Company Registration No. 196300438C

UOL GROUP LIMITED

(Incorporated in Singapore. Registration Number: 196300438C)

AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021

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UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

For the half year ended 30 June 2021

	Note	The Group		
		First half ended 30 June		
		2021	2020	+ / (-)
		$'000	$'000	%
Revenue	5	1,193,453	908,161	31
Cost of sales		(812,094)	(564,989)	44
Gross profit		381,359	343,172	11
Other income				
- Finance income	5	6,730	7,473	(10)
- Miscellaneous income	5	16,310	33,760	(52)
Expenses				
- Marketing and distribution	6	(52,187)	(35,977)	(45)
- Administrative	6	(46,426)	(47,498)	2
- Finance	6	(27,765)	(46,417)	40
- Other operating				
• Impairment loss on financial assets	6	(5,250)	(12)	n.m.
• Others	6	(53,878)	(51,918)	(4)
Share of loss of associated companies		(6,936)	(4,570)	(52)
Share of profit/(loss) of a joint venture company		2,329	(1,212)	292
Profit before fair value losses and income tax		214,286	196,801	9
Fair value losses on the Group's investment properties		(15,194)	(263,750)	94
Profit/(loss) before income tax	6	199,092	(66,949)	397
Income tax expense	7	(44,988)	(27,835)	(62)
Net profit/(loss)		154,104	(94,784)	263
Attributable to:				
Equity holders of the Company		91,343	(82,144)	211
Non-controlling interests		62,761	(12,640)	597
		154,104	(94,784)	263
The above net profit/(loss) attributable to equity holders of the Company can be analysed as follows:				
Attributable profit before fair value losses		108,228	103,648	4
Fair value losses on the Group's investment properties		(16,885)	(185,792)	91
Net attributable profit/(loss)		91,343	(82,144)	211

Legend

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

n.m. : not meaningful

UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 June 2021

	Note	The Group		
		First half ended 30 June		
		2021	2020	+ / (-)
		$'000	$'000	%
Net profit/(loss)		154,104	(94,784)	263
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges		5,410	(7,799)	169
Currency translation differences arising from consolidation of foreign operations	9(a)	20,431	5,562	267
		25,841	(2,237)	1,255
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)	163,777	(253,247)	165
Currency translation differences arising from consolidation of foreign operations		12,506	4,697	166
Other comprehensive income/(loss), net of tax		202,124	(250,787)	181
Total comprehensive income/(loss)		356,228	(345,571)	203
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		267,147	(336,570)	179
Non-controlling interests		89,081	(9,001)	1,090
		356,228	(345,571)	203

UOL GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION – GROUP AND COMPANY
As at 30 June 2021

	Note	The Group		The Company	
		30.06.21	31.12.20	30.06.21	31.12.20
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances		1,170,013	976,942	30,323	5,982
Trade and other receivables	10	290,748	308,161	9,276	4,338
Derivative financial instrument		29	-	-	-
Developed properties held for sale	11	379,397	467,385	-	-
Development properties	11	2,672,903	2,690,145	-	-
Inventories		3,186	1,242	-	-
Other assets	12	160,337	62,268	1,578	818
Current income tax assets		304	254	-	-
		4,676,917	4,506,397	41,177	11,138
Non-current assets					
Trade and other receivables		156,947	154,695	833,070	857,329
Other assets	12	93,740	69,243	-	-
Derivative financial instrument		5	-	-	-
Financial assets, at FVOCI	13	1,139,957	1,013,621	856,559	752,117
Investments in associated companies		264,797	271,430	-	-
Investments in subsidiaries		-	-	1,941,510	1,941,510
Investment properties	14	11,378,005	11,343,168	563,176	562,113
Property, plant and equipment		2,921,812	2,911,670	2,114	2,280
Intangibles		43,364	43,735	343	431
Deferred income tax assets		59,634	59,535	-	-
		16,058,261	15,867,097	4,196,772	4,115,780
Total assets		20,735,178	20,373,494	4,237,949	4,126,918
LIABILITIES					
Current liabilities					
Trade and other payables	15	576,454	495,144	383,407	396,880
Current income tax liabilities		104,557	164,907	6,377	7,666
Bank loans	16(a)	2,387,903	1,652,476	164,209	-
Lease liabilities and trade financing		22,292	18,064	-	-
Derivative financial instrument		3,578	6,179	-	-
		3,094,784	2,336,770	553,993	404,546
Non-current liabilities					
Trade and other payables		203,171	213,193	4,183	3,972
Lease liabilities and trade financing		37,594	36,012	-	-
Bank loans	16(a)	2,500,727	3,089,209	199,825	267,430
3.0% unsecured fixed rate notes due 2024		199,433	199,333	-	-
Derivative financial instrument		947	4,329	774	1,319
Loans from non-controlling shareholders of subsidiaries		132,745	131,225	-	-
Provision for retirement benefits		3,633	3,712	-	-
Deferred income tax liabilities		262,791	258,563	305	188
		3,341,041	3,935,576	205,087	272,909
Total liabilities		6,435,825	6,272,346	759,080	677,455
NET ASSETS		14,299,353	14,101,148	3,478,869	3,449,463
Capital & reserves attributable to equity holders of the Company					
Share capital	17	1,566,371	1,563,860	1,566,371	1,563,860
Reserves		910,789	753,145	681,088	575,475
Retained earnings		7,454,758	7,471,136	1,231,410	1,310,128
		9,931,918	9,788,141	3,478,869	3,449,463
Non-controlling interests		4,367,435	4,313,007	-	-
TOTAL EQUITY		14,299,353	14,101,148	3,478,869	3,449,463

UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2021

	Note	Share capital	Reserves	Retained earnings	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000
The Group						
2021						
Balance at 1 January 2021		1,563,860	753,145	7,471,136	4,313,007	14,101,148
Profit for the period		-	-	91,343	62,761	154,104
Other comprehensive income for the period		-	175,804	-	26,320	202,124
Total comprehensive income for the period		-	175,804	91,343	89,081	356,228
Employee share option scheme						
- value of employee services		-	751	-	34	785
- proceeds from shares issued		2,511	-	-	-	2,511
Dividends	18	-	-	(126,632)	(35,487)	(162,119)
Issue of shares to non-controlling shareholders		-	-	-	800	800
Total transactions with owners, recognised directly in equity		2,511	751	(126,632)	(34,653)	(158,023)
Transfer upon disposal of financial assets, at FVOCI		-	(18,911)	18,911	-	-
Balance at 30 June 2021		1,566,371	910,789	7,454,758	4,367,435	14,299,353
2020						
Balance at 1 January 2020		1,560,918	893,862	7,592,700	4,286,809	14,334,289
Loss for the period		-	-	(82,144)	(12,640)	(94,784)
Other comprehensive (loss)/income for the period		-	(254,426)	-	3,639	(250,787)
Total comprehensive loss for the period		-	(254,426)	(82,144)	(9,001)	(345,571)
Employee share option scheme						
- value of employee services		-	580	-	67	647
- proceeds from shares issued		1,011	-	-	-	1,011
Dividends	18	-	-	(147,626)	(42,243)	(189,869)
Acquisition of interests from non-controlling shareholders		-	-	-	(6,600)	(6,600)
Issue of shares to non-controlling shareholders		-	-	-	203	203
Total transactions with owners, recognised directly in equity		1,011	580	(147,626)	(48,573)	(194,608)
Balance at 30 June 2020		1,561,929	640,016	7,362,930	4,229,235	13,794,110

UOL GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the half year ended 30 June 2021

	Note	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
The Company					
2021					
Balance at 1 January 2021		1,563,860	575,475	1,310,128	3,449,463
Profit for the period		-	-	47,914	47,914
Other comprehensive income for the period		-	104,895	-	104,895
Total comprehensive income for the period		-	104,895	47,914	152,809
Employee share option scheme					
- value of employee services		-	718	-	718
- proceeds from shares issued		2,511	-	-	2,511
Dividends	18	-	-	(126,632)	(126,632)
Total transactions with owners, recognised directly in equity		2,511	718	(126,632)	(123,403)
Balance at 30 June 2021		1,566,371	681,088	1,231,410	3,478,869
2020					
Balance at 1 January 2020		1,560,918	707,088	1,477,141	3,745,147
Profit for the period		-	-	14,453	14,453
Other comprehensive loss for the period		-	(192,011)	-	(192,011)
Total comprehensive (loss)/income for the period		-	(192,011)	14,453	(177,558)
Employee share option scheme					
- value of employee services		-	513	-	513
- proceeds from shares issued		1,011	-	-	1,011
Dividends	18	-	-	(147,626)	(147,626)
Total transactions with owners, recognised directly in equity		1,011	513	(147,626)	(146,102)
Balance at 30 June 2020		1,561,929	515,590	1,343,968	3,421,487

UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2021

	Note	The Group First half ended 30 June 2021 $'000	 2020 $'000
Cash flows from operating activities			
Net profit/(loss)		154,104	(94,784)
Adjustments for:			
Income tax expense		44,988	27,835
Non-cash items	20(a)	65,800	65,950
Dividend income and interest income		(23,988)	(35,653)
Interest expense		27,765	46,417
Fair value losses on the Group's investment properties		15,194	263,750
		283,863	273,515
Change in working capital			
Receivables	20(b)	(174,584)	(60,967)
Development properties	20(c)	318,791	(208,426)
Inventories		(1,944)	(589)
Payables		(5,172)	(85,766)
		137,091	(355,748)
Cash generated from/(used in) operations		420,954	(82,233)
Income tax paid		(102,095)	(21,438)
Retirement benefits paid		(175)	(369)
Net cash from/(used in) operating activities		318,684	(104,040)
Cash flows from investing activities			
(Payments)/grant received for intangibles		(349)	57
Loans to an associated company and a joint venture company		(2,000)	(2,021)
Net proceeds from disposal of property, plant and equipment		34	2
Payments for property, plant and equipment and investment properties		(66,734)	(61,417)
Payments for financial assets, at FVOCI		(483)	-
Interest received		6,439	5,775
Dividends received		17,549	30,518
Net cash used in investing activities		(45,544)	(27,086)
Cash flows from financing activities			
Proceeds from shares issued		2,511	1,011
Payment to non-controlling shareholders for purchase of shares in subsidiaries		-	(6,600)
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		800	203
Loans from non-controlling shareholders of subsidiaries		1,520	22,171
Proceeds from borrowings	20(d)	907,465	1,056,534
Repayment of borrowings	20(d)	(804,195)	(791,124)
Expenditure relating to bank borrowings		(949)	(1,759)
Interest paid		(31,318)	(53,064)
Payment of trade financing		6,311	6,205
Proceeds from lease liabilities		(1,656)	(1,654)
Dividends paid to equity holders of the Company		(126,632)	-
Dividends paid to non-controlling interests		(35,487)	(13,799)
Net cash (used in)/from financing activities		(81,630)	218,124
Net increase in cash and cash equivalents		191,510	86,998
Cash and cash equivalents at the beginning of the financial period		974,441	714,377
Effects of currency translation on cash and cash equivalents		1,562	1,315
Cash and cash equivalents at the end of the financial period	20(e)	1,167,513	802,690

1 Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 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 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 period 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 substantial change to the Group's accounting policies nor any significant impact on the 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 period were the same as those applied to the consolidated financial statements for the 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 market-corroborated capitalisation rate, growth rate and discount rate.

The majority of the valuation reports as at 31 December 2020 contained a 'material valuation uncertainty' clause. Most of the valuers continued to include this 'material valuation uncertainty' clause in the valuation reports as at 30 June 2021 as they are still faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base their judgement. This clause does not invalidate the valuation but implies that there is substantially more uncertainty than under normal market conditions.

The uncertainty caused by the COVID-19 pandemic is factored into the valuation of the investment properties, specifically in estimated 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.

4 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5 Revenue, Finance income and Miscellaneous income

	The Group		
	First half ended 30 June		
	2021	2020	+ / (-)
	$'000	$'000	%
Revenue from contracts with customers under SFRS(I) 15			
Revenue from property development			
- recognised at a point in time	157,613	183,648	(14)
- recognised over time	529,892	196,057	170
	687,505	379,705	81
Revenue from hotel ownership and operations			
- recognised at a point in time	49,125	47,481	3
- recognised over time	76,933	89,355	(14)
	126,058	136,836	(8)
Revenue from technology operations			
- recognised at a point in time	103,779	113,226	(8)
- recognised over time	4,106	5,055	(19)
	107,885	118,281	(9)
Revenue from management services			
- recognised over time	4,632	4,621	0
	926,080	639,443	45
Other revenue			
Revenue from property investments	249,824	238,840	5
Dividend income from financial assets, at FVOCI	17,549	29,878	(41)
	1,193,453	908,161	31
Finance income			
Interest income	6,439	5,775	11
Currency exchange gains (net)	291	1,698	(83)
	6,730	7,473	(10)
Miscellaneous income			
Government grant income – COVID-19 related	13,116	32,434	(60)
Less: Government grant expense – COVID-19 related rent concessions given to tenants	(1,699)	(6,972)	76
Net government grants and assistance - COVID-19 related [See Note (a) below]	11,418	25,462	(55)
Others [See Note (b) below]	4,892	8,298	(41)
	16,310	33,760	(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 cash grants and property tax rebates excluding those on-passed to tenants.

(b) Included in other miscellaneous income were other government grants received which were $2.3 million lower for the current financial period as compared to the corresponding period in 2020.

6 Expenses and Profit/(loss) before Income Tax (continued)

	The Group		
	First half ended 30 June		
	2021	2020	+ / (-)
	$'000	$'000	%
Marketing and distribution expenses			
Advertising and promotion	8,971	8,705	(3)
Marketing and distribution payroll and related expenses	11,466	11,964	4
Sales commissions	22,057	8,856	(149)
Showflat expenses	8,381	5,067	(65)
Others	1,312	1,385	5
	52,187	35,977	(45)
Administrative expenses			
Administrative payroll and related expenses	30,253	31,148	3
Corporate expenses	6,717	6,880	2
Credit card commissions	1,151	1,522	24
Information technology related expenses	3,971	3,741	(6)
Bank loan fees and other bank charges	472	544	13
Others	3,862	3,663	(5)
	46,426	47,498	2
Finance expenses			
Bank facility fees	2,467	2,587	5
Interest expense	32,045	51,235	37
Less: borrowing costs capitalised [See Note (a) below]	(6,747)	(7,405)	9
	27,765	46,417	40
Other operating expenses			
Property taxes	26,759	26,173	(2)
Other taxes	2,236	2,097	(7)
Repairs, maintenance and security	7,666	9,696	21
Heat, light and power	7,096	7,115	0
Other payroll and related expenses	6,114	5,166	(18)
Impairment loss on financial assets [See Note (b) below]	5,250	12	n.m.
Others	4,007	1,671	(140)
	59,128	51,930	(14)
Profit/(loss) before income tax			
Profit/loss before income tax is stated after charging:			
Depreciation and amortisation	53,801	62,935	15
Property, plant and equipment written off and net loss on disposals	164	892	82

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

(b) The impairment loss on financial assets for the first half of 2021 relates to provisions on receivables from tenants in arrears.

7 Income tax expense

	The Group		
	First half ended 30 June		
	2021	2020	+ / (-)
	$'000	$'000	%
Tax expense attributable to profit/loss is made up of:			
- Profit/loss for the financial period:			
Current income tax			
- Singapore	25,014	23,202	(8)
- Foreign	14,342	15,690	9
- Withholding tax paid	128	115	(10)
Deferred income tax			
- fair value losses of investment properties	(294)	(8,030)	(96)
- others [See Note(a) below]	7,128	(2,869)	(348)
	46,317	28,108	(65)
- (Over)/under provision in prior financial periods:			
Current income tax			
- Singapore	(557)	2	n.m.
Deferred income tax	(772)	(276)	180
	44,988	27,835	(62)

(a) Other deferred income tax expense for the first half of 2021 was higher than the corresponding period last 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").

8 Earnings/(losses) per share

	The Group	
	First half ended 30 June	
	2021	2020
Earnings/(losses) per ordinary share for the period		
(i) Based on weighted average number of ordinary shares in issue	cents 10.82	(cents 9.74)
(ii) On a fully diluted basis	cents 10.82	(cents 9.74)

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

For the purposes of calculating diluted earnings/losses 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 the first half of 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 30 June 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 decrease in developed properties held for sale from 31 December 2020 to 30 June 2021 was due mainly to handover of residential units at Park Eleven, Shanghai. The decrease in development properties during the period was due to the progressive recognition of sales for Avenue South Residence, partially offset by increases for One Bishopsgate Plaza as units sold have yet to be handed over.

12 Current and non-current Other assets

As at 30 June 2021, other assets of the Group included:

(i) an amount of $77.8 million being tender deposit and stamp duties for a residential site at Ang Mo Kio Avenue 1 awarded by the Urban Redevelopment Authority at a tender price of $381.4 million. The Group has an effective 70% interest in the development project through its 60% direct interest and 20% through Singapore Land Group Limited ("Singland").

(ii) progress payments of $72.5 million for the 180 serviced suites and 154-room hotel at Thamrin Nine, Jakarta, currently under development and will be operated as PARKROYAL Serviced Suites Jakarta and Pan Pacific Jakarta respectively. These amounts will be transferred to investment properties and property, plant and equipment upon completion. The increase in progress payment during the period was $14.1 million.

(iii) capitalised costs in relation to sales commission of residential units which increased by approximately $23.5 million during the period.

(iv) other deposits and prepayments supporting the various operations of the Group.

13 Financial assets, at FVOCI

The increase in the Group's financial assets, at FVOCI from 31 December 2020 to 30 June 2021 was due mainly to fair value gains of $137.4 million from investment in quoted equity shares arising from the increase in the closing bid prices of the equity shares, offset partially by Singland disposing of its stake in an unquoted equity investment during the period. The increase in the Company's financial assets, at FVOCI was due to fair value gains of $104.4 million from investment in quoted equity shares.

14 Investment properties

Investment properties are stated at valuation as determined by independent professional valuers and the total carrying value of the Group's investment properties was $11.4 billion as at 30 June 2021. While the Group recorded a fair value loss on investment properties of $15.2 million for the first half of 2021, the carrying value of the investment properties increased from 31 December 2020 due mainly to $22.0 million expended for Asset Enhancement Initiative ("AEI") works to-date for The Gateway and also appreciation in the value of the Group's investment properties in The United Kingdom due to the strengthening of the Great Britain Pound ("GBP") against the Singapore Dollar ("SGD").

15 Current Trade and other payables

The increase in the Group's payables from 31 December 2020 arose as a result of higher contract liabilities from development properties for Clavon, as the Group has received advanced payments from customers but has not yet performed its obligations under the contracts.

16 Borrowings

(a) Current and non-current Bank loans

There was a net increase in the Group's foreign currency bank loans during the period for (i) loan drawn for the construction of One Bishopsgate Plaza which also increased due to the strengthening of the GBP against the SGD; and (ii) loan drawn for the major refurbishments at PARKROYAL COLLECTION Kuala Lumpur. The Group's SGD bank loans increased marginally for the loan drawn for the acquisition of the Ang Mo Kio Avenue 1 site, offset partially by repayments from operating cash flows, progress billings of development projects and dividends received.

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

	As at 30.06.21		As at 31.12.20	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	138,439	2,250,038	206,928	1,446,188
Amount repayable after one year	1,104,286	1,735,268	1,272,642	2,155,190

16 Borrowings (continued)

(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

	The Company	
	30.06.21	31.12.20
(a) Total number of issued shares, excluding treasury shares	844,275,232	843,893,232

(b) During the first half ended 30 June 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	18,000
2014 Options at exercise price of S$6.10 per share	24,000
2016 Options at exercise price of S$5.87 per share	34,000
2017 Options at exercise price of S$6.61 per share	63,000
2019 Options at exercise price of S$6.59 per share	132,000
2020 Options at exercise price of S$7.32 per share	93,000
Ordinary shares issued upon exercise of options	382,000
Issued share capital as at 30 June 2021	844,275,232

(c) As at 30 June 2021, there were 6,606,000 (30.06.20: 6,010,000) 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 30 June 2021 and 30 June 2020. Accordingly, there was no sales, transfers, disposal, cancellation and/or use of treasury shares or subsidiary holdings during the financial period ended 30 June 2021.

18 Dividends

	The Group	
	First half ended 30 June	
	2021	2020
	$'000	$'000
Final one-tier dividend paid/payable in respect of the previous financial year of $0.150 (2020: $0.175) per share	126,632	147,626

The final one-tier dividend in respect of FY2020 was paid on 14 May 2021 while the final one-tier dividend in respect of FY2019 was paid on 2 July 2020.

19 Net asset value

	The Group		The Company	
	30.06.21	31.12.20	30.06.21	31.12.20
Net asset value per ordinary share	$11.76	$11.60	$4.12	$4.09
Net tangible asset backing per ordinary share	$11.71	$11.55	$4.12	$4.09

20 Cash flows

(a) Non-cash items

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

(b) Cash outflow for receivables

The cash outflow for receivables during the first half of 2021 arose mainly from the payment of a deposit of $77.8 million being tender deposit and stamp duties for the site at Ang Mo Kio Avenue 1.

(c) Cash inflow for development properties

The cash inflow for development properties during the current financial period were mainly from progressive payments from Clavon, Avenue South Residence, The Tre Ver, Amber45 and The Clement Canopy.

(d) Proceeds from borrowings/Repayment of borrowings

The net proceeds from borrowings during the period was mainly used to fund the construction of One Bishopsgate Plaza, the major refurbishments at PARKROYAL COLLECTION Kuala Lumpur, and the acquisition of Ang Mo Kio Avenue 1 site.

(e) Cash and cash equivalents

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

	The Group	
	30.06.21	30.06.20
	$'000	$'000
Fixed deposits with financial institutions	336,496	305,018
Cash at bank and on hand	833,517	500,672
Cash and bank balances per Statement of Financial Position	1,170,013	805,690
Less: Bank deposits pledged as security	(2,500)	(3,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	1,167,513	802,690

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	
	30.06.21	31.12.20	30.06.21	31.12.20
	$'000	$'000	$'000	$'000
Assets				
Financial assets, at FVOCI				
- Level 1	1,068,986	931,607	808,986	704,544
- Level 3	70,971	82,014	47,573	47,573
	1,139,957	1,013,621	856,559	752,117
Derivative financial instruments (current and non-current)				
- Level 2	34	-	-	-
Liabilities				
Derivative financial instruments (current and non-current)				
- Level 2	(4,525)	(10,508)	(774)	(1,319)

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

	The Group		The Company	
	First half ended 30 June		First half ended 30 June	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Financial assets, at FVOCI				
At the beginning of the financial period	82,014	101,891	47,573	61,743
Fair value gains recognised in other comprehensive income	26,398	-	-	-
Addition	483	-	-	-
Disposal	(37,924)	-	-	-
At the end of the financial period	70,971	101,891	47,573	61,743

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the first half ended 30 June 2021 and 30 June 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:

	The Group			
	Fair value		Market borrowing rate	
	30.06.21	31.12.20	30.06.21	31.12.20
	$'000	$'000		
3.00% unsecured fixed rate notes due 2024	205,317	205,796	2.1%	2.1%

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 on terms agreed between the parties concerned:

	The Group		The Company	
	First half ended 30 June		First half ended 30 June	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Transactions with directors and their associates				
Proceeds from sale of development properties	277	342	-	-
Rental received	202	131	133	99
Interest paid/payable on shareholder's loan	1,145	1,308	-	-
Commission paid for sale of development properties	342	252	-	-
Transactions with associated and joint venture companies				
Fees received for management of development properties	96	96	-	-
Commission received for sale of development properties	176	17	-	-
Interest receivable on loan to a joint venture company	673	910	-	-
Fees received/receivable for management of a hotel property	137	180	-	-

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 while the property investment activities are concentrated in Singapore.

The hotel operations of the Group are located in Singapore, Australia, 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 the United Kingdom.

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.

23 Group segmental information (continued)

	Property development					Hotel operations						
	Singapore	Malaysia	China	United Kingdom	Property investments*	Singapore	Australia	Others	Investments	Technology operations	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
1 January 2021 to 30 June 2021												
Revenue												
Total segment sales	555,070	-	132,435	-	251,931	55,917	45,351	24,839	19,255	107,885	20,954	1,213,637
- recognised at a point in time	25,178	-	132,435	-	-	25,786	12,551	10,837	-	103,779	-	310,566
- recognised over time	529,892	-	-	-	-	30,131	32,800	14,002	-	4,106	20,954	631,885
- others	-	-	-	-	251,931	-	-	-	19,255	-	-	271,186
Inter-segment sales	-	-	-	-	(2,107)	(49)	-	-	(1,706)	-	(16,322)	(20,184)
Sales to external parties	555,070	-	132,435	-	249,824	55,868	45,351	24,839	17,549	107,885	4,632	1,193,453
Adjusted EBITDA - Company and subsidiaries	60,803	(8)	40,967	(2,488)	176,575	(6,582)	11,007	(324)	17,462	5,236	2,144	304,792
Share of loss of associated companies	-	-	-	-	-	(3,573)	-	(3,360)	-	-	(3)	(6,936)
Share of profit of a joint venture company	2,329	-	-	-	-	-	-	-	-	-	-	2,329
Total adjusted EBITDA**	63,132	(8)	40,967	(2,488)	176,575	(10,155)	11,007	(3,684)	17,462	5,236	2,141	300,185
Depreciation and amortisation	(8)	-	(129)	(369)	(2,013)	(27,391)	(9,026)	(13,455)	-	(343)	(1,067)	(53,801)
Fair value losses on investment properties	-	-	-	-	(15,194)	-	-	-	-	-	-	(15,194)
Unallocated costs												(11,063)
Finance income												6,730
Finance expense												(27,765)
Profit before income tax												199,092
Income tax expense												(44,988)
Net profit												154,104

23 Group segmental information (continued)

	Property development					Hotel operations						
	Singapore	Malaysia	China	United Kingdom	Property investments*	Singapore	Australia	Others	Investments	Technology operations	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group												
1 January 2020 to 30 June 2020												
Revenue												
Total segment sales	229,791	-	149,914	-	241,211	72,035	40,762	24,086	34,799	118,281	19,485	930,364
- recognised at a point in time	33,734	-	149,914	-	-	26,748	10,998	9,782	-	113,226	-	344,402
- recognised over time	196,057	-	-	-	-	45,288	29,764	14,303	-	5,055	19,485	309,952
- others	-	-	-	-	241,211	-	-	-	34,799	-	-	276,010
Inter-segment sales	-	-	-	-	(2,371)	(47)	-	-	(4,921)	-	(14,864)	(22,203)
Sales to external parties	229,791	-	149,914	-	238,840	71,988	40,762	24,086	29,878	118,281	4,621	908,161
Adjusted EBITDA - Company and subsidiaries	34,199	(10)	55,902	(206)	170,217	17,262	5,921	(4,110)	29,835	5,691	(947)	313,754
Share of loss of associated companies	-	-	-	-	-	(1,431)	-	(3,134)	-	-	(5)	(4,570)
Share of loss of a joint venture company	(1,212)	-	-	-	-	-	-	-	-	-	-	(1,212)
Total adjusted EBITDA**	32,987	(10)	55,902	(206)	170,217	15,831	5,921	(7,244)	29,835	5,691	(952)	307,972
Depreciation and amortisation	(8)	-	(125)	-	(2,345)	(36,197)	(8,702)	(14,008)	-	(355)	(1,195)	(62,935)
Fair value loss on investment properties	-	-	-	-	(263,750)	-	-	-	-	-	-	(263,750)
Unallocated costs												(9,292)
Finance income												7,473
Finance expense												(46,417)
Loss before income tax												(66,949)
Income tax expense												(27,835)
Net loss												(94,784)

* 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 and fair value losses on investment properties.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2
For the half year ended 30 June 2021

A. Review

The statements of financial position of UOL Group Limited ("the Company") and its subsidiaries ("the Group") as at 30 June 2021 and the related consolidated income statement, consolidated other comprehensive income, consolidated statement of changes in equity, statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

B. Review of performance of the Group

Revenue

Group revenue in the first half of 2021 increased by $285.3 million or 31% to $1,193.5 million from $908.2 million in the corresponding period of 2020. As compared to the respective segment's revenue recorded for the first half of 2020,

- revenue from property development for the period was $307.8 million or 81% higher due mainly from higher progressive recognition of revenue from Avenue South Residence, The Tre Ver and Clavon, offset partially by lower revenue from Amber45, V on Shenton and Park Eleven, Shanghai.
- revenue from property investments for the first half of 2021 also increased by $11.0 million or 5% due mainly to lower rental rebates extended to tenants affected by the COVID-19 pandemic.
- revenue from hotel operations for the six months ended 30 June 2021 was lower by $10.8 million or 8% mainly from the Singapore hotels where the impact of the COVID-19 pandemic on the Singapore hospitality industry was from end of February 2020 onwards. The Group's Singapore hotels entered into Government Quarantine Facility ("GQF") contracts commencing March 2020, but such GQF business have significantly reduced in the first half of 2021. The hotels in China however contributed higher revenue for the period as compared to the corresponding period last year as China's tourism industry is recovering post pandemic.
- technology operations recorded a $10.4 million or 9% lower revenue in the current period arising from lower sales of information technology due to a delay in fulfilling orders as a result of global supply constraint.
- investment income was $12.3 million or 41% lower due mainly to a decrease in final dividends and absence of special dividends paid by UOB during the first half of 2021.

Gross profit margin

Gross profit margin of 32% for first half of 2021 was lower than the gross profit margin of 38% for first half of 2020 due mainly to (i) lower sales from property development projects with higher profit margins; and (ii) reduced margins from the impact of COVID-19 on hotel operations.

Miscellaneous income

Miscellaneous income in the form of COVID-19 government assistance and grants amounting to $11.4 million for the first half of 2021 was significantly lower than the $25.5 million recorded for the first half of 2020.

Expenses

Marketing and distribution expenses for the half year ended 30 June 2021 were $16.2 million higher than same time last year due mainly to higher commission from the sales of units at Avenue South Residence, The Tre Ver, Clavon and Park Eleven, Shanghai.

Finance expense was lower by $18.7 million or 40% due mainly to the gradual decline in interest rates since the onset of COVID-19.

Profit & Loss

The pre-tax profit before fair value losses was $214.3 million, a $17.5 million or 9% increase from the profit of $196.8 million in the first half of 2020 due mainly to higher profit from property development and property investment and lower finance expenses.

With lower attributable fair value losses of $16.9 million recognised for the first half of 2021 compared to $185.8 million recorded for the first half of 2020, profit after tax and non-controlling interest increased by $173.5 million or 211% to $91.3 million from a loss of $82.1 million in the corresponding period of 2020.

Net tangible asset and gearing

The Group's shareholders' funds rose from $9.79 billion as at 31 December 2020 to $9.93 billion as at 30 June 2021 due mainly to (i) fair value gains on financial assets at fair value through other comprehensive income and (ii) profit recognised for the period, 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 $11.71 as at 30 June 2021 from $11.55 as at 31 December 2020.

The Group's gearing ratio remained constant at 0.29 as at both 30 June 2021 and 31 December 2020.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2
For the half year ended 30 June 2021

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

New COVID-19 variants continued to spread globally with several Southeast Asian countries reporting record high infection rates in recent weeks, further disrupting economic activities in the region. According to the Ministry of Trade and Industry, Singapore economy grew by 14.7% on a year-on-year basis in the second quarter of 2021 due to the low base in the second quarter of 2020 but remained 0.6% below its pre-pandemic level in the second quarter of 2019.

The private residential property index published by the Urban Redevelopment Authority showed an increase of 0.8% in the second quarter of 2021, compared to the 3.3% in the previous quarter. The private residential market continues to remain healthy with a total of 6,459 new private homes sold in the first half of 2021 compared with 4,018 in the same period last year. However, the construction sector saw rising costs due to manpower shortage and safe management measures which affected productivity at the worksites.

Singapore office rents in Central Region rose 1.3 per cent in 2Q 2021, compared with the 3.3 per cent increase in the previous quarter. Vacancy rates rose from 11.9% in 1Q 2021 to 12.6% in 2Q 2021. Office rents are expected to continue to rise in second half of 2021, supported by a gradual economic rebound, steady demand from growth sectors such as technology & media, wealth management, family business and healthcare companies, amid a tapering supply pipeline. However, the office rental market may still face headwinds in the medium term as more firms review their work space requirements post COVID-19.

The retail sector continues to face challenges due to the re-imposition of tightening measures in May this year and the latest Phase 2 (Heightened Alert) in July. Singapore retail rents for the Central Region fell by 0.5 per cent in 2Q 2021, following a decline of 4.4 per cent in the previous quarter. Islandwide vacancy rate of retail space remained at 8.5 per cent as at end of 2Q 2021. Retail rents are expected to continue to be under pressure albeit at a slower pace as the market is poised to benefit from an improvement in economic activity and consumer sentiment on the back of the vaccination rollout.

With many countries still implementing travel restrictions intended to control the spread of the more contagious COVID-19 variants, the hospitality sector is likely to continue to be negatively impacted in the short term due to the lack of international visitors.

In the United Kingdom, it is expected that the near-term economic uncertainty will recede as lockdown restrictions are lifted and the vaccination programme continues its rapid rollout. However, the commercial and hospitality sectors in UK are still likely to face challenges in the medium term as the uncertainty continues to linger post-Brexit.

E. Dividend Information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable	:	N.A.
(d) Record date	:	N.A.

No dividend has been declared or recommended for the first half ended 30 June 2021 as it is not the usual practice of the Group to declare interim dividends.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2
For the half year ended 30 June 2021

F. Interested Person Transactions

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

CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the first half ended 30 June 2021 to be false or misleading, in any material aspect.

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
12 August 2021