

**UNAUDITED FIRST HALF FINANCIAL STATEMENT**

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	Note	The Group		
		First half ended 30 June		
		2020	2019	+ / (-)
		\$'000	\$'000	%
Revenue	A	908,161	1,253,516	(28)
Cost of sales		(564,989)	(688,280)	(18)
Gross profit		343,172	565,236	(39)
Other income				
- Finance income	B	7,473	9,059	(18)
- Miscellaneous income	C	33,760	7,226	367
Expenses				
- Marketing and distribution	D	(35,977)	(41,964)	(14)
- Administrative	E	(47,498)	(59,659)	(20)
- Finance	F	(46,417)	(57,640)	(19)
- Other operating	G	(51,930)	(139,690)	(63)
Share of (loss)/profit of associated companies		(4,570)	1,759	(360)
Share of loss of a joint venture company		(1,212)	(1,527)	(21)
Profit before fair value (losses)/gains and income tax		196,801	282,800	(30)
Fair value (losses)/gains on the Group's investment properties		(263,750)	181,860	(245)
(Loss)/profit before income tax	H	(66,949)	464,660	(114)
Income tax expense	I	(27,835)	(51,281)	(46)
Net (loss)/profit		(94,784)	413,379	(123)
<u>Attributable to:</u>				
Equity holders of the Company		(82,144)	267,743	(131)
Non-controlling interests		(12,640)	145,636	(109)
		(94,784)	413,379	(123)
The above net (loss)/profit attributable to equity holders of the Company can be analysed as follows:				
Attributable profit before fair value (losses)/gains		103,648	164,026	(37)
Fair value (losses)/gains on the Group's investment properties		(185,792)	103,717	(279)
Net attributable (loss)/profit		(82,144)	267,743	(131)

## 1(a)(ii) Explanatory Notes to the Consolidated Income Statement

	The Group		
	First half ended 30 June		
	2020	2019	+ / (-)
	\$'000	\$'000	%
<b>A Revenue</b>			
Revenue from property development	379,705	536,175	(29)
Revenue from property investments	238,840	277,061	(14)
Revenue from hotel ownership and operations	136,836	314,672	(57)
Revenue from management services and technologies	122,902	92,857	32
Dividend income from financial assets at fair value through other comprehensive income	29,878	32,751	(9)
	908,161	1,253,516	(28)
<b>B Finance income</b>			
Interest income	5,775	6,458	(11)
Currency exchange gains (net)	1,698	2,601	(35)
	7,473	9,059	(18)
<b>C Miscellaneous income</b>			
Government grants and assistance - COVID-19 related (See footnote 1 on page 3)	25,462	-	n.m.
Others	8,298	7,226	15
	33,760	7,226	367
<b>D Marketing and distribution expense</b>			
Advertising and promotion	8,705	13,355	(35)
Marketing and distribution payroll and related expenses	11,964	15,225	(21)
Sales commissions	8,856	7,450	19
Showflat expenses	5,067	4,275	19
Others	1,385	1,659	(17)
	35,977	41,964	(14)
<b>E Administrative expenses</b>			
Administrative payroll and related expenses	31,148	38,845	(20)
Corporate expenses	6,880	8,745	(21)
Credit card commissions	1,522	4,204	(64)
Information technology related expenses	3,741	3,710	1
Bank loan fees and other bank charges	544	740	(26)
Others	3,663	3,415	7
	47,498	59,659	(20)
<b>F Finance expense</b>			
Bank facility fees	2,587	2,792	(7)
Interest expense	51,235	59,706	(14)
Less: borrowing costs capitalised (See footnote 2 on page 3)	(7,405)	(4,858)	52
	46,417	57,640	(19)
<b>G Other operating expense</b>			
Property taxes	26,173	27,662	(5)
Repairs, maintenance and security	9,696	8,855	9
Heat, light and power	7,115	12,618	(44)
Others	8,946	14,158	(37)
	51,930	63,293	(18)
Amortisation of development property backlog (See footnote 3 on page 3)	-	76,397	(100)
	51,930	139,690	(63)
<b>H (Loss)/profit before income tax</b>			
(Loss)/profit before income tax is stated after charging:			
Depreciation and amortisation (See footnote 3 on page 3)	62,935	129,515	(51)
Property, plant and equipment written off and net loss on disposals	892	415	115
Impairment loss on financial assets	12	66	(82)

n.m. : not meaningful

1(a)(ii) Explanatory Notes to the Consolidated Income Statement (cont'd)

	The Group		
	First half ended 30 June		
	2020	2019	+ / (-)
	\$'000	\$'000	%
<b>I Income tax expense</b>			
Tax expense attributable to profit/(loss) is made up of:			
- (Loss)/profit for the financial period:			
Current income tax			
- Singapore	23,202	39,124	(41)
- Foreign	15,690	14,464	8
- Withholding tax paid	115	217	(47)
Deferred income tax			
- fair value losses of investment properties	(8,030)	(323)	2,386
- others	(2,869)	(1,796)	60
	28,108	51,686	(46)
- (Over)/under provision in prior financial periods:			
Current income tax			
- Singapore	2	(190)	101
- Foreign	-	(215)	100
Deferred income tax	(276)	-	(100)
	27,835	51,281	(46)

- <sup>1</sup> Included in the COVID-19 related Government grants and assistance are amounts received during the period under the Job Support Schemes by the Singapore government, the Australia's JobKeeper Payment Scheme, and Singapore property tax rebates excluding those on-passed to tenants.
- <sup>2</sup> Borrowing costs capitalised relate mainly to borrowings for the development of One Bishopsgate Plaza and Pan Pacific Orchard.
- <sup>3</sup> Included within other operating expenses and depreciation and amortisation in the first half of 2019 is the amortisation of development property backlog of \$76.4 million relating to the fair value uplift recognised from the Purchase Price Allocation exercise on consolidation of United Industrial Corporation Limited Group in August 2017. The development property backlog has been fully amortised in 2019.

1(a)(iii) Consolidated Statement of Comprehensive Income

	Note	The Group		
		First half ended 30 June		
		2020	2019	+ / (-)
		\$'000	\$'000	%
Net (loss)/profit		(94,784)	413,379	(123)
<b>Other comprehensive loss/(income):</b>				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges		(7,799)	(4,675)	(67)
Currency translation differences arising from consolidation of foreign operations	A	5,562	(18,705)	130
		(2,237)	(23,380)	90
Items that will not be reclassified subsequently to profit or loss:				
Financial assets, at fair value through other comprehensive income - fair value (losses)/gains	B	(253,247)	73,475	(445)
Currency translation differences arising from consolidation of foreign operations		4,697	(5,311)	188
<b>Other comprehensive (loss)/income, net of tax</b>		(250,787)	44,784	(660)
<b>Total comprehensive (loss)/income</b>		(345,571)	458,163	(175)
<b>Total comprehensive (loss)/income attributable to:</b>				
Equity holders of the Company		(336,570)	315,975	(207)
Non-controlling interests		(9,001)	142,188	(106)
		(345,571)	458,163	(175)

1(a)(iv) Explanatory Notes to the Consolidated Statement of Comprehensive Income

**A** Currency translation differences arising from consolidation of foreign operations

The currency translation differences arose mainly from the translation of the net assets of the Group's foreign subsidiaries which are denominated in RMB, GBP, AUD, MYR, VND, USD and IDR.

**B** Fair value (losses)/gains on financial assets at fair value through other comprehensive income

The quoted financial assets at fair value through other comprehensive income are stated at their fair values based on the quoted closing bid prices as at the reporting date. The fair value losses recorded for the first half of 2020 was due to the decrease in the closing bid prices of the relevant quoted equity shares from the previous financial year-end as equity markets have been affected by the COVID-19 pandemic.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	The Group		The Company	
		30.06.20 \$'000	31.12.19 \$'000	30.06.20 \$'000	31.12.19 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		805,690	717,377	6,026	36,684
Trade and other receivables		402,722	401,448	32,990	8,892
Derivative financial instrument		43	-	-	-
Developed properties held for sale	A	598,819	691,289	-	-
Development properties	A	2,907,837	2,613,341	-	-
Inventories		4,878	4,289	-	-
Other assets		64,414	53,523	1,159	584
Current income tax assets		169	210	-	-
		4,784,572	4,481,477	40,175	46,160
<b>Non-current assets</b>					
Trade and other receivables		129,282	122,286	874,832	874,955
Other assets	B	70,301	38,950	-	-
Derivative financial instrument		-	180	-	-
Financial assets at fair value through other comprehensive income	C	936,507	1,189,755	693,034	884,562
Investments in associated companies		275,754	280,381	-	-
Investment in a joint venture company		-	-	-	-
Investments in subsidiaries		-	-	1,983,934	1,983,934
Investment properties	D	11,325,485	11,593,671	560,371	567,146
Property, plant and equipment		2,845,866	2,869,771	1,963	2,083
Intangibles		43,892	43,969	493	584
Deferred income tax assets		37,508	33,334	-	-
		15,664,595	16,172,297	4,114,627	4,313,264
<b>Total assets</b>		<b>20,449,167</b>	<b>20,653,774</b>	<b>4,154,802</b>	<b>4,359,424</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	E	717,280	679,534	363,955	452,992
Current income tax liabilities		151,114	135,830	4,237	3,679
2.5% unsecured fixed rate notes due 2020		239,960	239,840	-	-
Bank loans		1,439,174	1,447,420	91,900	86,300
Lease liabilities and trade financing		9,263	5,677	-	-
Derivative financial instrument		6,062	2,663	-	-
		2,562,853	2,510,964	460,092	542,971
<b>Non-current liabilities</b>					
Trade and other payables		207,962	206,087	4,050	3,864
Lease liabilities and trade financing		23,338	21,491	-	-
Bank loans	F	3,195,499	2,930,662	263,737	62,691
3.0% unsecured fixed rate notes due 2024		199,233	199,133	-	-
Derivative financial instrument		11,123	5,745	1,587	1,005
Loans from non-controlling shareholders of subsidiaries	G	129,532	107,361	-	-
Provision for retirement benefits		3,531	6,375	-	-
Deferred income tax liabilities		321,986	331,667	3,849	3,746
		4,092,204	3,808,521	273,223	71,306
<b>Total liabilities</b>		<b>6,655,057</b>	<b>6,319,485</b>	<b>733,315</b>	<b>614,277</b>
<b>NET ASSETS</b>		<b>13,794,110</b>	<b>14,334,289</b>	<b>3,421,487</b>	<b>3,745,147</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>					
Share capital		1,561,929	1,560,918	1,561,929	1,560,918
Reserves		639,706	893,862	515,590	707,088
Retained earnings		7,363,240	7,592,700	1,343,968	1,477,141
		9,564,875	10,047,480	3,421,487	3,745,147
<b>Non-controlling interests</b>		<b>4,229,235</b>	<b>4,286,809</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>		<b>13,794,110</b>	<b>14,334,289</b>	<b>3,421,487</b>	<b>3,745,147</b>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (cont'd)

Explanatory Notes to the Statement of Financial Position

A Developed properties held for sale/Development properties

The decrease in developed properties held for sale was due mainly to sales at Park Eleven, Shanghai and V on Shenton. The increase in development properties was mainly from the acquisition of the residential site at Canberra Drive awarded by the Urban Redevelopment Authority in March 2020 at a tender price of \$270.2 million.

B Non-current other assets

Included in non-current other assets are progress payments for the acquisition of the 180 serviced suites and 154-room hotel at Thamrin Nine, Jakarta, currently under development and will be operated as PARKROYAL Serviced Suites Jakarta and Pan Pacific Jakarta respectively. These amounts will be transferred to investment properties and property, plant and equipment upon completion.

C Financial assets at fair value through other comprehensive income

The decrease was due to fair value losses of \$253.2 million from investment in equity shares arising from the decrease in the closing bid prices of the equity shares.

D Investment properties

Investment properties are stated at valuation as determined by independent professional valuers and it is the practice of the Group to revalue its investment properties half yearly. As at 30 June 2020, the total carrying value of the Group's investment properties based on valuation determined by independent professional valuers was \$11.3 billion, a \$263.8 million or 2.3% decline from the total value of investment properties as at 31 December 2019. The decline in valuation is observed across all of the Group's commercial properties and serviced suites classified as investment properties which reflects the impact of the COVID-19 pandemic on the performance of these properties.

E Current trade and other payables

The increase in current trade and other payables was mainly due to the approval of first and final dividends in respect of the financial year ended 31 December 2019 to be paid in July 2020 comprising 1) \$147.6 million payable to shareholders of the Company; and 2) \$28.4 million payable to non-controlling shareholders of a subsidiary. This increase was offset partially by a decrease in payables as a result of lower level of transactions due to the impact of the COVID-19 pandemic.

F Non-current bank loans

The increase in non-current bank loans was mainly for the acquisition of the Canberra Drive site and the development of Clavon project at Clementi Avenue 1.

G Non-current loans from non-controlling shareholders of subsidiaries

The increase from 2019 arose mainly from a loan from the non-controlling shareholder of United Venture Development (2020) Pte. Ltd. for the property development project at Canberra Drive.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30.06.20		As at 31.12.19	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	416,190	1,263,499	185,717	1,502,083
Amount repayable after one year	1,174,504	2,358,707	1,271,020	1,975,940

Details of any collaterals

The borrowings are secured by bank deposits, mortgages on the borrowing subsidiaries' investment properties, hotel properties, development properties, and/or assignment of all rights and benefits with respect to the properties and/or corporate guarantees from the Company or other Group subsidiaries.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the first half ended 30 June 2020

	Note	The Group	
		First half	First half
		2020	2019
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net (loss)/profit		(94,784)	413,379
Adjustments for:			
Income tax expense		27,835	51,281
Non-cash items	i	65,950	165,747
Dividend income and interest income		(35,653)	(39,209)
Interest expense		46,417	57,640
Fair value losses/(gains) on the Group's investment properties		263,750	(181,860)
		<u>273,515</u>	<u>466,978</u>
Change in working capital			
Receivables		(60,967)	(17,720)
Development properties	ii	(208,426)	737,381
Inventories		(589)	819
Payables	iii	(85,766)	(332,461)
		<u>(355,748)</u>	<u>388,019</u>
Cash (used in)/generated from operations		(82,233)	854,997
Income tax paid		(21,438)	(83,627)
Retirement benefits paid		(369)	(53)
<b>Net cash (used in)/from operating activities</b>		<u>(104,040)</u>	<u>771,317</u>
<b>Cash flows from investing activities</b>			
Grants received/(payments) for intangibles		57	(135)
Loans to an associated company and a joint venture company		(2,021)	(11,124)
Net proceeds from disposal of property, plant and equipment		2	43
Purchase of and prepayment for property, plant and equipment and investment properties		(61,417)	(33,141)
Interest received		5,775	6,458
Dividends received		30,518	35,858
<b>Net cash from/(used in) investing activities</b>		<u>(27,086)</u>	<u>(2,041)</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		1,011	2,967
Payment to non-controlling shareholders for purchase of shares in subsidiaries	iv	(6,600)	(678,095)
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		203	105
Loans from non-controlling shareholders of subsidiaries		22,171	4,120
Repayment of loan from non-controlling shareholder of a subsidiary		-	(66,300)
Proceeds from 3.0% unsecured fixed rate notes due 2024		-	200,000
Proceeds from borrowings	v	1,056,534	1,755,026
Repayment of borrowings	v	(791,124)	(1,812,394)
Expenditure relating to bank borrowings		(1,759)	(2,667)
Interest paid		(53,064)	(59,315)
Payment of lease liabilities and trade financing		4,551	(928)
Dividends paid to equity holders of the Company		-	(147,543)
Dividends paid to non-controlling interests		(13,799)	(27,021)
<b>Net cash from/(used in) financing activities</b>		<u>218,124</u>	<u>(832,045)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		86,998	(62,769)
Cash and cash equivalents at the beginning of the financial period		714,377	673,418
Effects of currency translation on cash and cash equivalents		1,315	(1,259)
<b>Cash and cash equivalents at the end of the financial period</b>	vi	<u>802,690</u>	<u>609,390</u>

Explanatory Notes to the Consolidated Statement of Cash Flows

i. Non-cash items

Non-cash items consist mainly of depreciation and amortisation expenses and unrealised translation gains/losses. The decrease was mainly due to the absence of the amortisation of development property backlog of \$76.4 million recorded in the first half of 2019.

ii. Development properties

The cash outflow for development properties was mainly for the acquisition of the site at Canberra Drive at a tender price of \$270.2 million.

iii. Payables

The movement in payables for the first half of 2019 arose mainly from the recognition of revenue from sales proceeds received in advance from the sale of residential units in Park Eleven, Shanghai. The sales proceeds received in advance were previously recognised as a payable until the handover of the units to the purchasers as the project is accounted for using the completion of construction method.

iv. Payment to non-controlling shareholders for purchase of shares in subsidiaries

For first half of 2019, the payment to non-controlling shareholders for purchase of shares in subsidiaries relate to the Group's acquisition of shares in subsidiaries, Marina Centre Holdings Private Limited and Aquamarina Hotel Pte Ltd, from non-controlling shareholders.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Explanatory Notes to the Consolidated Statement of Cash Flows (cont'd)

v Proceeds from borrowings/Repayment of borrowings

The net proceeds from borrowings was mainly used to fund the acquisition of the Canberra Drive site and the development of Clavon project at Clementi Avenue 1.

vi Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprise the following:

	The Group	
	<u>30.06.20</u>	<u>30.06.19</u>
	\$'000	\$'000
Fixed deposits with financial institutions	305,018	587,029
Cash at bank and on hand	500,672	26,115
Cash and bank balances per Statement of Financial Position	805,690	613,144
Less: Bank deposits pledged as security	(3,000)	(3,754)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>802,690</u>	<u>609,390</u>

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the first half ended 30 June

	Share		Retained	Non-	
	<u>capital</u>		<u>Reserves</u>	<u>earnings</u>	
	\$'000	\$'000	\$'000	interests	equity
				\$'000	\$'000
<b>The Group</b>					
<b>2020</b>					
Balance at 1 January 2020	1,560,918	893,862	7,592,700	4,286,809	14,334,289
Loss for the period	-	(310)	(81,834)	(12,640)	(94,784)
Other comprehensive (loss)/income for the period	-	(254,426)	-	3,639	(250,787)
Total comprehensive loss for the period	-	(254,736)	(81,834)	(9,001)	(345,571)
Employee share option scheme					
- value of employee services	-	580	-	67	647
- proceeds from shares issued	1,011	-	-	-	1,011
Dividends	-	-	(147,626)	(42,243)	(189,869)
Acquisition of interests from non-controlling shareholders	-	-	-	(6,600)	(6,600)
Issue of shares to non-controlling shareholders	-	-	-	203	203
Total transactions with owners, recognised directly in equity	1,011	580	(147,626)	(48,573)	(194,608)
Balance at 30 June 2020	<u>1,561,929</u>	<u>639,706</u>	<u>7,363,240</u>	<u>4,229,235</u>	<u>13,794,110</u>
<b>2019</b>					
Balance at 1 January 2019	1,556,201	814,629	7,250,220	4,812,598	14,433,648
Profit for the period	-	-	267,743	145,636	413,379
Other comprehensive income/(loss) for the period	-	48,232	-	(3,448)	44,784
Total comprehensive income for the period	-	48,232	267,743	142,188	458,163
Employee share option scheme					
- value of employee services	-	663	-	52	715
- proceeds from shares issued	2,967	-	-	-	2,967
Dividends	-	-	(147,543)	(27,021)	(174,564)
Acquisition of interests from non-controlling shareholders	-	-	9,434	(687,538)	(678,104)
Issue of shares to non-controlling shareholders	-	-	-	105	105
Total transactions with owners, recognised directly in equity	2,967	663	(138,109)	(714,402)	(848,881)
Balance at 30 June 2019	<u>1,559,168</u>	<u>863,524</u>	<u>7,379,854</u>	<u>4,240,384</u>	<u>14,042,930</u>

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.  
(cont'd)

Statement of Changes in Equity for the first half ended 30 June

	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>The Company</b>				
<b>2020</b>				
Balance at 1 January 2020	1,560,918	707,088	1,477,141	3,745,147
Profit for the period	-	-	14,453	14,453
Other comprehensive loss for the period	-	(192,011)	-	(192,011)
Total comprehensive (loss)/income for the period	-	(192,011)	14,453	(177,558)
Employee share option scheme				
- value of employee services	-	513	-	513
- proceeds from shares issued	1,011	-	-	1,011
Dividends	-	-	(147,626)	(147,626)
Total transactions with owners, recognised directly in equity	1,011	513	(147,626)	(146,102)
Balance at 30 June 2020	<u>1,561,929</u>	<u>515,590</u>	<u>1,343,968</u>	<u>3,421,487</u>
<b>2019</b>				
Balance at 1 January 2019	1,556,201	642,560	929,102	3,127,863
Profit for the period	-	-	25,031	25,031
Other comprehensive income for the period	-	51,641	-	51,641
Total comprehensive income for the period	-	51,641	25,031	76,672
Employee share option scheme				
- value of employee services	-	622	-	622
- proceeds from shares issued	2,967	-	-	2,967
Dividends	-	-	(147,543)	(147,543)
Total transactions with owners, recognised directly in equity	2,967	622	(147,543)	(143,954)
Balance at 30 June 2019	<u>1,559,168</u>	<u>694,823</u>	<u>806,590</u>	<u>3,060,581</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the first half ended 30 June 2020, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2020	843,418,232
Issue of ordinary shares arising from the exercise of:	
2012 Options at exercise price of S\$5.40 per share	37,000
2013 Options at exercise price of S\$6.55 per share	8,000
2014 Options at exercise price of S\$6.10 per share	16,000
2015 Options at exercise price of S\$7.67 per share	7,000
2017 Options at exercise price of S\$6.61 per share	77,000
2019 Options at exercise price of S\$6.59 per share	15,000
Ordinary shares issued upon exercise of options	160,000
Issued share capital as at 30 June 2020	<u>843,578,232</u>

As at 30 June 2020, there were 6,010,000 (30.06.19: 5,237,000) ordinary shares which may be issued upon the exercise of options under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

The Company did not hold any treasury shares and there were no subsidiary holdings as of 30 June 2020 and 30 June 2019.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	The Company	
	30.06.20	31.12.19
Total number of issued shares, excluding treasury shares	843,578,232	843,418,232



1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings during the financial period ended 30 June 2020.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue; (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those of the audited financial statements for the financial year ended 31 December 2019.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group adopted the standards, amendments and interpretations to existing standards that are mandatory for application for the financial period beginning 1 January 2020 or from their effective date, if later. The following are the amended financial reporting standards that are relevant to the Group:

- Amendments to SFRS(I) 3 Business Combination
- Amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement, and SFRS(I) 7 Financial Instruments: Disclosures
- Amendments to SFRS(I) 16 Leases (effective 1 June 2020)

The adoption of the above amendments did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	First half 2020	First half 2019
(Losses)/earnings per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	(cents 9.74)	cents 31.77
(ii) On a fully diluted basis	(cents 9.74)	cents 31.76

Losses/earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the financial period.

For the purposes of calculating diluted losses/earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than market value.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	The Group		The Company	
	30.06.20	31.12.19	30.06.20	31.12.19
Net asset value per ordinary share	\$11.34	\$11.91	\$4.06	\$4.44
Net tangible asset backing per ordinary share	\$11.29	\$11.86	\$4.06	\$4.44

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### **Revenue**

Group revenue in the first half of 2020 decreased by \$345.4 million or 28% to \$908.2 million from \$1,253.5 million in the corresponding period of 2019 mainly from the impact of the COVID-19 pandemic. Hotel operations recorded a \$177.8 million or 57% decline due to 1) the Group's hotels being affected by the lockdowns and travel restrictions imposed by governments around the world with the Singapore and Australia hotels seeing the largest decline; 2) the closure of PARKROYAL COLLECTION Marina Bay and PARKROYAL Kuala Lumpur for major refurbishments; and 3) the absence of revenue from Pan Pacific Suzhou which was sold in December 2019.

Revenue from property development was \$156.5 million or 29% lower as the revenue from Park Eleven, Shanghai for the first half of 2019 was significantly higher due to the large number of units handed over in the first quarter of 2019. The decline was offset partially by higher progressive revenue recognition from on-going projects in Singapore, mainly Avenue South Residence and The Tre Ver.

Revenue from property investments fell by \$38.2 million or 14% due mainly to rental rebates of \$26.3 million extended to tenants affected by the COVID-19 pandemic while revenue from management services and technologies were \$30.0 million or 32% higher arising from more sales of information technology and related services.

#### **Gross profit margin**

Gross profit margin of 38% for first half of 2020 was lower than the gross profit margin of 45% for first half of 2019 due mainly to reduced margins from the impact of COVID-19 pandemic and lower revenue from Park Eleven, Shanghai which has a higher profit margin.

#### **Miscellaneous income**

Miscellaneous income has increased due mainly to the receipt of government grants and assistance amounting to \$25.5 million to support businesses during the COVID-19 pandemic including Singapore's Job Support Schemes, Australia's JobKeeper Payment scheme and Singapore property tax rebates for hotels and serviced suites.

#### **Expenses**

The decrease in other operating expenses resulted mainly from the absence of amortisation of development property backlog for the period as compared to \$76.4 million recorded in the first half of 2019. The development property backlog arose from the Purchase Price Allocation exercise in relation to the consolidation of UIC Group in August 2017 and was amortised as and when development profits were recognised. With the completion of Park Eleven in Shanghai and The Clement Canopy, all development property backlog previously recognised in respect of units sold as of August 2017 have been fully amortised in 2019.

Expenses have generally reduced with lower sales and with various cost containment measures in place to mitigate the effects of the COVID-19 outbreak.

Finance expenses decreased mainly due to a decline in interest expense on bank borrowings amidst the low interest rate environment.

#### **Profit & Loss**

##### **First Half ended 30 June 2020/2019**

The pre-tax profit before fair value losses was \$196.8 million, a \$86.0 million or 30% decrease from the profit of \$282.8 million in the first half of 2019. Notwithstanding the cost containment measures in place and the government grants and assistance, the Group's performance has been impacted by the COVID-19 outbreak, with the hotel operations and hotel management services segments seeing the largest decline.

With attributable fair value losses on investment properties of \$185.8 million recognised for the first half of 2020 compared to attributable fair value gains of \$103.7 million for the first half of 2019, loss after tax and non-controlling interest for the period was \$82.1 million as compared to a profit of \$267.7 million in the corresponding period last year.

#### **Net tangible asset and gearing**

The Group's shareholders' funds decreased from \$10.05 billion as at 31 December 2019 to \$9.56 billion as at 30 June 2020 due mainly to 1) net loss arising from fair value losses of investment properties; 2) fair value losses on financial assets at fair value through other comprehensive income; and 3) deduction of dividends payable against retained earnings. Consequently the net tangible asset per ordinary share of the Group decreased to \$11.29 as at 30 June 2020 from \$11.86 as at 31 December 2019.

The Group's gearing ratio increased to 0.32 as at 30 June 2020 from 0.30 as at 31 December 2019 with higher borrowings for the acquisition of Canberra Drive site and the development of Clavon project at Clementi Avenue 1.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Nil.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

According to the Ministry of Trade and Industry, the Singapore economy contracted 13.2 per cent in the second quarter of 2020 ("2Q2020"), bringing the country into a technical recession with two straight quarters of contraction. The decline was due to the implementation of Circuit Breaker measures and the weak external demand caused by the COVID-19 pandemic.

Statistics from the Urban Redevelopment Authority showed that Singapore's private home prices increased by 0.3 per cent in 2Q2020 compared with the 1.0 per cent decrease in the first quarter of 2020 ("1Q2020"). Sales volume for private homes is expected to fall in 2020 though projects which are well-located and with strong product attributes may continue to attract buyers.

Rentals of office space in Singapore remained unchanged in 2Q2020 compared with the 0.8 per cent decline in the previous quarter. However, island wide vacancy rate has increased to 12.1 per cent as at the end of 2Q2020 from 11.0 per cent as at the end of the previous quarter. More occupiers are choosing to downsize as they tighten their belts and consequently, vacancy levels are expected to rise.

Rentals of retail space declined by 3.5 per cent in 2Q2020 after easing 2.3 per cent in the previous quarter. Notwithstanding that the gradual re-opening of the economy should help improve retail sales, it is expected that domestic spending will remain cautious whilst international visitor spending will be lacking until global travel resumes. The challenging market conditions could lead to higher vacancies, which in turn will exert downward pressure on rents.

Global travel remains largely at a standstill owing to tight restrictions imposed by authorities and risk aversion by travellers. As the pace and timing of recovery remains uncertain, domestic travel particularly in Australia and China and staycation may help with the recovery of certain hotel segments in the near term.

In the United Kingdom ("UK"), office rents are expected to fall as the scale of the economic impact of COVID-19 becomes apparent with the Office of National Statistics reporting that the UK economy is estimated to have shrunk by 20.4 per cent in 2Q2020 compared to 1Q2020. However, the constrained supply of new office space in London could moderate the decline in rents.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Tax Rate	:	N.A.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	:	N.A.
Dividend Type	:	N.A.
Dividend Rate	:	NIL
Tax Rate	:	N.A.

(c) Date payable : N.A.

(d) Record date : N.A.

12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the first half ended 30 June 2020 as it is not the usual practice of the Group to declare interim dividends.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

**CONFIRMATION BY DIRECTORS**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the first half ended 30 June 2020 to be false or misleading.

**CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Foo Thiam Fong Wellington  
Company Secretary  
13 August 2020