United Overseas Australia Ltd

ANNUAL REPORT

2020

Cover:

Featuring unique dining concepts amidst 16 acres of verdant greenery, Bamboo Hills is located within a larger 26-acre mixed-use Jalan Ipoh development. Its hip and modern concept is centred around having lush bamboo landscape, unique dining pavilions and vast outdoor spaces just minutes from the city centre.

Contents

Corporate Directory

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

DIRECTORS
Mr. Alan Charles Winduss
(Non-Executive Chairman)
Mr. Chong Soon Kong
(Managing Director)
Mr. Pak Lim Kong
(Executive Director)
Mr. Chee Seng Teo
Ms. May Chee Kong
(alternate for C.S. Kong)

COMPANY SECRETARY
Mr. Alan Charles Winduss

ASX CODE
UOS

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PRINCIPAL PLACE OF MANAGEMENT
UOA Corporate Tower
Lobby A, Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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

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

From the Office of Managing Director

Dear Valued Shareholders,

I am pleased to report that the Company has recorded a positive result in a very challenging marketplace for the financial year ended 31 December 2020.

Emphasis has again been placed on residential developments to meet consumer demand in the mid-price residential market. Operations and growth have been curtailed by the effects of the current COVID-19 pandemic, both in our core construction and development operations as well as hotel conference and event operations under the hospitality division.

I am confident that as the COVID-19 pandemic is brought under control operations will revert to normal.

After minority interests and taxation, a profit of $97.3 million is attributable to shareholders of United Overseas Australia Ltd. This is an increase of 6.1% in comparison to the results for year ended 31 December 2019.

The Board of Directors has resolved to declare a final dividend of 2c (unfranked) for the year ended 31 December 2020.

Together with the Board of Directors and the Senior Management, I would like to express sincere appreciation to our customers, shareholders, business associates and staff for their support over the past year.

The Company will continue in its endeavours to deliver value to our shareholders in year 2021.

Thank you.

C.S. Kong
Managing Director

Executive Director's Review of Operations

The year ended 31 December 2020 has been one of a profitable operations for the Group albeit in a very difficult market, allowing it to continue to retain a strong and positive balance sheet.

REVIEW OF OPERATIONS

Australia

East Parade Condominiums

The company currently has 15 units, some of which have been rented out. All units rented or vacant are for sale.

Leederville

Refurbishment of the buildings and grounds was completed in January 2020. The buildings are currently 60% occupied, and the company is encouraged with enquiries being received for the balance of space remaining.

Vietnam

UOA Vietnam Tower has received all permits required for Certificate of Completion from the relevant authorities in December 2020.

Leasing activities are currently being vigorously pursued albeit in a difficult market. With the COVID-19 pandemic many international companies have slowed down their activities and expansion into Asian countries.

Malaysia

UOA Development Bhd and its subsidiaries (the "Group") continued to deliver positive results for financial year 2020. As at 31 December 2020, the Group achieved a total revenue of $290.6 million and profit after tax of $137.5 million.

UOA Tower, Vietnam

UOA Development Bhd

A full set of Financial Statements and Reports for year ended 31 December 2020 can be downloaded at www.uoadev.com.my. UOA Development Bhd is 71.00% owned.

UOA Real Estate Investment Trust

A full set of Financial Statements and Reports for year ended 31 December 2020 can be downloaded at www.uoareit.com.my. UOA Real Estate Investment Trust is 34.05% owned.

The Horizon, Bangsar South

SNAPSHOT OF CURRENT COMPLETED DEVELOPMENTS

In 2020, United Point Residence and the first phase of Sentul Point were completed. United Point Residence is located in Kepong and is complemented by easy access to major expressways and public transportation infrastructure. This development comprises 2,509 units of residences together with a commercial complex. The residential units have been delivered to the purchasers and the commercial complex, which forms part of the Group's investment properties, is currently being leased.

Sentul Point which is located in the district of Sentul consists of 3 blocks of residences, 2,352 units of serviced apartments and 142 units of retail shops. The first phase of Sentul Point was completed in the second half of 2020. The two projects have a combined gross development value of AUD $966.56 million.

The second phase of this development is expected to be completed in 2021.

South Link is a project located within the Bangsar South precinct and is situated adjacent to South View Serviced Apartments and Komune Living. This project comprises 1 block of 44-storey freehold lifestyle apartments with 1,422 units together with a 2-storey lifestyle retail podium. It is scheduled to be completed in year 2022.

The Goodwood Residence located within Bangsar South is a project that consists of 1 block of a 40-storey residential tower with 678 units which focuses on multi-generational living. The two projects have a combined total GDV of AUD $370.51 million.

United Point Residence

South Link Lifestyle Apartments

Sentul Point Suite Apartments

The Goodwood Residence, Bangsar South

Executive Director's Review Of Operations
(Continued)

Bandar Tun Razak Development

Located within the matured township of Sri Petaling is a residential project, Aster Green Residence. This is supported by ample amenities all located within close proximity. This project consists of a single block of 440 residential units along with some commercial areas.

Bandar Tun Razak development is a project located in the township of Cheras, approximately 11 kilometers from Kuala Lumpur City Centre. This project is intended to be residences having an emphasis on wellness and medical services. The project commenced its construction in year 2020.

Another notable project is the Jalan Ipoh development. The construction for the commercial area has commenced. The two developments have an anticipated combined GDV of AUD $2.03 billion.

Aster Green Residence

Bangsar South

FUTURE DEVELOPMENTS

Given the current COVID-19 pandemic situation where the property market continues to be uncertain, there is no confirmed timeline for future project launches. The Group continues its planning for future development projects in locations such as Bangsar South and Sri Petaling. The future launches will be timed carefully in line with the country's economic recovery.

The Group maintains its focus on development at targeted geographical locations while exploring for strategic development lands that meet the objective of the Group.

The Sphere, Bangsar South

Directors' Report

The Directors present their report together with the Financial Report of United Overseas Australia Ltd (the Company) and of the Group, being the Company, its subsidiaries and the Group's interest in any jointly controlled entities for the financial year ended 31 December 2020 together with the report of the Company's Auditors.

Name	Current Occupation/Position
Alan Charles Winduss	Non-Executive Chairman/Independent Director
Chong Soon Kong @ Chi Suim	Managing Director
Pak Lim Kong	Executive Director
Terence Teo Chee Seng	Independent Director
May Chee Kong	Alternate Director to Chong Soon Kong @ Chi Suim

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

Alan Charles Winduss (Non-Executive Chairman/ Independent Director)

Alan Charles Winduss, Australian, male, aged 80 is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee. He is a Director of Winduss & Associates Pty Ltd Chartered Accountants. He has been involved in professional Public Practice for over 33 years, specialising in matters relating to corporate management, restructuring, corporate finance and company secretarial matters including the Australian Securities Exchange ("ASX") and the Australian Securities Exchange and Investments Commission compliance. The accounting practice of Winduss & Associates Pty Ltd lists among its field of expertise matters relating to property development, management, and ownership.

Mr. Winduss sits on the Board of two companies listed on the ASX and serves on the board of Australian incorporated private limited companies. He is the independent, Non-Executive Chairman of UOA Asset Management Sdn Bhd which is the Manager for the UOA Real Estate Investment Trust and UOA Development Bhd.

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 a registered Australian Company Auditor.

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

Mr. Winduss is a Director of:

Advanced Share Registry Limited	ASX Listed
UOA Real Estate Investment Trust	Bursa Malaysia Securities Berhad Listed
UOA Development Bhd	Bursa Malaysia Securities Berhad Listed

Chong Soon Kong @ Chi Suim (Managing Director)

Chong Soon Kong @ Chi Suim, Malaysian, male, aged 80, is responsible for the overall group management and strategy development. He has over 36 years of experience in the construction and property development industries, both in Malaysia and Singapore. He played a key role as Project Advisor to the Harapan group of companies where he was instrumental in overseeing the successful construction of three internationally-rated hotels in Singapore, namely Hotel Meridien, Glass Hotel and Changi Meridien Hotel, valued in excess of SGD866.0 million, during the 1970s and 1980s.

In 1987, Mr. Kong co-founded United Overseas Australia Ltd ("UOA" or "Parent Group") and spearheaded our Parent Group's rapid growth in Malaysia. Over the last 31 years, our Parent Group together with other Group members have successfully completed numerous residential, industrial and commercial developments in various parts of Kuala Lumpur. He has in the past served in various capacities in several public-listed companies both in Malaysia and Singapore which included Raleigh Bhd, Town and City Properties Ltd and Tuan Sing Holdings Ltd.

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

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

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

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

Mr. Kong is a Director of:

UOA Development Bhd	Bursa Malaysia Securities Berhad Listed

Pak Lim Kong (Executive Director)

Pak Lim Kong, Malaysian, male, aged 68, oversees the planning and design of the Group's commercial and residential projects and is also responsible for the identification and negotiation of all new land acquisitions.

Mr. Kong has over 41 years of experience in the construction, mining and property development industries in both Malaysia and Australia. He has worked extensively in various capacities in Australia, among them as Project Engineer in Davis Wemco in charge of mining design, construction and material handling and as a Director of Ferro Engineering Pty Ltd responsible for structural and mechanical fabrication of oil & gas and mining equipment.

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

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

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

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

Mr. Kong is a Director of:

UOA Development Bhd	Bursa Malaysia Securities Berhad Listed

Directors' Report
(Continued)

Terence Teo Chee Seng (Independent Non-Executive Director)

Mr. Chee Seng Teo, Singaporean, male, aged 66, is an Independent Non-Executive Director of the Company. He is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

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

Mr. Teo is a Director of:

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

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

May Chee Kong, Singaporean, female, aged 47, is the Alternate Director for Chong Soon Kong @ Chi Suim.

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

Company Secretary

Alan Charles Winduss

Director	Director's Meetings		Audit and Risk Management Committee		Nomination and Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
A C Winduss	5	5	4	4	4	4
C S Kong	5	5	-	-	-	-
P L Kong	5	5	4	4	4	4
C S Teo	5	5	4	4	4	4

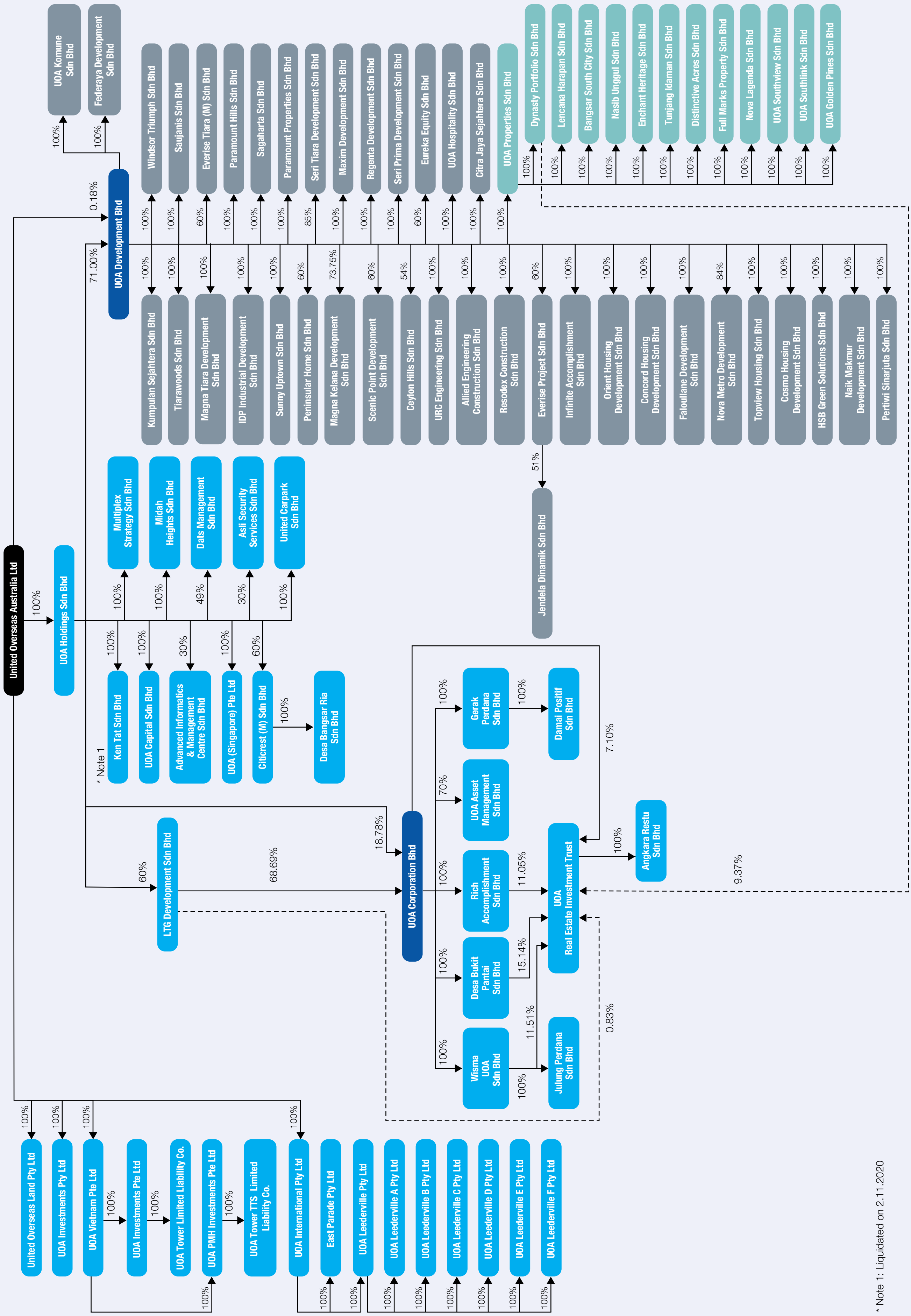
Corporate Governance Statement

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

Dividends	Cents
Final dividend recommended	
• On ordinary shares	2.0
Dividends paid in the year	
Interim for the year	
• On ordinary shares	NIL
Final for 2019 shown as recommended in the 2019 report	
• On ordinary shares	2.0

Directors' Report
(Continued)

UOA GROUP - Corporate Structure



* Note 1: Liquidated on 2.11.2020

Nature of Operations and Principal Activities of The Group

The principal activities during the year of the members of the consolidated entities were:

- Development and resale of land and buildings
- Investment in the form of rental properties
- Investment in the UOA Real Estate Investment Trust
- Operation of hotels and food and beverages outlets
- Rental of co-sharing office facilities

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

Employees

The consolidated entity employed 1,511 employees as at 31 December 2020 (2019: 1,795).

Review and Results of Operations

Group Overview

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

UOA Development Bhd

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

At the date of this report United Overseas Australia Ltd has a direct equity interest of 0.18% and an indirect interest of 71.00% (via UOA Holdings Sdn Bhd) in UOA Development Bhd.

UOA Real Estate Investment Trust

As at 31 December 2020, the Group has an effective equity holding of 34.05% in the Trust.

Directors' Report
(Continued)

	2020 Revenue ($000)	2020 Results ($000)	2019 Revenue ($000)	2019 Results ($000)
Summarised Operating Results are as follows:				
Operating Segments				
Land Development and Sale	483,936	97,710	682,381	107,544
Investment	366,056	36,252	302,896	20,957
Other	15,075	10,713	22,139	11,291
	865,067	144,675	1,007,416	139,792
Consolidated adjustments	(445,513)	-	(475,084)	-
Non-segment unallocated revenue	-	-	-	-
	419,554	144,675	532,332	139,742

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

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

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

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

Shareholder Returns

After consideration of the final profit for the year ended 31 December 2020, the Board proposed the payment of the final dividend of 2.0 cents, making a total for the year of 2.0 cents. The final dividend will be eligible for participation in the Company's Dividend Reinvestment Plan.

	2020	2019	2018	2017
Basic earnings per share (cents)	6.56	6.32	7.22	8.42
Return on assets (%)	12.75	16.66	20.19	17.36
Return on equity (%)	11.87	12.72	13.97	17.56
Net debt/equity ratio (%)	16.49	8.33	8.81	13.58

Cash Flows from Operations

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

Liquidity and Funding

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

Risk Management

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

Dividends

In respect of the current year, a final dividend for year ended 31 December 2019 of $29,602,647 (2.0 cents per share) was paid on 9 June 2020.

After the reporting date, the Board has proposed the payment of a final dividend of $29,700,956 (2.0 cents per share) to be paid on 4 June 2021 (2019: $29,602,647).

Significant Events During The Financial Year And After The Reporting Date

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

Likely Development and Results

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

Share Capital

During the year 4,915,469 shares were issued under the Company's Dividend Reinvestment Plan, refer Note 24.

Indemnities given to, and insurance premiums paid for, directors and officers

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

Indemnities given to, and insurance premiums paid for, auditors and officers

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

Environmental Legislation

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

There has been no breach of regulations.

Remuneration Report (Audited)

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

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

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

a Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high-performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment marketplace to support the attraction, motivation and retention of executive talent.

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

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

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

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

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

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

Short Term Incentive (STI)

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

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

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

Performance areas

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

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

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

Voting and comments made at the Company's last Annual General Meeting

The Company received 100% of 'yes' votes on its Remuneration Report for the financial year ended 31 December 2019. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Consequences of performance on shareholder wealth

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

	2020	**2019**	**2018**	**2017**	**2016**
EPS (cents)	6.52	6.32	7.22	8.42	12.77
Dividends (cents per share)	2.0	2.5	2.5	3.0	3.0
Net profit ($'000)	145,171	140,029	160,220	175,762	249,557
Share price ($)	0.77	0.88	0.68	0.64	0.63

b Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel (KMP) of United Overseas Australia Ltd are shown in the table below:

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

* Chief Operating Officer (COO)

b Details of remuneration (continued)

Year Ended 31 December 2019	Date of Appointment	Base Fee $	Bonus $	Equivalent Superannuation Fund $	Non-Monetary Benefits $	Others Allowance $	Total $	Performance Related (%)
Non-Executive Directors								
A C Winduss	05/12/1990	58,361	-	-	-	6,408	64,769	-
Independent								
C S Teo	11/06/2008	41,686	-	-	-	2,779	44,465	-
Independent								
M C Kong	01/08/2000	41,469	6,911	8,234	-	-	56,614	12
Alternate/Non-Independent								
Sub Total Non-Executive Directors		141,516	6,911	8,234	-	9,187	165,848	
Executive Directors								
C S Kong	01/07/1989	655,001	1,155,770	215,205	5,558	25,616	2,057,150	56
Managing Director								
P L Kong	17/06/1987	655,001	1,155,770	215,205	8,546	21,971	2,056,493	56
Executive Director								
Other Key Management Personnel ("KMP")								
E P Tong	01/01/1988	287,215	182,358	56,557	16,528	11,724	554,382	33
COO* (Construction)								
C Chan	01/09/1992	175,640	139,398	206	2,293	7,087	324,624	43
Property Director								
K I Ang	16/03/1994	324,312	302,731	75,567	5,558	1,362	709,530	43
Chief Financial Officer								
S C Kong	09/10/2006	187,650	107,193	36,804	7,130	9,234	348,011	31
CEO (UOA REIT)								
B H Ng	17/06/2014	202,223	112,346	38,040	4,759	-	357,368	31
COO* (Planning)								
Sub Total Executive KMP		2,487,042	3,155,566	637,584	50,372	76,994	6,407,558	
TOTAL		2,628,558	3,162,477	645,818	50,372	86,181	6,573,406	

Directors' Report
(Continued)

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

Name	Fixed Remuneration $	At Risk - STI $	At Risk - Options $
Executive Directors			
C S Kong	506,192	1,277,545	-
P L Kong	506,192	1,277,545	-
Other Key Management Personnel			
E P Tong	138,726	35,561	-
C Chan	160,924	86,986	-
K I Ang	310,921	275,537	-
S C Kong	180,651	85,156	-
B H Ng	190,971	100,151	-

c Service agreements

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

Name	Base salary $	Term of agreement	Notice period
Executive Directors			
C S Kong	506,192	Unspecified	Unspecified
P L Kong	506,192	Unspecified	Unspecified
Other Key Management Personnel			
E P Tong	138,726	Unspecified	6 months
C Chan	160,924	Unspecified	6 months
K I Ang	310,921	Unspecified	6 months
S C Kong	180,651	Unspecified	6 months
B H Ng	190,971	Unspecified	6 months

d Bonuses included in remuneration

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

Name	Included in Remuneration $	Percentage Vested During the Year %	Percentage Forfeited During the Year %
Executive Directors			
C S Kong	1,277,545	100	-
P L Kong	1,277,545	100	-
Other Key Management Personnel			
E P Tong	35,561	100	-
C Chan	86,986	100	-
K I Ang	275,537	100	-
S C Kong	85,156	100	-
B H Ng	100,151	100	-

To align with the strategic priorities and financial targets of the Group and overall shareholder value, the performance criteria for Executive Directors (C S Kong and P L Kong) bonuses are based on 0.7% of the previous year's realised profit after tax and non-controlling interests of UOA Development Bhd and its controlled entities, which is the main operating group of companies within the overall United Overseas Australia Ltd Group, the bonuses for the Executive Directors are paid in the following year in three tranches.

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

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

Directors' Report
(Continued)

e Other information

Shares held by Other Key Management Personnel

The number of ordinary shares in the Company during the 2020 reporting period held by each of the Group's key management personnel, including their related parties, is set out below.

Parent Entity Directors	Balance at start of year	Granted as remuneration	Received on exercise	Acquisition/ (Disposal)	Held at the end of reporting period
Direct interest					
Mr. A C Winduss	54,911	-	-	10,052	64,963
Mr. C S Kong	176,628	-	-	1,705,620	1,882,248
Ms. M C Kong	486,008	-	-	15,043	501,051
Mr. C S Teo	172,411	-	-	5,337	177,748
	889,958	-	-	1,736,052	2,626,010
Indirect interest					
Mr. A C Winduss	2,009,781	-	-	-	2,009,781
Mr. C S Kong	1,080,945,478	-	-	62,492	1,081,007,970
Mr. P L Kong	828,184,715	-	-	3,755	828,188,470
Ms. M C Kong	93,041,368	-	-	-	93,041,368
	2,004,181,342	-	-	66,247	2,004,247,589
Other Key Management Personnel					
Direct interest					
Mr. E P Tong	14,305	-	-	443	14,748
Ms. K I Ang	471,686	-	-	-	471,686
Ms. C Chan	1,560,727	-	-	48,305	1,609,032
Mr. S C Kong	627,717	-	-	19,428	647,145
	2,674,435	-	-	68,176	2,742,611
Indirect interest					
Mr. E P Tong	6,514,596	-	-	-	6,514,596
Ms. K I Ang	21,883	-	-	678	22,561
	6,536,479	-	-	678	6,537,157

Other transactions with Key Management Personnel

The parent entity receives accounting and secretarial services from a company, Winduss & Associates. During the year, the fees paid to Winduss & Associates totalled $251,456 (2019: $268,571).

The parent entity receives registry services from Advanced Share Registry. During the year, the fees paid to Advanced Share Registry totalled $39,651 (2019: $42,967). Mr. A C Winduss is currently a Director of Advanced Share Registry.

End of Remuneration Report

Non-Audit Services

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

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

Auditors Independence Declaration

The Lead Auditor's Independence Declaration for the year ended 31 December 2020 has been received and can be found on page 24 of the Directors' Report.

Proceedings on Behalf of the Company

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

Rounding of Amounts

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

Signed in accordance with a Resolution of the Directors

Alan Charles Winduss
Director
Perth, March 25 2021

Grant Thornton

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Auditor's Independence Declaration

To the Directors of United Overseas Australia Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of United Overseas Australia Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 25 March 2021

Financial Statements

The Sphere, Bangsar South

Statement
of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 December 2020

	Notes	CONSOLIDATED 2020 $'000	2019 $'000
Property and construction revenue	5	292,545	387,213
Cost of sales	6	(168,770)	(243,261)
Gross profit		123,775	143,952
Other revenues	6	94,101	132,450
Other income	6	32,908	12,669
Impairment losses of financial assets		(610)	(895)
General and administrative expenses	6	(78,305)	(100,343)
Foreign exchange loss		(1,290)	(366)
Share of profit of associate companies		379	14
Finance income		9,862	12,909
Finance costs	6	(3,762)	(5,764)
Profit before income tax		177,058	194,626
Income tax expense	7	(31,887)	(54,597)
Profit for the year		145,171	140,029
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to the profit or loss			
Exchange differences on translating foreign operations		(122,490)	25,188
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income		859	1,573
Other comprehensive (loss)/income for the year		(121,631)	26,761
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		23,540	166,790
Profit attributable to:			
Owners of the parent		97,343	91,789
Non-controlling interest		47,828	48,240
		145,171	140,029
Total comprehensive (loss)/income attributable to:			
Owners of the parent		(24,488)	118,095
Non-controlling interest		48,028	48,695
		23,540	166,790
Earnings per share (cents per share)			
- basic for profit for the year	8	6.56	6.32
- diluted for profit for the year	8	6.56	6.32
Unfranked dividends per share (cents per share)	9	2.0	2.5

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2020

	Notes	CONSOLIDATED 2020 $'000	2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	629,848	407,294
Trade and other receivables	13	114,534	105,902
Contract assets	14	59,747	98,105
Amount owing by associate companies		1,079	1,169
Inventories	15	442,161	521,302
Current tax assets		14,696	24,370
Total current assets		1,262,065	1,158,142
Non-current assets			
Property, plant and equipment	17	141,900	160,148
Investment properties	18	1,104,608	1,113,424
Inventories	15	202,823	207,428
Investment in associates	19	603	260
Equity investments	20	8,105	7,721
Other receivables	13	20,056	27,543
Goodwill		133	133
Deferred tax assets	21	19,536	20,363
Total non-current assets		1,497,764	1,537,020
TOTAL ASSETS		2,759,829	2,695,162
LIABILITIES			
Current liabilities			
Trade and other payables	22	176,431	184,819
Amount owing to associate companies		426	237
Other financial liabilities	23	228,970	117,332
Current tax liabilities		11,502	13,451
Total current liabilities		417,329	315,839
Non-current liabilities			
Other payables	22	4,474	3,888
Other financial liabilities	23	21,823	13,830
Deferred tax liabilities	21	21,679	37,108
Total non-current liabilities		47,976	54,826
TOTAL LIABILITIES		465,305	370,665
NET ASSETS		2,294,524	2,324,497
EQUITY			
Parent entity interest			
Share capital	24	260,651	257,475
Reserves	25	(34,795)	87,036
Retained earnings		1,294,914	1,230,594
Total attributable to owners of parent		1,520,770	1,575,105
Total non-controlling interest	16	773,754	749,392
TOTAL EQUITY		2,294,524	2,324,497

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the Year Ended 31 December 2020

	Notes	CONSOLIDATED 2020 $'000	CONSOLIDATED 2019 $'000
Cash flows from operating activities			
Profit before income tax		177,058	194,626
Adjustments for :			
Impairment losses of financial assets		681	895
Depreciation of property, plant and equipment		7,696	7,733
Dividend income		(123)	(143)
Fair value adjustment on investment properties		(32,791)	(12,446)
Finance costs		3,762	5,764
Foreign currency loss		975	323
Gain on disposal of equity investments		-	(211)
Gain on disposal of property, plant and equipment		(117)	(12)
Interest income		(9,862)	(12,909)
Loss on derecognition of a subsidiary company		-	2,449
Property, plant and equipment written off		156	77
Share of profit of associate companies		(379)	(14)
Operating profit before working capital changes		147,056	186,132
Decrease in inventories		15,744	27,930
(Increase)/Decrease in receivables		(12,850)	83,066
Decrease in contract assets		32,885	4,877
Increase/(Decrease) in payables		8,950	(41,203)
Cash from operations		191,785	260,802
Interest paid		(4,485)	(7,041)
Interest received		9,704	12,683
Income taxes paid		(38,759)	(51,805)
Net cash generated from operating activities		158,245	214,639

Statement of Cash Flows
for the Year Ended 31 December 2020
(Continued)

	Notes	CONSOLIDATED 2020 $'000	2019 $'000
Cash flows from investing activities			
Acquisition of additional shares in existing subsidiaries		76,400	-
Acquisition of additional shares in an associate company		(9)	-
Dividend received		123	143
Payment for purchase of equity investments		(34)	(3,478)
Payment for purchase of investment properties		(26,598)	(67,661)
Payment for purchase of property, plant and equipment		(5,711)	(21,485)
Proceeds from partial disposal of shares in a subsidiary company		-	11,721
Proceeds from sale of equity investments		-	605
Proceeds from sale of property, plant and equipment		156	97
Advances to an associate company		-	(180)
Derecognition of a subsidiary company, net of cash		-	(4,979)
Net cash generated from/(used in) investing activities		44,327	(85,217)
Cash flows from financing activities			
Repayment to other entities		(1,824)	(4,638)
(Repayment to)/advances from associate companies		(1,081)	566
Dividends paid to non-controlling shareholders of subsidiary companies		(53,905)	(66,288)
Dividends paid to owners of the Company		(26,427)	(1,339)
Issue of shares of a subsidiary to non-controlling shareholders		13,805	21,778
Payment of lease liabilities		(459)	(948)
Drawdown of borrowings		249,271	27,726
Repayment of borrowings		(109,838)	(26,774)
Net cash generated from/(used in) financing activities		69,542	(49,917)
Net increase in cash and cash equivalents		272,114	79,505
Cash and cash equivalents at beginning of year		407,294	322,558
Net foreign exchange differences		(49,560)	5,231
Cash and cash equivalents at end of year		629,848	407,294

Statement of Changes in Equity

for the Year Ended 31 December 2020

	Attributable to owners of parent						
	Share capital $'000	Retained earnings $'000	Foreign exchange reserves $'000	Other reserve $'000	Total $'000	Non-Controlling Interests $'000	Total equity $'000
Balance at 1 January 2019	222,910	1,176,447	61,087	(357)	1,460,087	721,417	2,181,504
Dividends paid	-	(35,904)	-	-	(35,904)	(66,288)	(102,192)
Shares issued during the year							
- dividend re-investment plan	34,565	-	-	-	34,565	-	34,565
Other changes in non-controlling interests	-	-	-	-	-	12,888	12,888
Change in stake	-	(1,738)	-	-	(1,738)	32,680	30,942
Transaction with owners	**257,475**	**1,138,805**	**61,087**	**(357)**	**1,457,010**	**700,697**	**2,157,707**
Profit for the year	-	91,789	-	-	91,789	48,240	140,029
Other comprehensive income:							
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	1,118	1,118	455	1,573
Exchange differences on translation of foreign operations	-	-	25,188	-	25,188	-	25,188
Total comprehensive income for the year	**-**	**91,789**	**25,188**	**1,118**	**118,095**	**48,695**	**166,790**
Balance at 31 December 2019	**257,475**	**1,230,594**	**86,275**	**761**	**1,575,105**	**749,392**	**2,324,497**

Statement of Changes in Equity
for the Year Ended 31 December 2020
(Continued)

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

The accompanying notes form part of these financial statements.

Notes
to the Financial Statements
for the Year Ended 31 December 2020

1. NATURE OF OPERATIONS

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

2. GENERAL INFORMATION AND BASIS OF PREPARATION

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

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

The consolidated financial statements for the year ended 31 December 2020 were approved and authorised for issue by the Board of Directors on 25 March 2021.

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted new accounting pronouncement which have become effective from 1 January 2020 and have been adopted. The adoption of these pronouncements do not have a significant impact on the Group's financial results or position.

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS

3.1 New standard adopted as at 1 January 2020

AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*

AASB 2018-6 amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments:
- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

There will be no material impact on the financial statements.

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS (CONTINUED)

3.1 New standard adopted as at 1 January 2020 (continued)

AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*

AASB 2018-7 principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across the Australian Accounting Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

These amendments do not have material impact on the financial statements of the Group.

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

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

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

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

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

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

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

3. NEW OR REVISED STANDARDS OR INTERPRETATIONS (CONTINUED)

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

AASB 2020-4 *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions*

AASB 2020-4 amends AASB 16 to provide a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

Effective date 1 June 2020.

When these amendments are first adopted for the year ending 31 December 2021, there will be no material impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

(b) Consolidation

Basis of consolidation
The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2020. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation (continued)

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

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

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

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

Investment in associates are accounted for using the equity method.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation

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

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

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

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

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

(d) Property, plant and equipment

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

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

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

The principal annual rates used are as follows:

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

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

(e) Borrowing costs

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

(f) Investment properties

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investments properties (continued)

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

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

(g) Leases

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (continued)

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

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

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

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

(h) Inventories

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of non-financial assets

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

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

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

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

(j) Financial instruments

Recognition and derecognition

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

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

Classification and initial measurement of financial assets

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial assets – subsequent measurement

Financial assets amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

Financial assets at FVOCI

Financial assets are measured at FVOCI if the assets meet the following conditions:

- they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial assets that give rise are solely payments of principal and interest on the principal amount outstanding

Financial assets at FVOCI comprise investments in quoted shares which are not held for trading, and which the Group elected to classify irrevocably its investments in quoted shares under this category.

Any gain or loss is recognised in other comprehensive income will not be recycled to profit or loss upon derecognition of the asset.

Financial assets – impairment

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Financial assets – impairment (continued)

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

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

Financial liabilities - classification and measurement

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

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

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

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

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

(k) Cash and cash equivalents

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Equity instruments

Ordinary shares are classified as equity instruments.

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

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

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

(m) Revenue from contracts with customers

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

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

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

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

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The control over the goods or services is transferred over time and revenue is recognised over time if:
- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue from contracts with customers (continued)

Revenue recognition (continued)

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

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

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 year 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 contract assets.

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

Other revenue earned by the Group are recognised on the following bases:

- Distribution from short term investments is recognised when the right to receive payment is established.
- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised on a time proportion basis.
- Rental income is recognised as described in Note 4(g).
- Hotel room income is recognised when services are rendered.
- Food and beverage and other related income are recognised when services are rendered.

Contract assets

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

Contract liabilities

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue from contracts with customers (continued)

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

(n) Income taxes

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

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

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

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

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

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

(o) Employee benefits

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

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

Notes to the Financial Statements
for the Year Ended 31 December 2020
(Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Significant accounting judgements, estimates and assumptions

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

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

Useful lives of depreciable assets
Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be between 5 and 50 years.

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimation uncertainty (continued)

Property development activities and construction contracts

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

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

Provision for expected credit losses ("ECLs") of trade receivables and contract assets

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

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

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

Impairment of non-financial assets

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimation uncertainty (continued)

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

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

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

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

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

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Operating Segments

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

(r) Comparative figures

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

5. REVENUE

(i) Disaggregated revenue information

	CONSOLIDATED	
	2020 $'000	2019 $'000
Types of revenue		
Property and construction revenue		
Construction revenue	208	-
Sales of inventories	22,240	73,122
Sales of development properties	270,097	314,091
	292,545	387,213
Timing of recognition		
Performance obligation satisfied at a point in time	22,240	73,122
Performance obligation satisfied over time	270,305	314,091
	292,545	387,213

(ii) Contract balances

	CONSOLIDATED	
	2020 $'000	2019 $'000
Trade receivables	81,477	58,028
Contract assets	59,747	98,105

The significant increase in the trade receivables was due to more billings were issued to customers during the year.

Contract assets decreased as more billings were issued to customers in respect of work already performed.

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

5. REVENUE (CONTINUED)

(iii) Performance obligations

Sale of properties

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

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

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

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

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

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

	CONSOLIDATED	
	2020 $'000	2019 $'000
Sale of development properties under construction	119,371	307,627

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

6. PROFIT FROM ORDINARY ACTIVITIES

		CONSOLIDATED 2020 $'000	CONSOLIDATED 2019 $'000
(i)	**Other revenues**		
	Rental revenue	67,295	67,184
	Parking fee revenue	12,465	13,609
	Management fee received	7	1,765
	Hotel operations revenue	11,467	33,958
	Dividends received from investments – other corporations	123	143
	Other services	2,744	15,791
		94,101	132,450
(ii)	**Other income**		
	Gain on disposal of property, plant and equipment	117	12
	Fair value adjustment on investment properties	32,791	12,446
	Other income	-	211
		32,908	12,669
		127,009	145,119
(iii)	**Cost of sales**		
	Development expenses	168,770	243,261
(iv)	**Expenses**		
	Depreciation		
	Leasehold stratified properties	2,830	2,094
	Plant and equipment	4,787	5,323
	Lease equipment	79	316
		7,696	7,733

Notes to the Financial Statements
for the Year Ended 31 December 2020
(Continued)

6. PROFIT FROM ORDINARY ACTIVITIES (CONT'D)

		CONSOLIDATED	
		2020 $'000	**2019 $'000**
	Employee benefit expenses	24,230	26,829
	Property, plant and equipment written off	156	77
	Property maintenance expenses	24,829	32,297
	Marketing expenses	1,478	2,891
	Professional fees	3,653	2,540
	Loss on derecognition of a subsidiary company	-	2,449
	Other expenses	16,263	25,527
		70,609	92,610
	Total general and administrative expenses	78,305	100,343
(v)	**Finance costs**		
	Interest expense	4,677	7,241
	Finance costs capitalised	(915)	(1,477)
		3,762	5,764
(vi)	**Significant revenue and expenses**		
	The following significant revenue and expense items are relevant in explaining the financial performance:		
	- Fair value adjustment on investment properties	(32,791)	(12,446)

7. INCOME TAX EXPENSE

	CONSOLIDATED 2020 $'000	2019 $'000
(i) The components of tax expense comprise:		
- Current tax	46,121	50,404
- Current RPGT	2	448
- Deferred tax	(3,623)	1,272
- Deferred RPGT	-	(2,276)
	42,500	49,848
Under/(over) provision in prior years		
- Current tax	(18)	4,863
- Deferred tax	(10,595)	(114)
	(10,613)	4,749
	31,887	54,597
(ii) The numerical reconciliation of tax expense on profit before tax with the statutory tax rate is as follows:		
Tax at statutory rate	42,494	46,710
Effect of difference in tax rate	1,125	(299)
Tax effect of		
Income not subject to tax	(12,580)	(5,544)
Non-deductible expenses	10,508	8,044
Utilisation of capital allowances	(240)	(761)
Utilisation of deferred tax assets previously not recognised	(244)	(648)
Deferred tax assets not recognised	1,524	562
Effect of share of results of associates	(91)	(3)
Effect of change in RPGT tax rate	-	(4,888)
Difference between income tax and RPGT rate applicable on fair value adjustments on investment properties	2	6,227
RPGT on disposal of investment properties	2	448
(Over)/under provision in prior years	(10,613)	4,749
Income tax expense attributable to ordinary activities	31,887	54,597
The effective tax rate	24%	25%

The decrease in the effective tax rate from 25% in 2019 to 24% in 2020 is mainly due to certain income not subjected to tax.

Notes to the Financial Statements
for the Year Ended 31 December 2020
(Continued)

8. EARNINGS PER SHARE

(a) Basic

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

	CONSOLIDATED	
	2020	2019
Profit attributable to owners of the parent company ($'000)	97,343	91,789
Weighted average number of ordinary shares ('000)	1,482,899	1,453,207
Net earnings per ordinary share (cents)	6.56	6.32

(b) Diluted

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

9. DIVIDENDS PAID AND PROPOSED

	COMPANY	
	2020 $'000	2019 $'000
(a) Dividends paid during the year		
Dividends paid or satisfied by the issue of shares under the dividend reinvestment plan during the year ended 31 December 2020 and 2019 were as follows:		
(i) Paid in cash		
Final 2019 (2019 – Final 2018)	26,427	1,079
Interim 2020 (2019 – Interim 2019)	-	260
	26,427	1,339
(ii) Satisfied by issue of shares		
Final 2019 (2019 – Final 2018)	3,176	27,472
Interim 2020 (2019 – Interim 2019)	-	7,093
	3,176	34,565
	29,603	35,904
(b) Dividends proposed and not recognised as a liability		
- unfranked dividends (2.0 cents per share) (2019: 2.0 cents per share)	29,701	29,603

After the reporting date, the directors proposed a dividend of 2.0 cents per ordinary share. No liability in this respect has been recognised in the 2020 consolidated financial statement.

(c) Franking credit balance

There is no franking credit balance for United Overseas Australia Ltd during the year ended 31 December 2020.

10. PARENT COMPANY INFORMATION

	2020 $'000	2019 $'000
Statement of financial position		
Current assets	287,939	307,162
Total assets	291,917	310,956
Current liabilities	931	884
Total liabilities	931	884
Equity		
Issued capital	260,651	257,475
Fair value reserve	418	393
Retained earnings	29,917	52,204
	290,986	310,072
Financial performance		
Profit for the year	7,316	37,458
Total comprehensive income	7,316	37,458

11. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2020 $	2019 $
Audit and review of financial statements		
- auditors of Grant Thornton Australia	256,221	180,549
- overseas Grant Thornton network firms	252,053	245,345
- other auditors	14,974	15,039
	532,248	440,933

Notes to the Financial Statements
for the Year Ended 31 December 2020
(Continued)

12. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2020 $'000	CONSOLIDATED 2019 $'000
Cash at bank and in hand	247,830	202,262
Short term funds	51,305	111,589
Short term bank deposits	330,713	93,443
	629,848	407,294

The effective interest rate on short-term bank deposits was 1.47% (2019: 2.35%) per annum. All funds are readily available and refundable to the Group at the discretion of the Group.

Included in the cash at banks of the Group is $214,317,242 (2019: $139,810,341) maintained in the Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

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

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

	CONSOLIDATED 2020 $'000	CONSOLIDATED 2019 $'000
Singapore Dollar ("SGD")	330	105
US Dollar ("USD")	3,875	9,434
Ringgit Malaysia ("RM")	3,596	10,055
Vietnamese Dong ("VND")	-	44
	7,801	19,638

13. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2020	2019
	$'000	$'000
CURRENT		
Trade receivables	86,677	63,264
Less: Allowance for credit losses	(5,200)	(5,236)
	81,477	58,028
Loan receivables	5,323	4,825
Sundry receivables	20,566	33,963
Less: Allowance for credit losses	(2,717)	(2,730)
	23,172	36,058
Deposits	9,885	11,816
	114,534	105,902
NON-CURRENT		
Loan receivables	20,056	27,543

Terms and conditions relating to the above financial instruments:

(i) Trade receivables are interest bearing and generally on 14 - 30 days term.

(ii) Sundry receivables are non-interest bearing.

(iii) Debts that are known to be not collectible are written off. Allowance for expected credit losses is raised when some doubt as to collection exists.

Movements in the credit losses were as follows:

	CONSOLIDATED	
	2020	2019
	$'000	$'000
At 1 January	7,966	6,964
Charge for the year	805	997
Foreign exchange translation	(653)	128
Reversal as no longer required	(196)	(123)
Reversal due to bad debts written off	(5)	-
At 31 December	7,917	7,966

14. CONTRACT ASSETS

	CONSOLIDATED	
	2020	**2019**
	$'000	**$'000**
Contract assets		
Revenue recognised to date	964,910	766,300
Progress billings issued to date	(909,488)	(680,299)
	55,422	86,001
Contract costs		
Costs to obtain contracts	4,325	12,104
	59,747	98,105

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

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

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

15. INVENTORIES

	CONSOLIDATED	
	2020	**2019**
	$'000	**$'000**
CURRENT		
At cost		
Stock of properties	302,191	340,039
Property held for development and resale	139,910	181,141
Consumables	60	122
	442,161	521,302
NON-CURRENT		
At cost		
Land held for property development	202,823	207,428

16. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Details of subsidiary companies are as follows:

Name of the subsidiary companies	Country of incorporation and principal place of business	Notes	Ownership interest held by Group 2020 %	2019 %
United Overseas Land Pty Ltd	Australia		100	100
UOA Investments Pty Ltd	Australia		100	100
UOA International Pty Ltd	Australia		100	100
- East Parade Pty Ltd	Australia		51	51
- UOA Leederville Pty Ltd	Australia		100	100
- UOA Leederville A Pty Ltd	Australia		100	100
- UOA Leederville B Pty Ltd	Australia		100	100
- UOA Leederville C Pty Ltd	Australia		100	100
- UOA Leederville D Pty Ltd	Australia		100	100
- UOA Leederville E Pty Ltd	Australia		100	100
- UOA Leederville F Pty Ltd	Australia		100	100
UOA Vietnam Pte Ltd^	Singapore		100	100
- UOA PMH Investments Pte Ltd^	Singapore		100	100
- UOA Tower TTS Limited Liability Company ^	Vietnam		100	100
- UOA Investments Pte Ltd ^	Singapore		100	100
- UOA Tower Limited Liability Company ^	Vietnam		100	100
UOA Holdings Sdn Bhd*	Malaysia		100	100
Ken Tat Sdn Bhd#	Malaysia		100	100
UOA Capital Sdn Bhd*	Malaysia		100	100
Midah Heights Sdn Bhd*	Malaysia		100	100
Multiplex Strategy Sdn Bhd*	Malaysia		100	100
UOA (Singapore) Pte Ltd^	Singapore		100	100
United Carparks Sdn Bhd*	Malaysia		100	100
Citicrest (M) Sdn Bhd*	Malaysia		60	60
Desa Bangsar Ria Sdn Bhd*	Malaysia		60	60
LTG Development Sdn Bhd*	Malaysia		60	60
UOA Corporation Bhd*	Malaysia		60	60
Rich Accomplishment Sdn Bhd*	Malaysia		60	60
Desa Bukit Pantai Sdn Bhd*	Malaysia		60	60
Wisma UOA Sdn Bhd*	Malaysia		60	60
Julung Perdana Sdn Bhd*	Malaysia		60	60
UOA Asset Management Sdn Bhd*	Malaysia	*16(c)*	42	42
UOA Real Estate Investment Trust (UOA REIT)*	Malaysia	*16(c)*	34.05	46.31
- Angkara Restu Sdn Bhd*	Malaysia	*16(c)*	34.05	46.31
Gerak Perdana Sdn Bhd*	Malaysia		60	60
Damai Positif Sdn Bhd*	Malaysia		60	60
UOA Development Bhd*	Malaysia		71.18	70.25
- Allied Engineering Construction Sdn Bhd*	Malaysia		71.18	70.25
- URC Engineering Sdn Bhd*	Malaysia		71.18	70.25
- Federaya Development Sdn Bhd*	Malaysia		100	100

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

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

Name of the subsidiary companies	Country of incorporation and principal place of business	Notes	Ownership interest held by Group 2020 %	2019 %
- Resodex Construction Sdn Bhd*	Malaysia		71.18	70.25
- Tiarawoods Sdn Bhd*	Malaysia		71.18	70.25
- Kumpulan Sejahtera Sdn Bhd*	Malaysia		71.18	70.25
- Windsor Triumph Sdn Bhd*	Malaysia		71.18	70.25
- Saujanis Sdn Bhd*	Malaysia		71.18	70.25
- Magna Tiara Development Sdn Bhd*	Malaysia		71.18	70.25
- Paramount Properties Sdn Bhd*	Malaysia		71.18	70.25
- Paramount Hills Sdn Bhd*	Malaysia		71.18	70.25
- Sagaharta Sdn Bhd*	Malaysia		71.18	70.25
- Sunny Uptown Sdn Bhd*	Malaysia		71.18	70.25
- IDP Industrial Development Sdn Bhd*	Malaysia		71.18	70.25
- UOA Properties Sdn Bhd*	Malaysia		71.18	70.25
- Lencana Harapan Sdn Bhd*	Malaysia		71.18	70.25
- Dynasty Portfolio Sdn Bhd*	Malaysia		71.18	70.25
- Bangsar South City Sdn Bhd*	Malaysia		71.18	70.25
- Nasib Unggul Sdn Bhd*	Malaysia		71.18	70.25
- Tunjang Idaman Sdn Bhd*	Malaysia		71.18	70.25
- UOA Hospitality Sdn Bhd*	Malaysia		71.18	70.25
- Peninsular Home Sdn Bhd*	Malaysia	*16(c)*	42.71	42.15
- Everise Tiara (M) Sdn Bhd*	Malaysia	*16(c)*	42.71	42.15
- Seri Tiara Development Sdn Bhd*	Malaysia		60.50	59.71
- Enchant Heritage Sdn Bhd*	Malaysia		71.18	70.25
- Magna Kelana Development Sdn Bhd*	Malaysia		52.50	51.81
- Scenic Point Development Sdn Bhd*	Malaysia	*16(c)*	42.71	42.15
- Ceylon Hills Sdn Bhd*	Malaysia	*16(c)*	38.44	37.94
- Maxim Development Sdn Bhd*	Malaysia		71.18	70.25
- Infinite Accomplishment Sdn Bhd*	Malaysia		71.18	70.25
- Regenta Development Sdn Bhd*	Malaysia		71.18	70.25
- Seri Prima Development Sdn Bhd*	Malaysia		71.18	70.25
- Orient Housing Development Sdn Bhd*	Malaysia		71.18	70.25
- Eureka Equity Sdn Bhd*	Malaysia	*16(c)*	42.71	42.15
- Distinctive Acres Sdn Bhd*	Malaysia		71.18	70.25
- Full Marks Property Sdn Bhd*	Malaysia		71.18	70.25
- Concord Housing Development Sdn Bhd*	Malaysia		71.18	70.25
- Fabullane Development Sdn Bhd*	Malaysia		71.18	70.25
- Nova Metro Development Sdn Bhd*	Malaysia		59.79	59.01
- Topview Housing Sdn Bhd *	Malaysia		71.18	70.25
- Nova Lagenda Sdn Bhd *	Malaysia		71.18	70.25
- UOA Komune Sdn Bhd*	Malaysia		71.18	70.25
- Citra Jaya Sejahtera Sdn Bhd*	Malaysia		71.18	70.25
- Everise Project Sdn Bhd*	Malaysia	*16(c)*	42.71	42.15
- Jendela Dinamik Sdn Bhd*	Malaysia	*16(c)*	21.78	21.50

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

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

Name of the subsidiary companies	Country of incorporation and principal place of business	Notes	Ownership interest held by Group 2020 %	2019 %
- Cosmo Housing Development Sdn Bhd*	Malaysia		71.18	70.25
- HSB Green Solutions Sdn Bhd*	Malaysia		71.18	70.25
- Naik Makmur Development Sdn Bhd*	Malaysia		71.18	70.25
- UOA Southlink Sdn Bhd*	Malaysia		71.18	70.25
- UOA Southview Sdn Bhd*	Malaysia		71.18	70.25
- UOA Golden Pines Sdn Bhd*	Malaysia		71.18	70.25
- Pertiwi Sinarjuta Sdn Bhd*	Malaysia	*16 (b)*	71.18	-

* Audited by a member firm of Grant Thornton.
^ Audited by firms other than Grant Thornton.
# Liquidated on 2.11.2020.

(b) Incorporation of subsidiary companies

Name of subsidiary companies	Paid up capital $	Group's effective interest %	Incorporation date
Pertiwi Sinarjuta Sdn Bhd	1	100	26 June 2020

(c) Controlled entities with less than 50% ownership

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

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

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

Notes to the Financial Statements
for the Year Ended 31 December 2020
(Continued)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(d) Subsidiaries with material non-controlling interests

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

Name of subsidiary companies	Proportion of ownership interests held by non-controlling interests 2020 %	2019 %	Profit allocated to non-controlling interests 2020 $'000	2019 $'000	Carrying amount of non-controlling interests 2020 $'000	2019 $'000
LTG Development Sdn Bhd	40%	40%	1,915	1,185	47,412	63,227
UOA Corporation Bhd	13%	13%	837	508	20,357	27,320
UOA Real Estate Investment Trust	45%	23%	2,804	1,616	144,861	59,524
UOA Development Bhd	29%	30%	39,270	41,454	502,939	525,928
Everise Tiara (M) Sdn Bhd	40%	40%	206	(197)	1,398	8,707
Ceylon Hills Sdn Bhd	46%	46%	13	239	1,583	2,666
Scenic Point Development Sdn Bhd	40%	40%	60	210	607	1,156
Peninsular Home Sdn Bhd	40%	40%	159	(70)	954	872
Seri Tiara Development Sdn Bhd	15%	15%	(118)	695	9,148	10,294
Eureka Equity Sdn Bhd	40%	40%	201	4,361	5,397	9,288
Nova Metro Development Sdn Bhd	16%	16%	178	219	1,835	2,366
Everise Project Sdn Bhd	40%	40%	2,204	(2,355)	36,126	36,909
Other immaterial entities					1,137	1,135
					773,754	749,392

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

2020	LTG Development Sdn Bhd Group $'000	UOA Development Bhd Group $'000
Financial position at reporting date		
Non-current assets	578,370	819,779
Current assets	15,499	1,168,845
Non-current liabilities	(239,426)	(70,758)
Current liabilities	(235,917)	(172,208)
Net assets	118,526	1,745,658
Summary of financial performance for the financial year		
Profit for the year	10,217	137,545
Other comprehensive income	(432)	1,301
Total comprehensive income	9,785	138,846
Included in the total comprehensive income is:		
Revenue	25,419	290,619

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

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

2020	LTG Development Sdn Bhd Group $'000	UOA Development Bhd Group $'000
Summary of cash flows for the financial year		
Net cash inflows/(outflows) from operating activities	17,969	133,636
Net cash inflows/(outflows) from investing activities	(244,994)	206,678
Net cash inflows/(outflows) from financing activities	211,883	(59,122)
Net cash inflows/(outflows)	(15,142)	281,192
Other information		
Dividends paid to non-controlling interests	10,928	13,195

2019	LTG Development Sdn Bhd Group $'000	UOA Development Bhd Group $'000
Financial position at reporting date		
Non-current assets	382,056	1,038,079
Current assets	27,925	1,043,627
Non-current liabilities	(149,520)	(101,992)
Current liabilities	(102,399)	(211,505)
Net assets	158,062	1,768,209
Summary of financial performance for the financial year		
Profit for the year	6,201	141,883
Other comprehensive income	113	946
Total comprehensive income	6,314	142,829
Included in the total comprehensive income is:		
Revenue	27,935	383,678
Summary of cash flows for the financial year		
Net cash inflows/(outflows) from operating activities	17,037	197,810
Net cash inflows/(outflows) from investing activities	260	(34,969)
Net cash inflows/(outflows) from financing activities	(8,700)	(35,601)
Net cash inflows/(outflows)	8,597	127,240
Other information		
Dividends paid to non-controlling interests	3,719	36,157

Notes to the Financial Statements
for the Year Ended 31 December 2020
(Continued)

17. PROPERTY, PLANT AND EQUIPMENT

	Notes	CONSOLIDATED 2020 $'000	2019 $'000
Freehold and leasehold stratified properties			
At cost		139,569	147,963
Accumulated depreciation		(12,662)	(10,841)
	17(a)	126,907	137,122
Plant and equipment			
At cost		52,637	61,600
Accumulated depreciation		(38,070)	(39,086)
	17(a)	14,567	22,514
Leased plant and equipment			
At cost		758	1,118
Accumulated depreciation		(332)	(606)
	17(a)	426	512
Total property, plant and equipment			
Cost		192,964	210,681
Accumulated depreciation		(51,064)	(50,533)
Total written down amount		141,900	160,148

(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:

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

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Movements in carrying amounts (continued)

2019 Consolidated	Freehold and leasehold stratified properties $'000	Plant and equipment $'000	Leased plant and equipment $'000	Construction work in progress $'000	Total $'000
Balance at the beginning of the year	82,001	22,480	1,227	38,071	143,779
Additions	85	4,527	289	16,932	21,833
Disposals	-	(85)	-	-	(85)
Depreciation	(2,094)	(5,323)	(316)	-	(7,733)
Written off	-	(77)	-	-	(77)
Derecognition of a subsidiary company	-	(88)	-	-	(88)
Reclassification	55,679	708	(708)	(55,679)	-
Net foreign currency movements	1,451	372	20	676	2,519
Carrying amount at the end of the year	137,122	22,514	512	-	160,148

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

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

2019	Carrying amount $'000	Depreciation $'000	Additions $'000
Leasehold land	696	8	-
Leasehold buildings	80,878	1,841	85
Motor vehicles	407	197	61
Plant and machineries	512	316	289
Total right-of-use assets	82,493	2,362	435

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

18. INVESTMENT PROPERTIES

	CONSOLIDATED	
	2020 $'000	2019 $'000
Balance at beginning of the year	1,113,424	1,012,253
Transfer to property, plant and equipment	4,405	-
Transfer from inventories - land held for property development	601	2,027
Transfer from inventories - property held for development and resale	13,649	-
Net foreign currency movements	(87,775)	17,560
Additions	27,513	69,138
Fair value adjustments	32,791	12,446
Balance at end of the year	1,104,608	1,113,424

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

The fair 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 valuations by an independent firm of professional valuers registered with Board of Valuers, Appraisers & Estate Agents Malaysia, PA International Property Consultants (KL) Sdn Bhd on 7 August 2020 and 31 December 2020. In arriving at the market values, the valuer has applied the comparison and income method of valuation to assess the market values of the investment properties.

The directors have reviewed the valuations of two commercial properties which were done on 31 December 2020 by PA International Property Consultants (KL) Sdn Bhd based on the comparison and cost methods and are of the opinion that the carrying values reflect the fair value of the investment properties.

The directors have reviewed the valuations of all residential and commercial properties based on update valuations which were done on 31 December 2020 by PA International Property Consultants (KL) Sdn Bhd. The directors opined that the carrying values reflect the fair value of the investment properties.

In prior year, a loan of $41,474,000 was secured by legal charges over UOA Centre Parcels, UOA II Parcels (excluding Level 17, UOA II) and Wisma UOA Damansara II. The fair value of assets pledged, as security was $209,899,000.

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

A loan of $50,261,000 (2019: $54,461,000) was secured by Loan Agreements cum Assignment, Deeds of Extension of Deed of Assignment, Deeds of Assignment of Rental Proceeds ("DARP"), Deeds of Extension of DARP and four (4) Power of Attorney, and legal charges over UOA Damansara Parcels and Parcel B - Menara UOA Bangsar (excluding Petak 9 and 14). The fair value of assets pledged, as security was $132,643,000 (2019: $143,877,000).

Leasehold land with carrying amount of $51,695,000 (2019: $40,886,000) has been pledged to secure bank borrowings.

18. INVESTMENT PROPERTIES (CONTINUED)

The management has applied the following assumptions in the valuation:

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

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

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

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Freehold condominiums	-	1,037	-
Freehold bungalows	-	15,968	-
Freehold commercial properties	-	146,204	232,005
Leasehold commercial properties	-	106,756	486,338

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

There has been no change in valuation methods used during the year except for the valuation of a leasehold commercial property of which was previously valued based on comparison method in the prior year. In the current year, the property has been substantially tenanted. As such, the Group adopted investment method instead, to reflect the current use of the property in arriving at its valuation.

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

Reconciliation of Level 3 Fair Value Measurement

	$'000
At 1 January 2020	740,373
Additions	34
Fair value adjustments	37,422
Net foreign currency movements	(59,486)
At 31 December 2020	718,343

18. INVESTMENT PROPERTIES (CONTINUED)

Details of Level 3 fair value measurements are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Cost method which estimates the amount of reconstruction cost of the building based on current market prices.	Estimated replacement costs	The higher the estimated replacement costs, the higher the fair value.
Investment method which capitalises the actual or estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields.	Discount rate of 5.00% to 7.00%	The higher the discount rate, the lower the fair value.
	Estimated market yield of 5.00% to 7.00%	The higher the estimated market yield, the lower the fair value.
	Occupancy rates of 78.05% to 97.07%	The higher the occupancy rate, the higher the fair value.

The commercial buildings currently under construction are measured at cost because the fair value is not yet determinable as of 31 December 2020. The fair value of the property is expected to be reliably determinable when construction is complete.

Interest capitalised during the financial year amounted to $915,000 (2019: $1,477,000).

19. INVESTMENT IN ASSOCIATES

	CONSOLIDATED	
	2020 $'000	2019 $'000
Unquoted shares, at cost	267	280
Share of post-acquisition reserves	359	(17)
	626	263
Exchange differences	(23)	(3)
	603	260
Less : Accumulated impairment losses	-	-
Aggregate carrying amount of the Group's interest in associates	603	260

19. INVESTMENT IN ASSOCIATES (CONTINUED)

Name of entities	Country of incorporation	Principal activities	Ownership interest 2020 %	Ownership interest 2019 %
Advanced Informatics & Management Centre Sdn Bhd (AIMAC)^	Malaysia	Providing telehealth or e-health facilities	30	30
Asli Security Services Sdn Bhd*	Malaysia	Provision of security services	30	30
Dats Management Sdn Bhd *	Malaysia	Provision of facilities support services	49	49

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

The reporting date of AIMAC is 30 September 2020. For the purposes of applying the equity method of accounting, the financial statements of AIMAC for period ended 31 December 2020 havebeen used.

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

	CONSOLIDATED 2020 $'000	CONSOLIDATED 2019 $'000
Financial position:		
Total assets	8,441	8,720
Total liabilities	(3,221)	(3,881)
Net assets	5,220	4,839
Financial performance:		
Profit from continuing operations	788	18
Other comprehensive income	-	-
Total comprehensive income	788	18

20. EQUITY INVESTMENTS AT FVOCI

	CONSOLIDATED 2020 $'000	CONSOLIDATED 2019 $'000
At fair value		
- shares in listed corporations	8,073	7,721
- shares in unlisted corporation	32	-
	8,105	7,721

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20. EQUITY INVESTMENTS AT FVOCI (CONTINUED)

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

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

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

21. DEFERRED TAX LIABILITIES/(ASSETS)

		CONSOLIDATED	
	Notes	2020 $'000	2019 $'000
Deferred tax liabilities			
- tax allowance relating to property, plant and equipment		64	3,034
- real property gains tax		21,107	33,545
- other deductible temporary differences		508	529
		21,679	37,108
Deferred tax assets			
- property development and construction profits		(15,452)	(17,886)
- tax allowance relating to property, plant and equipment		(5)	(4)
- other deductible temporary differences		(4,079)	(2,473)
		(19,536)	(20,363)
		2,143	16,745
(a) Reconciliation			
The overall movement in the deferred tax account is as follows:			
Opening balance		16,745	17,576
Charge to profit or loss	7	(14,218)	(1,118)
Charge to equity		(384)	306
Derecognition of a subsidiary company		-	(19)
Closing balance		2,143	16,745
(b) Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 4(n) occur			
- Unabsorbed tax losses		10,951	9,450
- Unutilised capital allowances		17,681	14,281
- Unutilised investment tax allowances		72,193	78,372

22. TRADE AND OTHER PAYABLES

	CONSOLIDATED 2020 $'000	CONSOLIDATED 2019 $'000
CURRENT		
Trade payables	81,899	82,277
Sundry payables	17,827	20,788
Deposits	16,490	18,901
Accruals	45,555	45,054
	161,771	167,020
Amounts payable to non-controlling shareholders of subsidiary companies	14,660	17,799
	176,431	184,819
NON-CURRENT		
Deposits	3,867	3,315
Amounts payable to non-controlling shareholders of subsidiary companies	607	573
	4,474	3,888

Terms and conditions relating to the above financial instruments:

(i) Trade payables are non-interest bearing and are normally on a 30 – 40 days term.

(ii) Other payables are non-interest bearing.

(iii) The amount payable to non-controlling shareholders of subsidiary companies represents non-trade interest free advances which is payable on demand.

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(Continued)

23. OTHER FINANCIAL LIABILITIES

	Notes	CONSOLIDATED 2020 $'000	2019 $'000
CURRENT			
Secured liabilities			
Lease liabilities	*23(a)*	291	443
Term loans		228,679	116,889
		228,970	117,332
NON-CURRENT			
Secured liabilities			
Lease liabilities	*23(a)*	271	506
Long term loans		21,552	13,324
		21,823	13,830
(a) Lease liabilities			
Payable – minimum lease payments			
- not later than one year		314	483
- later than one year but not later than five years		283	534
Minimum lease payments		597	1,017
Less: future finance charges		(35)	(68)
Present value of minimum lease payments		562	949
Current liabilities		291	443
Non-current liabilities		271	506
		562	949

Included in long term loan is an amount denominated in USD amounting to $5,815,000 (2019: $5,442,000).

Terms and conditions relating to the above financial instruments:

(i) The revolving credit facility is secured by legal charges over the Group's strata-titled properties, a floating charge over leasehold strata properties and corporate guarantees by certain controlled entities. The interest rates range from 0.90% to 5.08% (2019: 2.09% to 5.28%).

(ii) The term loan is secured by a legal charge over a vacant commercial land and corporate guarantees by the Company. The interest rates range from 1.60% to 7.75% (2019: 3.24% to 7.00%).

23. OTHER FINANCIAL LIABILITIES (CONTINUED)

Assets pledged as security

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

	CONSOLIDATED	
	2020 $'000	2019 $'000
Non-current		
Fixed charge		
Investment properties	584,073	394,662
Property, plant and equipment	4,664	5,206
Finance leases		
Leased plant and equipment	426	512
Total non-current assets pledged as security	589,163	400,380

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

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

24. SHARE CAPITAL

	COMPANY			
	2020		2019	
	Number of shares	$'000	Number of shares	$'000
Shares issued and fully paid				
Balance at beginning of the year	1,480,132,327	257,475	1,427,531,912	222,910
Issued during the year				
- dividend reinvestment plan	4,915,469	3,176	52,600,415	34,565
Balance at end of the year	1,485,047,796	260,651	1,480,132,327	257,475

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

The final dividend for year ended 31 December 2019 was paid on 9 June 2020. Some shareholders elected to take ordinary shares in lieu of cash, totaling 4,915,469 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.

25. RESERVES

The details of reserves are as follows:

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

2019	CONSOLIDATED Translation reserve $'000	 Fair value reserves $'000	 Total $'000
Balance at beginning of the year	61,087	(357)	60,730
Exchange differences on translating foreign operations	25,188	-	25,188
Changes in fair value of equity investments at fair value through other comprehensive income	-	1,118	1,118
Balance at end of the year	86,275	761	87,036

26. CAPITAL COMMITMENTS

	CONSOLIDATED 2020 $'000	 2019 $'000
The Group has the following capital commitments:		
Property, plant and equipment	705	2,869
Construction of investment properties	142,268	104,054

27. EMPLOYEE BENEFITS EXPENSE

	CONSOLIDATED 2020 $'000	 2019 $'000
Employee benefits expense	24,230	26,829

Included in the employee benefits expense are contributions to superannuation funds on behalf of employees amounting $2,237,384 (2019: $2,380,125).

28. OPERATING SEGMENTS

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

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

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

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

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

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

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

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

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

28. OPERATING SEGMENTS (CONTINUED)

	Investment		Land development and resale		Others		Elimination		Consolidated	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Segment revenue										
Sales to customers outside the group	-	-	292,545	387,213	-	-	-	-	292,545	387,213
Other revenues from customers outside the group	85,074	92,911	27,654	32,967	14,281	19,241	-	-	127,009	145,119
Inter segment revenue	280,982	209,985	163,737	262,201	794	2,898	(445,513)	(475,084)	-	-
Total revenue	366,056	302,896	483,936	682,381	15,075	22,139	(445,513)	(475,084)	419,554	532,332
Finance income	2,113	3,818	6,581	7,683	1,168	1,408	-	-	9,862	12,909
Finance costs	(3,270)	(4,275)	(488)	(1,487)	(4)	(2)	-	-	(3,762)	(5,764)
Depreciation and amortisation	(4,963)	(4,120)	(2,058)	(3,099)	(675)	(514)	-	-	(7,696)	(7,733)
Write off of assets	(152)	(74)	(4)	(3)	-	-	-	-	(156)	(77)
Increase/(Decrease) in fair value of investment properties	39,325	23,409	(6,534)	(10,963)	-	-	-	-	32,791	12,446
Other non-cash expenses	(1,725)	(329)	(1,652)	(932)	-	-	-	-	(3,377)	(1,261)
Income tax expense	5,688	(12,089)	(37,384)	(41,259)	(191)	(1,249)	-	-	(31,887)	(54,597)
Segment net operating profit after tax	36,252	20,957	97,710	107,544	10,713	11,291	-	-	144,675	139,792

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

	2020 $'000	2019 $'000
Segment net operating profit after tax	144,675	139,792
Gain on disposal of property, plant and equipment	117	12
Gain on disposal of equity investments	-	211
Result from equity accounted investments	379	14
Total net profit after tax per profit or loss	145,171	140,029

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

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

Inter segment pricing is based on normal terms and conditions.

28. OPERATING SEGMENTS (CONTINUED)

	Investment		Land development and resale		Others		Elimination		Consolidated	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Segment assets	1,317,293	1,125,060	1,365,418	1,474,845	34,648	42,670	-	-	2,717,359	2,642,575
Reconciliation of segment operating assets to total assets										
Segment operating assets									2,717,359	2,642,575
Goodwill									133	133
Equity investments									8,105	7,721
Deferred tax assets									19,536	20,363
Current tax assets									14,696	24,370
Total assets as per the statement of financial position									2,759,829	2,695,162
Investment in associates	603	260	-	-	-	-	-	-	603	260
Capital expenditure	32,430	94,647	12,447	11,021	576	2,125	-	-	45,453	107,793
Segment liabilities	284,982	150,410	142,944	164,935	4,198	4,761	-	-	432,124	320,106
Reconciliation of segment operating liabilities to total liabilities										
Segment operating liabilities									432,124	320,106
Deferred tax liabilities									21,679	37,108
Current tax liabilities									11,502	13,451
Total liabilities per the statement of financial position									465,305	370,665

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

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

Inter segment pricing is based on normal terms and conditions.

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29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

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

	Long-term borrowings $'000	Short-term borrowings $'000	Lease liabilities $'000	Total $'000
1 January 2019	4,363	122,760	1,533	128,656
Cash flows:				
- Proceeds	8,967	18,759	-	27,726
- Repayment	-	(26,774)	(948)	(27,722)
Non-cash:				
- Foreign exchange	(6)	2,144	23	2,161
- New leases	-	-	348	348
- Derecognition of a subsidiary company	-	-	(7)	(7)
31 December 2019	13,324	116,889	949	131,162

30. RELATED PARTY TRANSACTIONS

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

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

Transactions with associated companies

	Transaction value		Balance outstanding	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Security services payable	1,498	1,234	86	111
Rental receivable	130	32	4	4
Administrative fee payable	208	51	4	-
Management fee payable	1,688	432	279	64
Landscaping fee payable	158	39	39	34

Transactions with key management personnel

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

	CONSOLIDATED	
	2020 $	2019 $
Short term employee benefits:		
• salaries including bonuses	5,273,389	5,791,035
• non-monetary benefits	38,403	50,372
• others	90,824	86,181
Post-employment benefits:		
• defined benefit pension plans	578,949	645,818
Total remuneration	5,981,565	6,573,406

30. RELATED PARTY TRANSACTIONS (CONTINUED)

The parent entity receives accounting and secretarial services from a company, Winduss & Associates. During the year, the fees paid to Winduss & Associates totalled $251,456 (2019: $268,571).

The parent entity receives registry services from Advanced Share Registry. During the year, the fees paid to Advanced Share Registry totalled $39,651 (2019: $42,967). Mr. A C Winduss is currently a Director of Advanced Share Registry.

Entity with significant influence over the Group – Griyajaya Sdn Bhd
Griyajaya Sdn Bhd owns 31.17% (2019: 31.27%) of the ordinary shares in United Overseas Australia Ltd. There was no related party transaction with Griyajaya Sdn Bhd during the financial year.

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

Allowance for credit loss on trade receivables
For the year ended 31 December 2020, the Group has not made any allowance for credit loss relating to amounts owed by related parties as the payment history has been excellent (2019: Nil). The Group makes use of a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

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

	CONSOLIDATED	
	2020 $'000	2019 $'000
Fixed rate instruments:		
Financial assets	330,713	93,443
Financial liabilities	136,524	949
Floating rate instruments:		
Financial liabilities	114,269	130,213

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

A sensitivity analysis has been performed based on the outstanding floating rate borrowings of the Group as at the reporting date. If interest rates increase or decrease by 50 basis points, with all other variables held constant, the Group's post-tax profit or loss would decrease or increase by approximately $571,000 (2019: $651,000), as a result of higher or lower interest expense on these borrowings.

Foreign currency risk

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

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

	CONSOLIDATED			
	SGD $'000	USD $'000	RM $'000	VND $'000
2020				
Net exposure	330	(620)	3,596	-
2019				
Net exposure	105	4,260	10,055	44

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (continued)

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

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

	Post-tax profit or loss			
	SGD	USD	RM	VND
	$'000	$'000	$'000	$'000
2020	33	(62)	360	-
2019	11	426	1,006	4

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

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

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

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

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

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

i. Trade receivables and contract assets

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

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

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

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

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

i. Trade receivables and contract assets (continued)

Consolidated 2019	Expected credit loss rate %	Total gross carrying amount $'000	Expected credit loss $'000
Not past due	-	51,457	-
Between 31 and 60 days past due	-	1,018	-
Between 61 and 90 days past due	-	1,048	-
More than 90 days past due	-	4,505	-
More than 91 days after set off with deposits paid	100.00	5,236	5,236
		63,264	5,236
Contract assets	-	98,105	-

ii. Financial institutions and cash deposits

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

iii. Financial guarantees

The maximum exposure to credit risk amounted to $21,552,000 (2019: $13,324,000), represented by the outstanding banking facilities of a subsidiary company at the end of the reporting year.

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

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

iv. Investments and other financial assets

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

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

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

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

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

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

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

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

CONSOLIDATED	**< 1 year $'000**	**1 - 5 years $'000**	**> 5 years $'000**	**Total $'000**
Trade and other payables	176,431	4,513	-	180,944
Amount owing to associate companies	426	-	-	426
Lease liabilities	314	283	-	597
Borrowings	234,847	25,153	-	260,000
	412,018	29,949	-	441,967

32. CAPITAL MANAGEMENT

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

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

During 2020, management paid dividends of $29,603,000 (2019: $35,904,000). Management's objective for dividend payments for 2021 to 2024 is to maintain the current level of dividends, assuming business and economic conditions allow.

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

	CONSOLIDATED	
	2020	**2019**
	$'000	**$'000**
Total borrowings*	431,698	319,869
Less: Cash and cash equivalents	(629,848)	(407,294)
Net cash	(198,150)	(87,425)
Total equity	1,520,770	1,575,105
Total capital	1,322,620	1,487,680
Gearing ratio	Nil	Nil

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

The Group is not subject to any externally imposed capital requirements

33. ACQUISITION OF SHARES IN NEW SUBSIDIARIES COMPANIES

The details of the business combination are as follows:

Name of subsidiary companies acquired	Purchase consideration $	Group's effective interest %	Effective acquisition date
2020			
Pertiwi Sinarjuta Sdn Bhd	1	100	26 June 2020

Details of the assets, liabilities and net cash inflow arising from the acquisition are immaterial to the financial statements of the Group.

34. MATURITY ANALYSIS OF LEASE PAYMENTS

The Group as lessor

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

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

As lessor	2020 $'000	2019 $'000
Within 1 year	65,406	66,006
In the second year	32,943	37,961
In the third year	14,944	14,221
In the fourth year	459	3,719
In the fifth year	-	2,524
In the sixth year	-	2,524
In the seventh year	-	1,601
	113,752	128,556

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

(a) On 24 February 2021, the directors of United Overseas Australia Ltd proposed a final dividend of 2.0 cents per ordinary shares (totalling $29,700,956) in respect of the financial year ended 31 December 2020. This dividend has not been provided for in the 31 December 2020 financial statements.

(b) Financial impact on Coronavirus
Since the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in March 2020, the spread of the virus has continued around the globe with governments declaring various measures in attempts to control the number of infections. The main operational jurisdictions of the Group (Malaysia and Australia) imposed restrictions on movement and the ability to conduct business at various times throughout the period since the pandemic declaration by WHO.

In Malaysia, the Government issued a Movement Control Order ("MCO") commencing 18 March 2020 to curb the spread of the COVID-19 in Malaysia, whilst in Australia, the Commonwealth Government closed international borders and the various State Governments imposed strict domestic border controls at different times throughout the period as well as imposing periods of lockdown at various times.

Travel restrictions, restrictions on the ability to attend places of work, restrictions on the ability to operate certain businesses and other precautionary measures have been imposed in all countries in which the Group operates at some time during the year and which continue to have an impact on the Group's operations into 2021.

On 11 January 2021, the Malaysian Government reintroduced the MCO and issued a Conditional Movement Control Order ("CMCO") for several states which were severely affected by COVID-19. In addition, on 12 January 2021, His Majesty the Yang di-Pertuan Agong proclaimed a state of emergency for the country until 1 August 2021 as a proactive measure to contain the worsening COVID-19 pandemic ("Emergency").

For the period since 31 December 2020, the Emergency, MCO/CMCO, travel restrictions and other precautionary measures imposed by the Malaysian and other Governments have not had any significant impact on the Group's operations other than the continuing effect of the restrictions on the Group's hospitality businesses and a decrease in sales of completed properties.

The extent of the effect of the various restrictions and other precautionary measures on the operations and results of the Group and of the Company for the financial year ending 31 December 2021 remain unpredictable. The duration and severity of the restrictions that may be imposed by the various Governments are unknown, and as such, the impact of any newly announced restrictions can only be estimated at the time of announcement, although such estimates would be inherently imprecise due to the conditions at the time.

The Directors believe that the Group and the Company have sufficient cash to meet anticipated cash needs, including cash needs for working capital, for the foreseeable future. The Directors will continue to monitor and assess the ongoing developments and respond accordingly.

Director's Declaration

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

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

(i) Giving a true and fair view of its financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and

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

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

(2) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2020.

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

Signed in accordance with a resolution of the Directors.

On behalf of the Board

Director
Alan Charles Winduss

Perth, Western Australia
25 March 2021

Grant Thornton

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Independent Auditor's Report

To the Members of United Overseas Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of United Overseas Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year ended on that date; and

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

Basis for opinion

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

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

Key audit matters

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

Grant Thornton

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties **(Refer to Note 4 (f) and Note 18)**	
The Group holds investment properties located in Australia, Malaysia and Vietnam that comprises completed investments and properties under construction amounting to $1.1 billion. The Group recognises investment properties initially at cost including transaction costs. Subsequent to initial recognition, investment properties are recorded at fair value. Management uses an independent expert to undertake a valuation to determine fair value once every three years. The Directors utilise an independent expert to undertake valuations utilising equivalent market data for the intervening periods rather than a review of the asset itself. This is a key audit mater as the valuation of the Group's property portfolio includes significant judgement areas that include a number of assumptions and estimates including estimated replacement costs, rental yields and occupancy rates, future net operating income and discount rates.	Our procedures included, amongst others: • Assessing the scope, objectivity and competency of the Group's independent expert, by obtaining an understanding of their qualification and experience; • Ensuring management appropriately undertake property valuations every three years in line with their accounting policy; • Evaluating for impairment by comparing the valuation against equivalent property sales data; • Evaluating the valuations utilising equivalent market data prepared by management's expert against our independent auditor's expert to evaluate on a sample basis both the key inputs and estimates utilised and agreeing key inputs to external market data; • Assessing the competencies of the auditor's expert in accordance with ASA 620 *Using the work of an Auditors Expert* by utilising an independent expert to assess the work performed by management's expert; and • Reviewing the appropriateness of the related disclosures within the financial statements.
Revenue recognition **(Refer to Note 4 (m) and Note 5)**	
The Group recorded sales inventories and sales of property development of $22 million and $270 million respectively. The Group recognises revenue from contracts with customers when a performance obligation in the contract is satisfied. The recognition of revenue from property development is recognised over time as it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue from the sale of completed properties, held as inventories is recognised at a point in time, upon delivery of the property. Performance against market expectation and profit based targets adopted by management places pressure to distort revenue recognition resulting in potential overstatement or deferral of revenue to meet financial targets or expectations. Significant judgement is required in determining the performance obligations completed to date in relation to property development revenue. This is a key audit matter as there is significant judgement and estimation relating to the recognition and measurement of property development and construction revenue.	Our procedures included, amongst others: • Documenting the design of internal controls and performing testing of key controls identified for each material revenue stream over revenue recognition, the billing process including those controls over the prevention and detection of fraud and errors in revenue recognition and controls governing approvals to contract amounts; • Selecting a sample of sale transactions taking place before and after balance sheet date to determine whether those transactions were recognised in the correct period; • Testing management's arithmetic accuracy of data provided including assumptions on projects recognised over time. Testing a sample of transactions focused on key estimates, corroborated to supporting evidence and historical accuracy of the Group's ability to estimate in prior periods; • Testing a sample for each material revenue stream to supporting documentation to support revenue recognised; • Reviewing the Group's assessment of the application of the requirements of AASB 15 *Revenue from Contracts with Customers* and conclusions reach; • Assessing the transition adjustments recorded and ensured these were compliance with the requirements of AASB 15 and conclusions reached; and • Reviewing the appropriateness of the related disclosures within the financial statements

Grant Thornton

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 16 to 22 of the Directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of United Overseas Australia Limited, for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 25 March 2021

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 2021.

(a) Distribution of equity securities

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

	Ordinary shares	
	Number of holders	Number of units
1 – 1,000	184	54,357
1,001 – 5,000	334	958,764
5,001 – 10,000	242	1,885,646
10,001 – 100,000	464	15,887,762
100,001 And over*	119	1,466,261,267
	1,343	1,485,047,796

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

	Ordinary shares	
	Number of holders	Number of units
1 – 645	130	8,389
646 and over*	1,213	1,485,039,407
	1,343	1,485,047,796

* Included in this figure is 1,001,760,807 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 units	Percentage of ordinary shares
1	The Central Depository (Pte) Limited	1,001,760,807	67.46%
2	Mahareno Sdn Bhd	93,041,390	6.27%
3	Transmetro Corporation Sdn Bhd	93,041,368	6.27%
4	Macrolantic Technology Sdn Bhd	93,041,368	6.27%
5	Wismara Sdn Bhd	62,070,502	4.18%
6	Amerena Sdn Bhd	38,624,735	2.60%
7	National Nominees Limited	10,450,017	0.70%
8	JP Morgan Nominees Australia Pty Limited	8,542,947	0.57%
9	Tan Sri Dato' Seri Alwi Jantan	8,095,392	0.54%
10	Lay Hoon Koh	6,514,596	0.44%
11	Chow Fong Wong	4,647,029	0.31%

(b) Twenty largest shareholders (continued)

		Listed ordinary shares	
		Number of units	Percentage of ordinary shares
12	Colin Robert Macewan & Bronwyn Beder	3,000,000	0.20%
13	Transmetro Sdn Bhd	2,711,953	0.18%
14	Hegford Pty Ltd	2,669,154	0.18%
15	Citicorp Nominees Pty Limited	2,035,522	0.14%
16	Chong Soon Kong	1,695,620	0.11%
17	Ju Lip Chew	1,559,010	0.11%
18	Reviresco Nominees Pty Ltd	1,500,000	0.10%
19	Mimi Miu-Kuen Ferguson	1,152,116	0.08%
20	Chartreuse Nominees Pty Ltd	1,103,396	0.07%
		1,437,256,922	96.78%

(c) Substantial shareholders

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

	Number of shares Held	% of Issued Shares
Chong Soon Kong	1,082,890,218	72.92%
Pak Lim Kong	828,188,470	55.77%

In calculating the number of shares, the following entities are considered to be associates of both the substantial shareholders and have been included in the total for each shareholder shown above.

	Number of shares Held	% of Issued Shares
Griyajaya Sdn Bhd	462,910,664	31.17%
Dream Legacy Sdn Bhd	187,366,625	12.62%

(d) Voting rights

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

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