

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

**PRELIMINARY FINAL REPORT
31 December 2014**

United Overseas Australia Ltd and members of the Group have achieved a \$181.7 million operating profit for the financial year ended 31st December 2014. This profit is subject to final audit closure; however, the Board is not aware of any likely material changes to this result.

After taxation and non-controlling interests, the profit applicable to the members of the Company was \$87.1 million, a decrease of \$10.7 million or 10.9% when compared with the 2013 profit result.

Gross revenue from ordinary activities was \$365.7 million, a decrease of \$44.3 million over last year's revenue of \$410.0 million.

Earnings per share for the year ended 31st December 2014 was 7.60 cents, a decrease of 1.33 cents over earnings of 8.93 cents per share for the same period last year.

Final Dividend

The Directors have declared a final dividend (unfranked) of 2.0 cents per share (2013 final dividend 2.0 cents per share) making a total dividend of 2.5 cents per share for the year.

The dividend will be payable on 5 June 2015. The Company's Dividend Reinvestment Plan (DRP) will operate in respect of the declared dividend. The Directors have agreed to a 5% discount to market price for the issue of the DRP shares.

Finance

Net operating cash inflow was \$77.4 million compared to the previous year cash inflow of \$101.2 million.

The net tangible asset backing per ordinary security is \$0.81 per share as at 31 December 2014 and at 31 December 2013 it was \$0.75 per share.

The Group's net debt to equity ratio is nil in December 2014 as compared to nil in December 2013.

Operations

UOA Development Bhd

UOA Development Bhd which is listed on the Malaysian Stock Exchange undertakes all development, building and subsequent property sales in Malaysia for the group and their results are part of these consolidated accounts.

At the date of this report United Overseas Australia Ltd has direct equity interest of 0.17% and an indirect interest of 68.32% (via UOA Holdings Sdn Bhd) in UOA Development Bhd.

Property Development

For the year under review the Group's gross revenue from construction was \$37.67 million, while gross revenue from property development operations was \$328.05 million, a decrease of \$44.30 million or 10.80% over the 2013 results.

This segment of the Group's operations contributed \$126.0 million (2013: \$135.2 million) to the net profit result achieved.

Property Rental & UOA Real Estate Investment Trust

Gross rentals of \$40.8 million were received from properties retained by the Group during the year.

Trust distributions of \$11.71 million were received from UOA Real Estate Investment Trust during the year ended 31 December 2014.

Future Outlook & Events

The Directors believe continuing outlook for the Group is favourable but are aware that fluctuating economic conditions can influence the ultimate result.

The Directors are also aware that profit determination is dependent on the timely completion and sale of its development projects.

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APPENDIX 4E**Results for announcement to the market**

\$A'000				
Revenues from ordinary activities	Down	10.80%	to	365,720
Profit from ordinary activities after tax attributable to members	Down	10.92%	to	87,131
Profit / (loss) from extraordinary items after tax attributable to members	Gain / (loss) of	Nil		Nil
Net profit for the year attributable to members	Down	10.92%	to	87,131
Dividends (distributions)		Amount per security	Franked amount per security	
Final dividend		2.0¢	0¢	
Previous corresponding period		2.0¢	0¢	
Record date for determining entitlements to the dividend		15 May 2015		

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	CONSOLIDATED	
		2014	2013
		\$'000	\$'000
Sales revenue	2	365,720	410,015
Cost of sales		(205,944)	(216,429)
Gross profit		159,776	193,586
Other revenues from ordinary activities	2	93,040	98,303
Property maintenance expenses		(20,687)	(16,337)
Marketing expenses		(19,154)	(26,631)
Occupancy expenses		(5)	(5)
Administrative expenses		(18,853)	(18,975)
Other expenses from ordinary activities		(10,924)	(10,551)
Foreign exchange gain		1,571	4,607
Share of results of associate		4,592	2,129
Profit from ordinary activities before tax and finance costs		189,356	226,126
Finance costs		(7,681)	(6,973)
Profit before income tax		181,675	219,153
Income tax expense		(37,790)	(61,403)
Profit for the year		143,885	157,750
Other comprehensive income, net of tax			
Available for sale financial assets			
- current year (loss)/profit		(233)	873
- reclassification to profit or loss		(1,199)	(224)
Exchange differences on translating foreign operations		17,648	57,279
Other comprehensive income for the year		16,216	57,928
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		160,101	215,678
Profit attributable to :			
Owners of the parent		87,131	97,814
Non-controlling interest		56,754	59,936
		143,885	157,750
Total comprehensive income attributable to :			
Owners of the parent		103,945	155,682
Non-controlling interest		56,156	59,996
		160,101	215,678
Earnings per share (cents per share)			
basic for profit for the year		7.60	8.93
diluted for profit for the year		7.60	8.93

Statement of Financial Position

AS AT 31 DECEMBER 2014

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		400,099	435,783
Trade and other receivables		169,260	158,798
Inventories		358,784	309,802
Current tax assets		5,593	6,838
Total Current Assets		933,736	911,221
Non-Current Assets			
Property, plant and equipment		62,093	22,564
Investment properties		679,147	648,844
Land held for property development		84,379	24,364
Investment in associates		10,929	8,218
Amount owing by associate		1,264	1,174
Available for sale financial assets		4,044	3,614
Deferred tax assets		10,996	6,981
Total Non-Current Assets		852,852	715,759
TOTAL ASSETS		1,786,588	1,626,980
LIABILITIES			
Current liabilities			
Trade and other payables		162,420	166,167
Financial liabilities		140,261	134,865
Current tax liabilities		6,072	6,870
Total Current Liabilities		308,753	307,902
Non-Current Liabilities			
Other payables		27,067	19,163
Financial liabilities		22,132	8,273
Deferred tax liabilities		9,665	9,376
Total Non-Current Liabilities		58,864	36,812
TOTAL LIABILITIES		367,617	344,714
NET ASSETS		1,418,971	1,282,266
EQUITY			
Parent entity interest			
Share capital	4	82,140	55,974
Reserves		40,869	24,055
Retained profits		823,710	764,813
Total parent entity interest in equity		946,719	844,842
Total non-controlling interest		472,252	437,424
TOTAL EQUITY		1,418,971	1,282,266

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	CONSOLIDATED	
		2014 \$'000	2013 \$'000
Cash flows from operating activities			
Profit before income tax		181,675	219,153
Adjustments for :			
Bad and doubtful debts		83	213
Depreciation of property, plant and equipment		4,777	3,619
Dividend income		(314)	(155)
Unrealised gain on investment properties		(13,228)	(21,711)
Loss/(Gain) on disposal of investment properties		58	(20)
Gain on disposal of available for sale financial assets		(1,046)	(282)
Gain on disposal of property, plant and equipment		(126)	(15,947)
Property, plant and equipment written off		11	8
Listing expenses		42	47
Finance cost		7,681	6,973
Interest income		(15,607)	(11,260)
Foreign currency gain		(1,571)	(4,096)
Share of results of associates		(4,592)	(2,129)
Unrealised profit from associate		2,111	943
Operating profit before working capital changes		159,954	175,356
Increase in inventories		(27,519)	(15,040)
Increase in receivables		(6,870)	(42,075)
(Decrease)/Increase in payables		(13,157)	34,658
Cash generated from operations		112,408	152,899
Interest paid		(7,276)	(5,882)
Interest received		13,286	10,409
Income taxes paid		(41,027)	(56,249)
Net cash flows generated from operating activities		77,391	101,177

Statement of Cash Flows (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

Notes	CONSOLIDATED	
	2014 \$'000	2013 \$'000
Cash flows from investing activities		
Payment for purchase of available for sale financial assets	(3,022)	(3)
Payment for purchase of investment properties	(23,303)	(69,375)
Payment for purchase of property, plant and equipment	(6,165)	(3,177)
Payment for purchase of land held for property development	(59,412)	(4,445)
Proceeds from sale of available for sale financial assets	2,280	2,676
Proceeds from sale of investment properties	1,203	110,714
Proceeds from sale of property, plant and equipment	131	23,799
Acquisition of shares in new subsidiary company, net of cash	20	-
Acquisition of additional shares in an associate company	-	(1)
Proceeds from part disposal of a subsidiary	-	45
(Repayment to)/Advances from other entities	(258)	1,242
Dividend received	314	155
Net cash flows (used in)/generated from investment activities	(88,212)	61,630
Cash flows from financing activities		
Proceeds from borrowings	51,644	28,082
Repayment of borrowings	(49,769)	(30,554)
Listing expenses	(61)	(69)
Share buyback	(1,423)	(1,923)
Dividends paid to non-controlling shareholders of subsidiary companies	(46,663)	(27,150)
Dividends paid to owners of the Company	(1,084)	(1,359)
Payment of hire purchase and finance lease liabilities	(2,190)	(1,790)
Issue of shares of a subsidiary to non-controlling shareholders	15,849	12,876
Net cash flows used in financing activities	(33,697)	(21,887)
Net (decrease)/increase in cash and cash equivalents	(44,518)	140,920
Cash and cash equivalents at beginning of year	435,783	264,532
Net foreign exchange differences	8,834	30,331
Cash and cash equivalents at end of year	400,099	435,783

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2014

	Attributable to equity holders of the parent				<i>Non-controlling interest</i>	<i>Total equity</i>
CONSOLIDATED	<i>Share capital</i>	<i>Retained earnings</i>	<i>Foreign exchange reserves</i>	<i>Other reserve</i>	<i>Total</i>	
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
At 1 January 2013	32,292	694,350	(34,242)	429	692,829	1,051,269
Dividends paid	-	(26,951)	-	-	(26,951)	(54,101)
Shares issued during the year						
- dividend reinvestment plan	25,592	-	-	-	25,592	25,592
Share buyback during the year	(1,910)	-	-	-	(1,910)	(1,910)
Other changes in non-controlling interest	-	-	-	-	-	32,853
Change in stake	-	(400)	-	-	(400)	12,885
Transaction with owners	55,974	666,999	(34,242)	429	689,160	1,066,588
Profit for the year	-	97,814	-	-	97,814	157,750
Other comprehensive income :						
Available for sale financial assets						
- current year gain	-	-	-	813	813	873
- reclassification to profit or loss	-	-	-	(224)	(224)	(224)
Exchange difference on translation of foreign operations	-	-	57,279	-	57,279	57,279
Total comprehensive income for the year	-	97,814	57,279	589	155,682	215,678
At 31 December 2013	55,974	764,813	23,037	1,018	844,842	1,282,266

Statement of Changes in Equity (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

CONSOLIDATED	Attributable to equity holders of the parent					Non-controlling interest	Total equity
	Share capital	Retained earnings	Foreign exchange reserves	Other reserve	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2014	55,974	764,813	23,037	1,018	844,842	437,424	1,282,266
Dividends paid	-	(28,219)	-	-	(28,219)	(46,663)	(74,882)
Shares issued during the year							
- dividend reinvestment plan	27,135	-	-	-	27,135	-	27,135
Share buyback during the year	(969)	-	-	-	(969)	-	(969)
Adjustments to non-controlling interest arising from acquisition	-	-	-	-	-	650	650
Other changes in non-controlling interest	-	-	-	-	-	9,294	9,294
Change in stake	-	(15)	-	-	(15)	15,391	15,376
Transaction with owners	82,140	736,579	23,037	1,018	842,774	416,096	1,258,870
Profit for the year	-	87,131	-	-	87,131	56,754	143,885
Other comprehensive income :							
Available for sale financial assets							
- current year gain/(loss)	-	-	-	365	365	(598)	(233)
- reclassification to profit or loss	-	-	-	(1,199)	(1,199)	-	(1,199)
Exchange difference on translation of foreign operations	-	-	17,648	-	17,648	-	17,648
Total comprehensive income for the year	-	87,131	17,648	(834)	103,945	56,156	160,101
At 31 December 2014	82,140	823,710	40,685	184	946,719	472,252	1,418,971

Notes to the Financial Statements (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

1. BASIS OF PREPARATION OF THE PRELIMINARY FINAL REPORT

The preliminary final report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The preliminary final report should be read in conjunction with the Annual Financial Report of United Overseas Australia Ltd as at 31 December 2013, which was prepared based on Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS').

It is also recommended that the preliminary final report be considered together with any public announcements made by United Overseas Australia Ltd and its controlled entities during the financial year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The preliminary final report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The preliminary final report has been prepared in accordance with the historical cost convention, except for investment properties and available-for-sale financial assets which are measured at fair value.

(b) Statement of compliance

The preliminary final report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the preliminary final report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

Notes to the Financial Statements (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

2. REVENUE AND EXPENSES

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

		CONSOLIDATED	
		2014	2013
		\$'000	\$'000
(i) Revenue			
Property development revenue		328,052	385,782
Construction revenue		37,668	24,233
		<u>365,720</u>	<u>410,015</u>
(ii) Other revenues from ordinary activities			
Rental revenue		40,752	36,456
Parking fee received		6,743	5,758
Dividends received from investments – other corporation		314	155
Doubtful debts no longer required		96	45
Interest received from investments – other corporation		13,286	10,409
Fair value of financial liabilities		2,321	851
Gain on disposal of property, plant & equipment		126	15,947
(Loss)/Gain on disposal of investment properties		(58)	20
Gain on disposal of available for sale financial assets		1,046	282
Unrealised gains on investment properties		-	2,209
Unrealised gains on transfer to investment properties		13,228	19,502
Other services		15,186	6,669
		<u>93,040</u>	<u>98,303</u>
(iii) Cost of sales			
Development expenses		<u>205,944</u>	<u>216,429</u>
(iv) Expenses			
Depreciation and amortisation		<u>4,777</u>	<u>3,619</u>

Notes to the Financial Statements (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

3. DIVIDENDS PAID OR PROPOSED

Equity dividends on ordinary shares:

	CONSOLIDATED	
	2014 \$'000	2013 \$'000
(a) Dividends paid during the year		
Final unfranked dividend for financial year 31 December 2013/2012	22,417	21,398
Interim unfranked dividend for financial year 31 December 2014/2013	5,802	5,553
	<u>28,219</u>	<u>26,951</u>
(b) Dividends proposed and not recognised as a liability		
Final unfranked dividend for financial year 31 December 2014/2013	<u>23,448</u>	<u>22,417</u>

4. SHARE CAPITAL

	CONSOLIDATED	
	2014 \$'000	2013 \$'000
<i>Ordinary shares</i>		
Issued and fully paid	<u>82,140</u>	<u>55,974</u>
	Number of shares	
	2014	2013
<i>Movement in ordinary shares on issue</i>		
Beginning of the financial year	1,120,845,448	1,070,351,034
Issued during the year		
- dividend reinvestment scheme	53,469,368	54,443,848
Share buyback during the year	(1,937,869)	(3,949,434)
	<u>1,172,376,947</u>	<u>1,120,845,448</u>

5. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

6. EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events subsequent to balance date which impact on the state of affairs of the company except for the following:

- (a) a declaration by the directors on 25 February 2015 to pay final dividend of 2.0 cents per ordinary share (totalling \$23,447,539) in respect of the financial year ended 31 December 2014. This dividend has not been provided for in the 31 December 2014 financial statements.

Notes to the Financial Statements (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

7. ADDITIONAL INFORMATION

(i) Reconciliation of Cash

For the purposes of the Condensed Statement of Cash Flow, cash and cash equivalents comprise the following at 31 December:

	CONSOLIDATED	
	2014	2013
	\$'000	\$'000
Cash at bank and in hand	70,577	53,992
Short term investments	288,925	311,729
Short term bank deposits	40,597	70,062
	<u>400,099</u>	<u>435,783</u>

Notes to the Financial Statements (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

8. OPERATING SEGMENTS

	Investment		Land development and resale		Others		Elimination		Consolidated	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Segment revenue										
Sales to customers outside the group	-	-	365,720	410,015	-	-	-	-	365,720	410,015
Other revenues from customers out side the group	45,183	48,328	39,205	42,450	8,652	7,525	-	-	93,040	98,303
Inter segment revenue	249,463	143,578	267,178	190,987	985	409	(517,626)	(334,974)	-	-
Total revenue	294,646	191,906	672,103	643,452	9,637	7,934	(517,626)	(334,974)	458,760	508,318
Interest revenue	7,641	6,892	7,947	4,362	19	6	-	-	15,607	11,260
Finance cost	(5,718)	(5,281)	(1,962)	(1,691)	(1)	(1)	-	-	(7,681)	(6,973)
Depreciation and amortisation	(1,247)	(500)	(3,431)	(3,033)	(99)	(86)	-	-	(4,777)	(3,619)
Write off of assets	-	(3)	(11)	(5)	-	-	-	-	(11)	(8)
Increase in fair value of investment properties	-	9,665	13,228	12,046	-	-	-	-	13,228	21,711
Other non-cash income/(expenses)	1,432	4,459	(40)	(111)	-	-	-	-	1,392	4,348
Income tax expense	(2,382)	(18,772)	(34,989)	(42,103)	(419)	(528)	-	-	(37,790)	(61,403)
Segment net operating profit after tax	8,620	1,073	125,998	135,184	3,503	3,135	-	-	138,121	139,392

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

Segment net operating profit after tax	138,121	139,392
Income tax expense	37,790	61,403
Gain on disposal of property, plant and equipment	126	15,947
Gain on disposal of available for sale financial assets	1,046	282
Result from equity accounted investments	4,592	2,129
Total net profit before tax per profit or loss	181,675	219,153

Notes to the Financial Statements (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

8. OPERATING SEGMENTS (CONT'D)

	Investment		Land development and resale		Others		Elimination		Consolidated	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Segment assets	830,433	759,206	929,778	845,528	5,744	4,813	-	-	1,765,955	1,609,547
Reconciliation of segment operating assets to total assets										
Segment operating assets									1,765,955	1,609,547
Available for sale financial assets									4,044	3,614
Deferred tax assets									10,996	6,981
Current tax assets									5,593	6,838
Total assets as per the statement of financial position									1,786,588	1,626,980
Investment in associates	10,929	8,218	-	-	-	-	-	-	10,929	8,218
Capital expenditure	54	9	8,850	6,407	28	42	-	-	8,932	6,458
Segment liabilities	158,500	158,924	190,028	166,812	3,352	2,732	-	-	351,880	328,468
Reconciliation of segment operating liabilities to total liabilities										
Segment operating liabilities									351,880	328,468
Deferred tax liabilities									9,665	9,376
Current tax liabilities									6,072	6,870
Total liabilities per the statement of financial position									367,617	344,714

The consolidated entity operates predominantly in two businesses; investment and land development and resale, and within two geographical segments; Australia and Malaysia. The Australian 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.

Ratios

	2014	2013
Net tangible asset backing		
Net tangible asset backing per ordinary security	81 cents	75 cents

Cashflow per share

In accordance with general principles used by financial analysts “cashflow per share” has been calculated by adding all forms of depreciation and amortisation to net profit after tax and dividing by the weighted average number of ordinary shares on issue during the year.

13 cents	15 cents
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Dividends

Date the dividend (distribution) is payable

5 June 2015

⁺Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if ⁺securities are not ⁺CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺securities are ⁺CHES approved)

15 May 2015

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
	Final dividend: Current year	2.0¢	Nil	2.0¢
	Previous year	2.0¢	Nil	2.0¢
	Interim dividend: Current year	0.5¢	Nil	0.5¢
	Previous year	0.5¢	Nil	0.5¢

Total dividend (distribution) per security (interim *plus* final)

⁺Ordinary securities

Current year	Previous year
2.5¢	2.5¢

Issued and quoted securities at end of current period*(Description must include rate of interest and any redemption or conversion rights together with prices and dates)*

Category of ⁺ securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per) (cents)
Preference ⁺securities <i>(description)</i>	N/A			
Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
⁺Ordinary securities	1,120,845,448	1,120,845,448		
Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	53,469,368 (1,937,869)	-		
⁺Convertible debt securities <i>(description and conversion factor)</i>	N/A			
Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
Options <i>(description and conversion factor)</i>	N/A		<i>Exercise Price</i>	<i>Expiry date (if any)</i>
Issued during current period				
Exercised during current period				
Expired during current period				
Debentures <i>(description)</i>				
Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/A			

Segment reporting

Please refer to attachment

Comments by directors

NIL

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

Kuala Lumpur

Date

28 May 2015

Time

4.00 pm

Approximate date the *annual report will be available

24 April 2015

Audit

The *accounts are in the process of being audited and the directors are not aware of any material factors which may affect this result.



A. C Winduss

Director

Perth, Western Australia
25 February 2015