



Company Registration No. 196300438C

**UOL GROUP LIMITED**  
*(Incorporated in Singapore. Registration Number: 196300438C)*  
**AND ITS SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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**UOL GROUP LIMITED AND ITS SUBSIDIARIES**
**CONSOLIDATED INCOME STATEMENT**

For the second half and financial year ended 31 December 2021

	Note	The Group					
		Second half ended 31 December			Financial year ended 31 December		
		2021	2020	+ / (-)	2021	2020	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	5	1,413,383	1,068,987	32	2,606,836	1,977,148	32
Cost of sales		(987,160)	(684,574)	(44)	(1,799,254)	(1,249,563)	(44)
Gross profit		426,223	384,413	11	807,582	727,585	11
Other income							
- Finance income	5	8,856	6,272	41	15,295	12,546	22
- Miscellaneous income	5	27,948	57,500	(51)	44,258	91,260	(52)
Expenses							
- Marketing and distribution	6	(63,779)	(42,759)	(49)	(115,966)	(78,736)	(47)
- Administrative	6	(59,281)	(52,467)	(13)	(105,707)	(99,965)	(6)
- Finance	6	(40,078)	(38,142)	(5)	(67,552)	(83,360)	19
- Other operating							
• Impairment loss on financial assets	6	(4,351)	(8,122)	46	(9,601)	(8,134)	(18)
• Others	6	(59,953)	(56,455)	(6)	(113,831)	(108,373)	(5)
Share of loss of associated companies		(2,640)	(3,101)	15	(9,576)	(7,671)	(25)
Share of profit/(loss) of a joint venture company		3,653	(717)	609	5,982	(1,929)	410
Profit before fair value and other gains/(losses) and income tax		236,598	246,422	(4)	450,884	443,223	2
Other gains/(losses)	6	26,740	(41,212)	165	26,740	(41,212)	165
Fair value gains/(losses) on the Group's investment properties		129,399	(29,545)	538	114,205	(293,295)	139
Profit before income tax	6	392,737	175,665	124	591,829	108,716	444
Income tax (expense)/credit	7	(47,436)	4,468	(1,162)	(92,424)	(23,367)	(296)
Net profit		345,301	180,133	92	499,405	85,349	485
<u>Attributable to:</u>							
Equity holders of the Company		216,068	95,285	127	307,411	13,141	2,239
Non-controlling interests		129,233	84,848	52	191,994	72,208	166
		345,301	180,133	92	499,405	85,349	485
The above net profit attributable to equity holders of the Company can be analysed as follows:							
Attributable profit before fair value and other gains/(losses)		125,417	156,170	(20)	233,645	259,818	(10)
Other gains/(losses)		14,717	(30,346)	148	14,717	(30,346)	148
Fair value gains/(losses) on the Group's investment properties		75,934	(30,539)	349	59,049	(216,331)	127
Net attributable profit		216,068	95,285	127	307,411	13,141	2,239

**Legend**

+ / (-) : variances with + / (-) impact to profit

n.m. : not meaningful

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the second half and financial year ended 31 December 2021

	Note	The Group					
		Second half ended 31 December			Financial year ended 31 December		
		2021	2020	+ / (-)	2021	2020	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Net profit		345,301	180,133	92	499,405	85,349	485
<b>Other comprehensive income/(loss):</b>							
Items that may be reclassified subsequently to profit or loss:							
Cash flow hedges		7,135	5,285	35	12,545	(2,514)	599
Currency translation differences arising from consolidation of foreign operations	9(a)	3,992	28,397	(86)	24,423	33,959	(28)
		11,127	33,682	(67)	36,968	31,445	18
Items that will not be reclassified subsequently to profit or loss:							
Financial assets, at fair value through other comprehensive income ("FVOCI") - fair value gains/(losses)	9(b)	37,758	77,113	(51)	201,535	(176,134)	214
Currency translation differences arising from consolidation of foreign operations		3,658	15,728	(77)	16,164	20,425	(21)
<b>Other comprehensive income/(loss), net of tax</b>		52,543	126,523	(58)	254,667	(124,264)	305
<b>Total comprehensive income/(loss)</b>		397,844	306,656	30	754,072	(38,915)	2,038
<u>Attributable to:</u>							
Equity holders of the Company		265,078	207,898	28	532,225	(128,672)	514
Non-controlling interests		132,766	98,758	34	221,847	89,757	(147)
		397,844	306,656	30	754,072	(38,915)	2,038

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION – GROUP AND COMPANY**

As at 31 December 2021

Note	The Group		The Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
	1,489,683	976,942	9,582	5,982
	191,941	308,161	5,768	4,338
	8	-	-	-
	690,188	467,385	-	-
	2,482,696	2,690,145	-	-
	2,488	1,242	-	-
	138,436	62,268	600	818
	1,123	254	-	-
	4,996,563	4,506,397	15,950	11,138
<b>Non-current assets</b>				
	158,978	154,695	795,452	857,329
	108,395	69,243	-	-
	4,656	-	-	-
	1,177,590	1,013,621	885,364	752,117
	249,410	271,430	-	-
	-	-	-	-
	-	-	1,923,254	1,941,510
	11,512,665	11,343,168	577,101	562,113
	2,966,898	2,911,670	1,850	2,280
	41,755	43,735	264	431
	58,061	59,535	-	-
	16,278,408	15,867,097	4,183,285	4,115,780
	21,274,971	20,373,494	4,199,235	4,126,918
<b>Total assets</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
	832,049	495,144	262,499	396,880
	86,494	164,907	7,340	7,666
	1,535,541	1,652,476	65,818	-
	24,408	18,064	-	-
	852	6,179	239	-
	2,479,344	2,336,770	335,896	404,546
<b>Non-current liabilities</b>				
	203,267	213,193	3,515	3,972
	37,582	36,012	-	-
	2,914,906	3,089,209	199,875	267,430
	398,288	-	-	-
	199,533	199,333	-	-
	229	4,329	-	1,319
	168,421	131,225	-	-
	3,772	3,712	-	-
	253,554	258,563	425	188
	4,179,552	3,935,576	203,815	272,909
	6,658,896	6,272,346	539,711	677,455
<b>Total liabilities</b>				
<b>NET ASSETS</b>				
	14,616,075	14,101,148	3,659,524	3,449,463
<b>Capital &amp; reserves attributable to equity holders of the Company</b>				
	1,566,802	1,563,860	1,566,802	1,563,860
	960,059	753,145	711,246	575,475
	7,641,462	7,471,136	1,381,476	1,310,128
	10,168,323	9,788,141	3,659,524	3,449,463
	4,447,752	4,313,007	-	-
	14,616,075	14,101,148	3,659,524	3,449,463
<b>Non-controlling interests</b>				
<b>TOTAL EQUITY</b>				

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the financial year ended 31 December 2021

	Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
<u>The Group</u>						
<b>2021</b>						
Balance at 1 January 2021		1,563,860	753,145	7,471,136	4,313,007	14,101,148
Profit for the year		-	-	307,411	191,994	499,405
Other comprehensive income for the year		-	224,814	-	29,853	254,667
Total comprehensive income for the year		-	224,814	307,411	221,847	754,072
Employee share option scheme						
- value of employee services		-	1,757	-	129	1,886
- proceeds from shares issued		2,942	-	-	-	2,942
Dividends	18	-	-	(126,632)	(42,987)	(169,619)
Acquisition of interests from non-controlling shareholders		-	-	(30,110)	(45,644)	(75,754)
Issue of shares to non-controlling shareholders		-	-	-	1,400	1,400
Total transactions with owners, recognised directly in equity		2,942	1,757	(156,742)	(87,102)	(239,145)
Transfer upon disposal of investments		-	(19,657)	19,657	-	-
Balance at 31 December 2021		1,566,802	960,059	7,641,462	4,447,752	14,616,075
<b>2020</b>						
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	18	-	-	(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		1,563,860	753,145	7,471,136	4,313,007	14,101,148

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN EQUITY - COMPANY**

For the financial year ended 31 December 2021

	Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<u>The Company</u>					
<b>2021</b>					
Balance at 1 January 2021		1,563,860	575,475	1,310,128	3,449,463
Profit for the year		-	-	197,980	197,980
Other comprehensive income for the year		-	134,144	-	134,144
Total comprehensive income for the year		-	134,144	197,980	332,124
Employee share option scheme					
- value of employee services		-	1,627	-	1,627
- proceeds from shares issued		2,942	-	-	2,942
Dividends	18	-	-	(126,632)	(126,632)
Total transactions with owners, recognised directly in equity		2,942	1,627	(126,632)	(122,063)
Balance at 31 December 2021		1,566,802	711,246	1,381,476	3,659,524
<b>2020</b>					
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	18	-	-	(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

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial year ended 31 December 2021

	Note	The Group	
		Financial year ended 31	
		December	
		2021	2020
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Net profit		499,405	85,349
Adjustments for:			
Income tax expense		92,424	23,367
Non-cash items	20(a)	123,441	148,592
Dividend income and interest income		(58,066)	(61,083)
Interest expense		67,449	83,360
Fair value (gains)/losses on the Group's investment properties		(114,205)	293,295
Gain on disposal of an associated company		(24,592)	-
Write-back of impairment charge on property, plant and equipment		(2,148)	(1,021)
Impairment charge on property, plant and equipment		-	42,233
		<u>583,708</u>	<u>614,092</u>
Change in working capital			
Receivables	20(b)	(95,947)	(104,462)
Development properties		78,897	267,737
Inventories		(1,246)	3,047
Payables	20(c)	359,331	(104,648)
		<u>341,035</u>	<u>61,674</u>
Cash generated from operations		924,743	675,766
Income tax paid		(173,288)	(96,083)
Retirement benefits paid		(196)	(89)
<b>Net cash from operating activities</b>		<u>751,259</u>	<u>579,594</u>
<b>Cash flows from investing activities</b>			
Payment to non-controlling shareholders on liquidation of a subsidiary		-	(1,613)
(Payments)/grant received for intangibles		(381)	25
Loans to an associated company and a joint venture company		(3,000)	(2,571)
Net proceeds from disposal of property, plant and equipment		346	52
Proceeds from disposal of an associated company		37,619	-
Payments for property, plant and equipment and investment properties	20(d)	(229,559)	(205,559)
Payments for financial assets, at FVOCI		(483)	-
Net proceeds from disposal of financial assets, at FVOCI		38,048	-
Interest received		15,295	12,047
Dividends received		42,771	50,161
<b>Net cash used in investing activities</b>		<u>(99,344)</u>	<u>(147,458)</u>
<b>Cash flows from financing activities</b>			
Proceeds from shares issued		2,942	2,942
Payment to non-controlling shareholders for purchase of shares in subsidiaries		(75,754)	(6,591)
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		1,400	203
Loans from non-controlling shareholders of subsidiaries		37,196	23,863
Proceeds from 2.33% unsecured fixed rate notes due 2028	20(e)	400,000	-
Repayment of 2.50% unsecured fixed rate notes due 2020	20(e)	-	(240,000)
Proceeds from borrowings	20(e)	2,521,603	1,875,364
Repayment of borrowings	20(e)	(2,808,942)	(1,570,233)
Expenditure relating to bank borrowings		(9,891)	(3,505)
Interest paid		(63,114)	(93,015)
Proceeds from trade financing		26,613	35,691
Repayment of trade financing		(19,166)	(6,748)
Repayment of lease liabilities		(3,728)	(3,270)
Bank deposits pledged as security		-	500
Dividends paid to equity holders of the Company		(126,632)	(147,626)
Dividends paid to non-controlling interests		(42,987)	(42,642)
<b>Net cash used in financing activities</b>		<u>(160,460)</u>	<u>(175,067)</u>
<b>Net increase in cash and cash equivalents</b>		491,455	257,069
Cash and cash equivalents at the beginning of the financial year		974,442	714,377
Effects of currency translation on cash and cash equivalents		21,286	2,996
<b>Cash and cash equivalents at the end of the financial year</b>	20(f)	<u>1,487,183</u>	<u>974,442</u>

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half and financial year ended 31 December 2021

#### 1 Basis of Preparation

The condensed interim financial statements for the second half and financial year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

#### 2 New and amended standards adopted by the Group

The Group adopted the standards, amendments and interpretations to existing standards that are mandatory for application for the financial year beginning 1 January 2021 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) 9 Financial Instruments and SFRS(I) 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform (Phase 2)

The adoption of the above amendments did not result in any significant impact on the Group's financial statements.

#### 3 Key accounting estimates, assumptions and judgements

In preparing the condensed interim financial statements, management has made estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates, assumptions and judgements are continually evaluated on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates, assumptions and judgements applicable for the current financial year were the same as those applied to the consolidated financial statements for the financial year ended 31 December 2020, as follows:

- Fair values of investment properties
- Classification of the Group's serviced suites as investment property or property, plant and equipment
- Revenue and cost of sales recognition from sales of development properties
- Valuation of development properties
- Impairment of hotel properties
- Revenue recognition of technology operations
- Impairment of trade receivables
- Fair values of unquoted financial assets, at FVOCI

Information about assumptions and estimation uncertainties that have the most significant risk of resulting in a material adjustment within the next interim period is as follows:

##### Fair values of investment properties

The Group carries its investment properties at fair value with corresponding changes being recognised in the income statement. In determining fair values, valuation techniques which involve certain estimates are used by valuers. The key assumptions to determine the fair value of investment properties include the adopted value per square feet, market-corroborated capitalisation rate, growth rate and discount rate.

In 2021, the majority of valuation reports obtained from the independent property valuers have continued to highlight the conditions under which the valuations have been conducted, as compared to standard market conditions. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, the valuers highlighted the importance of the valuation date and continued to recommend for the valuations to be kept under frequent review.

The valuers have factored impact of COVID-19 into the valuation of the investment properties, specifically in estimating passing rents, vacancy rates, lease incentives, capitalisation rates, growth rates, discount rates and cash flow projections.

Management has assessed that the valuation methods and estimates are reflective of current market conditions.



## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half and financial year ended 31 December 2021

#### 4 Seasonal operations

The Group's businesses are generally not affected significantly by seasonal or cyclical factors during the financial period/year. The Group's results may however vary from period to period depending on the conditions of the hospitality and property markets in the countries in which the Group operates.

#### 5 Revenue, Finance income and Miscellaneous income

	The Group					
	Second half ended 31 December			Financial year ended 31 December		
	2021	2020	+ / (-)	2021	2020	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Revenue from contracts with customers under SFRS(I) 15</u>						
Revenue from property development						
- recognised at a point in time	200,786	296,907	(32)	358,399	480,555	(25)
- recognised over time	683,239	266,489	156	1,213,131	462,546	162
	884,024	563,396	57	1,571,529	943,101	67
Revenue from hotel ownership and operations						
- recognised at a point in time	58,930	41,312	43	108,055	88,793	22
- recognised over time	96,977	68,351	42	173,910	157,706	10
	155,907	109,663	42	281,965	246,499	14
Revenue from technology operations						
- recognised at a point in time	85,664	103,290	(17)	189,443	216,516	(13)
- recognised over time	3,783	4,175	(9)	7,889	9,230	(15)
	89,447	107,465	(17)	197,332	225,746	(13)
Revenue from management services						
- recognised over time	6,420	4,811	33	11,052	9,432	17
	1,135,798	785,335	45	2,061,878	1,424,778	45
<u>Other revenue</u>						
Revenue from property investments	252,363	264,494	(5)	502,187	503,334	(0)
Dividend income from financial assets, at FVOCI	25,222	19,158	32	42,771	49,036	(13)
	1,413,383	1,068,987	32	2,606,836	1,977,148	32
<u>Finance income</u>						
Interest income	8,856	6,272	41	15,295	12,047	27
Currency exchange gains (net)	-	-	n.m.	-	499	(100)
	8,856	6,272	41	15,295	12,546	22
<u>Miscellaneous income</u>						
Government grant income – COVID-19 related	13,842	73,355	(81)	26,958	105,789	(75)
Less: Government grant expense – COVID-19 related rent concessions given to tenants	185	(26,382)	101	(1,513)	(33,354)	95
Net government grants and assistance - COVID-19 related [See Note (a) below]	14,028	46,973	(70)	25,445	72,435	(65)
Others	13,920	10,527	32	18,813	18,825	(0)
	27,948	57,500	(51)	44,258	91,260	(52)

(a) Included in the net COVID-19 related government grants and assistance were amounts received under the Job Support Schemes by the Singapore government, the Australia's JobKeeper Payment Scheme, and Singapore rental support cash grants and property tax rebates excluding those on-passed to tenants.

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the second half and financial year ended 31 December 2021

**6 Expenses and Profit before Income Tax (continued)**

	The Group					
	Second half ended 31 December			Financial year ended 31 December		
	2021	2020	+ / (-)	2021	2020	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Marketing and distribution expenses</u>						
Advertising and promotion	12,394	8,726	(42)	21,365	17,431	(23)
Marketing and distribution payroll and related expenses	13,028	11,394	(14)	24,494	23,358	(5)
Sales commissions	32,470	16,792	(93)	54,527	25,648	(113)
Showflat expenses	4,461	4,247	(5)	12,842	9,314	(38)
Others	1,426	1,600	11	2,738	2,985	8
	63,779	42,759	(49)	115,966	78,736	(47)
<u>Administrative expenses</u>						
Administrative payroll and related expenses	35,832	31,390	(14)	66,085	62,538	(6)
Corporate expenses	9,565	8,711	(10)	16,282	15,591	(4)
Credit card commissions	1,558	700	(123)	2,709	2,222	(22)
Information technology related expenses	4,493	3,738	(20)	8,464	7,479	(13)
Bank loan fees and other bank charges	602	336	(79)	1,074	880	(22)
Others	7,231	7,592	5	11,093	11,255	1
	59,281	52,467	(13)	105,707	99,965	(6)
<u>Finance expenses</u>						
Bank facility fees	2,819	2,604	(8)	5,286	5,191	(2)
Interest expense	36,897	40,789	10	68,942	92,024	25
Less: borrowing costs capitalised [See Note (a) below]	(32)	(6,450)	(100)	(6,779)	(13,855)	(51)
Currency exchange losses (net)	531	1,199	56	103	-	n.m.
	40,078	38,142	(5)	67,552	83,360	19
<u>Other operating expenses</u>						
Property taxes	24,831	29,330	15	51,590	55,503	7
Other taxes	3,196	2,384	(34)	5,432	4,481	(21)
Repairs, maintenance and security	10,370	9,236	(12)	18,036	18,932	5
Heat, light and power	8,196	7,290	(12)	15,292	14,405	(6)
Other payroll and related expenses	6,943	5,992	(16)	13,057	11,158	(17)
Impairment loss on financial assets [See Note (b) below]	4,351	8,122	46	9,601	8,134	(18)
Others [See Note (c) below]	6,417	2,223	(189)	10,424	3,894	(168)
	64,304	64,577	0	123,432	116,507	(6)
<u>Other gains/(losses)</u>						
Gain on disposal of an associated company [See Note (d) on Page 11]	24,592	-	n.m.	24,592	-	n.m.
Impairment charge on property, plant and equipment [See Note (e) on Page 11]	-	(42,233)	100	-	(42,233)	100
Write-back of impairment charge on property, plant and equipment [See Note (e) on Page 11]	2,148	1,021	110	2,148	1,021	110
	26,740	(41,212)	165	26,740	(41,212)	165
<u>Profit before income tax</u>						
Profit before income tax is stated after charging:						
Depreciation and amortisation	57,419	54,945	(5)	111,220	117,880	6
Property, plant and equipment written off and net loss on disposals	267	8,575	97	431	9,467	95

(a) Borrowing costs capitalised relate mainly to borrowings for the development of One Bishopsgate Plaza (prior to its completion in 1H 2021), Pan Pacific Orchard and refurbishment of PARKROYAL COLLECTION Kuala Lumpur.

(b) The impairment loss on financial assets relates mainly to provisions on receivables from tenants in arrears.

(c) Included in Other operating expenses - Others was pre-operating expenses for Pan Pacific London which commenced operations in September 2021.

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half and financial year ended 31 December 2021

#### 6 Expenses and Profit before Income Tax (continued)

- (d) The gain on disposal of an associated company was in relation to the disposal of the Group's 18% interest in Tianjin Yan Yuan International Grand Hotel which was completed in November 2021.
- (e) The write-back of impairment charge for both years was in respect of Pan Pacific Tianjin. The impairment charge in 2020 was in respect of the Pan Pacific London which was under development for an amount of \$32.9 million and Pan Pacific Melbourne for an amount of \$9.3 million. The write-back of impairment charges for Pan Pacific Tianjin and impairment charge for Pan Pacific Melbourne were due to the fair values of the properties exceeding and being lower than their carrying amounts respectively. The impairment charge for Pan Pacific London arose from the difference between the valuation of the hotel upon completion and the estimated total development cost of the hotel.

#### 7 Income tax expense

	The Group					
	Second half ended 31 December			Financial year ended 31 December		
	2021	2020	+ / (-)	2021	2020	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Tax expense attributable to profit is made up of:						
- Profit for the financial period/year:						
Current income tax						
- Singapore	36,633	76,493	52	61,647	99,695	38
- Foreign	19,223	22,603	15	33,565	38,293	12
- Withholding tax paid	3,181	194	(1,544)	3,309	309	(971)
Deferred income tax						
- fair value losses of investment properties	(355)	(2,040)	(83)	(649)	(10,070)	(94)
- others [See Note (a) on Page 12]	(15,178)	(70,428)	(78)	(8,050)	(73,297)	(89)
	43,505	26,822	(62)	89,822	54,930	(64)
- (Over)/under provision in prior financial years:						
Current income tax						
- Singapore	(2,124)	(6,330)	(66)	(2,681)	(6,328)	(58)
- Foreign	2,115	(765)	(376)	2,115	(765)	(376)
Deferred income tax [See Note (b) on Page 12]	3,940	(24,194)	(116)	3,168	(24,470)	(113)
	47,436	(4,468)	(1,162)	92,424	23,367	(296)

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:

	The Group		
	Financial year ended 31 December		
	2021	2020	+ / (-)
	\$'000	\$'000	%
Profit before income tax	591,829	108,716	444
Share of loss of associated companies, net of tax	9,576	7,671	(25)
Share of (profit)/loss of a joint venture company, net of tax	(5,982)	1,929	410
	595,423	118,316	403
Profit before tax and share of loss of associated companies and (profit)/loss of a joint venture company			
Tax calculated at a tax rate of 17%	101,222	20,114	403
Effects of:			
- Singapore statutory stepped income exemption	(713)	(610)	17
- Tax rebates	(340)	(340)	-
- Different tax rates in other countries	4,557	2,613	(74)
- Income not subject to tax [See Note (c) on Page 12]	(36,950)	(21,077)	75
- Expenses not deductible for tax purposes [See Note (c) on Page 12]	18,613	62,103	(70)
- Recognition/utilisation of previously unrecognised tax losses	(1,592)	(8,553)	(81)
- Deferred tax assets not recognised in the current financial year	5,025	680	(639)
- Under/(over) provision in prior financial years	2,602	(31,563)	(108)
Tax charge	92,424	23,367	(296)

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half and financial year ended 31 December 2021

#### 7 Income tax expense (continued)

- (a) Other deferred income tax credits for the second half of 2021 and for the financial year 2021 were lower than their respective corresponding period/year due mainly to the timing difference between recognition of development profits and the payment of income tax upon the development project obtaining Temporary Occupation Permit ("TOP").
- (b) The over provision in prior financial years for 2020 relates to the reversal of deferred income tax provisions in respect of capital allowances claimed on qualifying assets which are no longer required.
- (c) Income not subject to tax comprises mainly fair value gains on the Group's investment properties, dividend income from financial assets, FVOCI, and gain on disposal of an associated company. Expenses not deductible for tax purposes comprises mainly restricted claims of expenditure and interest costs, and fair value losses on the Group's investment properties.

#### 8 Earnings per share

Earnings per ordinary share for the period/year

- (i) Based on weighted average number of ordinary shares in issue
- (ii) On a fully diluted basis

The Group		The Group	
Second half ended 31 December		Financial year ended 31 December	
2021	2020	2021	2020
cents 25.59	cents 11.30	cents 36.41	cents 1.56
cents 25.59	cents 11.29	cents 36.41	cents 1.56

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

#### 9 Other comprehensive income/(loss)

- (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 gains/(losses) on financial assets, at FVOCI

The fair value gains recorded for 2021 was due to (i) the increase in the closing bid prices of the relevant quoted equity shares from the previous financial year-end; and (ii) the fair value gain of an unquoted equity investment that was disposed in June 2021 based on the transaction price.

#### 10 Current Trade and other receivables

The Group's lower current trade and other receivables as at 31 December 2021 as compared to 31 December 2020 was due mainly to the receipt of balance progress payments in June 2021 for The Clement Canopy upon its statutory completion.

#### 11 Developed properties held for sale and Development properties

The Sky Residences, London was completed in May 2021 and the project was reclassified from development properties to developed properties held for sale. The decrease in development properties was offset partially by the acquisition of the Ang Mo Kio Avenue 1 site at a tender price of \$381.4 million in June 2021.

#### 12 Current Other assets

Included in other current assets as at 31 December 2021 was an amount of \$77.1 million being tender deposit and stamp duties for the en-bloc purchase of the freehold property known as Watten Estate Condominium at 36-44 Shelford Road Singapore for an aggregate consideration of \$550.8 million.

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half and financial year ended 31 December 2021

#### 13 Financial assets, at FVOCI

The increase in the Group's financial assets, at FVOCI from 31 December 2020 to 31 December 2021 was due mainly to fair value gains of \$173.6 million from quoted equity shares, offset partially by a disposal of an unquoted equity investment during the year.

#### 14 Investment properties

Investment properties are stated at valuation as determined by independent professional valuers. As at 31 December 2021, the total carrying value of the Group's investment properties was \$11.51 billion, and the Group recorded a fair value gain on investment properties of \$114.2 million in 2021. The increase in valuation is observed across almost all of the Group's Singapore commercial properties.

#### 15 Current Trade and other payables

The increase in the Group's current trade and other payables from 31 December 2020 arose mainly from 1) higher contract liabilities from development properties for Clavon and The Watergardens at Canberra, as the Group has received advanced payments from customers but has yet to perform its obligations under the contracts based on assessed progress completion; and 2) proceeds received in advance from the sale of residential units at Park Eleven, Shanghai.

#### 16 Borrowings

##### (a) Current and non-current Bank loans

In August 2021, the Group raised \$400 million by issuing unsecured fixed rate notes with a coupon rate of 2.33%. The notes mature in 2028 and its proceeds were used to repay some of the Group's short term borrowings. The net increase in borrowings totalling \$107.1 million was due mainly to additional loans for major refurbishments at PARKROYAL COLLECTION Kuala Lumpur, the acquisition of site at Ang Mo Kio Ave 1 and the en-bloc purchase of the Watten Estate Condominium.

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

	As at 31.12.21		As at 31.12.20	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	381,886	1,154,679	206,928	1,446,188
Amount repayable after one year	854,031	2,839,408	1,272,642	2,155,190

##### (c) 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.

#### 17 Share capital

##### (a) Total number of issued shares, excluding treasury shares

The Company	
31.12.21	31.12.20
844,343,232	843,893,232

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half and financial year ended 31 December 2021

#### 17 Share capital (continued)

(b) During the financial year ended 31 December 2021, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2021	843,893,232
Issue of ordinary shares arising from the exercise of:	
2012 Options at exercise price of S\$5.40 per share	18,000
2013 Options at exercise price of S\$6.55 per share	28,000
2014 Options at exercise price of S\$6.10 per share	53,000
2016 Options at exercise price of S\$5.87 per share	61,000
2017 Options at exercise price of S\$6.61 per share	40,000
2019 Options at exercise price of S\$6.59 per share	157,000
2020 Options at exercise price of S\$7.32 per share	93,000
Ordinary shares issued upon exercise of options	450,000
Issued share capital as at 31 December 2021	<u>844,343,232</u>

During the second half of 2021, 68,000 ordinary shares (second half of 2020: 315,000) were issued arising from the exercise of options granted under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

- (c) As at 31 December 2021, there were 6,267,000 (31.12.20: 5,529,000) ordinary shares which may be issued upon the exercise of options under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.
- (d) The Company did not hold any treasury shares and there were no subsidiary holdings as of 31 December 2021 and 31 December 2020. Accordingly, there was no sales, transfers, disposal, cancellation and/or use of treasury shares or subsidiary holdings during the financial year ended 31 December 2021.

#### 18 Dividends

	The Group	
	Financial year ended 31 December	
	2021	2020
	\$'000	\$'000
Final one-tier dividend paid in respect of the previous financial year of \$0.150 (2020: \$0.175) per share	126,632	147,626

#### 19 Net asset value

	The Group		The Company	
	31.12.21	31.12.20	31.12.21	31.12.20
Net asset value per ordinary share	\$12.04	\$11.60	\$4.33	\$4.09
Net tangible asset backing per ordinary share	\$11.99	\$11.55	\$4.33	\$4.09

#### 20 Cash flows

##### (a) Non-cash items

Non-cash items consist mainly of depreciation and amortisation expenses, unrealised translation gains/losses, impairment loss on financial assets and share of profit/loss of associated and joint venture companies.

##### (b) Cash inflow for development properties

The cash inflow for development properties for 2021 were mainly from progressive payments from Clavon, Avenue South Residence, The Watergardens at Canberra, Amber45, and The Clement Canopy; and receipts for the sales of Park Eleven and The Sky Residences, London. This was offset partially by the cash outflow for the acquisition of the site at Ang Mo Kio Avenue 1 at a tender price of \$381.4 million.

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half and financial year ended 31 December 2021

#### 20 Cash flows (continued)

##### (c) Cashflows for payables

The cash inflow for payables for 2021 was mainly from Clavon and The Watergardens at Canberra where the Group has received advance payments from purchasers but has not yet performed its obligations under the contracts based on assessed progress completion; and 2) proceeds received in advance from the sale of residential units in Park Eleven, Shanghai. The cash outflow for payables for 2020 arose mainly from payments for accrued development expenditure.

##### (d) 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 and hotel at Thamrin Nine Tower 2, Jakarta; 3) the redevelopment of Pan Pacific Orchard, 4) major refurbishments at PARKROYAL COLLECTION Marina Bay, PARKROYAL COLLECTION Kuala Lumpur and Pan Pacific Serviced Suites Kuala Lumpur; and 5) major asset enhancement initiatives at Singapore Land Tower and Odeon Towers.

##### (e) Proceeds from borrowings/Repayment of borrowings

The proceeds from borrowings in 2021 was mainly used for the development and major refurbishments at various properties of the Group, the acquisition of site at Ang Mo Kio Ave 1 and the en-bloc purchase of the Watten Estate Condominium. Repayments were made from operating receipts mainly from residential sales and net rental from investment properties.

##### (f) Cash and cash equivalents

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

	The Group	
	31.12.21	31.12.20
	\$'000	\$'000
Fixed deposits with financial institutions	385,749	314,032
Cash at bank and on hand	1,103,934	662,910
Cash and bank balances per Statement of Financial Position	1,489,683	976,942
Less: Bank deposits pledged as security	(2,500)	(2,500)
Cash and cash equivalents per Consolidated Statement of Cash Flows	1,487,183	974,442

#### 21 Fair value measurements

##### (a) Fair value hierarchy

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the financial assets and liabilities measured at fair value:

	The Group		The Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>				
Financial assets, at FVOCI				
- Level 1	1,105,838	931,607	835,312	704,544
- Level 3	71,752	82,014	50,052	47,573
	1,177,590	1,013,621	885,364	752,117
Derivative financial instruments (current and non-current)				
- Level 2	4,664	-	-	-
<b>Liabilities</b>				
Derivative financial instruments (current and non-current)				
- Level 2	(1,081)	(10,508)	(239)	(1,319)

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the second half and financial year ended 31 December 2021

**21 Fair value measurements (continued)**

(b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- for financial instruments traded in an active market (e.g. quoted equity shares) **[Level 1]** - quoted price (i.e. current bid price);
- for interest rate swaps **[Level 2]** - present value of the estimated future cash flows;
- for forward foreign exchange contracts **[Level 2]** - quoted forward currency rates at the balance sheet date;
- for other financial assets, at FVOCI (e.g. unquoted equity shares) **[Level 3]** - net asset value of the financial assets, at FVOCI multiplied by a discount factor for lack of liquidity and marketability.

(c) Reconciliation of fair value measurements categorised within Level 3

Financial assets, at FVOCI

At the beginning of the financial period

Fair value gains/(losses) recognised in other comprehensive income

At the end of the financial period

Financial assets, at FVOCI

At the beginning of the financial year

Fair value gains/(losses) recognised in other comprehensive income

Addition

Disposal

At the end of the financial year

The Group		The Company	
Second half ended 31 December		Second half ended 31 December	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000
70,971	101,891	47,573	61,743
1,527	(19,877)	2,479	(14,170)
71,752	82,014	50,052	47,573
Financial year ended 31 December		Financial year ended 31 December	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000
82,014	101,891	47,573	61,743
27,925	(19,877)	2,479	(14,170)
483	-	-	-
(38,670)	-	-	-
71,752	82,014	50,052	47,573

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the second half and financial years ended 31 December 2021 and 31 December 2020.

(d) Financial instruments carried at other than fair value

The carrying value less impairment provision of trade and other receivables and payables are assumed to approximate their fair values. The fair values of borrowings approximate their carrying amount except for unsecured fixed rate notes as disclosed below:

2.33% unsecured fixed rate notes due 2028

3.00% unsecured fixed rate notes due 2024

The Group			
Fair value		Market borrowing rate	
31.12.21	31.12.20	31.12.21	31.12.20
\$'000	\$'000		
394,367	-	2.6%	-
205,097	205,796	1.9%	2.1%
599,464	205,796		



## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the second half and financial year ended 31 December 2021

#### 22 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant transactions between the Group and related parties during the financial period/year on terms agreed between the parties concerned:

	The Group			
	Second half ended 31 December		Financial year ended 31 December	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Transactions with directors and their associates</b>				
Proceeds from sale of development properties	-	-	92	342
Rental received	69	180	271	311
Interest paid/payable on shareholder's loan	1,441	1,219	2,586	2,527
Commission paid for sale of development properties	850	276	1,192	528
Purchase of gift vouchers	-	7	-	7
<b>Transactions with associated and joint venture companies</b>				
Fees received for management of development properties	-	96	87	192
Commission received for sale of development properties	384	149	560	166
Interest receivable on loan to a joint venture company	679	642	1,352	1,552
Fees received/receivable for management of a hotel property	167	64	304	244

#### 23 Group segmental information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Chairman, the Group Chief Executive and three other Board members of the Company.

For management purposes, the Group is organised into business segments based on their products and services as follows:

- Property development – development of properties for sale.
- Property investments – leasing of commercial properties and serviced suites.
- Hotel operations – operation of owned hotels.
- Investments – investment in quoted and unquoted financial assets, at FVOCI.
- Technology operations – the distribution of computers and related products including the provision of systems integration and networking infrastructure services.
- Management services – provision of hotel management services under the "Pan Pacific", "PARKROYAL" and "PARKROYAL COLLECTION" brands, project management and related services.

The property development activities of the Group are concentrated in Singapore, The People's Republic of China ("PRC") and the United Kingdom ("UK") while the property investment activities are concentrated in Singapore.

The hotel operations of the Group are located in Singapore, Australia, UK, Vietnam, Malaysia, PRC and Myanmar and key asset and profit contributions are from the hotels in Singapore and Australia. The Group also has a hotel property under development in Indonesia.

The Group's quoted and unquoted financial assets, at FVOCI relate mainly to investment in equity shares of Singapore companies.

The Group's technology operations are based in Singapore.

The management services segment is not significant to the Group and have been included in the "others" segment column.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the second half and financial year ended 31 December 2021

**23 Group segmental information** (continued)

	Property development				Property investments*	Hotel operations				Technology operations	Others	Total
	Singapore	Malaysia	China	United Kingdom		Singapore	Australia	Others	Investments			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>												
<b>1 July 2021 to 31 December 2021</b>												
<b>Revenue</b>												
Total segment sales	707,032	-	71,112	105,880	254,867	89,992	38,703	27,287	27,409	89,447	22,528	1,434,257
- recognised at a point in time	23,794	-	71,112	105,880	-	44,794	10,654	3,557	-	85,664	-	345,455
- recognised over time	683,239	-	-	-	-	45,198	28,049	23,730	-	3,783	22,528	806,527
- others	-	-	-	-	254,867	-	-	-	27,409	-	-	282,276
Inter-segment sales	-	-	-	-	(2,504)	(75)	-	-	(2,187)	-	(16,108)	(20,874)
Sales to external parties	707,032	-	71,112	105,880	252,363	89,917	38,703	27,287	25,222	89,447	6,420	1,413,383
Adjusted EBITDA - Company and subsidiaries	89,298	8	12,522	18,873	169,889	14,594	7,763	(9,113)	25,212	5,118	1,653	335,817
Share of loss of associated companies	-	-	-	-	-	(485)	-	(2,154)	-	-	(1)	(2,640)
Share of profit of a joint venture company	3,653	-	-	-	-	-	-	-	-	-	-	3,653
<b>Total adjusted EBITDA**</b>	92,951	8	12,522	18,873	169,889	14,109	7,763	(11,267)	25,212	5,118	1,652	336,830
Depreciation and amortisation	(2)	-	(134)	(450)	(2,959)	(27,764)	(8,414)	(16,409)	(203)	(341)	(743)	(57,419)
Other gains/(losses)	-	-	-	-	-	-	-	26,740	-	-	-	26,740
Fair value gains on investment properties	-	-	-	-	129,399	-	-	-	-	-	-	129,399
Unallocated costs												(11,591)
Finance income												8,856
Finance expense												(40,078)
Profit before income tax												392,737
Income tax expense												(47,436)
Net profit												345,301

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

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**23 Group segmental information** (continued)

	Property development				Property investments*	Hotel operations			Investments	Technology	Others	Total
	Singapore	Malaysia	China	United Kingdom		Singapore	Australia	Others		operations		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Group</b>												
<b>1 July 2020 to 31 December 2020</b>												
<b>Revenue</b>												
Total segment sales	369,420	-	193,976	-	266,557	51,368	29,849	28,482	58,918	107,465	16,108	1,122,143
- recognised at a point in time	102,931	-	193,976	-	-	19,005	9,955	12,388	-	103,290	-	441,545
- recognised over time	266,489	-	-	-	-	32,362	19,894	16,095	-	4,175	16,108	355,123
- others	-	-	-	-	266,557	-	-	-	58,918	-	-	325,475
Inter-segment sales	-	-	-	-	(2,063)	(36)	-	-	(39,760)	-	(11,297)	(53,156)
Sales to external parties	369,420	-	193,976	-	264,494	51,332	29,849	28,482	19,158	107,465	4,811	1,068,987
Adjusted EBITDA - Company and subsidiaries	55,201	(6)	61,267	764	190,521	2,165	5,461	8,024	19,129	5,895	(1,043)	347,378
Share of loss of associated companies	-	-	-	-	-	(305)	-	(2,795)	-	-	(1)	(3,101)
Share of loss of a joint venture company	(717)	-	-	-	-	-	-	-	-	-	-	(717)
<b>Total adjusted EBITDA**</b>	54,484	(6)	61,267	764	190,521	1,860	5,461	5,229	19,129	5,895	(1,044)	343,560
Depreciation and amortisation	(8)	-	(130)	(568)	(2,037)	(28,208)	(8,919)	(13,520)	(89)	(343)	(1,123)	(54,945)
Other loss	-	-	-	-	-	-	(9,313)	(31,899)	-	-	-	(41,212)
Fair value loss on investment properties	-	-	-	-	(29,545)	-	-	-	-	-	-	(29,545)
Unallocated costs												(10,323)
Finance income												6,272
Finance expense												(38,142)
Profit before income tax												175,665
Income tax credit												4,468
Net profit												180,133

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

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

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the second half and financial year ended 31 December 2021

**23 Group segmental information** (continued)

	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
<b>Group</b>												
<b>1 January 2021 to 31 December 2021</b>												
<b>Revenue</b>												
Total segment sales	1,262,102	-	203,547	105,880	506,798	145,909	84,054	52,126	46,664	197,332	43,482	2,647,894
- recognised at a point in time	48,972	-	203,547	105,880	-	70,580	23,205	14,394	-	189,443	-	656,021
- recognised over time	1,213,131	-	-	-	-	75,329	60,849	37,732	-	7,889	43,482	1,438,412
- others	-	-	-	-	506,798	-	-	-	46,664	-	-	553,462
Inter-segment sales	-	-	-	-	(4,611)	(124)	-	-	(3,893)	-	(32,430)	(41,058)
Sales to external parties	1,262,102	-	203,547	105,880	502,187	145,785	84,054	52,126	42,771	197,332	11,052	2,606,836
Adjusted EBITDA - Company and subsidiaries	150,101	-	53,489	16,385	346,464	11,500	18,770	(12,427)	42,674	10,354	3,299	640,609
Share of loss of associated companies	-	-	-	-	-	(4,058)	-	(5,514)	-	-	(4)	(9,576)
Share of profit of a joint venture company	5,982	-	-	-	-	-	-	-	-	-	-	5,982
<b>Total adjusted EBITDA**</b>	156,083	-	53,489	16,385	346,464	7,442	18,770	(17,941)	42,674	10,354	3,295	637,015
Depreciation and amortisation	(10)	-	(263)	(819)	(4,972)	(55,155)	(17,440)	(29,864)	(203)	(684)	(1,810)	(111,220)
Other gains/(losses)	-	-	-	-	-	-	-	26,740	-	-	-	26,740
Fair value gains on investment properties	-	-	-	-	114,205	-	-	-	-	-	-	114,205
Unallocated costs												(22,654)
Finance income												15,295
Finance expense												(67,552)
Profit before income tax												591,829
Income tax expense												(92,424)
Net profit												499,405

**UOL GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the second half and financial year ended 31 December 2021

**23 Group segmental information** (continued)

	Property development				Property investments*	Hotel operations				Technology operations	Others	Total
	Singapore	Malaysia	China	United Kingdom		Singapore	Australia	Others	Investments			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>												
<b>1 January 2020 to 31 December 2020</b>												
<b>Revenue</b>												
Total segment sales	599,211	-	343,890	-	507,768	123,403	70,611	52,568	93,717	225,746	35,593	2,052,507
- recognised at a point in time	136,665	-	343,890	-	-	45,753	20,953	22,170	-	216,516	-	785,947
- recognised over time	462,546	-	-	-	-	77,650	49,658	30,398	-	9,230	35,593	665,075
- others	-	-	-	-	507,768	-	-	-	93,717	-	-	601,485
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)
<b>Total adjusted EBITDA**</b>	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 loss	-	-	-	-	-	-	(9,313)	(31,899)	-	-	-	(41,212)
Fair value loss 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

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

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

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the second half and financial year ended 31 December 2021

#### A. Review

The statements of financial position of UOL Group Limited ("the Company") and its subsidiaries ("the Group") as at 31 December 2021 and the related consolidated income statement and consolidated other comprehensive income for the six-month period and financial year then ended, consolidated statement of changes in equity, statement of changes in equity and consolidated statement of cash flows for the financial year then ended and explanatory notes have not been audited or reviewed by the Company's auditors.

#### B. Review of performance of the Group

##### Revenue

Group revenue for the year ended 31 December 2021 ("FY2021") increased by \$629.7 million or 32% to \$2.61 billion from \$1.98 billion for the year ended 31 December 2020 ("FY2020"), and increased by \$344.4 million or 32% to \$1.41 billion in the second half of 2021 ("2H 2021") from \$1.07 billion in the second half of 2020 ("2H 2020") due mainly to higher revenue from property development and hotel operations.

The increase in property development revenue by \$628.4 million or 67% for FY2021 from FY2020 and \$320.6 million or 57% for 2H 2021 from 2H 2020 was mainly from 1) higher progressive recognition of revenue from Avenue South Residence, The Tre Ver, Clavon and The Watergardens at Canberra; and 2) recognition of sales at The Sky Residences, London upon its completion and handover of units sold. The increase was partly offset by 3) lower revenue from Park Eleven, Amber45 and V on Shenton.

Revenue from hotel operations for FY2021 was \$35.5 million or 14% higher than last year and for 2H 2021 was \$46.2 million or 42% higher than 2H 2020 due mainly to 1) the re-opening of PARKROYAL COLLECTION Marina Bay in December 2020 after 9 months of closure for major refurbishments; 2) Pan Pacific Perth securing Government Quarantine Facilities ("GQF") contract in 2021; and 3) the opening of Pan Pacific London in September 2021.

Technology operations recorded \$28.4 million lower revenue in FY2021 as compared to FY2020 and \$18.0 million lower revenue for 2H 2021 as compared to the 2H 2020 due to delays in fulfilling sales orders as a result of global supply constraints.

##### Gross profit margin

Gross profit margin was 31% for FY2021 (FY2020: 37%) and 30% for 2H 2021 (2H 2020: 36%). The lower margins for FY2021 and 2H2021 as compared to the respective corresponding periods were due mainly to lower sales from property development projects (Park Eleven, Amber45 and V on Shenton) with better profit margins.

##### Miscellaneous income

Miscellaneous income for FY2021 was \$47.0 million or 51% lower than FY2020 and for 2H 2021 was \$29.6 million or 51% lower than 2H 2020 due to lower grants received from 1) the Singapore Government in relation to enhanced Job Support Scheme and property tax rebates offset partially by rental support cash grants; and 2) the Australia Government for JobKeeper's Payment.

##### Expenses

Marketing and distribution expenses for FY2021 were \$37.2 million or 47% higher than FY2020 and for 2H 2021 were \$21.0 million or 49% higher than 2H 2020 due mainly to higher selling expenses from the sales of units at Avenue South Residence, The Tre Ver, Clavon, The Sky Residences, London and expenses for the sales launch of The Watergardens at Canberra in August 2021.

Finance expense was lower by \$15.8 million or 19% for FY2021 as compared to FY2020 due mainly to the decline in interest rates since the onset of COVID-19, which only gradually moved upwards from August 2021. Finance expense for 2H 2021 was \$1.9 million or 5% higher as compared to 2H 2020 due mainly to new loans drawn on a fixed rate basis and the issuance of the \$400 million unsecured fixed rate notes in August 2021.

##### Profit & Loss

##### Second Half ended 31 December 2021/2020

The pre-tax profit before fair value and other gains/(losses) for 2H 2021 was \$236.6 million, a \$9.8 million or 4% decrease from the profit of \$246.4 million for 2H 2020. The decrease was due mainly to lower grants received and higher marketing and distribution expenses set off in part by higher profit from progressive completion and sales of development projects.

With attributable fair value and other gains of \$90.7 million recognised for 2H 2021 compared to attributable fair value and other losses of \$60.9 million for 2H 2020, profit after tax and non-controlling interest for 2H 2021 increased by \$120.8 million to \$216.1 million from the profit of \$95.3 million in the corresponding period in 2020.

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the second half and financial year ended 31 December 2021

#### B. Review of performance of the Group (continued)

##### Profit & Loss

##### ***Financial year ended 31 December 2021/2020***

The pre-tax profit before fair value and other gains/(losses) for FY2021 was \$450.9 million, a \$7.7 million or 2% increase from the profit of \$443.2 million in FY2020.

With attributable fair value and other gains of \$73.8 million recognised in FY2021 compared to attributable fair value and other losses of \$246.7 million in FY2020, profit after tax and non-controlling interest for FY2021 increased by \$294.3 million to \$307.4 million from the profit of \$13.1 million in FY2020.

##### Net tangible asset and gearing

The Group's shareholders' funds rose from \$9.79 billion as at 31 December 2020 to \$10.17 billion as at 31 December 2021 due mainly to (i) fair value gains on financial assets at fair value through other comprehensive income; and (ii) profit recognised for the year, set off partially by (iii) deduction of dividends paid against retained earnings. Consequently the net tangible asset per ordinary share of the Group increased to \$11.99 as at 31 December 2021 from \$11.55 as at 31 December 2020.

The Group's gearing ratio decreased from 0.29 as at 31 December 2020 to 0.26 as at 31 December 2021 although total borrowings were higher due mainly to a larger equity base and higher cash and bank balances.

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

Nil.

#### D. 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 operating period and the next 12 months

The global economic growth is likely to be gradual and patchy as it continues to be disrupted by the pandemic. Geopolitical risks loom large as the bilateral relations between the United States and China remain tense and the conflict in Ukraine persists.

According to the Ministry of Trade and Industry, Singapore's growth in 2022 is projected to slow to between 3% and 5% from the expansion of 7.6% in 2021, amid uncertainties in global growth. Many businesses are recovering from 2021 and pivoting their models as the country prepares to move into an endemic stage.

Sales volume of new private homes may moderate on the back of the cooling measures announced last year and a limited pipeline of launches. Office demand is expected to improve for Grade A office as Singapore is on the path to open up the economy and there is a "flight to quality" to new and higher specifications office buildings, which would increase vacancies at older buildings. As for retail, the recovery of shopper footfall is still below the pre-pandemic level. However, the recovery in consumer sentiment and the eventual return of tourism spending will help stabilise the sector.

The hospitality business in Singapore, the United Kingdom and the Asia Pacific may see signs of recovery as borders gradually open.

The commercial sector in the United Kingdom is likely to remain subdued in the near term, given the global uncertainties.

## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the second half and financial year ended 31 December 2021

#### E. Dividend Information

##### (a) Current Financial Period Reported On

Dividend declared for the current financial period reported on

Name of dividend	:	First & Final
Dividend Type	:	Cash
Dividend Rate	:	\$0.15 per ordinary share
Tax Rate	:	Not applicable (one-tier)

##### (b) Corresponding Period of the Immediately Preceding Financial Year

Dividend declared for the corresponding period of the immediately preceding financial year

Name of dividend	:	First & Final
Dividend Type	:	Cash
Dividend Rate	:	\$0.15 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
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##### (d) Record date

: The record date will be announced at a later date.

#### F. Interested Person Transactions

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

#### G. Factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to section B.

#### H. Breakdown of sales

	The Group		
	For the financial year ended		
	31.12.21	31.12.20	Increase/ (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	1,193,453	908,161	31
(b) Profit/(loss) after tax before deducting non-controlling interests reported for first half year	154,104	(94,784)	263
(a) Sales reported for second half year	1,413,383	1,068,987	32
(b) Profit after tax before deducting non-controlling interests reported for second half year	345,301	180,133	92

#### I. Breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Financial Year	Previous Financial Year
	\$'000	\$'000
Ordinary one-tier dividend	126,651	126,632



## UOL GROUP LIMITED AND ITS SUBSIDIARIES

### OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the second half and financial year ended 31 December 2021

#### J. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

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	70	<p>Daughter of Dr Wee Cho Yaw, the Chairman and a substantial shareholder of UOL Group Limited ("UOL").</p> <p>Sister of Mr Wee Ee Lim, Mr Wee Ee-chao, and Mr Wee Ee Cheong, substantial shareholders of UOL.</p> <p>Mr Wee Ee Lim and Wee Ee-chao are also directors of UOL.</p>	<p>Executive Director (Sustainability Partnerships, Lifestyle and Assets) of Pan Pacific Hotels Group Limited ("PPHG").</p> <p>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 coordinates PPHG's corporate social responsibility, charitable and sustainability initiatives.</p> <p>Director of PPHG since 1994. PPHG is a wholly-owned subsidiary of UOL.</p>	Nil
Eu Zai Jie Jonathan	40	<p>Grandson of Dr Wee Cho Yaw, the Chairman and a substantial shareholder of UOL.</p> <p>Nephew of Mr Wee Ee Lim and Mr Wee Ee-chao, directors and substantial shareholders of UOL.</p> <p>Nephew of Mr Wee Ee Cheong, a substantial shareholder of UOL.</p>	<p>Chief Executive Officer of Singapore Land Group Limited ("SingLand"), a subsidiary of UOL.</p> <p>Overall management of SingLand.</p>	<p>Promoted to Chief Executive Officer from Chief Operating Officer of SingLand with effect 1 September 2021.</p> <p>Duties have been expanded to cover overall management of SingLand.</p>

#### 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  
28 February 2022