

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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		
		For the year ended 31 December		
		2020	2019	+ / (-)
		\$'000	\$'000	%
Revenue	A	1,977,148	2,283,341	(13)
Cost of sales		(1,249,563)	(1,237,716)	1
Gross profit		727,585	1,045,625	(30)
Other income				
- Finance income	B	12,546	12,128	3
- Miscellaneous income	C	91,260	18,916	382
Expenses				
- Marketing and distribution	D	(78,736)	(94,316)	(17)
- Administrative	E	(99,965)	(120,041)	(17)
- Finance	F	(83,360)	(116,528)	(28)
- Other operating	G	(116,507)	(211,943)	(45)
Share of (loss)/profit of associated companies		(7,671)	6,019	(227)
Share of loss of a joint venture company		(1,929)	(3,770)	(49)
Profit before fair value and other losses/gains and income tax		443,223	536,090	(17)
Other (losses)/gains	H	(41,212)	28,124	(247)
Fair value (losses)/gains on the Group's investment properties		(293,295)	220,331	(233)
Profit before income tax	I	108,716	784,545	(86)
Income tax expense	J	(23,367)	(105,776)	(78)
Net profit		85,349	678,769	(87)
<u>Attributable to:</u>				
Equity holders of the Company		13,141	478,817	(97)
Non-controlling interests		72,208	199,952	(64)
		85,349	678,769	(87)
The above net profit attributable to equity holders of the Company can be analysed as follows:				
Attributable profit before fair value and other losses/gains		259,818	313,683	(17)
Other (losses)/gains		(30,346)	28,124	(208)
Fair value (losses)/gains on the Group's investment properties		(216,331)	137,010	(258)
Net attributable profit		13,141	478,817	(97)

1(a)(iii) Explanatory Notes to the Consolidated Income Statement

	The Group		
	For the year ended 31 December		
	2020	2019	+ / (-)
	\$'000	\$'000	%
A Revenue			
Revenue from property development	943,101	847,057	11
Revenue from property investments	503,334	551,734	(9)
Revenue from hotel ownership and operations	246,499	653,703	(62)
Revenue from technology operations	225,746	160,099	41
Revenue from management services	9,432	15,508	(39)
Dividend income from financial assets at fair value through other comprehensive income	49,036	55,240	(11)
	1,977,148	2,283,341	(13)
B Finance income			
Interest income	12,047	12,128	(1)
Currency exchange gains (net)	499	-	-
	12,546	12,128	3
C Miscellaneous income			
Government grant income – COVID-19 related	105,789	-	-
Less: Government grant expense – COVID-19 related rent concessions given to tenants	(33,354)	-	-
Net government grants and assistance - COVID-19 related (See footnote 1 on page 3)	72,435	-	-
Others	18,825	18,916	(0)
	91,260	18,916	382
D Marketing and distribution expenses			
Advertising and promotion	17,431	32,264	(46)
Marketing and distribution payroll and related expenses	23,358	30,270	(23)
Sales commissions	25,648	17,913	43
Showflat expenses	9,314	9,873	(6)
Others	2,985	3,996	(25)
	78,736	94,316	(17)
E Administrative expenses			
Administrative payroll and related expenses	62,538	76,454	(18)
Corporate expenses	15,591	16,725	(7)
Credit card commissions	2,222	9,040	(75)
Information technology related expenses	7,479	8,101	(8)
Bank loan fees and other bank charges	880	1,364	(35)
Others	11,255	8,357	35
	99,965	120,041	(17)
F Finance expenses			
Bank facility fees	5,191	5,622	(8)
Interest expense	92,024	118,896	(23)
Less: borrowing costs capitalised (See footnote 2 on page 3)	(13,855)	(12,551)	10
Currency exchange losses (net)	-	4,561	(100)
	83,360	116,528	(28)
G Other operating expenses			
Property taxes	55,503	53,943	3
Repairs, maintenance and security	18,932	19,344	(2)
Heat, light and power	14,405	23,262	(38)
Others (See footnote 3 on page 3)	27,667	38,997	(29)
	116,507	135,546	(14)
Amortisation of development property backlog (See footnote 4 on page 3)	-	76,397	(100)
	116,507	211,943	(45)
H Other (losses)/gains			
Impairment charge on property, plant and equipment (See footnote 5 on page 3)	(42,233)	(14,780)	186
Write-back of impairment charge on property, plant and equipment (See footnote 5 on page 3)	1,021	3,586	(72)
Gain on disposal of a subsidiary (See footnote 6 on page 3)	-	39,318	(100)
	(41,212)	28,124	(247)
I Profit before income tax			
Profit before income tax is stated after charging:			
Depreciation and amortisation (See footnote 4 on page 3)	117,880	190,653	(38)
Property, plant and equipment written off and net loss on disposals (See footnote 7 on page 3)	9,467	2,234	324
Impairment loss on financial assets (See footnote 8 on page 3)	8,134	418	1,846

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

	The Group		
	For the year ended 31 December		
	2020	2019	+ / (-)
	\$'000	\$'000	%
J <u>Income tax expense</u>			
Tax expense attributable to profit is made up of:			
- Profit for the financial year:			
Current income tax			
- Singapore	99,695	117,690	(15)
- Foreign	38,293	45,925	(17)
- Withholding tax paid	309	508	(39)
Deferred income tax			
- fair value (losses)/gains of investment properties	(10,070)	4,913	(305)
- others	(73,297)	(59,783)	23
	54,930	109,253	(50)
- (Over)/under provision in prior financial years:			
Current income tax			
- Singapore	(6,328)	(2,155)	194
- Foreign	(765)	74	(1,134)
Deferred income tax (See footnote 9)	(24,470)	(1,396)	1,553
	23,367	105,776	(78)
The tax expense on profit for the financial year differs from the amount that would arise using the Singapore standard rate of income tax due to the following:			
Profit before income tax	108,716	784,545	(86)
Share of loss/(profit) of associated companies, net of tax	7,671	(6,019)	(227)
Share of loss of a joint venture company, net of tax	1,929	3,770	(49)
	118,316	782,296	(85)
Profit before tax and share of loss/profit of associated companies and loss of a joint venture company			
Tax calculated at a tax rate of 17%	20,114	132,990	(85)
Effects of:			
- Singapore statutory stepped income exemption	(610)	(755)	(19)
- Tax rebates	(340)	(1,233)	(72)
- Different tax rates in other countries	2,613	8,200	(68)
- Income not subject to tax (See footnote 10)	(21,077)	(53,343)	(60)
- Expenses not deductible for tax purposes (See footnote 10)	62,103	26,496	134
- Recognition/utilisation of previously unrecognised tax losses	(8,553)	(3,895)	120
- Deferred tax assets not recognised in the current financial year	680	793	(14)
- Over provision in prior financial years	(31,563)	(3,477)	808
Tax charge	23,367	105,776	(78)

- ¹ Included in the net COVID-19 related government grants and assistance are amounts received during the year under the Job Support Schemes by the Singapore government, the Australia's JobKeeper Payment Scheme, and Singapore property tax rebates and cash grants excluding those on-passed to tenants.
- ² Borrowing costs capitalised relate mainly to borrowings for the development of One Bishopsgate Plaza and Pan Pacific Orchard.
- ³ Included in other operating expenses for 2019 is a one-off fee paid for the early termination of the hotel management agreement of Marina Mandarin Singapore, which has been rebranded PARKROYAL COLLECTION Marina Bay on 1 January 2020.
- ⁴ Included within other operating expenses and depreciation and amortisation in 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.
- ⁵ The impairment charge was in respect of the hotel under development in Bishopsgate, London for an amount of \$32.9 million (2019: \$14.8 million) and Pan Pacific Melbourne for an amount of \$9.3 million (2019: nil). The write-back of impairment charge was in respect of Pan Pacific Tianjin in 2020 and Pan Pacific Melbourne in 2019. The impairment charge for the hotel under development in Bishopsgate, London arose from the difference between the valuation of the hotel upon completion and the estimated total development cost of the hotel. The impairment charge and the reversal of impairment charges for Pan Pacific Melbourne and Pan Pacific Tianjin were due to the fair values of the properties being lower than and exceeding their carrying amounts respectively.
- ⁶ The gain on disposal of a subsidiary in 2019 was in relation to the disposal of the Group's wholly owned subsidiary Suzhou Wugong Hotel Co., Ltd which holds Pan Pacific Suzhou. The disposal was completed on 16 December 2019 and Suzhou Wugong Hotel Co., Ltd ceased to be a subsidiary.
- ⁷ The property, plant and equipment written off and net loss on disposals were mainly from PARKROYAL COLLECTION Marina Bay which underwent a major refurbishment in 2020.
- ⁸ The impairment loss on financial assets arose from provisions for doubtful debts as some tenants were badly affected by the COVID-19 pandemic.
- ⁹ The over provision in prior financial years relates to the reversal of deferred income tax provisions in respect of capital allowances claimed on qualifying assets which are no longer required.
- ¹⁰ Income not subject to tax comprises mainly dividend income from financial assets at fair value through other comprehensive income and fair value gains on the Group's investment properties. Expenses not deductible for tax purposes comprises mainly restricted claims of expenditure and interest costs, impairment charge on property, plant and equipment and fair value losses on the Group's investment properties.

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

	Note	The Group		
		For the year ended 31 December		
		2020	2019	+ / (-)
Net profit		\$'000	\$'000	%
		85,349	678,769	(87)
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges		(2,514)	(6,173)	(59)
Currency translation differences arising from consolidation of foreign operations	A	33,959	(15,391)	321
		31,445	(21,564)	246
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	(176,134)	114,219	(254)
Actuarial gains on defined benefit plans, net of tax		-	309	(100)
Currency translation differences arising from consolidation of foreign operations		20,425	(9,545)	314
Other comprehensive (loss)/income, net of tax		(124,264)	83,419	(249)
Total comprehensive (loss)/income		(38,915)	762,188	(105)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company		(128,672)	556,770	(123)
Non-controlling interests		89,757	205,418	(56)
		(38,915)	762,188	(105)

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 financial assets at fair value through other comprehensive income are stated at their fair values based on 1) the quoted closing bid prices as at the reporting date for quoted equity shares; and 2) the net asset value of the investment multiplied by a discount factor where applicable for unquoted equity shares. The fair value losses recorded in 2020 was mainly due to the decrease from the previous financial year in the closing bid prices of the quoted equity shares and assessed fair value of the unquoted equity shares which 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.

		The Group		The Company	
	Note	31.12.20 \$'000	31.12.19 \$'000	31.12.20 \$'000	31.12.19 \$'000
ASSETS					
Current assets					
Cash and bank balances		976,942	717,377	5,982	36,684
Trade and other receivables		308,161	401,448	4,338	8,892
Developed properties held for sale	A	467,385	691,289	-	-
Development properties	A	2,690,145	2,613,341	-	-
Inventories		1,242	4,289	-	-
Other assets		62,268	53,523	818	584
Current income tax assets		254	210	-	-
		4,506,397	4,481,477	11,138	46,160
Non-current assets					
Trade and other receivables		154,695	122,286	857,329	874,955
Other assets		69,243	38,950	-	-
Derivative financial instrument		-	180	-	-
Financial assets at fair value through other comprehensive income	B	1,013,621	1,189,755	752,117	884,562
Investments in associated companies		271,430	280,381	-	-
Investment in a joint venture company		-	-	-	-
Investments in subsidiaries		-	-	1,941,510	1,983,934
Investment properties	C	11,343,168	11,593,671	562,113	567,146
Property, plant and equipment		2,911,670	2,869,771	2,280	2,083
Intangibles		43,735	43,969	431	584
Deferred income tax assets		59,535	33,334	-	-
		15,867,097	16,172,297	4,115,780	4,313,264
Total assets		20,373,494	20,653,774	4,126,918	4,359,424
LIABILITIES					
Current liabilities					
Trade and other payables	D	495,144	679,534	396,880	452,992
Current income tax liabilities		164,907	135,830	7,666	3,679
2.5% unsecured fixed rate notes due 2020	E	-	239,840	-	-
Bank loans	F	1,652,476	1,447,420	-	86,300
Lease liabilities and trade financing		18,064	5,677	-	-
Derivative financial instrument		6,179	2,663	-	-
		2,336,770	2,510,964	404,546	542,971
Non-current liabilities					
Trade and other payables		213,193	206,087	3,972	3,864
Lease liabilities and trade financing		36,012	21,491	-	-
Bank loans	F	3,089,209	2,930,662	267,430	62,691
3.0% unsecured fixed rate notes due 2024		199,333	199,133	-	-
Derivative financial instrument		4,329	5,745	1,319	1,005
Loans from non-controlling shareholders of subsidiaries		131,225	107,361	-	-
Provision for retirement benefits		3,712	6,375	-	-
Deferred income tax liabilities		258,563	331,667	188	3,746
		3,935,576	3,808,521	272,909	71,306
Total liabilities		6,272,346	6,319,485	677,455	614,277
NET ASSETS		14,101,148	14,334,289	3,449,463	3,745,147
Capital & reserves attributable to equity holders of the Company					
Share capital		1,563,860	1,560,918	1,563,860	1,560,918
Reserves		753,145	893,862	575,475	707,088
Retained earnings		7,471,136	7,592,700	1,310,128	1,477,141
		9,788,141	10,047,480	3,449,463	3,745,147
Non-controlling interests		4,313,007	4,286,809	-	-
TOTAL EQUITY		14,101,148	14,334,289	3,449,463	3,745,147

- 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, partially offset by the completion of Amber45 in September 2020 and progress billings for ongoing projects.

B Financial assets at fair value through other comprehensive income

The decrease was due to fair value losses of \$156.2 million from investment in quoted equity shares arising from the decrease in the closing bid prices of the equity shares and \$19.9 million from investment in unquoted equity shares which assessed fair value have declined.

C Investment properties

Investment properties are stated at valuation as determined by independent professional valuers. As at 31 December 2020, the total carrying value of the Group's investment properties was \$11.3 billion, and the Group recorded a fair value loss on investment properties of \$293.3 million in 2020. 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.

D Current trade and other payables

The decrease in payables arose as a result of 1) lower contract liabilities for development properties; 2) recognition of revenue from sales proceeds received in advance from the sale of residential units in Park Eleven, Shanghai upon the handover of units; and 3) lower level of transactions due to the impact of the COVID-19 pandemic.

E 2.5% unsecured fixed rate notes due 2020

The 2.5% unsecured fixed rate notes due 2020 was redeemed on 29 September 2020.

F Current and non-current bank loans

The increases in current and non-current bank loans include loans drawn for 1) the redemption of the unsecured fixed rate notes due on 29 September 2020; 2) the acquisition of the Canberra Drive site; and 3) the major refurbishments at PARKROYAL Kuala Lumpur; offset partially by repayments from operating cash flows and progress billings of development projects.

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

	As at 31.12.20		As at 31.12.19	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	206,928	1,446,188	185,717	1,502,083
Amount repayable after one year	1,272,642	2,155,190	1,271,020	1,975,940

Details of any collaterals

The borrowings and other banking facilities 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 financial year ended 31 December

	Note	The Group	
		2020 \$'000	2019 \$'000
Cash flows from operating activities			
Net profit		85,349	678,769
Adjustments for:			
Income tax expense		23,367	105,776
Non-cash items	i	148,592	236,948
Dividend income and interest income		(61,083)	(67,368)
Interest expense		83,360	111,967
Fair value losses/(gains) on the Group's investment properties		293,295	(220,331)
Gain on disposal of a subsidiary		-	(39,318)
Write-back of impairment charge on property, plant and equipment		(1,021)	(3,586)
Impairment charge on property, plant and equipment		42,233	14,780
		<u>614,092</u>	<u>817,637</u>
Change in working capital			
Receivables		(104,462)	(31,963)
Development properties	ii	267,737	511,290
Inventories		3,047	(69)
Payables		(104,648)	(121,024)
		<u>61,674</u>	<u>358,234</u>
Cash generated from operations		675,766	1,175,871
Income tax paid		(96,083)	(131,730)
Retirement benefits paid		(89)	(95)
Net cash from operating activities		<u>579,594</u>	<u>1,044,046</u>
Cash flows from investing activities			
Disposal of a subsidiary, net of cash disposed of		-	74,456
Payment to non-controlling shareholders on liquidation of a subsidiary		(1,613)	-
Grants received/(payments) for intangibles		25	(363)
Loans to an associated company and a joint venture company		(2,571)	(14,304)
Net proceeds from disposal of property, plant and equipment		52	126
Payments for property, plant and equipment and investment properties	iii	(205,559)	(330,113)
Interest received		12,047	9,223
Dividends received		50,161	62,106
Net cash used in investing activities		<u>(147,458)</u>	<u>(198,869)</u>
Cash flows from financing activities			
Proceeds from shares issued		2,942	4,717
Payment to non-controlling shareholders for purchase of shares in subsidiaries	iv	(6,591)	(678,089)
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		203	105
Loans from non-controlling shareholders of subsidiaries		23,863	5,800
Repayment of loan from non-controlling shareholder of a subsidiary	v	-	(80,168)
Proceeds from 3.0% unsecured fixed rate notes due 2024		-	200,000
Repayment of 2.5% unsecured fixed rate notes due 2020	vi	(240,000)	-
Proceeds from borrowings	vi	1,875,364	2,887,128
Repayment of borrowings	vi	(1,570,233)	(2,826,543)
Expenditure relating to bank borrowings		(3,505)	(5,621)
Interest paid		(93,015)	(117,314)
Proceeds from/(payment of) trade financing		28,943	(1,153)
Payment of lease liabilities		(3,270)	(2,236)
Bank deposits pledged as security		500	754
Dividends paid to equity holders of the Company		(147,626)	(147,543)
Dividends paid to non-controlling interests		(42,642)	(42,122)
Net cash used in financing activities		<u>(175,067)</u>	<u>(802,285)</u>
Net increase in cash and cash equivalents		257,069	42,892
Cash and cash equivalents at the beginning of the financial year		714,377	673,418
Effects of currency translation on cash and cash equivalents		2,996	(1,933)
Cash and cash equivalents at the end of the financial year	vii	<u>974,442</u>	<u>714,377</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 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.

- 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)

iii Payments for property, plant and equipment and investment properties

Payments for property, plant and equipment and investment properties relates mainly to expenditure for 1) construction of One Bishopsgate Plaza; 2) construction of serviced suites at Thamrin Nine Tower 2; 3) the redevelopment of Pan Pacific Orchard; and 4) major refurbishments at PARKROYAL COLLECTION Marina Bay and PARKROYAL Kuala Lumpur. In 2019, the payments for investment properties also included the acquisition of 333 North Bridge Road (formerly known as KH Kea building).

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

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

v Repayment of loan from non-controlling shareholder of a subsidiary

The repayment in 2019 was made to the loan from the non-controlling shareholder of Secure Venture Development (Alexandra) Pte. Ltd. with sales proceeds from Principal Garden which obtained TOP in December 2018.

vi 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 major refurbishments at PARKROYAL Kuala Lumpur.

vii 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>31.12.20</u>	<u>31.12.19</u>
	\$'000	\$'000
Fixed deposits with financial institutions	314,032	390,160
Cash at bank and on hand	662,910	327,217
Cash and bank balances per Statement of Financial Position	976,942	717,377
Less: Bank deposits pledged as security	(2,500)	(3,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>974,442</u>	<u>714,377</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 financial year ended 31 December

	Share capital	Reserves	Retained earnings	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>					
2020					
Balance at 1 January 2020	1,560,918	893,862	7,592,700	4,286,809	14,334,289
Profit for the year	-	-	13,141	72,208	85,349
Other comprehensive (loss)/income for the year	-	(141,813)	-	17,549	(124,264)
Total comprehensive (loss)/income for the year	-	(141,813)	13,141	89,757	(38,915)
Employee share option scheme					
- value of employee services	-	1,096	-	5	1,101
- proceeds from shares issued	2,942	-	-	-	2,942
Dividends	-	-	(147,626)	(42,642)	(190,268)
Acquisition of interests from non-controlling shareholders	-	-	12,921	(19,512)	(6,591)
Issue of shares to non-controlling shareholders	-	-	-	203	203
Liquidation of a subsidiary	-	-	-	(1,613)	(1,613)
Total transactions with owners, recognised directly in equity	2,942	1,096	(134,705)	(63,559)	(194,226)
Balance at 31 December 2020	<u>1,563,860</u>	<u>753,145</u>	<u>7,471,136</u>	<u>4,313,007</u>	<u>14,101,148</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)

Consolidated Statement of Changes in Equity for the financial year ended 31 December (cont'd)

	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
<u>The Group</u>					
2019					
Balance at 1 January 2019	1,556,201	814,629	7,250,221	4,812,597	14,433,648
Profit for the year	-	-	478,817	199,952	678,769
Other comprehensive income for the year	-	77,953	-	5,466	83,419
Total comprehensive income for the year	-	77,953	478,817	205,418	762,188
Employee share option scheme					
- value of employee services	-	1,280	-	105	1,385
- proceeds from shares issued	4,717	-	-	-	4,717
Dividends	-	-	(147,543)	(42,122)	(189,665)
Acquisition of interests from non-controlling shareholders	-	-	11,205	(689,294)	(678,089)
Issue of shares to non-controlling shareholders	-	-	-	105	105
Total transactions with owners, recognised directly in equity	4,717	1,280	(136,338)	(731,206)	(861,547)
Balance at 31 December 2019	1,560,918	893,862	7,592,700	4,286,809	14,334,289

Statement of Changes in Equity for the financial year ended 31 December

	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<u>The Company</u>				
2020				
Balance at 1 January 2020	1,560,918	707,088	1,477,141	3,745,147
Loss for the year	-	-	(19,387)	(19,387)
Other comprehensive loss for the year	-	(132,704)	-	(132,704)
Total comprehensive loss for the year	-	(132,704)	(19,387)	(152,091)
Employee share option scheme				
- value of employee services	-	1,091	-	1,091
- proceeds from shares issued	2,942	-	-	2,942
Dividends	-	-	(147,626)	(147,626)
Total transactions with owners, recognised directly in equity	2,942	1,091	(147,626)	(143,593)
Balance at 31 December 2020	1,563,860	575,475	1,310,128	3,449,463
2019				
Balance at 1 January 2019	1,556,201	642,560	929,102	3,127,863
Profit for the year	-	-	695,582	695,582
Other comprehensive income for the year	-	63,353	-	63,353
Total comprehensive income for the year	-	63,353	695,582	758,935
Employee share option scheme				
- value of employee services	-	1,175	-	1,175
- proceeds from shares issued	4,717	-	-	4,717
Dividends	-	-	(147,543)	(147,543)
Total transactions with owners, recognised directly in equity	4,717	1,175	(147,543)	(141,651)
Balance at 31 December 2019	1,560,918	707,088	1,477,141	3,745,147

- 1(d)(iii) 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 financial year ended 31 December 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:	
2011 Options at exercise price of S\$4.62 per share	58,000
2012 Options at exercise price of S\$5.40 per share	57,000
2013 Options at exercise price of S\$6.55 per share	32,000
2014 Options at exercise price of S\$6.10 per share	30,000
2015 Options at exercise price of S\$7.67 per share	7,000
2017 Options at exercise price of S\$6.61 per share	146,000
2019 Options at exercise price of S\$6.59 per share	145,000
Ordinary shares issued upon exercise of options	475,000
Issued share capital as at 31 December 2020	843,893,232

During the second half of 2020, 315,000 ordinary shares (second half of 2019: 262,000) were issued arising from the exercise of options granted under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

As at 31 December 2020, there were 5,529,000 (31.12.19: 4,632,000) 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 31 December 2020 and 31 December 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	
	31.12.20	31.12.19
Total number of issued shares, excluding treasury shares	843,893,232	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 year ended 31 December 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 year 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	
	2020	2019
Earnings per ordinary share for the year		
(i) Based on weighted average number of ordinary shares in issue	cents 1.56	cents 56.79
(ii) On a fully diluted basis	cents 1.56	cents 56.77

Earnings per share is calculated by reference to the weighted average number of ordinary shares in issue during the financial year.

For the purposes of calculating diluted 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	
	31.12.20	31.12.19	31.12.20	31.12.19
Net asset value per ordinary share	\$11.60	\$11.91	\$4.09	\$4.44
Net tangible asset backing per ordinary share	\$11.55	\$11.86	\$4.09	\$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 for 2020 decreased by \$306.2 million or 13% to \$2.0 billion from \$2.3 billion in 2019. Hotel operations recorded a \$407.2 million or 62% decline due mainly to 1) the impact of the COVID-19 outbreak on all of the Group's hotels, with the Singapore and Australia hotels seeing the largest decline; 2) the closure of PARKROYAL COLLECTION Marina Bay (which has partially re-opened in December 2020) 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 investments fell by \$48.4 million or 9% due mainly to lower revenue from serviced suites and rental rebates of \$20.8 million extended to tenants affected by the COVID-19 pandemic.

Revenue from property development was \$96.0 million or 11% higher mainly from higher progressive recognition of revenue from Avenue South Residence and The Tre Ver and revenue from sales of units at V on Shenton and Park Eleven.

Technology operations recorded \$65.6 million or 41% higher revenue arising from more sales of information technology and related services.

Gross profit margin

Gross profit margin of 37% for 2020 was lower than the gross profit margin of 46% for 2019 due mainly to reduced margins for the hotel operations from the impact of COVID-19 pandemic.

Miscellaneous income

Miscellaneous income has increased due mainly to the receipt of government grants and assistance (net of property tax and cash grants on-passed to tenants) amounting to \$72.4 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 and cash grants for hotels and serviced suites.

- 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) seasonal 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. (cont'd)

Expenses

The decrease in other operating expenses resulted mainly from the absence of amortisation of development property backlog for the year as compared to \$76.4 million recorded in 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

The pre-tax profit before fair value losses was \$443.2 million, a \$92.9 million or 17% decrease from the profit of \$536.1 million in 2019. Notwithstanding the cost containment measures in place and the government grants and support, 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 and other losses of \$246.7 million recognised in 2020 compared to attributable fair value and other gains of \$165.1 million in 2019, profit after tax and non-controlling interest decreased by \$465.7 million to \$13.1 million from the profit of \$478.8 million in 2019.

Net tangible asset and gearing

The Group's shareholders' funds decreased from \$10.05 billion as at 31 December 2019 to \$9.79 billion as at 31 December 2020 due mainly to 1) payment of dividends; and 2) fair value losses on financial assets at fair value through other comprehensive income. Consequently the net tangible asset per ordinary share of the Group decreased to \$11.55 as at 31 December 2020 from \$11.86 as at 31 December 2019.

The Group's gearing ratio was 0.29 as at 31 December 2020 as compared to 0.30 as at 31 December 2019.

- 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.

The global economic recovery is expected to be gradual and uneven with uncertainties arising from the COVID-19 pandemic and other headwinds including any possible prolonged tensions between the United States and China.

The Ministry of Trade and Industry has projected the Singapore economy to improve from the low base and grow between 4% and 6% in 2021. Sale of new private homes is likely to remain resilient but uneven with stronger demand for smaller units and in the upgrader market. The construction sector is likely to see rising costs due to manpower shortage and safe distancing measures on-site.

Office demand is expected to be subdued as firms remain cautious in their expansion plans. However, the downward pressure on office rents is likely to be mitigated by limited new supply. Retail outlook remains uncertain as safe distancing measures will continue and retailers sentiments stay cautious.

According to the World Tourism Organization, improved traveller confidence following the distribution of COVID-19 vaccines will see a gradual recovery in international travel. Consequently, visitor arrivals to Singapore and the rest of Asia Pacific region might see a modest return by the later part of 2021.

Given the uncertainties brought about by Brexit and the global pandemic, the commercial and hospitality sectors in UK are likely to remain under pressure in the near term.

- 11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	:	First & Final
Dividend Type	:	Cash
Dividend Rate	:	15.0 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

11 Dividend (cont'd)

(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	:	First & Final
Dividend Type	:	Cash
Dividend Rate	:	17.5 cents per ordinary share
Tax Rate	:	Not applicable (one-tier)

(c) Date payable :

First & Final : Subject to shareholders' approval for payment of the First & Final Dividends and payment date to be announced later

(d) Record date :

The record date will be announced at a later date.

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

Not applicable.

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.

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Property development					Hotel operations				Technology operations	Others	Total
	Singapore	Malaysia	China	United Kingdom	Property investments*	Singapore	Australia	Others	Investments			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group												
2020												
Revenue												
Total segment sales	599,211	-	343,890	-	507,768	123,403	70,611	52,568	93,717	225,746	35,593	2,052,507
Inter-segment sales	-	-	-	-	(4,434)	(83)	-	-	(44,681)	-	(26,161)	(75,359)
Sales to external parties	599,211	-	343,890	-	503,334	123,320	70,611	52,568	49,036	225,746	9,432	1,977,148
Adjusted EBITDA												
- Company and subsidiaries	89,400	(16)	117,169	558	360,738	19,427	11,382	3,914	48,964	11,586	(1,990)	661,132
Share of loss of associated companies	-	-	-	-	-	(1,736)	-	(5,929)	-	-	(6)	(7,671)
Share of loss of a joint venture company	(1,929)	-	-	-	-	-	-	-	-	-	-	(1,929)
Total adjusted EBITDA**	87,471	(16)	117,169	558	360,738	17,691	11,382	(2,015)	48,964	11,586	(1,996)	651,532
Depreciation and amortisation	(16)	-	(255)	(568)	(4,382)	(64,405)	(17,621)	(27,528)	(89)	(698)	(2,318)	(117,880)
Other losses	-	-	-	-	-	-	(9,313)	(31,899)	-	-	-	(41,212)
Fair value losses on investment properties	-	-	-	-	(293,295)	-	-	-	-	-	-	(293,295)
Unallocated costs												(19,615)
Finance income												12,546
Finance expense												(83,360)
Profit before income tax												108,716
Income tax expense												(23,367)
Net profit												85,349

- 14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (cont'd)

	Property development				Property investments*	Hotel operations				Technology operations	Others	Total
	Singapore \$'000	Malaysia \$'000	China \$'000	United Kingdom \$'000		Singapore \$'000	Australia \$'000	Others \$'000	Investments \$'000			
Group												
2019												
Revenue												
Total segment sales	514,537	-	332,520	-	557,179	362,506	149,270	142,102	99,013	160,099	63,453	2,380,679
Inter-segment sales	-	-	-	-	(5,445)	(175)	-	-	(43,773)	-	(47,945)	(97,338)
Sales to external parties	514,537	-	332,520	-	551,734	362,331	149,270	142,102	55,240	160,099	15,508	2,283,341
Adjusted EBITDA												
- Company and subsidiaries	94,533	(21)	115,020	(932)	390,127	111,661	34,594	33,340	55,331	5,992	14,405	854,050
Share of profit/(loss) of associated companies	-	-	-	-	-	8,726	-	(2,705)	-	-	(2)	6,019
Share of loss of a joint venture company	(3,770)	-	-	-	-	-	-	-	-	-	-	(3,770)
Total adjusted EBITDA**	90,763	(21)	115,020	(932)	390,127	120,387	34,594	30,635	55,331	5,992	14,403	856,299
Depreciation and amortisation	(2,816)	-	(73,679)	-	(4,901)	(55,736)	(19,067)	(31,130)	(66)	(757)	(2,501)	(190,653)
Other gains	-	-	-	-	-	-	3,586	24,538	-	-	-	28,124
Fair value gains on investment properties	-	-	-	-	220,331	-	-	-	-	-	-	220,331
Unallocated costs												(25,156)
Finance income												12,128
Finance expense												(116,528)
Profit before income tax												784,545
Income tax expense												(105,776)
Net profit												678,769

* The property investment operations of the Group are concentrated mainly in Singapore. The Group also has property investment operations in Malaysia, PRC and United Kingdom which are not significant to be reported separately.

** Earnings before interest, tax, depreciation and amortisation (EBITDA) adjusted to exclude unallocated costs, other (losses)/gains and fair value (losses)/gains on investment properties.

- 15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8.

- 16 A breakdown of sales

The Group		
For the year ended		
31.12.20	31.12.19	Increase/ (decrease)
\$'000	\$'000	%
908,161	1,253,516	(28)
(94,784)	413,379	(123)
1,068,987	1,029,825	4
180,133	265,390	(32)

17 A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Ordinary one-tier dividend

Latest Full Year	Previous Full Year
\$'000	\$'000
126,584	147,626

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wee Wei Ling	69	Daughter of Dr Wee Cho Yaw, the Chairman and a substantial shareholder of UOL Group Limited ("UOL"). Sister of Mr Wee Ee Lim, Mr Wee Ee-chao, and Mr Wee Ee Cheong, substantial shareholders of UOL. Mr Wee Ee Lim and Wee Ee-chao are also directors of UOL.	Executive Director (Sustainability Partnerships, Lifestyle and Assets) of Pan Pacific Hotels Group Limited ("PPHG"). Oversees the approval of all capital expenditure for PPHG's owned hotel properties, and is responsible for the running of St Gregory Spa Pte Ltd and Dou Hua Restaurants Pte Ltd. Also co-ordinates PPHG's corporate social responsibility, charitable and sustainability initiatives. Director of PPHG since 1994. PPHG is a wholly-owned subsidiary of UOL.	Re-designated to Executive Director (Sustainability Partnership, Lifestyle and Assets) from Executive Director, Asset, Lifestyle and Corporate Social Responsibility of PPHG with effect from 8 August 2020. Duties have been expanded to cover more sustainability initiatives of PPHG.
Eu Zai Jie Jonathan	39	Grandson of Dr Wee Cho Yaw, the Chairman and a substantial shareholder of UOL. Nephew of Mr Wee Ee Lim and Mr Wee Ee-chao, directors and substantial shareholders of UOL. Nephew of Mr Wee Ee Cheong, a substantial shareholder of UOL.	Chief Operating Officer of United Industrial Corporation Group Limited ("UIC"), a subsidiary of UOL. Oversees operations and performance with a key focus on developing UIC's business growth and expansion strategy.	Nil

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

Yeong Sien Seu
Company Secretary
26 February 2021