Total capital	737,527	696,430
Gearing ratio	-	0.52%

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

The Group is not subject to any externally imposed capital requirements

22. RESERVES

(a) Foreign Currency Translation Reserve

(i) Nature and purpose of reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements.

(ii) Movements in reserve

	CONSOLIDATED	
	2013 $'000	2012 $'000
Balance at beginning of the year	(34,242)	(42,471)
Currency translation differences	57,279	8,229
Balance at end of the year	23,037	(34,242)

(b) Other Reserve

(i) Nature and purpose of reserve

Other reserve records fair value changes of available for sale financial assets.

(ii) Movements in reserve

	CONSOLIDATED	
	2013 $'000	2012 $'000
Balance at beginning of the year	429	100
Currency translation differences	44	(4)
Net gain on available for sale financial assets	545	333
Balance at end of the year	1,018	429

23. CAPITAL AND LEASING COMMITMENTS

	NOTES	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
(a) Finance Lease Commitments			
Payable – minimum lease payments			
- not later than one year		2,458	1,474
- later than one year but not later than five years		3,929	2,895
Minimum lease payments		6,387	4,369
Less: future finance charges		(514)	(390)
Present value of minimum lease payments		5,873	3,979
Current liabilities	*20*	2,170	1,271
Non-current liabilities	*20*	3,703	2,708
		5,873	3,979

(b) Capital Commitments

The Group has the following capital commitments:

Purchase of land	$ 42,152,233
Property, plant and equipment	$ 6,730,851
Construction of investment properties	$ 71,090,842

24. EMPLOYEE BENEFITS

No provision for employee benefits have been made as all employees are required to clear any accrued leave by year end.

25. OPERATING SEGMENTS

	Investment		Land development and resale		Others		Elimination		Consolidated	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Segment revenue										
Sales to customers outside the group	-	-	410,015	249,674	-	-	-	-	410,015	249,674
Other revenues from customers outside the group	48,328	75,606	42,450	8,075	7,525	4,634	-	-	98,303	88,315
Inter segment revenue	143,578	76,766	190,987	138,987	409	126	(334,974)	(215,879)	-	-
Total revenue	191,906	152,372	643,452	396,736	7,934	4,760	(334,974)	(215,879)	508,318	337,989
Interest revenue	6,892	4,983	4,362	1,709	6	6	-	-	11,260	6,698
Finance costs	(5,281)	(5,078)	(1,691)	(1,302)	(1)	(1)	-	-	(6,973)	(6,381)
Depreciation and amortisation	(500)	(448)	(3,033)	(2,477)	(86)	(70)	-	-	(3,619)	(2,995)
Write off of assets	(3)	(10)	(5)	-	-	-	-	-	(8)	(10)
Increase in fair value of investment properties	9,665	42,173	12,046	-	-	-	-	-	21,711	42,173
Other non-cash income/(expenses)	4,459	3,359	(110)	(114)	-	-	-	-	4,349	3,245
Income tax expense	(18,772)	(5,659)	(42,103)	(25,008)	(528)	145	-	-	(61,403)	(30,522)
Segment net operating profit after tax	1,073	49,675	135,184	81,291	3,135	2,074	-	-	139,392	133,040

Reconciliation of segment net operating profit after tax to net profit before tax

Segment net operating profit after tax	139,392	133,040
Income tax expense	61,403	30,522
Gain on disposal of property, plant and equipment	15,947	113
Gain on disposal of available for sale financial assets	282	2
Result from equity accounted investments	2,129	251
Total net profit before tax per profit or loss	219,153	163,928

25. OPERATING SEGMENTS (CONT'D)

	Investment		Land development and resale		Others		Elimination		Consolidated	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Segment assets	759,206	689,351	845,528	619,822	4,813	2,446	-	-	1,609,547	1,311,619
Reconciliation of segment operating assets to total assets										
Segment operating assets									1,609,547	1,311,619
Available for sale financial assets									3,614	5,087
Deferred tax assets									6,981	7,356
Current tax assets									6,838	166
Total assets as per the statement of financial position									1,626,980	1,324,228
Investment in associates	8,218	6,428	-	-	-	-	-	-	8,218	6,428
Capital expenditure	9	94	6,407	4,363	42	384	-	-	6,458	4,841
Segment liabilities	158,924	137,962	166,812	127,660	2,732	2,511	-	-	328,468	268,133
Reconciliation of segment operating liabilities to total liabilities										
Segment operating liabilities									328,468	268,133
Deferred tax liabilities									9,376	4,826
Current tax liabilities									6,870	-
Total liabilities per the statement of financial position									344,714	272,959

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company's principal activities are land development and resale and investment properties which are held to generate rental income, capital appreciation or both. Land development and resale is predominately focused on residential and commercial developments in Malaysia.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

26. CASH FLOW INFORMATION

(a) Acquisition of Entities

During the year, the Group acquired 100% equity in Regenta Development Sdn Bhd, Seri Prima Development Sdn Bhd and Orient Housing Development Sdn Bhd for a total consideration of $3.

(b) Financing facilities available

Finance Lease Transactions

During the year, the Group acquired plant and equipment with an aggregate value of $3,410,000 (2012: $2,353,000) by means of finance leases.

Dividend Re-investment Plan

Under the terms of the dividend re-investment plan, dividends amounting to $25,592,160 (2012: $19,494,210) were paid via the issuance of the equivalent of 54,443,848 shares (please refer to Note 21) (2012: 53,309,037).

(c) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	NOTES	CONSOLIDATED	
		2013 $'000	2012 $'000
Total facilities			
- credit standby arrangements		18,818	14,169
- bank loans		224,324	185,089
Facilities used at reporting date			
- credit standby arrangements		3,096	2,710
- bank loans	*20*	137,265	128,603
Facilities unused at reporting date			
- credit standby arrangements		15,722	11,459
- bank loans		87,059	56,486

The major credit facilities are guarantees supplied by the bank, with the general terms and conditions being set and agreed annually. They may be drawn at any time.

The major loan facilities are revolving, term and bridging loans. The terms of the loans vary from one to five years and all carry variable interest rates.

The revolving, term and bridging loans are subject to periodic review and are repayable through redemption from the sale of property units.

Finance provided under all facilities provided the Company and the Group have not breached any borrowing requirements and the required financial ratios are met.

27. EVENTS AFTER THE REPORTING DATE

(a) On 26 February 2014, the directors of United Overseas Australia Ltd proposed a final dividend of 2.0 cents per ordinary shares (totalling $22,416,909) in respect of the financial year ended 31 December 2013. This dividend has not been provided for in the 31 December 2013 financial statements.

(b) The financial report was authorised for issue on 27 March 2014 by the Board of Directors at a Board Meeting held on 26 March 2014.

(c) On 28 January 2014, the Group acquired a 60% equity interest in Eureka Equity Sdn Bhd ("Eureka") for a cash consideration of $1,026,413. The principal activity of Eureka is property development and is currently dormant.

(d) On 24 January 2014, the Company through its wholly owned subsidiary, UOA Holdings Sdn Bhd, had entered into a letter of agreement to carry out due diligence on a proposed Myanmar development project. A formal share purchase agreement was signed on 3 March 2014 to acquire 80% of the shares in a Myanmar incorporated company, WA Minn Properties Development Company Limited. The acquisition is expected to take up to six months and is subject to regulatory and other approvals and fulfillment of other conditions.

(e) On 27 March 2014, the Company acquired a 100% equity interest in UOA Investments Pte Ltd for a cash consideration of $88. The principal activity is investment holding and is currently dormant.

28. RELATED PARTY TRANSACTIONS

(a) Other transactions of Directors of the Group

The Directors of the Group are entitled to the use of a corporate golf membership held by a controlled entity.

(b) Other related parties

The parent entity receives accounting and secretarial services from a company, Winduss & Associates. During the year, the fees paid to Winduss & Associates totalled $111,811 (2012: $109,340).

Entity with significant influence over the Group – Griyajaya Sdn Bhd

Griyajaya Sdn Bhd owns 30.84% (2012: 30.63%) of the ordinary shares in United Overseas Australia Ltd.

Employees

Contributions to superannuation funds on behalf of employees are disclosed in the Directors' Report.

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. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

Allowance for impairment loss on trade receivables

For the year ended 31 December 2013, the Group has not made any allowance for impairment loss relating to amounts owed by related parties as the payment history has been excellent (2012: Nil). An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such objective evidence exists, the Group recognises allowance for the impairment loss.

28. RELATED PARTY TRANSACTIONS (CONT'D)

Sale of residential properties to directors, key management personnel and their associates

In the financial year ended 31 December 2013, the following units were sold to the directors, key management personnel and their associates:

Purchaser	Project	Unit Number	Purchase Price ($)
Kong Pak Lim	Desa Green	DG1-28-06	175,229
Kong Pak Lim	Desa Green	DG2-27-01	197,465
Jennifer Kong Pei Ling	Desa Green	DG2-10-07	128,233
Wong Kiu Nguik @ Veronica Ong	Desa Green	DG2-15-02	191,939
Stephanie Kong Pei Zen	Desa Green	DG2-26-06	135,418
Lucas Kong Seng Luk	Desa Green	DG2-30-08	163,371
Kong Pak Nam	Desa Green	DG1-28-05	188,278
Timothy Kong Sieng Yung	Desa Green	DG2-16-12	186,020
Global Transact Sdn Bhd	South View	A-31-13A	193,204
Transmetro Sdn Bhd	Scenaria	S-B/08-09	237,988
Transmetro Sdn Bhd	Desa Green	DG1-28-01	179,044
Transmetro Sdn Bhd	Desa Green	DG1-29-01	179,044
Chan Cecelia & Christina Chan Swee Lee	Scenaria	S-B/07-09	236,992
Chan Cecelia	Desa Green	DG1-09-01	171,274
Chan Cecelia	South View	A-32-10	307,149
Chan Cecelia	South View	A-32-13A	193,204
Christina Chan Swee Lee	South View	A-30-13A	192,889

The sale of each property was conducted on an arm's length basis and on normal commercial terms.

At the date of this report, the following units were sold to the following persons:

Purchaser	Project	Unit Number	Purchase Price ($)
Wong Kiu Nguik @ Veronica Ong	The Park Residences	B-23A-2	660,257
Transmetro Sdn Bhd	Kencana Square	Lot 7	3,457,118
Tong Shaw Ping	Vertical II	07-07	309,665

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, bank loans, finance leases, hire purchase contracts, available for sale financial assets, short term investments, cash and short term deposits.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Board reviews and agrees on policies for managing each of these risks as summarised below.

Risk Exposures and Responses

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's long term debt obligations. The level of debt is disclosed in Note 20.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to a variable interest rate risk that are not designated in cash flow hedges:

	CONSOLIDATED	
	2013 $'000	2012 $'000
Financial Assets		
Cash and cash equivalents	435,783	264,532
Available for sale financial assets	3,614	5,087
	439,397	269,619
Financial liabilities		
Bank loans	(137,265)	(128,603)
Lease liabilities	(5,873)	(3,979)
	(143,138)	(132,582)
Net exposure	296,259	137,037

The Group's policy is to manage its finance costs using a mix of fixed and variable debt. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date:

	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Consolidated				
+ 1%	2,963	1,370	-	-
- 0.5%	(1,481)	(685)	-	-

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

Interest rate risk (cont'd)

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances. The movement in equity is due to an increase/decrease in the fair value of derivative instruments designated as cash flow hedges. The sensitivity is higher in 2013 than in 2012 due to the increase in borrowings which resulted in a higher net exposure position.

Foreign currency risk

As a result of significant operations in Malaysia and large purchases of inventory denominated in the Malaysian Ringgit ("MYR"), The Group's statement of financial position can be affected significantly by movements in the MYR/A$ exchange rates. The Group seeks to mitigate the effects of its foreign currency exposure by borrowing in Malaysian Ringgit.

At 31 December 2013, the Group had the following exposure to the Singapore Dollar ("SGD") foreign currency that is not designated in cash flow hedges:

	CONSOLIDATED	
	2013 $'000	2012 $'000
Financial Assets		
Cash and cash equivalents	27	79
Trade and other receivables	40	43
	67	122
Financial liabilities		
Trade and other payables	(73)	(47)
Interest bearing loans and borrowings	(2,763)	(2,606)
	(2,836)	(2,653)
Net exposure	(2,769)	(2,531)

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

As at 31 December 2013, had the SGD and A$ moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Consolidated				
+ 10%	(277)	(253)	-	-
- 5%	138	127	-	-

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

Foreign currency risk (cont'd)
The movements in profit in 2013 are less sensitive than in 2012 due to the lower levels of SGD cash and cash equivalents at reporting date.

Management believes the reporting date risk exposures are representative of the risk exposure inherent in the financial instruments.

Price risk
The Group's exposure to commodity and equity securities price risk is minimal.

Equity securities price risk arises from investments in equity securities. To limit this risk the Group diversifies its portfolio in accordance with limits set by the Board. The majority of the equity investments are of a high quality and are publicly traded on Bursa Malaysia. The price risk for both listed and unlisted securities is immaterial in terms of a possible impact on profit and loss to total equity and as such a sensitivity analysis has not been completed.

Credit risk
Credit risk arises from the financial assets of the Group, which comprises cash and cash equivalents, trade and other receivables and available for sale financial assets. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades substantially with third parties that are backed by loan facilities from financial institutions and such lenders have extended undertakings to the Group to honour payments when due.

The Group also trades with recognised, creditworthy third parties, and such collateral is not requested nor is it the Group's policy to securitize its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regularly monitored.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Group and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counter parties.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

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

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility though the use of bank overdrafts, finance leases and committed available credit lines.

As at 31 December 2013, 94% of the Group's debt will mature in less than one year (2012: 96%).

The table below reflects all contractually fixed pay-offs and receivables for settlement repayments and interest resulting from recognized financial assets and liabilities. The respective undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing as 31 December 2013.

The remaining contractual maturities of the Group's financial liabilities are:

	CONSOLIDATED	
	2013 $'000	2012 $'000
Less than 1 year	134,865	126,839
1 to 5 years	8,273	5,743
Over 5 years	-	-
	143,138	132,582

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Group's ongoing operations such as property, plant, equipment and investments in working capital e.g. inventories and trade receivables. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable effective controlling of future risks the Group has established comprehensive risk reporting covering its business units that reflect expectations of management of expected settlement to financial assets and liabilities.

CONSOLIDATED	< 1 year $'000	1 - 5 years $'000	> 5 years $'000	Total $'000
Financial Assets				
Cash and cash equivalents	435,783	-	-	435,783
Trade and other receivables	140,881	11,902	6,015	158,798
Available for sale financial assets	-	-	3,614	3,614
	576,664	11,902	9,629	598,195
Financial liabilities				
Trade and other payables	166,167	19,163	-	185,330
Interest bearing loans and borrowings	134,865	8,273	-	143,138
	301,032	27,436	-	328,468
Net maturity	275,632	(15,534)	9,629	269,727

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of United Overseas Australia Ltd, I state that:

(1) In the opinion of the directors:
   (a) the financial statements and notes of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2013 and of their performance for the year ended on that date; and
      (ii) complying with Accounting Standards and Corporations Regulations 2001; and

(2) The Chief Executive Officer and Chief Financial Officer have each declared that:
   (a) the financial records of the Company for the financial year have been properly maintained in accordance with Section 286 of the Corporations Act 2001;
   (b) the financial statements and notes for the financial year comply with Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view

(3) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Alan Charles Winduss
Director

Perth, Western Australia
26th March 2014

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Independent Auditor's Report
To the Members of United Overseas Australia Ltd

Report on the financial report

We have audited the accompanying financial report of United Overseas Australia Ltd (the "Company"), which comprises the consolidated statement of financial position as at 31 December 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion the financial report of United Overseas Australia Ltd is in accordance with the Corporations Act 2001, including:

i giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and

ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

iii the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 36 to 40 of the directors' report for the year ended 31 December 2013. 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.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of United Overseas Australia Ltd for the year ended 31 December 2013, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Partner - Audit & Assurance

Perth, 27 March 2014

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 19 March 2014.

(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 shares
1 – 1,000	48	9,261
1,001 – 5,000	90	233,702
5,001 – 10,000	86	720,039
10,001 – 100,000	219	8,606,050
100,001 And over*	118	1,111,276,396
	561	1,120,845,448

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

	Ordinary shares	
	Number of holders	Number of shares
1 – 952	47	8,261
953 – And over	514	1,120,837,187
	561	1,120,845,448

* Included in this figure is 644,152,231 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 #	644,152,231	57.47%
2	Transmetro Sdn Bhd	80,790,128	7.21%
3	Mahareno Sdn Bhd	69,480,664	6.20%
4	Transmetro Corporation Sdn Bhd	69,480,649	6.20%
5	Macrolantic Technology Sdn Bhd	69,480,649	6.20%
6	Wismara Sdn Bhd	44,960,934	4.01%
7	Amerena Sdn Bhd	28,843,852	2.57%
8	Accomplished Portfolio Sdn Bhd	23,777,533	2.12%
9	Wong Kiu Nguik	13,573,755	1.21%
10	Tan Sri Dato' Alwi Jantan	5,863,913	0.52%

(b) Twenty largest shareholders (cont'd)

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
11	Lay Hoon Koh	4,864,911	0.43%
12	Teng Meng Chan	4,390,000	0.39%
13	Colin Robert Macewan & Bronwyn Beder	3,800,000	0.34%
14	HSBC Custody Nominees (Australia) Limited	3,189,371	0.28%
15	W Joseph Hughes Nominees Pty Ltd	2,354,000	0.21%
16	Pershing Australia Nominees Pty Ltd	2,000,000	0.18%
17	Hegford Pty Ltd	1,891,115	0.16%
18	JP Morgan Nominees Australia Limited	1,752,898	0.16%
19	Citicorp Nominees Pty Limited	1,613,210	0.14%
20	Chow Fong Wong	1,564,847	0.14%
		1,077,824,660	96.16%

Included in this figure are entities with significant influence over the Group as follow:

		Number of shares
1	Griyajaya Sdn Bhd	345,688,549
2	Dream Legacy Sdn Bhd	139,920,079
3	Metrowana Development Sdn Bhd	96,577,034
		572,185,662

(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
Griyajaya Sdn Bhd	345,688,549
Dream Legacy Sdn Bhd	139,920,079
Metrowana Development Sdn Bhd	96,577,034
Transmetro Sdn Bhd	80,790,128
Mahareno Sdn Bhd	69,480,664
Transmetro Corporation Sdn Bhd	69,480,649
Macrolantic Technology Sdn Bhd	69,480,649
The Central Depository (Pte) Limited	644,152,231

(d) Voting rights

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

UNITED OVERSEAS AUSTRALIA LTD

ACN 009 245 890

NOTICE OF ANNUAL GENERAL MEETING

INCLUDING

EXPLANATORY STATEMENT

and

PROXY FORM

Date of Meeting:
Thursday, 29 May 2014

Time of Meeting:
10.00 am WST

Place of Meeting:
Wisma UOA Bangsar South
Tower 1, Avenue 3
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur Malaysia

IMPORTANT NOTICE

THE RESOLUTIONS PROPOSED FOR THIS MEETING ARE OF FUNDAMENTAL IMPORTANCE TO THE FUTURE OF YOUR COMPANY. IT IS RECOMMENDED THAT SHAREHOLDERS READ THIS NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT IN FULL, AND IF THERE IS ANY MATTER THAT YOU DO NOT UNDERSTAND, YOU SHOULD CONTACT YOUR FINANCIAL ADVISER, STOCKBROKER OR SOLICITOR FOR ADVICE.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of United Overseas Australia Ltd will be held at:

Wisma UOA Bangsar South
Tower 1, Avenue 3
The Horizon, Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur Malaysia

Commencing 10.00 am WST
Thursday, 29 May 2014

HOW TO VOTE

You may vote by attending the Meeting in person, by proxy or authorised representative.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above. The Meeting will commence at 10.00am.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - o the proxy is not recorded as attending the meeting;
  - o the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

IMPORTANT INFORMATION CONCERNING PROXY VOTES ON RESOLUTION 3

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory resolution to adopt the Company's Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. At this year's Annual General Meeting, these laws will impact on Resolutions 3.

If the Chairman is appointed, or taken to be appointed, as your proxy, you can direct the Chairman to vote 'for' or 'against', or 'abstain' from voting on, Resolution 3 on the Proxy Form. If you do not direct the Chairman how to vote on Resolutions 3, the Chairman may only be able to cast your votes on that Resolution if you mark the box on the Proxy Form expressly authorising them to do so. If you do not do so, you risk your vote not being cast.

If you appoint a member of Key Management Personnel of the Company (other than the Chairman) or their Closely Related Parties as your proxy, you must direct them how to vote on Resolution 3. If you do not do so, you risk your vote not being cast.

For these reasons, Shareholders are encouraged to closely review the instructions on the proxy form and are encouraged to direct their proxy as to how to vote on all resolutions.

VOTING ENTITLEMENTS

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that the shareholding of each person for the purposes of determining entitlements to attend and vote at the meeting will be the entitlement of that person set out in the Company's register as at 10.00 am WST on Tuesday, 27 May 2014. Accordingly, transactions registered after this time will be disregarded in determining entitlements to attend and vote at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of United Overseas Australia Ltd ("Company") will be held at Wisma UOA Bangsar South, Tower 1, Avenue 3, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia at 10.00am WST on Thursday, 29 May 2014.

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

Please note terms used in the Resolutions contained in this Notice of Annual General Meeting have the meaning given to them in the glossary contained in the Explanatory Statement.

BUSINESS

1. FINANCIAL REPORT

To receive and consider the Financial Statements, Directors' Report (including the Remuneration Report) and Auditor's Report for the Company and its Controlled Entities for the year ended 31 December 2013.

Note: There is no requirement for Shareholders to approve these reports.

ORDINARY BUSINESS – RESOLUTIONS

2. RESOLUTION 1 – RE-ELECTION OF MR ALAN WINDUSS AS A DIRECTOR

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution:**

"That Mr Alan Winduss, who retires as a Director of the Company in accordance with Clause 13.2 of the Company's constitution and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."

3. RESOLUTION 2 – RE-ELECTION OF MR CHEE SENG TEO AS A DIRECTOR

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution:**

"That Mr Chee Seng Teo, who retires as a Director of the Company in accordance with Clause 13.2 of the Company's constitution and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."

4. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, the following resolution as a **non-binding resolution:**

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 31 December 2013 be adopted."

Note: This resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the "voter") described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

  (i) does not specify the way the proxy is to vote on this Resolution; and

  (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

By order of the Board

A C Winduss
Company Secretary
Dated: 27 March 2014

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in United Overseas Australia Ltd in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Wisma UOA Bangsar South, Tower 1, Avenue 3, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 29th May 2014 at 10.00am WST.

The Directors recommend Shareholders read this Explanatory Statement and the Notice of Annual General Meeting in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Statement will, unless the context otherwise requires, have the meaning given to them in the glossary contained in this Explanatory Statement.

1. ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Section 317 of the Corporations Act requires the directors of the Company to lay before the Meeting the Financial Statements, Directors' Report (including the Remuneration Report) and the Auditor's report for the last financial year that ended before the AGM.

In accordance with section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to those reports but no formal resolution to adopt the reports will be put to Shareholders at the AGM (save for Resolution 3 for the adoption of the Remuneration Report).

Shareholders will be given an opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report. In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or the Company's auditor about the finances of the Company, may be submitted no later than 5 business days before the Meeting to the registered office of the Company.

A copy of the Annual Report 2013 is available at www.uoa.com.my within Financial Information in the Investor Relations section of the website.

2. RESOLUTION 1 & 2 - RE-ELECTION OF DIRECTORS – MR ALAN WINDUSS & MR CHEE SENG TEO

Clause 13.2 of the Company's Constitution requires that one third of the Company's board of directors, excluding the Managing Director, shall retire by rotation at the Company's annual general meeting every year, and if eligible may offer themselves for re-election. If the number of Directors is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A Director who retires by rotation under the Constitution is eligible for re-election.

Mr Winduss and Mr Teo retire from office in accordance with this requirement, and being eligible, seek re-election as a director of the Company.

A brief profile of Mr Winduss and Mr Teo is set out below:

Mr Alan Winduss

Mr Winduss is Chairman of the Company's Audit Committee and Nomination and Remuneration Committee and also serves as Company Secretary. He is a Director of Winduss & Associates Pty Ltd, Chartered Accountants. He has been involved in professional accounting and business advisory services for over 25 years, specialising in matters relating to corporate management, restructuring, corporate finance and corporate secretarial matters including ASX and ASIC compliance.

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

Mr Winduss is currently a Director of:

Advanced Share Registry Limited	ASX Listed
UOA REIT	Bursa Malaysia Securities Berhad Listed
UOA Development Bhd	Bursa Malaysia Securities Berhad Listed
Rescue Radio Corporation Limited	Unlisted

Mr Chee Seng Teo

Mr Teo Chee Seng holds a Bachelor of Laws (Hons) degree from the University of Singapore and has been a lawyer in Singapore private practice for more than 30 years. He is also a Notary Public.

Mr Teo acts as the legal consultant to Tzu Chi Foundation, Taiwan's biggest charity organisation which is also a United Nations NGO.

Mr Teo is a currently a Director of:

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

3. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

3.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the director's report contained in the Company's annual financial report for the financial year ended 31 December 2013.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. This Resolution is advisory only and does not bind the Directors or the Company.

3.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company **("Spill Resolution")** if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting **("Spill Meeting")** within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

3.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you intend to appoint a member of the Company's Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member:

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, **you must mark the acknowledgement on the Proxy Form to expressly authorise the Chairman to exercise his discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.**

If you appoint any other person as your proxy:

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

Glossary of Defined Terms

"Annual General Meeting" or "Meeting" means the meeting convened by this Notice.

"ASX" means ASX Limited means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited

"Board" means the board of Directors of the Company.

"Chair" means the chair of the Meeting.

"Closely Related Party" of a member of the Key Management Personnel means:

(a) a spouse or child of the member; or
(b) a child of the member's spouse; or
(c) a dependent of the member or the member's spouse; or
(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company; or
(e) a company the member controls; or
(f) a person prescribed by the Corporations Regulations 2001 (Cth).

"Company" and "United Overseas Australia Ltd" means United Overseas Australia Ltd (ACN 009 245 890).

"Constitution" means the constitution of the Company.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Director" means a current director or alternate director of the Company.

"Explanatory Statement" means the explanatory Statement attached to this Notice.

"Key Management Personnel" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

"Listing Rules" means the Official Listing Rules of ASX.

"Notice", **"Notice of Meeting"** and **"Notice of Annual General Meeting"** means the notice of meeting which accompanies this Explanatory Statement and Proxy Form;

"Ordinary Securities" has the meaning set out in the Listing Rules.

"Proxy Form" means the proxy form accompanying this Notice.

"Remuneration Report" means the remuneration report prepared in accordance with section 300A of the Corporations Act for the financial year ended 31 December 2013.

"Share" means a fully paid ordinary share in the capital of the Company.

"Shareholder" means a registered holder of a Share.

"WST" means Australian Western Standard Time.

United Overseas Australia Ltd

PROXY FORM

Lodge your Proxy Form:

By Mail:
PO Box 1788
OSBORNE PARK DC 6916

Alternatively you can fax your form to Facsimile: +61 9217 9899

For all enquiries call:
Telephone: +61 9217 9800

I/We

of

being a registered Shareholder of United Overseas Australia Limited and entitled to attend and vote at the Annual General Meeting, hereby appoint:

☐ **the Chair of the Annual General Meeting (mark with an "X");**

OR

Name of proxy
(If this person is someone other than the Chairperson of the meeting)

or failing the person so named, or if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws, as the proxy sees fit, at the Annual General Meeting of the Company to be held at 10.00am, on Thursday, 29 May 2014 at Wisma UOA Bangsar South, Tower 1, Avenue 3, The Horizon, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia and at any adjournment of that meeting.

Voting Directions to Your Proxy on Business of the Annual General Meeting

Please mark an "X"in the box to indicate your voting directions to your Proxy

	FOR	AGAINST	ABSTAIN
Resolution 1 – Re-Election of Mr Alan Winduss as a Director	☐	☐	☐
Resolution 2 - Re-Election of Mr Chee Seng Teo as a Director	☐	☐	☐
Resolution 3 – Adoption of Remuneration Report	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Important for Resolution 3
If you have not directed your proxy how to vote as your proxy in respect of Resolution 3 and the Chair is, or may by default be, appointed your proxy, **you must mark the box below.**

☐ I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 3 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolution 3 and that votes cast by the Chair for Resolution 3 other than as proxy holder would be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 3.
If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member **Date:** _____

Individual or Member 1	Member 2	Member 3
Sole Director/Company Secretary	Director	Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

UNITED OVERSEAS AUSTRALIA LTD
ACN 009 245 890

Instructions for Completing Proxy Form

1. **(Appointing a Proxy**): A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.

2. **(Direction to Vote)**: A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

3. **(Signing Instructions)**:

   - **(Individual)**: Where the holding is in one name, the member must sign.

   - **(Joint Holding)**: Where the holding is in more than one name, all of the members should sign.

   - **(Power of Attorney)**: If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

   - **(Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. **(Attending the Meeting)**: Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

5. **(Appointment of Representative)**: A body corporate Shareholder may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, the Company requires written proof of the representative's appointment to be lodged with or presented to the Company before the Meeting.

6. **(Undirected Proxies)**: In respect of Resolution 3, Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on Resolution 3"

7. **(Return of Proxy Form)**: To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   (a) Post to PO Box 1788, Osborne Park DC WA 6916

   (b) Facsimile to +61 8 9217 9899

so that it is received not less than 48 hours prior to commencement of the Meeting being 10.00am, Tuesday, 27 May 2014.

Proxy forms received later than this time will be invalid.

UNITED OVERSEAS AUSTRALIA LTD
Wisma UOA Bangsar South
Tower 1, Avenue 3, The Horizon
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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www.uoa.com.my