

## APPENDIX 4D

Name of entity	UNITED OVERSEAS AUSTRALIA LTD
ACN or equivalent company reference	009 245 890
Current reporting period	Half year ended 30 June 2020
Previous reporting period	Half year ended 30 June 2019

### Results for announcement to the market

				\$'000
Revenue from ordinary activities	Down	8.89%	to	186,064
Profit from ordinary activities after tax attributable to members	Down	50.46%	to	24,302
Net profit for the year attributable to members	Down	50.46%	to	24,302

### Dividends

	Amount per security	Franked amount per security
Current period		
Final dividend for the year ended 31 December 2019 - paid on 9 June 2020	2.0¢	0¢
Previous corresponding period		
Final dividend for the year ended 31 December 2018 - paid on 10 June 2019	2.0¢	0¢

### Brief explanation of the figures reported above

Please refer to the Review and Results of Operations section of the Directors' Report for further comment.

The information in the Half Year Report should be read in conjunction with the details and explanations provided herewith, along with the most recent Annual Report.

### Net tangible assets per share

	Current period	Previous corresponding period
Net tangible assets per share	103.22 ¢	103.20 ¢

## Dividends

	Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
Final dividend for the year ended 31 December 2019	2.0¢	Nil	Nil
Interim dividend for the year ending 31 December 2020	Nil	Nil	Nil

## Control gained or lost over entities having material effect

On 26 June 2020, the Group acquired a 100% equity interest in Pertiwi Sinarjuta Sdn Bhd (“Pertiwi Sinarjuta”) for a consideration of \$1.00. Pertiwi Sinarjuta is currently dormant and its intended principal activity will be contractor for water proofing work.

## Details of Associates and Joint Venture Entities

Name of entities	Percentage of holding %		Profit contribution \$'000	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Advanced Informatics & Management Centre Sdn Bhd	30	30	-	-
Asli Security Services Sdn Bhd	30	30	3	3
Dats Management Sdn Bhd (“Dats”)	49	100 *	62	-

\* On 22 July 2019, a wholly-owned subsidiary, Dats allotted new shares to two individuals, as a result, Dats became a 49% owned subsidiary. On 4 October 2019, two individuals were appointed as Directors of the company, and such Dats is now an associate company to the Group.

## Audit review

This report is based on the financial statements reviewed by the auditor which are not subject to any disputes or qualifications.

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**UNITED OVERSEAS AUSTRALIA LTD**  
**A.C.N. 009 245 890**

**HALF-YEAR REPORT**  
**30 June 2020**

## CONTENTS

CORPORATE INFORMATION

DIRECTORS' REPORT

FINANCIAL REPORT

DIRECTOR'S DECLARATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

INDEPENDENT AUDIT REVIEW REPORT

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## Corporate Information

### Directors

Alan Charles Winduss (Non-Executive Chairman)  
Chong Soon Kong  
Pak Lim Kong  
Chee Seng Teo  
May Chee Kong (Alternate Director for C S Kong)

### Company Secretary

Alan Charles Winduss

### Registered Office

Suite B1,  
661, Newcastle Street  
Leederville  
Western Australia 6007

### Bankers

National Australia Bank Limited  
Cnr Howe and Sundercombe Street  
Osborne Park, Western Australia 6017

### Share Registry

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

### Auditors

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

ASX Code: UOS

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## Directors' Report

Your directors submit their report for the half-year ended 30 June 2020.

### DIRECTORS

The names and details of the directors holding office during the period 1 January 2020 to 30 June 2020 and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

**A.C. Winduss** I.C.A.A. (AFF) CPA AFAIM FAICD (Non-Executive Chairman)

**C.S. Kong** C.P Eng. M.I.E. Aust (Chief Executive Officer)

**P.L. Kong** B.E. Hons M.I.E.P.E (Executive Director)

**C.S. Teo**

**M.C. Kong** (alternate for C.S. Kong)

### REVIEW AND RESULTS OF OPERATIONS

As will be seen from the financial statements the Group recorded an after tax profit of \$26.6 million for the six-month period ended 30 June 2020 (30 June 2019: \$49.1 million).

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## **OPERATIONAL ACTIVITIES**

### **Current & Future**

The current state of on-going and planned developments being carried out by the Company's controlled entities UOA Development Bhd and UOA Real Estate Investment Trust are detailed below:

#### **RESIDENTIAL**

##### **SOUTHLINK**

Southlink is located within close proximity to Bangsar South and is adjacent to our residential project namely, South View Serviced Apartments. This project comprises 1 block of 44-storey freehold lifestyle apartments with 1,422 units, and a modern 2-storey lifestyle retail podium.

The construction of this project is on-going and is expected to be completed in the year 2022 with an anticipated GDV (Gross Developed Value) on completion of AUD 187 million.

##### **BANDAR TUN RAZAK DEVELOPMENT**

This is a development located within the thriving township of Bandar Tun Razak in Cheras, which is approximately 11 kilometres from Kuala Lumpur City Centre. This project consists of residential units with aged care and medical care facilities.

The estimated GDV of this development is AUD 101 million.

##### **THE GOODWOOD RESIDENCE**

The Goodwood Residence is located within the Bangsar South and is adjacent to Acacia and Begonia developments (The Park Residences I). This project consists of 1 block of 40-storey residential tower of 678 units. Construction of this project is going with completion expected in 2023.

The estimated GDV of this development is AUD 207 million.

##### **ASTER GREEN RESIDENCES**

This development is located within the established township of Sri Petaling.

The project consists of 440 residential units with an estimated completion GDV of AUD 85 million.

Completion is expected to be in mid 2022.

#### **MIXED DEVELOPMENT**

##### **SENTUL POINT**

Sentul Point is located in Sentul, Kuala Lumpur adjacent to Desa Sentul Phase I and in close proximity to public transportation hubs and major highways. This project consists 3 blocks of freehold of suite apartments together with 142 retail premises, with a completion GDV of AUD 510 million.

Phase one of this project was completed and phase 2 to be completed in year 2020.

## AUSTRALIA

The residential and commercial project in East Perth Western Australia consists of 70 residential and 3 commercial units.

The project is 70% sold and of the remaining units, 12 are being placed for rental income purposes.

UOA Leederville Pty Ltd, a 100% owned subsidiary is currently 50% occupied with aggressive marketing being carried out to obtain further tenants.

## VIETNAM

“UOA Tower” located in District 7 Ho Chi Minh City has been completed and leasing of the building is now being facilitated.

A second project “UOA Tower TTS” is located along Trao Street, the main street of the Commercial District in Phu My Hung City Centre and is currently being designed and necessary approvals being applied for.

## HOSPITALITY OPERATIONS

As to be expected hotel and Convention Center operations have been affected by the impact of the COVID-19 pandemic.

Currently, VE Hotel and Komune Living are both operating albeit at a reduced level.

Nexus Convention Centre and function rooms in the VE Hotel have resumed operations albeit at a reduced level.

Invito Hotel accommodation units are now being offered for medium or long term lease, as hotel operations have not resumed in the present market conditions.

## UOA DEVELOPMENT BHD

At the date of this report, the Group holds a 71.00% interest in UOA Development Bhd which is listed on Bursa Malaysia.

## UOA REAL ESTATE INVESTMENT TRUST (UOA REIT)

At the time of this report, the Group currently holds 46% equity in the UOA REIT.

The trust has declared a distribution of 1.74 cents per unit for the period ended 30 June 2020 and the Group will receive a gross distribution payment of \$5.6 million for the period.

## DIRECTORS' REPORT

### Impact of COVID-19 on Group Activities

The impact of COVID-19 on the Group has varied during the pandemic period and continues to be unpredictable in many areas of the Group's activities for the foreseeable future.

The pandemic was declared during the current half year, with increasing government restrictions impacting on business activities occurring as the threat of the pandemic increased. The closure of borders and restriction on movement of people within countries and localities has required the Group to reduce its operations impacted by the restrictions, such as:

- Closure of facilities by government order (corporate offices and hotel/leisure facilities)
- Reduction in operating revenues from various operations within the Group due to restrictions imposed by the government
- Reduction in rental revenues from properties due to tenants being impacted by COVID-19 in the same manner as the Group.

With regard to the projects underway, sales will continue although at a slower rate than the period prior to COVID-19 due to purchasers becoming more conservative. The slower rate of sales will impact the Group by delaying the recognition of the revenue and therefore profit on these projects. Projects were also impacted by a period of lockdown where work was unable to progress which has also delayed the ability for the Group to recognise profit on the basis of progress to completion. Should lockdowns return, the impact will be to further extend the period over which the projects' profits will be able to be recognised.

The Group is re-evaluating its project launches based on product mix and timeline to better position the upcoming developments of the Group.

Hotel occupancy rates suffered with hotels closed for a period of time during the pandemic. As restrictions on movements have been decreased at the local level, hotel operations, including convention and function facilities, have recommenced at a low level.

The Board has conducted enquiries for this half year review to ascertain the impact of the COVID-19 pandemic on the values of the Group's properties and received valuations from externally appointed valuers indicating that pressure on occupancy and rental revenue created by the pandemic has adversely affected the value of some properties held within the Group, mainly those held within the UOA REIT. Based on the valuation methodology, which reflects a buildings' value on a revenue basis, an impairment loss has been recorded for the half year from the revised valuations received taking into account the lower revenue able to be generated from those properties. The consolidated fair value adjustment of the Group's investment properties was a reduction in value of \$16.886 million (Note 6(ii)).

Throughout the period, the Group has reviewed fixed costs and attempted to reduce those wherever possible. Some rationalisation of human resources occurred but these are not expected to impact the operations of the Group.

The Group has been able to maintain its position through its available reserves and has the ability to draw on lending facilities should the need arise. However, the Group is also taking steps to maintain cash and its working capital position to be able to ensure it has the ability to withstand the uncertainty for the foreseeable future.

#### **Dividend**

The Directors have recommended that no interim dividend be paid for this period.

#### **Rounding**

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.

#### **Auditor's Independence Declaration**

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 for the half year ended 30 June 2020 is attached.

Signed in accordance with the resolution of Directors.



**A.C. Winduss**

Director

Perth

31<sup>st</sup> August 2020

## DIRECTORS' 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 30 June 2020 and of its performance for the half-year ended on that date; and
    - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; 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.

Signed in accordance with a resolution of the Directors.

On behalf of the Board



**Alan Charles Winduss**  
Director

Perth, Western Australia  
31<sup>st</sup> August 2020

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**Statement of Profit or Loss and Other Comprehensive Income  
for the Half-Year Ended 30 June 2020**

		<b>CONSOLIDATED</b>	
		<b>June 2020</b>	<b>June 2019</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Notes</b>		
Property and construction revenue	6	186,064	204,211
Cost of sales	6	<u>(112,035)</u>	<u>(122,726)</u>
<b>Gross profit</b>		74,029	81,485
Other revenues	6	48,780	60,602
Other (expenses)/income	6	(16,863)	3
Impairment losses on financial assets		(106)	(983)
General and administrative expenses		(40,751)	(45,886)
Foreign exchange gain/(loss)		387	(323)
Share of profit of associate companies		65	3
Finance income		6,588	5,492
Finance costs		<u>(2,309)</u>	<u>(2,935)</u>
<b>Profit before income tax</b>		69,820	97,458
Income tax expense		<u>(24,869)</u>	<u>(23,796)</u>
<b>Profit for the period</b>		<u>44,951</u>	<u>73,662</u>
<b>Other comprehensive income, net of tax</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		(38,916)	9,063
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income		(1,561)	117
<b>Other comprehensive (loss)/income for the period</b>		<u>(40,477)</u>	<u>9,180</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>4,474</u>	<u>82,842</u>
Profit attributable to:			
Owners of the parent		24,302	49,055
Non-controlling interests		<u>20,649</u>	<u>24,607</u>
		<u>44,951</u>	<u>73,662</u>
Total comprehensive income attributable to:			
Owners of the parent		(15,618)	58,233
Non-controlling interests		<u>20,092</u>	<u>24,609</u>
		<u>4,474</u>	<u>82,842</u>
Earnings per share (cents per share)			
basic for profit for the half-year	7	1.64	3.42
diluted for profit for the half-year		<u>1.64</u>	<u>3.42</u>

The accompanying notes form part of these financial report.

**Statement of Financial Position  
As at 30 June 2020**

	Notes	CONSOLIDATED	
		As At 30 June 2020 \$'000	As At 31 December 2019 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	447,780	407,294
Trade and other receivables		129,783	105,902
Contract assets		93,152	98,105
Amount owing by associate companies		1,318	1,169
Inventories		493,550	521,302
Current tax assets		21,315	24,370
<b>Total current assets</b>		<b>1,186,898</b>	<b>1,158,142</b>
<b>Non-current assets</b>			
Property, plant and equipment		154,571	160,148
Investment properties		1,098,971	1,113,424
Inventories		204,219	207,428
Investment in associate companies		315	260
Equity investments		6,015	7,721
Other receivables		21,047	27,543
Deferred tax assets		20,679	20,363
Goodwill		133	133
<b>Total non-current assets</b>		<b>1,505,950</b>	<b>1,537,020</b>
<b>TOTAL ASSETS</b>		<b>2,692,848</b>	<b>2,695,162</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		233,172	184,819
Amount owing to associate companies		272	237
Other financial liabilities		104,327	117,332
Current tax liabilities		16,324	13,451
<b>Total current liabilities</b>		<b>354,095</b>	<b>315,839</b>
<b>Non-current liabilities</b>			
Other payables		3,800	3,888
Other financial liabilities		20,926	13,830
Deferred tax liabilities		34,838	37,108
<b>Total non-current liabilities</b>		<b>59,564</b>	<b>54,826</b>
<b>TOTAL LIABILITIES</b>		<b>413,659</b>	<b>370,665</b>
<b>NET ASSETS</b>		<b>2,279,189</b>	<b>2,324,497</b>
<b>EQUITY</b>			
Parent entity interest			
Share capital	9	260,651	257,475
Reserves	10	47,116	87,036
Retained earnings		1,225,293	1,230,594
Total attributable to owners of parent		1,533,060	1,575,105
Total non-controlling interests		746,129	749,392
<b>TOTAL EQUITY</b>		<b>2,279,189</b>	<b>2,324,497</b>

The accompanying notes form part of these financial report.

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**Statement of Cash Flows**  
for the Half-Year Ended 30 June 2020

	Notes	CONSOLIDATED	
		June 2020 \$'000	June 2019 \$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		69,820	97,458
Adjustments for:			
Impairment losses of financial assets		105	983
Depreciation of property, plant and equipment		4,072	3,734
Dividend income		(26)	(103)
Fair value adjustment on investment properties		16,886	-
Finance costs		2,309	2,935
Foreign currency (gain)/loss		(386)	281
Interest income		(6,588)	(5,492)
Gain on disposal of property, plant and equipment		(23)	(3)
Property, plant and equipment written off		1	5
Share of profit of associate companies		(65)	(3)
<b>Operating profit before working capital changes</b>		86,105	99,795
Net changes in inventories		(2,289)	16,789
Net changes in receivables		(22,086)	31,324
Net changes in contract assets		2,433	21,376
Net changes in payables		56,370	(34,580)
<b>Cash from operations</b>		120,533	134,704
Interest paid		(2,672)	(2,793)
Interest received		6,411	5,274
Income taxes paid		(21,207)	(25,417)
<b>Net cash generated from operating activities</b>		103,065	111,768
<b>Cash flows from investing activities</b>			
(Advances to)/repayment from an associate company		(190)	97
Dividend received		26	103
Payment for purchase of investment properties		(13,040)	(13,999)
Payment for purchase of property, plant and equipment		(2,401)	(10,659)
Proceeds from sale of property, plant and equipment		23	86
<b>Net cash used in investing activities</b>		(15,582)	(24,372)
<b>Cash flows from financing activities</b>			
Repayment to other entities		(194)	(8,741)
(Repayment to)/advances from associated companies		(442)	172
Dividends paid to non-controlling shareholders of subsidiary companies		(2,281)	(1,737)
Dividends paid to owners of the Company		(26,427)	(1,079)
Payment of lease liabilities		(259)	(540)
Drawdown of borrowings		12,905	11,276
Repayment of borrowings		(15,965)	(7,995)
<b>Net cash used in financing activities</b>		(32,663)	(8,644)
Net increase in cash and cash equivalents		54,820	78,752
Cash and cash equivalents at beginning of period		407,294	322,558
Net foreign exchange differences		(14,334)	2,257
<b>Cash and cash equivalents at end of period</b>	8	447,780	403,567

The accompanying notes form part of these financial report.

**Statement of Changes in Equity  
for the Half-Year Ended 30 June 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
<b>Balance at 1 January 2019</b>	222,910	1,176,447	61,087	(357)	1,460,087	721,417	2,181,504
Dividends paid	-	(28,551)	-	-	(28,551)	(1,737)	(30,288)
Shares issued during the year - dividend re-investment plan	27,472	-	-	-	27,472	-	27,472
Other changes in non-controlling interests	-	-	-	-	-	4,542	4,542
Change in stake	-	626	-	-	626	(626)	-
<b>Transaction with owners</b>	<b>250,382</b>	<b>1,148,522</b>	<b>61,087</b>	<b>(357)</b>	<b>1,459,634</b>	<b>723,596</b>	<b>2,183,230</b>
Profit for the period	-	49,055	-	-	49,055	24,607	73,662
<b>Other comprehensive income:</b>							
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	115	115	2	117
Exchange differences on translation of foreign operations	-	-	9,063	-	9,063	-	9,063
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>49,055</b>	<b>9,063</b>	<b>115</b>	<b>58,233</b>	<b>24,609</b>	<b>82,842</b>
<b>Balance at 30 June 2019</b>	<b>250,382</b>	<b>1,197,577</b>	<b>70,150</b>	<b>(242)</b>	<b>1,517,867</b>	<b>748,205</b>	<b>2,266,072</b>

The accompanying notes form part of these financial report.

**Statement of Changes in Equity (continued)**  
for the Half-Year Ended 30 June 2020

	Attributable to owners of parent						Total equity \$'000
	Share capital \$'000	Retained earnings \$'000	Foreign exchange reserves \$'000	Other reserve \$'000	Total \$'000	Non-controlling interests \$'000	
<b>Balance at 1 January 2020</b>	257,475	1,230,594	86,275	761	1,575,105	749,392	2,324,497
Dividends paid	-	(29,603)	-	-	(29,603)	(2,281)	(31,884)
Shares issued during the year - dividend re-investment plan	3,176	-	-	-	3,176	-	3,176
Other changes in non-controlling interests	-	-	-	-	-	(21,074)	(21,074)
<b>Transaction with owners</b>	<b>260,651</b>	<b>1,200,991</b>	<b>86,275</b>	<b>761</b>	<b>1,548,678</b>	<b>726,037</b>	<b>2,274,715</b>
Profit for the period	-	24,302	-	-	24,302	20,649	44,951
<b>Other comprehensive income:</b>							
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	(1,004)	(1,004)	(557)	(1,561)
Exchange differences on translation of foreign operations	-	-	(38,916)	-	(38,916)	-	(38,916)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>24,302</b>	<b>(38,916)</b>	<b>(1,004)</b>	<b>(15,618)</b>	<b>20,092</b>	<b>4,474</b>
<b>Balance at 30 June 2020</b>	<b>260,651</b>	<b>1,225,293</b>	<b>47,359</b>	<b>(243)</b>	<b>1,533,060</b>	<b>746,129</b>	<b>2,279,189</b>

The accompanying notes form part of these financial report.

## Notes to the Condensed Interim Consolidated Financial Statements for the Half-Year Ended 30 June 2020

### 1. Nature of operations

The principle activities of United Overseas Australia Ltd and subsidiaries (the Group) include the 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 money lending services and provision of management services.

### 2. General information and basis of preparation

The condensed interim consolidated financial statements of the Group are for the six months ended 30 June 2020 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019 and any public announcements made by the Group during the half year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 31 August 2020.

### 3. New Standards adopted at 1 January 2020

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.

### 4. Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for year ended 31 December 2019.

### 5. Estimates and judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

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## Notes to the Condensed Interim Consolidated Financial Statements (Continued) for the Half-Year Ended 30 June 2020

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2019. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

### 6. Revenue

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	<b>CONSOLIDATED</b>	
	<b>June 2020</b>	<b>June 2019</b>
<b>Types of revenue</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property and construction revenue</b>		
Sales of inventories	9,039	45,954
Sales of development properties	177,025	158,257
	<u>186,064</u>	<u>204,211</u>
<b>Timing of recognition</b>		
Performance obligation satisfied at a point in time	9,039	45,954
Performance obligation satisfied over time	177,025	158,257
	<u>186,064</u>	<u>204,211</u>

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2020:

	<b>Total</b>
	<b>\$'000</b>
Sale of development properties under construction	<u>171,689</u>

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

## Notes to the Condensed Interim Consolidated Financial Statements (Continued) for the Half-Year Ended 30 June 2020

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	CONSOLIDATED	
	June 2020	June 2019
	\$'000	\$'000
<b>(i) Other revenues</b>		
Rental revenue	33,181	31,872
Parking fee revenue	6,678	6,322
Hotel operations revenue	7,601	15,484
Dividends received from investments – other corporations	26	103
Other services	1,294	6,821
	48,780	60,602
<b>(ii) Other (expenses)/income</b>		
Gain on disposal of property, plant and equipment	23	3
Fair value adjustment on investment properties	(16,886)	-
	(16,863)	3
<b>(iii) Cost of sales</b>		
Development expenses	112,035	122,726
<b>(iv) General and administrative expenses</b>		
Depreciation and amortisation	4,072	3,734
Employee benefit expenses	13,699	14,183
Property, plant and equipment written off	1	5
Property maintenance expenses	12,235	15,175
Marketing expenses	864	1,572
Professional expenses	1,631	884
Other expenses	8,249	10,333
	40,751	45,886

## Notes to the Condensed Interim Consolidated Financial Statements (Continued) for the Half-Year Ended 30 June 2020

### 7. Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (United Overseas Australia Ltd) as the numerator, i.e. no adjustments to profits were necessary during the six months period to 30 June 2020 and 30 June 2019.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	30 June 2020 000s	30 June 2019 000s
Weighted average number of shares used in basic earnings per share	1,480,727	1,432,536
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	1,480,727	1,432,536

### 8. Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:

	CONSOLIDATED	
	30 June 2020 \$'000	30 June 2019 \$'000
Cash at bank and in hand	270,320	164,455
Short term bank deposits	81,534	151,188
Short term investments	95,926	87,294
	447,780	403,567

## 9. Share capital

	30 June 2020		31 December 2019	
	Number of shares	\$'000	Number of shares	\$'000
Shares issued and fully paid:				
• Beginning of the year	1,480,132,327	257,475	1,427,531,912	222,910
• Share issued under dividend re-investments plan	4,915,469	3,176	52,600,415	34,565
<b>Shares issued and fully paid</b>	<b>1,485,047,796</b>	<b>260,651</b>	<b>1,480,132,327</b>	<b>257,475</b>

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, totalling 4,915,469 shares.

## 10. Other components of equity

The following tables show the movements in other components of equity:

	CONSOLIDATED		
	Translation reserve	Fair value reserves	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2020	86,275	761	87,036
Exchange differences on translating foreign operations	(38,916)	-	(38,916)
Changes in fair value of equity investments at fair value through other comprehensive income	-	(1,004)	(1,004)
Balance at 30 June 2020	47,359	(243)	47,116

	CONSOLIDATED		
	Translation reserve	Fair value reserves	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2019	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 31 December 2019	86,275	761	87,036

## Notes to the Condensed Interim Consolidated Financial Statements (Continued) for the Half-Year Ended 30 June 2020

### 11. Seasonal fluctuations

The business operations of the Group during period under review have not been materially affected by any seasonal or cyclical factors.

### 12. Dividends

Dividends paid during the half year ended 30 June as follow:

	CONSOLIDATED	
	30 June 2020	30 June 2019
	\$'000	\$'000
Final dividend of 2.0 cents per share, unfranked, paid on 9 June 2020	29,603	-
Final dividend of 2.0 cents per share, unfranked, paid on 10 June 2019	-	28,551
	<u>29,603</u>	<u>28,551</u>

### 13. Contingent liabilities

There were no contingent liabilities during the period under review.

### 14. Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

#### 14.1 Fair value hierarchy

- \* Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- \* Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- \* Level 3 : inputs for the asset or liability that is not based on observable market data (unobservable inputs)

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## Notes to the Condensed Interim Consolidated Financial Statements (Continued) for the Half-Year Ended 30 June 2020

### 14.2 Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2020.

Certain financial assets of the Group are measured and recognised at fair value at 30 June 2020 and 31 December 2019 on a recurring basis are as follows:

	30 June 2020 \$'000	31 December 2019 \$'000	Fair value hierarchy	Valuation method and key inputs
<b>Financial assets</b>				
Equity investments	6,015	7,721	Level 1	Quoted bid price in active market

All carrying amounts financial assets and liabilities of the Group are considered to be a reasonable approximation of their value value.

## Notes to the Condensed Interim Consolidated Financial Statements (Continued) for the Half-Year Ended 30 June 2020

### 15. Operating segments

	Investment		Land development and resale		Others		Elimination		Consolidated	
	June 2020 \$'000	June 2019 \$'000	June 2020 \$'000	June 2019 \$'000	June 2020 \$'000	June 2019 \$'000	June 2020 \$'000	June 2019 \$'000	June 2020 \$'000	June 2019 \$'000
Segment revenue										
Sales to customers outside the group	-	-	186,064	204,211	-	-	-	-	186,064	204,211
Other revenues from customers out side the group	9,835	33,078	14,480	17,442	7,602	10,085	-	-	31,917	60,605
Inter segment revenue	85,592	53,470	64,225	133,229	636	1,501	(150,453)	(188,200)	-	-
Total revenue	95,427	86,548	264,769	354,882	8,238	11,586	(150,453)	(188,200)	217,981	264,816
Segment net operating profit after tax	(18,751)	645	57,888	67,475	5,726	5,536	-	-	44,863	73,656

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

Segment net operating profit after tax	44,863	73,656
Gain on disposal of property, plant and equipment	23	3
Result from equity accounted investments	65	3
Total net profit after tax per profit or loss	44,951	73,662

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

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

Inter segment pricing is based on normal terms and conditions.

## Notes to the Condensed Interim Consolidated Financial Statements (Continued) for the Half-Year Ended 30 June 2020

### 15. Operating segments (continued)

	Investment		Land development and resale		Others		Elimination		Consolidated	
	June 2020 \$'000	June 2019 \$'000	June 2020 \$'000	June 2019 \$'000	June 2020 \$'000	June 2019 \$'000	June 2020 \$'000	June 2019 \$'000	June 2020 \$'000	June 2019 \$'000
Segment assets	1,100,924	1,043,956	1,505,642	1,494,895	38,140	48,520	-	-	2,644,706	2,587,371
Reconciliation of segment operating assets to total assets										
Segment operating assets									2,644,706	2,587,371
Goodwill									133	133
Equity investments									6,015	3,131
Deferred tax assets									20,679	17,530
Current tax assets									21,315	21,895
Total assets as per the statement of financial position									2,692,848	2,630,060
Segment liabilities	154,313	141,388	203,253	174,734	4,931	7,038	-	-	362,497	323,160
Reconciliation of segment operating liabilities to total liabilities										
Segment operating liabilities									362,497	323,160
Deferred tax liabilities									34,838	32,046
Current tax liabilities									16,324	8,782
Total liabilities per the statement of financial position									413,659	363,988

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

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

Inter segment pricing is based on normal terms and conditions.

## Notes to the Condensed Interim Consolidated Financial Statements (Continued) for the Half-Year Ended 30 June 2020

### 16. Capital commitment

The Group has the following capital commitments at 30 June 2020:

	<u>\$'000</u>
Purchase of plant and equipment	2,591
Purchase of investment property	<u>96,735</u>
	<u>99,326</u>

### 17. Related party transactions

#### (a) Other transactions of Directors of the Group

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

#### (b) Other related parties

(i) The parent entity receives accounting and secretarial services from a company, Winduss & Associates. During the period, the fees paid to Winduss & Associates totalled \$180,530 (30 June 2019: \$123,651).

(ii) The parent entity receives registry services from Advanced Share Registry. During the period, the fees paid to Advanced Share Registry totalled \$31,085 (30 June 2019: \$27,166). Mr. Alan Winduss is currently a Director of Advanced Share Registry.

(iii) Transactions with associated companies.

	Transaction value	
	June 2020	June 2019
	\$	\$
Security services payable	446,887	605,237
Rental receivable	78,731	-
Administrative fee payable	104,062	-
Management fee payable	660,134	-
Landscaping fee payable	63,542	-
	<u>1,353,356</u>	<u>605,237</u>

(iv) In prior year, the Company's through its wholly owned subsidiary UOA Capital Sdn Bhd has entered into a loan agreement for approximately \$1 million which a company associated with Mr. Low Shu Nyok. Mr. Low Shu Nyok is a Non-Executive Director of UOA Development Bhd, which is a majority owned subsidiary listed on Bursa Malaysia.

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**18. Financial assets and financial liabilities**

The carrying amounts of financial assets and financial liabilities in each category are as follows:

<b>30 June 2020</b>	<b>Amortised cost \$'000</b>	<b>FVOCI \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>			
Equity investments	-	6,015	6,015
Other receivables	21,047	-	21,047
Trade and other receivables	129,783	-	129,783
Amount owing by associate companies	1,318	-	1,318
Cash and cash equivalents	447,780	-	447,780
<b>Total financial assets</b>	<b>599,928</b>	<b>6,015</b>	<b>605,943</b>
<b>31 December 2019</b>	<b>Amortised cost \$'000</b>	<b>FVOCI \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>			
Equity investments	-	7,721	7,721
Other receivables	27,543	-	27,543
Trade and other receivables	105,902	-	105,902
Amount owing by associate companies	1,169	-	1,169
Cash and cash equivalents	407,294	-	407,294
<b>Total financial assets</b>	<b>541,908</b>	<b>7,721</b>	<b>549,629</b>

At the reporting date and all years presented, the Group carry only financial liabilities measured at amortised cost on their statement of financial position.

**19. Events after the reporting date**

There have been no other material events subsequent to reporting date which will impact on the state of affairs of the consolidated entity in future reporting periods.

# Independent Auditor's Report

To the Members of United Overseas Australia Limited

Report on the review of the half year financial report

## Conclusion

We have reviewed the accompanying half year financial report of United Overseas Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of United Overseas Australia Limited does not give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of United Overseas Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L A Stella  
Partner – Audit & Assurance

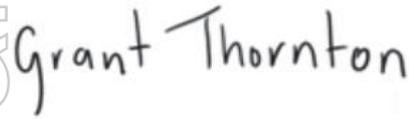
Perth, 31 August 2020

## 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 review of United Overseas Australia Limited for the half year ended 30 June 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L A Stella  
Partner – Audit & Assurance

Perth, 31 August 2020