

Staying Resilient Sustaining Value



Annual Report 2020

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Vision

A robust property and hospitality group dedicated to creating value, shaping future

Mission

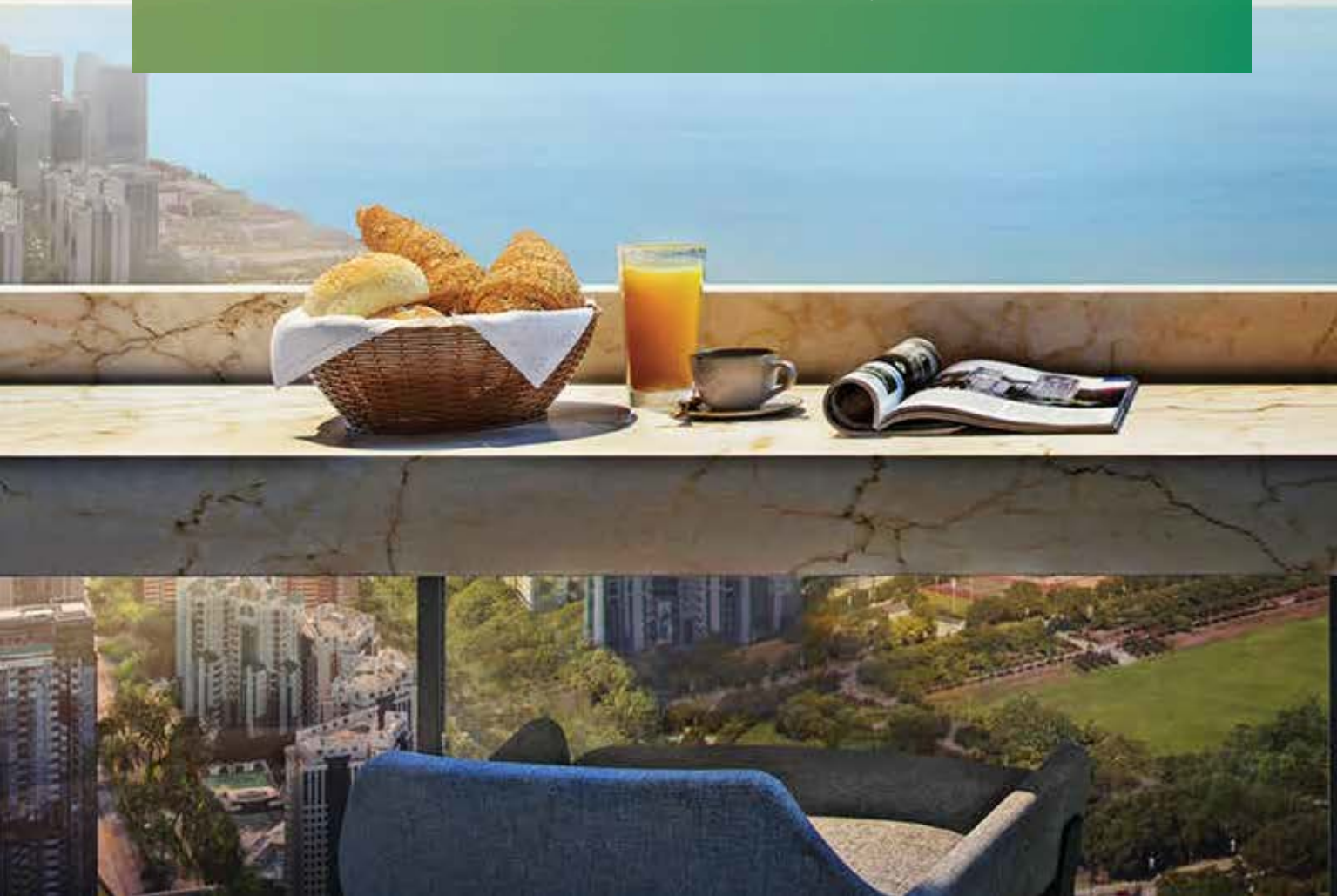
Driving Inspirations,
Fulfilling Aspirations

Core Values

Passion Drives Us
Innovation Defines Us
Enterprise Propels Us
Corporate Social Responsibility Shapes Us
People, Our Leading Asset



Scan here for UOL
corporate website



About Us

UOL Group Limited (UOL) is one of Singapore’s leading public-listed property companies with total assets of about \$20 billion. We have a diversified portfolio of development and investment properties, hotels and serviced suites in Asia, Oceania, Europe and North America.

With a track record of over 50 years, UOL strongly believes in delivering product excellence and quality service in all our business ventures. Our unwavering commitment to architectural and quality excellence is reflected in all our developments, winning us prestigious prizes such as the FIABCI Prix d’Excellence Award, Aga Khan Award for Architecture, Urban Land Institute Awards for Excellence and President’s Design Award.

UOL, through hotel subsidiary Pan Pacific Hotels Group Limited (PPHG), owns three acclaimed brands namely “Pan Pacific”, PARKROYAL COLLECTION and PARKROYAL. PPHG currently owns and/or manages over 30 hotels in Asia, Oceania and North America with over 10,000 rooms. Our Singapore-listed property subsidiary, United Industrial Corporation Limited (UIC), owns an extensive portfolio of prime commercial assets and hotels in Singapore.

UOL values and recognises our people as the leading asset. The culture of competitiveness, commitment, competency, creativity, collaboration and caring, shapes our people and drives us forward.



Cover
PARKROYAL COLLECTION Marina Bay

This spread
Views of the Greater Southern Waterfront from Avenue South Residence

Building A Diversified Portfolio

We seek to deepen our presence in key gateway cities through strategic investments and partnerships.



Strengthening Business Resilience

We are nimble in adapting our portfolio to the changing business environment and constantly looking at new ways to do better.



Planning For The Future

We create flexible spaces through our focus on sustainable and inclusive design.



Financial Highlights

Revenue

\$1.98b

Decreased 13% from
FY2019's \$2.28b

Pre-Tax Profit (Before Fair Value and Other Gains/Losses)

\$443.2m

Decreased 17% from
FY2019's \$536.1m

Net Attributable Profit

\$13.1m

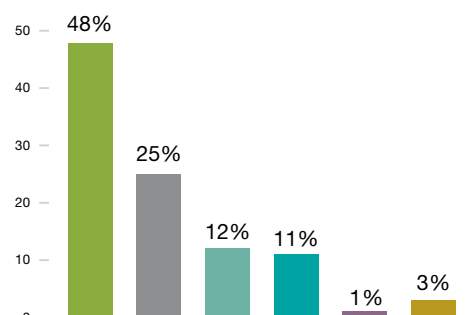
Decreased 97% from
FY2019's \$478.8m

Return On Equity

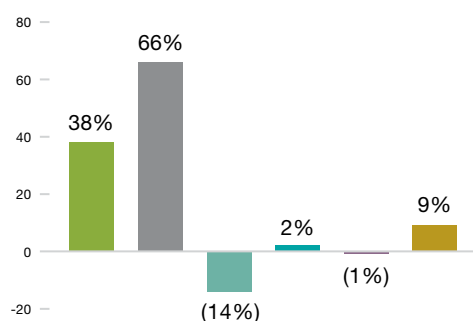
0.13%

Decreased 97% from
FY2019's 4.87%

Revenue By Business Segment



Profit From Operations By Business Segment



■ Property Development ■ Technology Operations
■ Property Investments ■ Management Services
■ Hotel Operations ■ Investments

HALF-YEARLY RESULT	1st Half		2nd Half		Total	
	\$'000	%	\$'000	%	\$'000	%
Revenue						
2020	908,161	46	1,068,987	54	1,977,148	100
2019	1,253,516	55	1,029,825	45	2,283,341	100
(Loss)/profit before income tax						
2020	(66,949)	(62)	175,665	162	108,716	100
2019	464,660	59	319,885	41	784,545	100
Net (loss)/profit						
2020	(94,784)	(111)	180,133	211	85,349	100
2019	413,379	61	265,390	39	678,769	100
Net attributable (loss)/profit						
2020	(82,144)	(625)	95,285	725	13,141	100
2019	267,743	56	211,074	44	478,817	100
Basic (losses)/earnings per ordinary share (in cents)						
2020	(9.7)	(609)	11.3	709	1.6	100
2019	31.8	56	25.0	44	56.8	100

Property Development

Revenue (+11%)

2020	\$943.1m
2019	\$847.1m

Profit From Operations (+56%)

2020	\$206.3m
2019	\$132.1m

Property Investments

Revenue (-9%)

2020	\$503.3m
2019	\$551.7m

Profit From Operations (-7%)

2020	\$356.4m
2019	\$385.2m

Hotel Operations

Revenue (-62%)

2020	\$246.5m
2019	\$653.7m

Profit From Operations (-201%)

- \$74.8m	2020
2019	\$73.7m

Residential developments by UOL, as well as those held by UIC.

Commercial offices, retail malls and serviced suites under UOL's owned and managed investment properties, as well as those held under UIC.

Hotels and resorts under UOL, as well as those under UIC. Through PPHG, UOL owns the "Pan Pacific", PARKROYAL COLLECTION and PARKROYAL brands.

Key Facts

- Sale of 794 residential units in Singapore with a total value of approximately \$1.24 billion based on bookings across seven projects - Clavon, Avenue South Residence, MEYER HOUSE, The Tre Ver, Amber45, V on Shenton and Mon Jervois
- Achieved Temporary Occupation Permit (TOP) for Amber45 in Singapore
- Awarded residential site at Canberra Drive for \$270.2 million
- Sales in progress for two overseas projects - One Bishopsgate Plaza and Park Eleven

Key Facts

- Six commercial offices in Singapore – United Square, Novena Square, Odeon Towers, Faber House, One Upper Pickering and 333 North Bridge Road, with a total net lettable area of 100,935 sqm, as well as a portfolio of eight commercial offices through UIC – The Gateway, Singapore Land Tower, UIC Building, SGX Centre 2, Clifford Centre, Tampines Plaza 1 and Tampines Plaza 2, and Stamford Court, with approximate net floor area of 227,730 sqm
- Five shopping malls in Singapore with a net lettable area of 145,590 sqm – United Square, Velocity@ Novena Square, KINEX, Marina Square shopping mall and West Mall
- Four owned serviced suites properties with a total of 683 units – Pan Pacific Serviced Suites Orchard, Pan Pacific Serviced Suites Beach Road, PARKROYAL Serviced Suites Singapore and PARKROYAL Serviced Suites Kuala Lumpur
- Two commercial properties in the United Kingdom with a total net lettable area of 42,865 sqm – 110 High Holborn and 120 Holborn Island
- One commercial property in Australia with a net lettable area of 11,259 sqm – 72 Christie Street

Key Facts

- Pan Pacific's portfolio comprises 27 hotels and resorts, including those under development
- PARKROYAL COLLECTION's portfolio comprises three hotels, including PARKROYAL COLLECTION Kuala Lumpur which was closed for major refurbishment
- PARKROYAL's portfolio comprises 21 hotels and resorts, including those under development
- Interests in four other hotels – Mandarin Oriental, Sofitel Saigon Plaza, The Westin Tianjin and Tianjin Yanyuan International Grand Hotel

Two-Year Financial Highlights

	2020 \$'000	2019 \$'000	Increase/ (Decrease) %
For the financial year			
Revenue	1,977,148	2,283,341	(13)
Profit before income tax	108,716	784,545	(86)
Profit after income tax and non-controlling interests	13,141	478,817	(97)
Return on equity (%)	0.13	4.87	(97)
At 31 December			
Share capital	1,563,860	1,560,918	0
Reserves	753,145	893,862	(16)
Retained earnings	7,471,136	7,592,700	(2)
Shareholders' funds	9,788,141	10,047,480	(3)
Total assets	20,373,494	20,653,774	(1)
Per ordinary share			
Basic earnings before fair value and other gains/losses (cents)	30.8	37.2	(17)
Basic earnings (cents)	1.6	56.8	(97)
Gross dividend declared (cents)	15.0	17.5	(14)
Dividend cover (times)	0.1	3.2	(97)
Net tangible asset backing (\$)	11.55	11.86	(3)



Corporate Information

BOARD OF DIRECTORS

Wee Cho Yaw
Chairman

Wee Ee Lim
Deputy Chairman

Liam Wee Sin

Low Weng Keong

Tan Tiong Cheng

Poon Hon Thang Samuel

Wee Ee-chao

Sim Hwee Cher

Lee Chin Yong Francis

EXECUTIVE COMMITTEE

Wee Cho Yaw
Chairman

Wee Ee Lim
Deputy Chairman

Liam Wee Sin

Low Weng Keong

Lee Chin Yong Francis

AUDIT AND RISK COMMITTEE

Low Weng Keong
Chairman

Tan Tiong Cheng

Sim Hwee Cher

NOMINATING COMMITTEE

Low Weng Keong
Chairman

Wee Cho Yaw

Poon Hon Thang Samuel

REMUNERATION COMMITTEE

Tan Tiong Cheng
Chairman

Wee Cho Yaw

Low Weng Keong

MANAGEMENT

Liam Wee Sin
Group Chief Executive

Choe Peng Sum
Chief Executive Officer
(Pan Pacific Hotels Group Limited)

Foo Thiam Fong Wellington
Chief Financial Officer
(until 31 December 2020)

Kwa Bing Seng
Chief Financial Officer
(from 1 January 2021)

Goh Hwee Peng Jesline
Chief Investment and Asset Officer

Neo Soon Hup
Chief Operating Officer
(Pan Pacific Hotels Group Limited)

Yeong Sien Seu
Chief Legal Officer
(from 1 January 2021)

COMPANY SECRETARIES

Foo Thiam Fong Wellington
(until 31 December 2020)

Yeong Sien Seu

AUDITORS

PricewaterhouseCoopers LLP
7 Straits View
#12-00 Marina One
East Tower Singapore 018936
Partner-in-charge:
Lam Hock Choon
Year of appointment: 2018

PRINCIPAL BANKERS

United Overseas Bank Limited

DBS Bank Ltd

Oversea-Chinese Banking
Corporation Limited

Sumitomo Mitsui Banking
Corporation, Singapore Branch

Bank of China Limited,
Singapore Branch

REGISTERED OFFICE

101 Thomson Road
#33-00 United Square
Singapore 307591
Telephone : 6255 0233
Facsimile : 6252 9822
Website : www.uol.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory
Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Telephone : 6536 5355
Facsimile : 6536 1360

Highlights

JANUARY

- PPHG launched PARKROYAL COLLECTION, where hotels under this new brand are characterised by iconic design, eco-friendly practices and a focus on well-being.
- UOL acquired a 158-key hotel in Thamrin Nine's Tower 2 located in Jakarta's financial district. The hotel is under construction and will be branded as Pan Pacific Jakarta when it opens in 2023.

FEBRUARY

- PPHG hosted Deputy Prime Minister Heng Swee Keat for a tour of the renovated PARKROYAL on Kitchener Road, which had completed its digital transformation to enhance the quality of operations. PPHG had also tapped the government's job support schemes to reskill and upskill its employees.
- UOL sponsored shopping and dining vouchers redeemable at United Square and Velocity@Novena Square for 1,000 healthcare professionals working in Novena, in appreciation of their efforts against the COVID-19 outbreak.

MARCH

- UOL was awarded a 27,566.1 sqm residential site at Canberra Drive for \$270.2 million. The project is a 50:30:20 joint venture with UOL, UIC and Kheng Leong.
- PPHG launched its central kitchen programme at Enabling Village, an inclusive community space for

persons with disabilities, in conjunction with the President's Challenge 2020. The programme aimed to address manpower challenges in PPHG's culinary team while enabling employment for persons with disabilities. PPHG also made a commitment to the President's Challenge Enabling Employment Pledge.

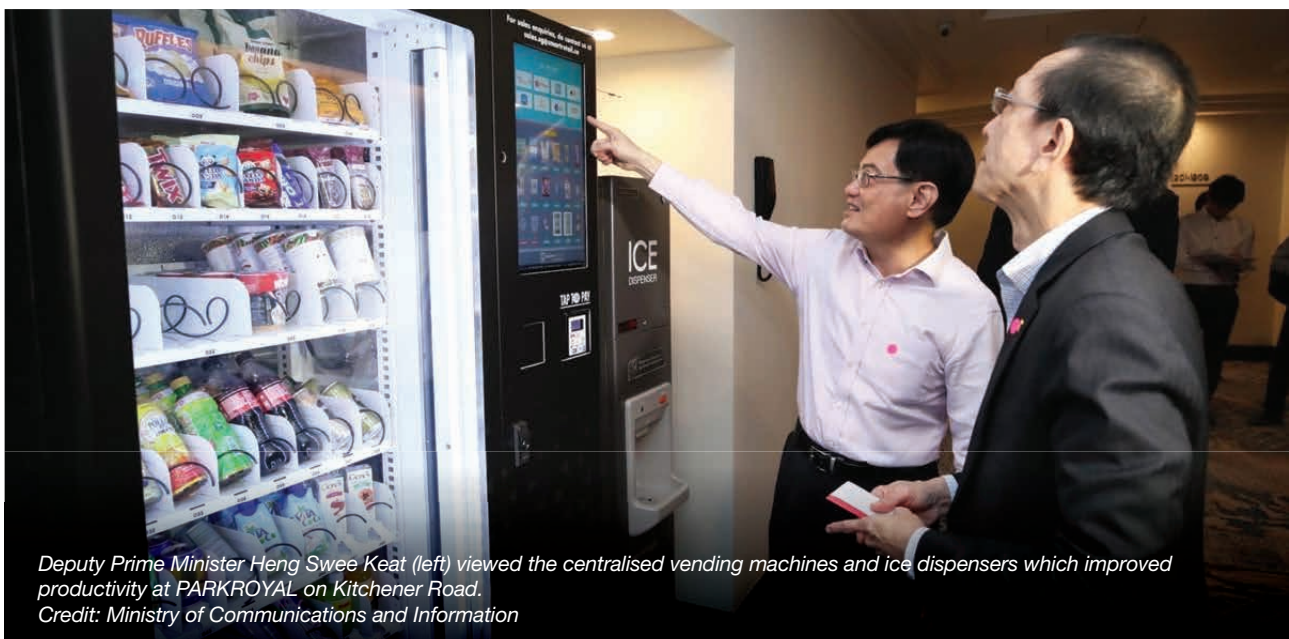
- UOL partnered the National Arts Council (NAC) to bring Arts in Your Neighbourhood to KINEX, with the aim to connect communities through the arts.

MAY

- UOL and UIC launched a tenant assistance package of over \$50 million of rental rebates to provide targeted support to retail tenants who were affected by the pandemic. The amount included property tax rebates from the government.
- UOL and PPHG provided over 20,000 meals for low-income families with children whose access to free or subsidised meals in schools were disrupted during Singapore's Circuit Breaker.

JUNE

- PARKROYAL Kuala Lumpur was closed for major refurbishment and will be rebranded as PARKROYAL COLLECTION Kuala Lumpur when it reopens in 2021.
- PPHG launched the Pan Pacific Cares programme to enhance hygiene and sanitisation standards at its hospitality properties.



Deputy Prime Minister Heng Swee Keat (left) viewed the centralised vending machines and ice dispensers which improved productivity at PARKROYAL on Kitchener Road.
Credit: Ministry of Communications and Information

JULY

- UOL secured its first green loan of \$120 million to partially finance the redevelopment of Pan Pacific Orchard into a lush and green 347-key hotel.

AUGUST

- UOL was conferred the Green Mark Champion award by the Building and Construction Authority (BCA) for its commitment towards environmental sustainability.
- UOL was named Patron of the Arts by NAC for contributing to the Singapore arts scene.

SEPTEMBER

- Amber45, a 139-unit boutique development located along Amber Road, obtained TOP.
- UOL held its first UOLive-eGSS livestream event, which featured retailers from its three malls, in conjunction with the virtual Great Singapore Sale (GSS).
- MEYER HOUSE and Avenue South Residence clinched two design awards at the International Property Awards (Asia Pacific) 2020.

OCTOBER

- UOL was recognised as Top Developer for the second consecutive year at EdgeProp Singapore Excellence Awards 2020.

- UOL stepped up on its efforts in providing financial assistance to needy students. The beneficiaries included Care Corner Student Care Centre, Institute of Technical Education and Ngee Ann Polytechnic.

NOVEMBER

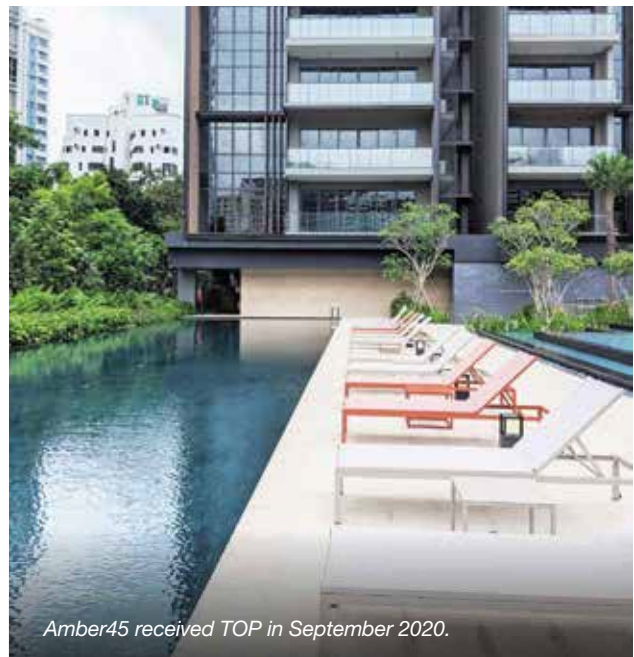
- UOL and PPHG were each named Champion of Good by the National Volunteer & Philanthropy Centre, in recognition of their corporate giving efforts and engagement with stakeholders to amplify the giving impact.
- UOL was named Friend of Heritage by the National Heritage Board for contributing towards heritage causes in Singapore.

DECEMBER

- Clavon, a 640-unit residential development at Clementi Avenue 1, was launched. An 80:20 joint venture between UOL and UIC, it was the top-selling project for a launch weekend in 2020.
- PARKROYAL COLLECTION Marina Bay reopened after closing for major refurbishment in March 2020.
- PPHG signed a hotel management agreement to operate the 250-key PARKROYAL Monash Melbourne. The hotel is slated to open in April 2021.
- Avenue South Residence and Clavon won awards for architectural excellence on a regional level at the PropertyGuru Asia Property Awards Grand Final 2020.



UOL sponsored the venue at KINEX for a live puppetry performance by NAC as part of the Arts in Your Neighbourhood programme.
Credit: NAC



Amber45 received TOP in September 2020.

Chairman's Statement



DR WEE CHO YAW
Chairman

2020 REVIEW

In 2020, Singapore was hit by an unprecedented crisis and its economy contracted by 5.4%, the country's worst recession since independence. The COVID-19 pandemic compelled governments worldwide to impose border closures and movement restrictions. Singapore implemented its Circuit Breaker from 7 April to 1 June 2020, which drastically slowed down economic activities. To limit the economic fallout, the Singapore government rolled out a slew of support measures.

Despite the recession, Singapore's private residential market picked up in the second half of 2020, driven by the low interest rate environment and pent-up demand. Prices of new private residential homes increased 2.2% (2019: 2.7%) and 9,982 new home units (2019: 9,912) were sold in 2020. As economic activities were disrupted, the office market saw a fall in rents by 8.5% compared with the decline of 3.1% in 2019. Likewise, retail rents fell by 14.7% compared with the increase of 2.9% in 2019.

According to the Singapore Tourism Board, overall average occupancy for gazetted hotels in the first 11 months of 2020 fell to 55.8%, significantly lower than the average occupancy of 80.3% for the corresponding period in 2019, while the average room rate plunged to \$144.73, recording a 30.9% year-on-year decline.

FINANCIAL PERFORMANCE AND DIVIDEND

Due to the challenging economic conditions, for the year ended 31 December 2020, UOL's pre-tax profit before fair value and other gains/losses was \$443.2 million, a decrease of \$92.9 million from the 2019 profit of \$536.1

million. The decrease was due mainly to lower profit from hotel operations which were affected most by the pandemic. Profit after tax and non-controlling interest was \$13.1 million, a decrease of 97% from the 2019 profit of \$478.8 million with fair value losses of \$293.3 million recognised on investment properties against a fair value gain of \$220.3 million in 2019.

The Group shareholders' funds reduced to \$9.8 billion as at 31 December 2020 from \$10.0 billion as at 31 December 2019 resulting mainly from the payment of dividends and a decrease in fair value of quoted investments. Net tangible asset per ordinary share of the Group decreased to \$11.55 as at 31 December 2020 from \$11.86 as at 31 December 2019.

The Board is recommending a first and final dividend of 15 cents per share (2019: 17.5 cents per share). Total dividend payout amounts to approximately \$126.6 million (2019: \$147.6 million) or about 49.0% of attributable profit excluding fair value and other gains and losses.

CORPORATE DEVELOPMENTS

Acquisition of 158-Key Hotel Situated within Thamrin Nine, Indonesia

In January 2020, UOL, through its indirect wholly-owned subsidiary, PT Success Venture Hotel Investments, entered into an agreement to acquire a 158-key hotel situated within Tower 2 of Thamrin Nine for an aggregate consideration of US\$50 million (approximately \$67.5 million). The 158-key hotel will be branded as Pan Pacific Jakarta. Located in the prime Jalan MH Thamrin, Jakarta Pusat, Thamrin Nine is an integrated development comprising apartments, hotel, offices, retail and other facilities.

Acquisition of Residential Site at Canberra Drive, Singapore

In March 2020, the Group's wholly-owned subsidiary UOL Venture Investments Pte. Ltd., together with UIC Homes Pte. Ltd., a wholly-owned subsidiary of United Industrial Corporation Limited ("UIC"), and Kheng Leong Company (Private) Limited, on a 50:30:20 basis, successfully tendered for the Urban Redevelopment Authority's residential site at Canberra Drive for a sum of \$270.2 million. The 99-year leasehold site with an area of 27,566.1 sqm will be developed into an estimated 448-unit residential project. United Venture Development (2020) Pte. Ltd. has been incorporated to undertake the development.

Arrangement of First Green Loan

In line with the Singapore's Green Plan to build a sustainable country for all generations, UOL is committed to playing our part to build a greener city. In July 2020, UOL secured a \$120 million three-year term green loan from United Overseas Bank Limited ("UOB") to partially finance the redevelopment of Pan Pacific Orchard into a 347-room hotel in Singapore. The property will be the first zero-waste hotel in Singapore.

Creditable Performance in Pandemic Year

UOL was one of the first hospitality groups to secure government contracts during the year when 11 of its hospitality properties in Singapore and Australia housed residents returning from overseas. The strategy generated an alternative income stream for the Group and mitigated the loss in hospitality revenue brought about by the pandemic. At the same time, it capitalised on the downtime to upskill hospitality employees, as well as accelerated hotel refurbishment works including PARKROYAL COLLECTION Marina Bay, which opened partially on 1 December 2020.

The Group, together with its subsidiary UIC, rolled out a timely relief package of over \$50 million in rental rebates to eligible retail tenants whose businesses were impacted by the pandemic. The amount included the property tax rebates from the government.

On the residential front, UOL executed a successful virtual launch of Clavon, a 640-unit development at Clementi Avenue 1, in Singapore. Despite the challenging conditions, 473 units were booked as at 31 December 2020.

2021 OUTLOOK

The global economic recovery is expected to be gradual and uneven. Besides the continued uncertainties arising from the COVID-19 pandemic, the global economy will also be plagued with other headwinds as trade and geopolitical tensions remain unclear.

The Ministry of Trade and Industry has projected the Singapore economy to improve from the low base in 2020 and grow between 4% and 6% in 2021. Sale of new private homes is likely to remain resilient with strong underlying demand and the low interest rate environment. Office demand will remain subdued, however, downward pressure on office rents in Singapore is likely to be mitigated by limited new supply. The retail sector has seen signs of positive recovery in shoppers' footfall and tenants' sales since the commencement of Phase 3, but its outlook remains uncertain as social distancing measures will continue and retailers' sentiment stays cautious.

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

The commercial and hospitality sectors in the United Kingdom are likely to remain under pressure in the near term, given the uncertainties brought about by Brexit and the global pandemic.

ACKNOWLEDGEMENT

I wish to thank my fellow board members for their wise counsel in the past year. On behalf of the Board, I also wish to thank the management and staff for their hard work and our shareholders, business associates and customers for their continuing support during the difficult year.

As the Chinese proverb goes: 人心齐,泰山移 (*Ren Xin Qi, Tai Shan Yi*) – as long as we unite as one, we can overcome all difficulties. With the support from everyone, I am confident that the Group will be able to ride out the current crisis and emerge stronger.

DR WEE CHO YAW

Chairman
February 2021

Board Of Directors



WEE CHO YAW

Chairman
Non-Executive and
Non-Independent Director

First appointed as a Director: 23 April 1973
Last appointed as a Director: 25 April 2018

Dr Wee, aged 92, is a distinguished banker with more than 60 years' experience and a veteran in the banking, insurance, real estate and hospitality industries. Dr Wee has received numerous national and regional awards and industry accolades for his business achievements and support of education, community welfare and the business community.

Length of service as a Director (as at 31 December 2020):

47 years 8 months

Board Committee(s) served on:

- Executive Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Present Directorships in other listed companies (as at 31 December 2020):

- United Overseas Insurance Limited (Chairman)
- Haw Par Corporation Limited (Chairman)
- United Industrial Corporation Limited (Chairman)

Major Appointments/Principal Commitments:

- United Overseas Bank Limited (Chairman Emeritus and Honorary Adviser)
- Pan Pacific Hotels Group Limited (Chairman)
- Marina Centre Holdings Private Limited (Chairman)
- Nanyang Technological University (Pro-Chancellor)
- Singapore Chinese Chamber of Commerce & Industry (Honorary President)
- Singapore Federation of Chinese Clan Associations (Honorary President)
- Singapore Hokkien Huay Kuan (Honorary President)
- Wee Foundation (Chairman)
- Chung Cheng High School (Chairman)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:

- Far Eastern Bank (till May 2018)
- United Overseas Bank Limited (till April 2018)

Academic, Professional Qualification(s) & Achievement(s):

- Chinese high school education
- ASEAN Business Advisory Council Legacy Award for Singapore (2017)
- Honorary Doctor of Letters, Nanyang Technological University, Singapore (2014)
- The Distinguished Service Order, Singapore National Day Award (2011)
- The Asian Banker Lifetime Achievement Award (2009)
- Honorary Doctor of Letters, National University of Singapore (2008)
- Credit Suisse-Ernst & Young Lifetime Achievement Award (2006)
- Businessman of the Year, Singapore Business Awards (2001 and 1990)

**WEE EE LIM**

Deputy Chairman
Non-Executive and
Non-Independent Director

First appointed as a Director: 9 May 2006
Last appointed as a Director: 25 April 2019

Mr Wee, aged 59, is the Deputy Chairman of UOL. He was appointed as Deputy Chairman on 12 August 2015.

**Length of service as a Director
(as at 31 December 2020):**

14 years 7 months

Board Committee(s) served on:

- Executive Committee (Deputy Chairman)

**Present Directorships in other listed companies
(as at 31 December 2020):**

- United Overseas Bank Limited
- Haw Par Corporation Limited
- United Industrial Corporation Limited

Major Appointments/Principal Commitments:

- Haw Par Corporation Limited
(President and Chief Executive Officer)
- Wee Foundation (Director)

**Past Directorships in listed companies and Principal
Commitments held over the preceding five years:**

- Nil

**Academic, Professional Qualification(s)
& Achievement(s):**

- Bachelor of Arts (Economics), Clark University, USA

**LIAM WEE SIN**

Group Chief Executive
Executive and
Non-Independent Director

First appointed as a Director: 25 April 2019
Last appointed as a Director: -

Mr Liam, aged 62, has been the Group Chief Executive of UOL since 2019. Prior to this, he was the Deputy Group Chief Executive Officer. He is also a Board Member of several UOL subsidiaries. Before joining UOL in 1993, Mr Liam was in the public sector for eight years, overseeing architectural works and facilities management. He also worked with Jones Lang Wootton for project management and consultancy work.

An advocate of good design and green architecture, Mr Liam is a member of the URA Architecture and Urban Design Excellence Committee. He had previously served as a member of the URA Design Advisory Committee, Preservation of Monuments Board and National Crime Prevention Council. In February 2021, Mr Liam was appointed second vice-president of the Real Estate Developers' Association of Singapore (REDAS). Previously he was first vice-president of REDAS from 2017 to 2018.

**Length of service as a Director
(as at 31 December 2020):**

1 year 8 months

Board Committee(s) served on:

- Executive Committee (Member)

**Present Directorships in other listed companies
(as at 31 December 2020):**

- United Industrial Corporation Limited

Major Appointments/Principal Commitments:

- UOL Group Limited (Group Chief Executive)
- Director of various UOL subsidiaries

**Past Directorships in listed companies and Principal
Commitments held over the preceding five years:**

- Nil

**Academic, Professional Qualification(s)
& Achievement(s):**

- Bachelor of Architecture, University of Singapore

Board Of Directors



LOW WENG KEONG

Non-Executive and Independent Director

First appointed as a Director: 23 November 2005
Last appointed as a Director: 10 June 2020

Mr Low, aged 68, was formerly the country managing partner of Ernst & Young, Singapore, and a past global chairman and president of CPA Australia.

Length of service as a Director (as at 31 December 2020):

15 years 1 month

Board Committee(s) served on:

- Audit and Risk Committee (Chairman)
- Nominating Committee (Chairman)
- Executive Committee (Member)
- Remuneration Committee (Member)

Present Directorships in other listed companies

(as at 31 December 2020):

- Riverstone Holdings Limited
- iX Biopharma Limited (listed on Catalyst)
- Haw Par Corporation Limited

Major Appointments/Principal Commitments:

- Singapore Chartered Tax Professionals Limited (formerly known as Singapore Institute of Accredited Tax Professionals Limited) (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:

- NTUC Education and Training Fund (Member of Board of Trustees) (till October 2019)
- Confederation of Asian and Pacific Accountants Limited (Board member) (till May 2019)
- Bracell Limited (formerly known as Sateri Holdings Limited, listed on the Hong Kong Stock Exchange) (till November 2016)

Academic, Professional Qualification(s) & Achievement(s):

- Fellow and Life member of CPA Australia
- Fellow of the Institute of Chartered Accountants in England & Wales
- Fellow of the Institute of Singapore Chartered Accountants
- Associate of the Chartered Institute of Taxation (United Kingdom)
- Accredited Tax Advisor of the Singapore Chartered Tax Professionals Limited



TAN TIONG CHENG

Non-Executive and Independent Director

First appointed as a Director: 29 May 2013
Last appointed as a Director: 10 June 2020

Mr Tan, aged 70, has amassed an extensive and in-depth knowledge of real estate, both in the public and private sectors over the last four decades. Mr Tan served as president and subsequently as senior adviser to Knight Frank Asia Pacific until his retirement in April 2020.

Length of service as a Director (as at 31 December 2020):

7 years 7 months

Board Committee(s) served on:

- Remuneration Committee (Chairman)
- Audit and Risk Committee (Member)

Present Directorships in other listed companies

(as at 31 December 2020):

- Heeton Holdings Limited
- The Straits Trading Company Limited
- Amara Holdings Limited

Major Appointments/Principal Commitments:

- Straits Real Estate Pte. Ltd. (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:

- Knight Frank Asia Pacific (Senior Adviser) (till April 2020)
- Knight Frank Asia Pacific (President) (till March 2019)
- Knight Frank Pte Ltd (Chairman) (till March 2017)
- Knight Frank group of companies (till March 2017)
- Valuation Review Board (Member) (till April 2016)

Academic, Professional Qualification(s) & Achievement(s):

- Diploma in Urban Valuation, University of Auckland, New Zealand
- Fellow of the Singapore Institute of Surveyors and Valuers
- Fellow of the Association of Property and Facility Managers
- Associate of the New Zealand Institute of Valuers



**POON HON THANG
SAMUEL**

Non-Executive and
Independent
Director

First appointed as a Director: 12 May 2016
Last appointed as a Director: 10 June 2020

Mr Poon, aged 71, has more than three decades of experience in the financial industry. From 1979 to 1988, Mr Poon served at Citibank N.A. (Singapore) where he was responsible for credit, marketing, remedial management and structured finance. From 1988 to 2006, before he retired as senior executive vice president from United Overseas Bank Limited (“UOB”), Mr Poon was responsible for consumer banking, corporate banking, commercial banking, corporate finance and international banking at UOB.

**Length of service as a Director
(as at 31 December 2020):**

4 years 7 months

Board Committee(s) served on:

- Nominating Committee (Member)

**Present Directorships in other listed companies
(as at 31 December 2020):**

- Enviro-Hub Holdings Ltd
- Soilbuild Construction Group Ltd

Major Appointments/Principal Commitments:

- Irodori Japanese Restaurant Pte Ltd (Director)
- Ping An Fund Management Company Limited (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:

- Raffles Town Club Pte Ltd (till September 2019)
- J.P. Nelson Holdings Ltd (listed on Taiwan Gretai Securities Market) (till June 2016)

**Academic, Professional Qualification(s)
& Achievement(s):**

- Bachelor of Commerce (Honours), Nanyang University of Singapore



WEE EE-CHAO

Non-Executive and
Non-Independent
Director

First appointed as a Director: 9 May 2006
Last appointed as a Director: 25 April 2018

Mr Wee, aged 66, was appointed chairman of the Singapore Tourism Board from January 2002 to December 2004. He was also the first vice-president of the Real Estate Developers’ Association of Singapore (“REDAS”) from 2005 to 2006 and continued to serve on the committee of REDAS from 2007 to 2010.

**Length of service as a Director
(as at 31 December 2020):**

14 years 7 months

Board Committee(s) served on:

- Nil

**Present Directorships in other listed companies
(as at 31 December 2020):**

- UOB-Kay Hian Holdings Limited
- Haw Par Corporation Limited

Major Appointments/Principal Commitments:

- UOB Kay Hian group of companies (Chairman and Managing Director)
- Kheng Leong Company (Private) Limited (Director)
- Wee Foundation (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:

- UOB Kay Hian Securities (Thailand) Public Co Limited (listed on the Stock Exchange of Thailand) (till July 2016)

**Academic, Professional Qualification(s)
& Achievement(s):**

- Bachelor of Business Administration, American University Washington D.C., USA

Board Of Directors



SIM HWEE CHER

Non-Executive and Independent Director



LEE CHIN YONG FRANCIS

Non-Executive and Independent Director

First appointed as a Director: 25 April 2019
Last appointed as a Director: –

First appointed as a Director: 2 January 2020
Last appointed as a Director: 10 June 2020

Mr Sim, aged 63, has over 30 years of audit experience and has been actively involved in managing audits of companies including real estate, construction and insurance industries. Mr Sim was vice chairman (operations), assurance leader and member of the leadership team at PricewaterhouseCoopers LLP Singapore (“PwC”) and executive committee member of PwC China, Taiwan, Singapore and Hong Kong before his retirement in July 2018.

Length of service as a Director (as at 31 December 2020):
1 year 8 months

Board Committee(s) served on:

- Audit and Risk Committee (Member)

Present Directorships in other listed companies (as at 31 December 2020):

- Nil

Major Appointments/Principal Commitments:

- Mandai Park Holdings Pte Ltd (Director)
- Duke-NUS Medical School: Centre for Aging Research & Education (Advisory Board Member)
- The Esplanade Company Ltd (Director)
- National Youth Achievement Award Association (Council Member)
- Asia Capital Reinsurance Group Pte. Ltd. (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:

- Asia Capital Reinsurance Malaysia Sdn Bhd (till October 2020)
- NTUC Income Insurance Co-operative Limited (till June 2020)
- National Council of Social Service (Honorary General Secretary and Council Member) (2010 – 2018)

Academic, Professional Qualification(s) & Achievement(s):

- Bachelor of Accountancy (Honours), National University of Singapore
- Fellow of Certified Practising Accountants Australia
- Fellow of the Association of Chartered Certified Accountants of the United Kingdom
- Completed INSEAD International Directors Programme in 2018
- Pingat Bakti Masyarakat (PBM) and Bintang Bakti Masyarakat (BBM)

Mr Lee, aged 66, joined United Overseas Bank Limited (“UOB”) in 1980 and has more than 40 years’ experience in the financial industry. He was the adviser to UOB Group Retail before retiring in April 2019. Mr Lee was the Country CEO of UOB (Malaysia) before he was appointed in 2003 as Head of International Division, UOB. Mr Lee was also concurrently the then Group Retail Head (Personal Financial Services and Business Banking). Mr Lee was also a non-executive director of UOB-Kay Hian Holdings Limited from 2006 to 2017 and a member of its audit committee.

Length of service as a Director (as at 31 December 2020):
1 year

Board Committee(s) served on:

- Executive Committee (Member)

Present Directorships in other listed companies (as at 31 December 2020):

- Nil

Major Appointments/Principal Commitments:

- Kemaris group of companies (Director)
- A5-DB Operations (S) Pte Ltd (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:

- PT Bank UOB Indonesia (Commissioner) (till May 2019)
- United Overseas Bank (China) Limited (till April 2019)
- United Overseas Bank (Thai) Public Company Limited (till April 2019)
- UOB-Kay Hian Holdings Limited (till June 2017)
- United Overseas Bank (Malaysia) Bhd (till January 2016)

Academic, Professional Qualification(s) & Achievement(s):

- Malaysia Certificate of Education

Key Management Executives



Liam Wee Sin
Group Chief Executive
UOL Group Limited

Choe Peng Sum
Chief Executive Officer
Pan Pacific Hotels Group Limited

Foo Thiam Fong Wellington*
Chief Financial Officer/
Group Company Secretary
UOL Group Limited



Kwa Bing Seng
Chief Financial Officer
UOL Group Limited

Goh Hwee Peng Jesline
Chief Investment and Asset Officer
UOL Group Limited

Neo Soon Hup
Chief Operating Officer
Pan Pacific Hotels Group Limited



Yeong Sien Seu
Chief Legal Officer/Company Secretary
UOL Group Limited

Chan Weng Khoon
Senior General Manager
Corporate Engineering and Development (Commercial)
UOL Group Limited

* Retired on 31 December 2020.

Key Management Executives

Liam Wee Sin

*Group Chief Executive
UOL Group Limited*

Information on Mr Liam is found in the “Board of Directors” section of this report.

Choe Peng Sum

*Chief Executive Officer
Pan Pacific Hotels Group Limited*

Mr Choe was appointed Chief Executive Officer of PPHG in September 2019. He is responsible for PPHG’s day-to-day operations and its existing hotel management business, as well as business development and expansion of PPHG’s management business. Mr Choe has over 30 years of hospitality experience gained from managing and developing hotels and serviced apartments worldwide. Mr Choe is on the board of several PPHG subsidiaries.

Prior to joining PPHG, Mr Choe was senior adviser to Frasers Property Limited. He was previously the chief executive officer of Frasers Hospitality International Ltd, where he was instrumental in growing its global hospitality portfolio. Mr Choe graduated with a Bachelor of Science (Distinction) degree from Cornell University (Ithaca, New York).

Foo Thiam Fong Wellington

*Chief Financial Officer/Group Company Secretary
UOL Group Limited*

Mr Foo began his career with UOL in 1977 and retired from his position as Chief Financial Officer/Group Company Secretary on 31 December 2020.

Kwa Bing Seng

*Chief Financial Officer
UOL Group Limited*

Mr Kwa was appointed as Chief Financial Officer on 1 January 2021. He oversees the Finance, Tax, Treasury, Investor Relations & Corporate Communications and Information Technology functions of the Group. Prior to this, he was the Deputy Chief Financial Officer. Before joining UOL in 2007, he was the financial controller of another listed company. In the early part of his professional career, Mr Kwa also held various audit and academic positions. He is a Director of several UOL and PPHG subsidiaries.

Mr Kwa has a Master of Business Administration degree from the Nanyang Technological University and a Bachelor of Accountancy (Honours) degree from the National University of Singapore. He also holds a Postgraduate Diploma in Higher Education from the National Institute of Education.

Goh Hwee Peng Jesline

*Chief Investment and Asset Officer
UOL Group Limited*

Ms Goh was appointed as Chief Investment and Asset Officer in January 2019. She is responsible for all investment management, asset management and marketing strategies of the Group. Previously, she was the Senior General Manager, Asset Management and Marketing. She serves on the boards of various UOL subsidiaries.

Prior to joining UOL, Ms Goh was the chief executive officer of Keppel REIT Management Limited. Earlier, she was the deputy chief executive officer (Singapore) of Perennial Real Estate Holdings Limited. She had also held various senior positions at CapitaLand Group, where her last appointment was deputy chief executive officer of CapitaLand Mall Trust Management Limited.

Ms Goh graduated from the National University of Singapore with a Bachelor of Business Administration (First Class Honours) degree. She also completed the Executive Development Program at the University of Chicago Graduate School of Business, USA. Ms Goh is a Chartered Financial Analyst.

Neo Soon Hup

*Chief Operating Officer
Pan Pacific Hotels Group Limited*

Mr Neo was appointed Chief Operating Officer of PPHG on 1 March 2020. Prior to this, he was Executive Vice-President, Operations.

Mr Neo drives the operational performance, systems management and development, and service quality standards across PPHG's global portfolio. He also oversees new hotel openings and projects, food & beverage, and performance management. Before joining PPHG in 2003, he had spent more than a decade with PricewaterhouseCoopers. He is a member of the Association of Chartered Certified Accountants, and a fellow of the Institute of Singapore Chartered Accountants and the Chartered Secretaries Institute of Singapore. Mr Neo also serves as a Director of several PPHG subsidiaries.

Yeong Sien Seu

*Chief Legal Officer/Company Secretary
UOL Group Limited*

Mr Yeong was appointed as Chief Legal Officer/Company Secretary on 1 January 2021. He is responsible for the Legal, Corporate Secretarial and Risk Management functions of the Group, covering the Property and

Hospitality businesses and operations. Prior to this, he was the Senior General Manager (Legal & Secretariat)/Company Secretary. Before joining UOL in 2005, he was responsible for legal matters at Fraser and Neave Limited. Prior to that, he practised as a litigation lawyer with Rajah and Tann. He serves as a Director of several UOL and PPHG subsidiaries.

Mr Yeong graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree. He is an Advocate and Solicitor of the Supreme Court of Singapore and a Member of the Singapore Academy of Law.

Chan Weng Khoon

*Senior General Manager
Corporate Engineering and Development (Commercial)
UOL Group Limited*

Mr Chan is responsible for the corporate engineering and development of the Group's commercial properties. He joined UOL in 2007 and is a Director of several UOL subsidiaries.

Mr Chan holds a Bachelor of Electrical and Electronics Engineering (Honours) degree and a Master of Business Administration (International Business) from the Nanyang Technological University. He is a Member of the Fire Code Review Committee of the Singapore Civil Defence Force.

SENIOR MANAGEMENT

UOL GROUP LIMITED

Joyce Sng

General Manager
Product Development

Jenny Swee

General Manager
Project Development

Tai Mern Yee

General Manager
Human Resource

Yeo Bin Hong

Deputy General Manager
Group Internal Audit

PAN PACIFIC HOTELS GROUP LIMITED

Wee Wei Ling

Executive Director
Sustainability Partnerships,
Lifestyle & Asset

Kevin Croley

Senior Vice President
Business Development

Valerie Foo

Senior Vice President
Finance

David Ling

Chief Investment Officer

Andreas Sungaimin

Senior Vice President
Human Capital &
Development

Tan Sze Ling Cinn

Chief Sales & Marketing
Officer

Awards & Accolades

CORPORATE

UOL Group Limited

EdgeProp Singapore Excellence Awards 2020

- Top Developer

BCA Green Mark Awards 2020

- Green Mark Champion

Patron of the Arts Award 2020 by National Arts Council

- Patron of the Arts

Champions of Good 2020 by National Volunteer & Philanthropy Centre

- Champion of Good

Brand Finance

- Top 100 Singapore Brands 2020 (#32)

Pan Pacific Hotels Group Limited

World Travel Awards 2020

- Asia's Leading Lifestyle Hotel Brand
- China's Leading Lifestyle Hotel Brand

Travel Weekly Asia Readers' Choice Awards 2020

- Best Regional Hotel Chain

Singapore Business Review Management Excellence Awards 2020

- Team of the Year - Hospitality & Leisure

Champions of Good 2020 by National Volunteer & Philanthropy Centre

- Champion of Good

Community Chest Awards 2020

- Volunteer Partner Award

PRODUCT, DESIGN AND ARCHITECTURAL EXCELLENCE

Avenue South Residence, Singapore

PropertyGuru Asia Property Awards Grand Final 2020

- Country Winner - Best High Rise Condo Architectural Design (Asia)

International Property Awards (Asia Pacific) 2020

- Winner - Residential High-Rise Development Singapore



Clavon (artist's impression) was recognised at the PropertyGuru Asia Property Awards Grand Final 2020 for its excellence in architectural design.



EdgeProp Singapore Excellence Awards 2020

- People's Choice Award (Residential)

Clavon, Singapore

PropertyGuru Asia Property Awards Grand Final 2020

- Country Winner - Best High Rise Condo Architectural Design (Asia)

MEYER HOUSE, Singapore

International Property Awards (Asia Pacific) 2020

- Winner - Apartment/Condominium Singapore

EdgeProp Singapore Excellence Awards 2020

- Top Luxury Development (Residential)
- Showflat Excellence (Uncompleted - Central)

Principal Garden, Singapore

EdgeProp Singapore Excellence Awards 2020

- Landscape Excellence (Completed - Central)

The Clement Canopy, Singapore

EdgeProp Singapore Excellence Awards 2020

- Design Excellence (Completed - Non-Central)

Pan Pacific Orchard, Singapore

BCA Green Mark Awards 2020

- Green Mark Platinum

Pan Pacific Singapore, Singapore

BCA Green Mark Awards 2020

- Green Mark Gold

PARKROYAL COLLECTION Pickering, Singapore

Hotel Investment Conference Asia Pacific

Sustainable Hotel Awards 2020

- Winner - Sustainable Design

World Travel Awards 2020

- Asia's Leading Green Hotel
- World's Leading Green City Hotel

Pan Pacific Yangon, Myanmar

World Luxury Hotel Awards 2020

- Regional Winner - Luxury Architecture Design Hotel

SERVICE EXCELLENCE

Pan Pacific Singapore, Singapore

World Travel Awards 2020

- Singapore's Leading Business Hotel

Forbes Travel Guide Awards 2020

- Four-Star Rating

PARKROYAL Melbourne Airport, Australia

World Travel Awards 2020

- Oceania's Leading Airport Hotel

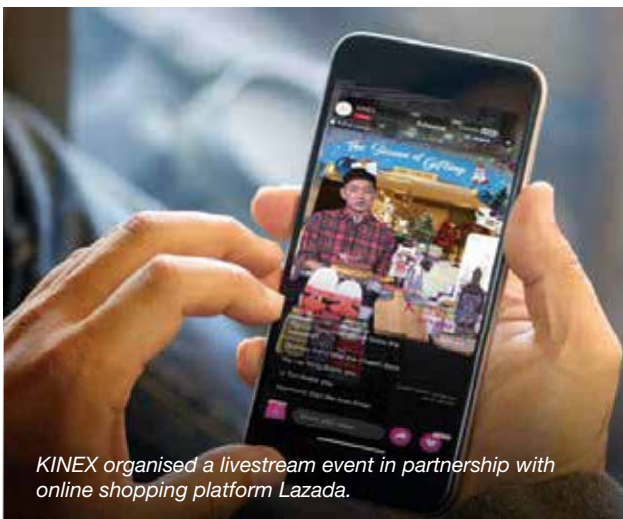
Operation Highlights

PROPERTY INVESTMENTS

COMMERCIAL PROPERTIES

During the year, the Group supported its retail tenants in Singapore amid the challenging retail environment brought about by the COVID-19 pandemic. Several initiatives were implemented, such as the total relief package of more than \$50 million across the Group, inclusive of the property tax rebates, and other forms of marketing support.

With restrictions on mall capacity and dining-out imposed during the Circuit Breaker period, UOL's three malls - United Square, Velocity@Novena Square and KINEX - launched a series of campaigns to promote their retailers' products and offerings online. These included a partnership with Oddle to launch an online food ordering platform for shoppers to place takeaway orders from the malls' participating food and beverage outlets, and a UOLive-eGSS livestream event in collaboration with the Singapore Retailers' Association. KINEX further collaborated with Lazada to create its flagship store on Lazada's online shopping platform. It also organised a KINEX LazLive livestream event to drive retail sales during the Christmas season.



KINEX organised a livestream event in partnership with online shopping platform Lazada.

To safeguard the health and safety of shoppers and tenants, enhanced safety measures were put in place in the Group's commercial properties. They included increased frequency of cleaning and disinfection of high-traffic public areas, and the use of anti-microbial coating for all the lifts in UOL's malls. In addition, UOL's malls stepped up on the education of shoppers and tenants on safety measures through their online platforms.



Posters were placed in UOL's malls to remind shoppers to observe safety measures.

United Square

Located in the Novena precinct, United Square is a 33-storey mixed-use development with a total lettable office area of 26,857 sqm and a retail area of 19,608 sqm. The office component achieved a committed occupancy rate of 90% while the retail component achieved a committed occupancy rate of 98% as at 31 December 2020.

During the year, United Square brought in new brands such as HiArt, a school that specialises in art classes for children, to align with the mall's positioning as "The Kids Learning Mall". Other new stores such as Pot Addiction and ENG's Wantan Noodle also commenced operations at the mall.

Novena Square

Novena Square is a mixed-use development located above Novena MRT station. Novena Square consists of two blocks of 18- and 25-storey offices with a total lettable area of 41,627 sqm and Velocity@Novena Square, a three-storey retail mall with a total lettable area of 15,855 sqm. The office component achieved a committed occupancy rate of 99% while the retail mall had a committed occupancy rate of 97% as at 31 December 2020.

During the year, Velocity@Novena Square welcomed Mexican food chain Guzman Y Gomez and bubble tea brand Milksha, as well as retailers MMMM!, Skechers, Unity, Kcuts and Beauty Mansion to the mall.

In support of government initiatives, the mall hosted various events at its atrium space, such as the SGUnited Jobs and Skills Information Kiosks by Workforce Singapore, to help those seeking employment and skills upgrading opportunities. It also partnered with Smart Nation and Digital Government Office in the Prime Minister's Office to host the TraceTogether Education Booth, which aimed to address queries from the public on the use of TraceTogether and to promote the adoption of its token and mobile application.

Velocity@Novena Square and United Square also showed appreciation to healthcare workers and professionals in their fight against the COVID-19 pandemic by giving out 1,000 care packages comprising shopping and dining vouchers to healthcare workers working in Health City Novena.

KINEX

Located near the Paya Lebar MRT station, KINEX is a four-storey mall with a total net lettable retail area of 18,784 sqm. The retail mall achieved a committed occupancy rate of 91% as at 31 December 2020.

During the year, KINEX expanded its retail offerings with several new-to-mall brands and new concept stores. They included fitness chain Body Fit Training and new retailers such as Paradiddle Gelato, Hungry Bear Café, Daisy's Dream Café and Chiro Time.

Marina Square shopping mall

Located at Raffles Boulevard, Marina Square shopping mall has an approximate net floor area of 74,301 sqm. The committed occupancy rate was 94% as at 31 December 2020.

West Mall

Located at Bukit Batok Town Centre, West Mall has an approximate net floor area of 17,042 sqm. The committed occupancy rate was 100% as at 31 December 2020.

The Gateway

Located at Beach Road, The Gateway has an approximate net floor area of 69,803 sqm. The committed occupancy rate was 93% as at 31 December 2020.

Singapore Land Tower

Located along Battery Road, the 47-storey Singapore Land Tower has an approximate net floor area of

57,500 sqm. The committed occupancy rate was 93% as at 31 December 2020. During the year, the building achieved Green Mark Gold^{Plus} awarded by the Building and Construction Authority (BCA). In January 2021, Singapore Land Tower embarked on an asset enhancement initiative, which is targeted to complete in the second half of 2023.

UIC Building

Located at 5 Shenton Way, UIC Building has an approximate net floor area of 26,373 sqm. The committed occupancy rate was 98% as at 31 December 2020.

SGX Centre 2

Located at 4 Shenton Way, SGX Centre 2 has an approximate net floor area of 25,800 sqm. The committed occupancy rate was 98% as at 31 December 2020.

Clifford Centre

Facing Raffles Place and Collyer Quay, Clifford Centre has an approximate net floor area of 25,470 sqm. The committed occupancy rate was 94% as at 31 December 2020.

Odeon Towers

Located at North Bridge Road, Odeon Towers has a total lettable office space of 18,355 sqm. The committed occupancy rate was 99% as at 31 December 2020. The Group received in-principle approval to redevelop 333 North Bridge Road and part of Odeon Towers to a standalone seven-storey office building, with a 50-metre frontage along North Bridge Road. Construction is expected to commence in the fourth quarter of 2021.

Tampines Plaza 1 and Tampines Plaza 2

Located in Tampines Finance Park, Tampines Plaza 1 and Tampines Plaza 2 have approximate net floor areas of 8,397 sqm each. As at 31 December 2020, their committed occupancy rates were 68% and 100% respectively.

One Upper Pickering

Located at the junction of Upper Pickering Street and New Bridge Road, the 8,089 sqm office tower was fully leased to the Attorney-General's Chambers.

Stamford Court

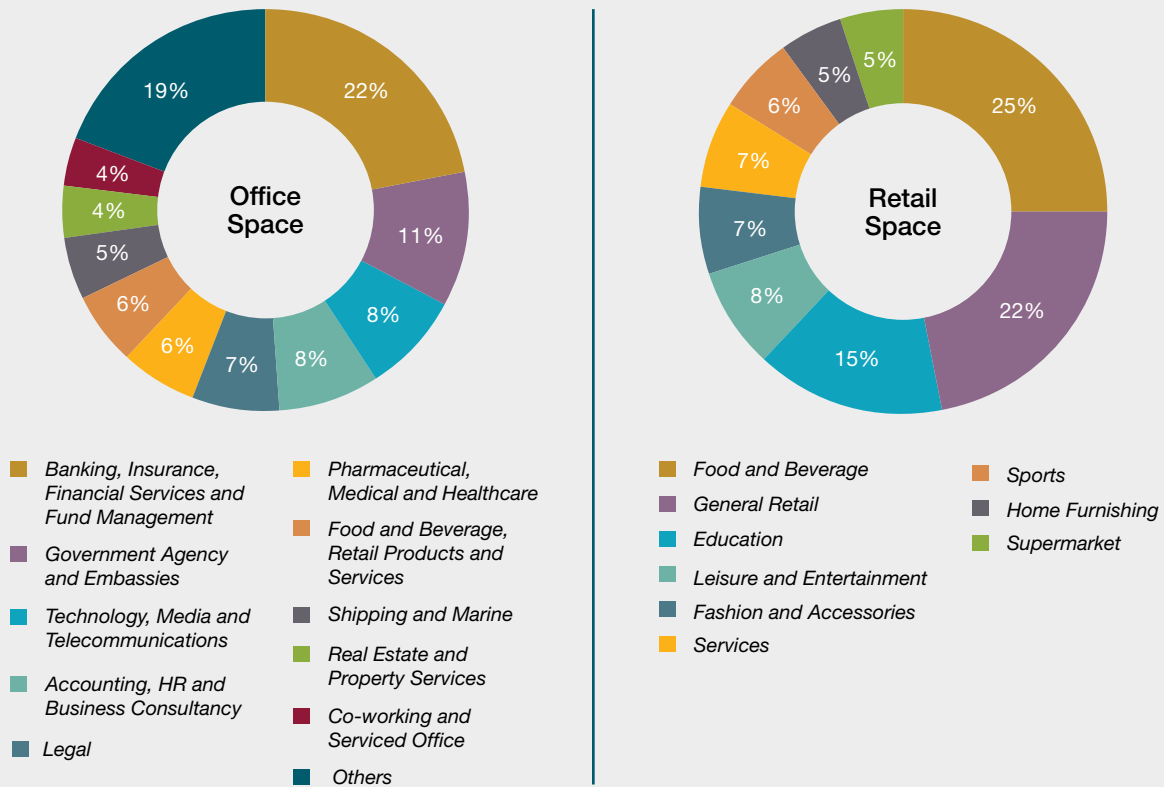
Situated at the junction of Stamford Road and Hill Street, Stamford Court has an approximate net floor area of 5,990 sqm. The committed occupancy rate was 94% as at 31 December 2020.

Faber House

Located along Orchard Road, Faber House has a total lettable office space of 3,956 sqm. The committed

Operation Highlights

COMMERCIAL TENANT MIX FOR SINGAPORE PROPERTY INVESTMENTS



occupancy rate was 93% as at 31 December 2020. The Group also received in-principle approval under the Strategic Development Initiative (SDI) scheme to redevelop Faber House into a 250-key hotel. Construction is expected to commence in the first half of 2022.

OVERSEAS

72 Christie Street, Australia

Located in Sydney, 72 Christie Street is a freehold eight-storey office building with four storeys of basement parking and a net lettable area of 11,259 sqm. It had a committed occupancy rate of 100% as at 31 December 2020.

110 High Holborn, United Kingdom

Located in Midtown London, 110 High Holborn has a net lettable area of 10,722 sqm. The committed occupancy rate was 93% as at 31 December 2020.

120 Holborn Island, United Kingdom

Located in Midtown London, 120 Holborn Island is a 50:50 joint venture with UIC. The nine-storey building has a net lettable area of 32,143 sqm. The committed occupancy rate was 92% as at 31 December 2020.

The Esplanade, China

The Esplanade in Tianjin is a mixed-use development with an office component and a three-storey retail mall, with a total net lettable area of 15,526 sqm. The committed occupancy rate was 50% as at 31 December 2020.

Park Eleven Mall, China

Park Eleven Mall in Shanghai is a mixed-use development comprising a three-storey retail mall with a net lettable area of 3,837 sqm and a 398-unit residential development. The committed occupancy rate was 81% as at 31 December 2020.

SERVICED SUITES

Pan Pacific Serviced Suites Orchard, Singapore

Strategically located next to the Somerset MRT station, the 126-suite Pan Pacific Serviced Suites Orchard is easily accessible to the wide variety of shopping and dining options along Orchard Road. The property is undergoing phased renovation works to refurbish its rooms, lounge and gym, with the works expected to be completed in the second half of 2021. During the year, the occupancy rate declined by 38% and average daily rate declined by 9% as compared with the previous year.

Pan Pacific Serviced Suites Beach Road, Singapore

Located close to Haji Lane and Arab Street, as well as the Marina Bay Central Business District, the 180-suite Pan Pacific Serviced Suites Beach Road caters to both leisure and business travellers. During the year, the property saw a 33% and 12% decrease in occupancy rate and average daily rate respectively.

PARKROYAL Serviced Suites, Singapore

The 90-suite PARKROYAL Serviced Suites is within walking distance to the historically rich Arab Street and the Central Business District. In 2020, the occupancy rate and average daily rate declined by 21% and 16% respectively against 2019.

PARKROYAL Serviced Suites Kuala Lumpur, Malaysia

Situated in the heart of Kuala Lumpur, the 287-suite PARKROYAL Serviced Suites Kuala Lumpur is within walking distance to the shopping and entertainment district of Bukit Bintang. During the year, the occupancy rate declined by 63% and average daily rate declined by 15% as compared with the previous year.

PIPELINE PROJECTS

Owned

Pan Pacific Serviced Suites Kuala Lumpur, Malaysia

Located in Bukit Bintang, the 210-suite Pan Pacific Serviced Suites Kuala Lumpur is a redevelopment of the multi-storey car park at PARKROYAL COLLECTION Kuala Lumpur (the former PARKROYAL Kuala Lumpur). The property is slated to open in the first half of 2022.

PARKROYAL Serviced Suites Jakarta, Indonesia

The 180-suite PARKROYAL Serviced Suites Jakarta is located in Tower 2 of Thamrin Nine, a mixed-use development in the heart of Jakarta's financial district. The property is expected to open in the second half of 2023.

Managed

Pan Pacific Serviced Suites Puteri Harbour, Malaysia

Pan Pacific Serviced Suites Puteri Harbour is part of Puteri Cove Residences and Quayside, a mixed-use waterfront development located in the Iskandar region of Johor. The 205-suite property is slated to open in the first half of 2022.

Pan Pacific Serviced Suites Jakarta, Indonesia

The 181-suite Pan Pacific Serviced Suites Jakarta is located in the North Tower of Indonesia 1, a mixed-use development in central Jakarta. The property is expected to open in the first half of 2023.

PARKROYAL Suites Bangkok, Thailand

PARKROYAL Suites Bangkok is a 194-suite property located close to the Nana BTS skytrain station and within walking distance to several shopping malls. The property is targeted to open in the second half of 2021.

PARKROYAL Serviced Suites Hanoi, Vietnam

PARKROYAL Serviced Suites Hanoi offers scenic views of local attractions such as West Lake and Tran Quoc Pagoda. The 126-suite property is targeted to open in the second half of 2021.



Artist's impression of Pan Pacific Serviced Suites Jakarta, which is located in Tower 2 of Thamrin Nine (building on the extreme right) of the Thamrin Nine development.

Operation Highlights

PROPERTY DEVELOPMENT

REPLENISHMENT OF LANDBANK AND UPCOMING PROJECT

The Group, through a 50:30:20 joint venture with UIC and Kheng Leong, was awarded a 27,566.1 sqm residential site at Canberra Drive for \$270.2 million in March 2020.

Located close to the Canberra MRT station, the site will be developed into an estimated 448-unit residential project and is targeted to launch in the first half of 2021.

COMPLETION OF PROJECT

In September 2020, the 139-unit Amber45 located along Amber Road received TOP. The freehold boutique condominium is close to the upcoming Marine Parade and Tanjong Katong MRT stations.

LAUNCH OF PROJECT

During the year, the Group launched Clavon, a 640-unit development located along Clementi Avenue 1. The project is an 80:20 joint venture with UIC. For the first time, a virtual sales launch was held by the Group.

Located along the same road as The Clement Canopy, which was launched in 2017 and fully sold, Clavon is a next-generation product with flexible spaces and smart features. Offering one- to five-bedroom apartments, Clavon achieved the highest sales for a launch weekend with 70% of the total units sold, and it was the top-selling project for the month of December 2020. The 37-storey development is located near to the Clementi MRT station.

During the year, virtual showflats were rolled out for the Group's other launched projects, including Avenue South Residence.



Avenue South Residence (artist's impression) is directly connected to the Rail Corridor.



SALES AND COMPLETION STATUS OF LAUNCHED PROJECTS*

Projects	Total Units	Booked [^] %	Sold %	Complete %	Actual/Expected TOP Date
SINGAPORE					
Clavon	640	73.9	1.6	4.1	2H2023
Avenue South Residence	1,074	57.7	52.0	38.0	2H2022
MEYER HOUSE	56	17.9	16.1	52.4	2H2021
The Tre Ver	729	100	95.6	33.0	1H2022
Amber45	139	97.8	97.1	100	Obtained
V on Shenton	510	95.5	93.5	100	Obtained
Mon Jervois	109	96.3	90.8	100	Obtained
UNITED KINGDOM					
One Bishopsgate Plaza, London	160	22.5	22.5	85.9	2H2021
THE PEOPLE'S REPUBLIC OF CHINA					
Park Eleven, Shanghai (Phase 1 and 2)	347 [#]	91.6	81.0	100	Obtained

* As at 31 December 2020.

[^] Based on bookings from date of launch.

[#] Reflects number of units that have been launched thus far under Phase 1 and 2. Remaining 51 units will be launched in subsequent phase.

Operation Highlights

HOTEL OPERATIONS

UOL currently owns and/or manages over 30 hotels in Asia, Oceania and North America with over 10,000 rooms. Through hotel subsidiary PPHG, it owns three acclaimed brands, namely “Pan Pacific”, PARKROYAL COLLECTION and PARKROYAL.

NEW INITIATIVES AND HOTEL MANAGEMENT AGREEMENTS

Due to the border closures and travel restrictions worldwide arising from the COVID-19 outbreak, tourism was adversely hit and this led to a decline in occupancy and revenue per available room across the Group’s hospitality portfolio. The Group undertook several new initiatives during the year to manage the challenging business climate.

To generate an alternative income stream, seven of the Group’s hotels and serviced suites in Singapore took on government contracts and served as a Stay-Home Notice Designated Facility or Government Quarantine Facility. Some of the Group’s hotels in Australia also took on similar government contracts to house residents returning from overseas.

In June 2020, to prepare for a recovery in travel demand, PPHG launched the Pan Pacific Cares programme, which saw the implementation of heightened safety, hygiene and cleanliness standards at its hospitality properties. These measures were in accordance to World Health Organization and local government authorities standards. Earlier in January 2020, PPHG launched PARKROYAL COLLECTION, a new hotel brand that seeks to address the growing demand by guests for sustainable hospitality. Hotels under this brand are characterised by iconic design, eco-friendly practices and a focus on well-being. The portfolio comprises PARKROYAL COLLECTION Pickering, PARKROYAL COLLECTION Marina Bay and PARKROYAL COLLECTION Kuala Lumpur (the former PARKROYAL Kuala Lumpur), which was closed from June 2020 for major refurbishment.

During the year, PPHG extended its global footprint through the signing of hotel management agreements for the 250-key PARKROYAL Monash Melbourne, 205-key Pan Pacific Phnom Penh and 150-key PARKROYAL Siem Reap. PARKROYAL Monash Melbourne is expected to open in the first half of 2021, while the latter two hotels in Cambodia are slated to open in the second half of 2023. With the opening of the three hotels, the Group will own and/or manage six properties in Australia, and will manage two properties in Cambodia.

MARKETING STRATEGY

During the year, PPHG strengthened its existing marketing platforms and introduced new digital platforms to engage customers. PPHG launched a WeChat Mall on the popular WeChat mobile app to promote its rooms, dining and wellness packages to Chinese consumers, as well as an online food delivery platform for its Singapore hotels. It also organised a host of interactive virtual events such as wedding shows, as well as launched Ezymeet, a virtual meeting package for corporate customers.

With the easing of COVID-19 restrictions in some countries during the third quarter of the year, PPHG launched the Yay-to Staycay Everyday package, which offers local residents discounts and privileges when they book staycations at its hospitality properties. The marketing effort saw over 19,000 room nights booked across the five participating hotels in Singapore. It is also available in selected overseas properties.

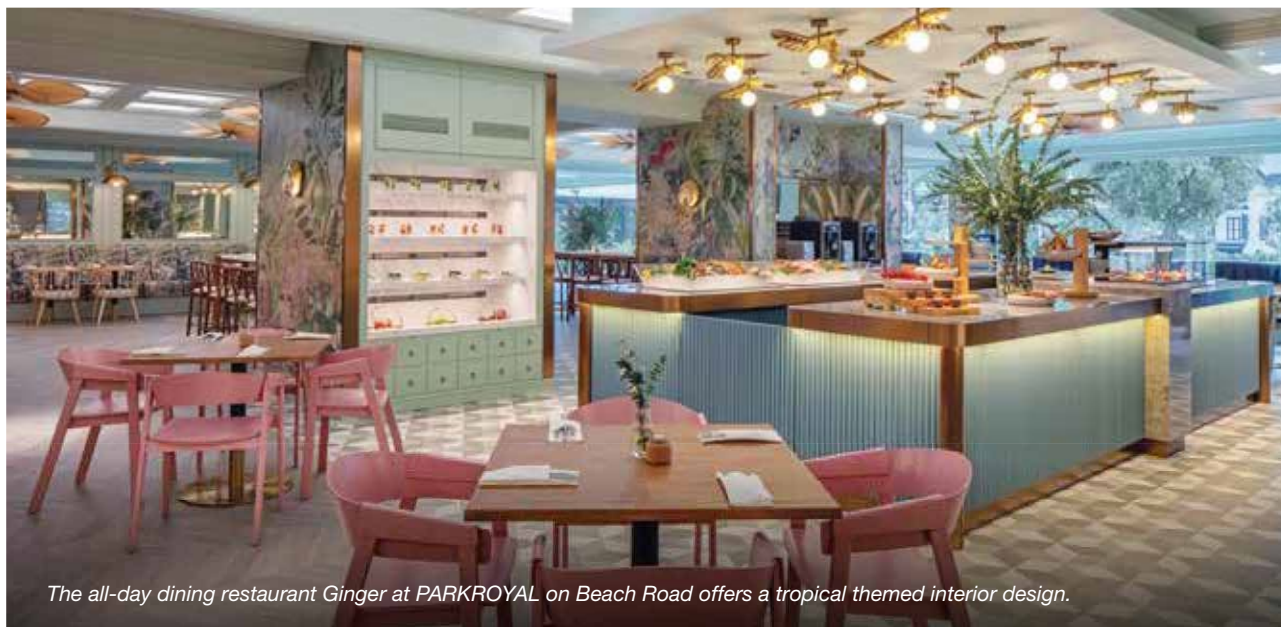
SINGAPORE

Pan Pacific Singapore

Pan Pacific Singapore is a 790-room hotel located in the Marina Bay area. It is close to the Central Business District and accessible to a wide array of retail and entertainment options. The hotel’s revenue per available room declined by 61% against 2019 due to 61% decline in average room rate.



PPHG welcomed guests back to a safe and clean environment with enhanced safety and hygiene measures.



The all-day dining restaurant Ginger at PARKROYAL on Beach Road offers a tropical themed interior design.

PARKROYAL COLLECTION Pickering

The 367-room PARKROYAL COLLECTION Pickering was awarded the World's Leading Green City Hotel for the third consecutive year at the annual World Travel Awards. The hotel is strategically located in the enclave of Chinatown and close to Singapore's Central Business District. During the year, the hotel's revenue per available room declined by 65% against 2019 due to a 17% decline in occupancy and a 58% decline in average room rate.

PARKROYAL COLLECTION Marina Bay

PARKROYAL COLLECTION Marina Bay is a 575-room hotel in the Marina Bay area and connected directly to Marina Square shopping mall. Renovation works to the public areas and guestrooms commenced in March 2020 to transform the hotel into a "garden in a hotel" with curated lush landscapes and stylish interiors. Upon its completion in May 2021, there will be eight more guestrooms, bringing the total room count to 583. The hotel reopened partially on 1 December 2020.

PARKROYAL on Kitchener Road

PARKROYAL on Kitchener Road is located in the heart of Little India. The 542-room hotel offers guests the experience of living in a vibrant ethnic enclave as well as the convenience of a wide variety of food and shopping options within walking distance. The hotel completed renovation works to its guestrooms and lobby areas, and added 10 more guestrooms, from its original room count of 532. The hotel's revenue

per available room declined by 52% against 2019 due to a 5% decline in occupancy and a 49% decline in average room rate.

PARKROYAL on Beach Road

PARKROYAL on Beach Road is located in the cultural precinct of Arab Street and close to Singapore's downtown attractions, business hubs and convention facilities. The 346-room hotel completed extensive renovation works, which included the refresh of its hotel façade, renovation of guestrooms and lobby, and the refurbished restaurant Ginger. The hotel's revenue per available room declined by 56% against 2019 due to a 7% decline in occupancy and a 52% decline in average room rate.

Mandarin Oriental

The 527-room Mandarin Oriental is located in the Marina Bay area. In 2020, the property's revenue per available room declined by 76% over the previous year, due to a 64% decline in occupancy and a 33% decrease in average room rate.

SINGAPORE	2020	2019
Hotel Occupancy	68%	83%
Average Room Rate	\$121	\$278
Revenue Per Available Room	\$82	\$231

*Note:
Excludes PARKROYAL COLLECTION Marina Bay as the hotel was closed for major refurbishment.*

Operation Highlights

MALAYSIA

PARKROYAL Penang Resort

The 310-room PARKROYAL Penang Resort is located along Batu Ferringhi beach and overlooks the Andaman Sea. The hotel's revenue per available room declined by 59% against 2019 due to a 56% decline in occupancy and an 8% decline in average room rate.

VIETNAM

Pan Pacific Hanoi

Located in the city centre and offering scenic views of West Lake and Red River, Pan Pacific Hanoi comprises 270 rooms and 54 serviced suites. The hotel's revenue per available room declined by 69% against 2019 due to a 68% decline in occupancy and a 3% decline in average room rate.

PARKROYAL Saigon

A short drive away from Ho Chi Minh City's international airport and Tan Binh Exhibition and Convention Centre, the 186-room PARKROYAL Saigon is also accessible to popular places of interest such as Mekong Delta and Cu Chi Tunnels. The hotel's revenue per available room declined by 69% against 2019 due to a 62% decline in occupancy and a 19% decline in average room rate.

Sofitel Saigon Plaza

The 286-room Sofitel Saigon Plaza is located on the historic Le Duan Boulevard and within walking distance to the city's commercial centre. During the year, the hotel's revenue per available room declined by 81% against 2019 due to a 77% decline in occupancy and a 16% decline in average room rate.

MYANMAR

Pan Pacific Yangon

Pan Pacific Yangon is a 331-room luxury hotel located close to popular tourist attractions such as Shwedagon Pagoda and Bogyoke Aung San Market. During the year, the hotel's revenue per available room declined by 59% against 2019 due to a 56% decline in occupancy and a 7% decline in average room rate.

PARKROYAL Yangon

PARKROYAL Yangon is located in the heart of Yangon and a short walk away from iconic and historic attractions such as the Shwedagon Pagoda and Bogyoke Aung San Market. The hotel has 342 rooms, including nine SOHO (small office home office) serviced suites. In 2020, the hotel's revenue per available room declined by 58% against 2019 due to a 55% decline in occupancy and a 7% decline in average room rate.

SOUTH EAST ASIA (excluding Singapore)	2020	2019
Hotel Occupancy	24%	66%
Average Room Rate	\$121	\$137
Revenue Per Available Room	\$30	\$91
<i>Note: Refers to the Group's hotels in China, Vietnam, Malaysia and Myanmar. Excludes PARKROYAL COLLECTION Kuala Lumpur as the hotel was closed for major refurbishment.</i>		

OCEANIA

Pan Pacific Perth

The 486-room Pan Pacific Perth is located within walking distance from the city's major landmarks such as Swan River and the iconic Kings Park and Botanic Garden. In 2020, the hotel's revenue per available room declined by 49% against 2019 due to a 42% decline in occupancy and a 12% decline in average room rate.

Pan Pacific Melbourne

The 396-room Pan Pacific Melbourne is located near the scenic Yarra River. The hotel's revenue per available room declined by 56% against 2019 due to a 10% decline in occupancy and a 51% decline in average room rate.

PARKROYAL Darling Harbour

Located in central Sydney, PARKROYAL Darling Harbour is easily accessible to the Central Business District and popular destinations such as the Darling Harbour precinct, International Convention Centre Sydney and Chinatown. During the year, the 340-room hotel's revenue per available room fell by 55% against 2019 due to a 28% decline in occupancy and a 37% decline in average room rate.

PARKROYAL Parramatta

The 286-room PARKROYAL Parramatta is located near the bank of the Parramatta River and within the Central Business District. The riverside hotel is a short drive away from signature landmarks such as Sydney Opera House and Rosehill Gardens Racecourse. In 2020, revenue per available room decreased by 73% due to a drop of 71% in occupancy and 9% in average room rate.

PARKROYAL Melbourne Airport

The 276-room PARKROYAL Melbourne Airport enjoys direct connectivity to Melbourne Tullamarine Airport and is a choice location for meetings, conferences as well as airport layovers. In 2020, the hotel's revenue per available room declined by 47% against 2019 due to a 3% decline in occupancy and a 45% decline in average room rate.

OCEANIA	2020	2019
Hotel Occupancy	59%	84%
Average Room Rate	\$129	\$200
Revenue Per Available Room	\$76	\$168

THE PEOPLE'S REPUBLIC OF CHINA

Pan Pacific Xiamen

Pan Pacific Xiamen comprises 329 hotel rooms and 25 serviced suites. Offering views of the city's coastline, the hotel is located close to the financial district and major tourist attractions such as Nan Putuo Temple and Overseas Chinese Museum. In 2020, the hotel's revenue per available room declined by 43% due to a 34% decline in occupancy and a 14% decline in average room rate.

Pan Pacific Tianjin

Pan Pacific Tianjin is situated along the Haihe River and is part of the mixed-use development The Esplanade. The property comprises 289 hotel rooms and 30 serviced suites and is a short drive away from Tianjin Railway Station and close to places of interest such as Tianjin Ancient Cultural Street. During the year, the hotel's revenue per available room declined by 47% against 2019 due to a 41% decline in occupancy and a 9% decline in average room rate.

The Westin Tianjin

The Westin Tianjin is a 275-room hotel in Tianjin's Heping district. During the year, the hotel's revenue

per available room declined by 47% against 2019 due to a 40% decline in occupancy and an 11% decline in average room rate.

Tianjin Yanyuan International Grand Hotel

Tianjin Yanyuan International Grand Hotel offers 240 hotel rooms with 56 serviced suites and is located in Tianjin's Hexi district. In 2020, the property's revenue per available room decreased by 42%, due to a 33% decrease in occupancy and a 13% decrease in average room rate.

THE PEOPLE'S REPUBLIC OF CHINA	2020	2019
Hotel Occupancy	43%	69%
Average Room Rate	\$90	\$103
Revenue Per Available Room	\$39	\$71

PIPELINE PROJECTS

Owned

Pan Pacific London, United Kingdom

Located in Bishopsgate, London's central financial district, Pan Pacific London is within walking distance to Liverpool Street Station. It is targeted to open in the second half of 2021, and is part of the luxury mixed-use development One Bishopsgate Plaza, which offers 237 rooms and 160 residential units, as well as meeting and wellness facilities including a pool and spa.



Operation Highlights



PARKROYAL COLLECTION Kuala Lumpur, Malaysia

Located in Bukit Bintang, PARKROYAL COLLECTION Kuala Lumpur (the former PARKROYAL Kuala Lumpur) was closed for major refurbishment in June 2020. Refurbishment works include the renovation of guestrooms and the conversion of office units at its annex building President House to rooms. The 535-room hotel is expected to reopen in the second half of 2021.

Pan Pacific Orchard, Singapore

Pan Pacific Orchard was closed for redevelopment in April 2018 and targeted to reopen in the first half of 2022. Located within walking distance to the prime Orchard Road shopping belt, the 347-room hotel will offer rooms with eco-friendly features, and three curated sky terraces with a green replacement ratio of more than 200%.

Pan Pacific Jakarta, Indonesia

Located in the heart of Jakarta's financial district, the 158-room hotel at Tower 2 of Thamrin Nine is accessible to many key commercial businesses. It is located in the same tower as PARKROYAL Jakarta and PARKROYAL Serviced Suites, and is expected to open in the second half of 2023.

Managed

PARKROYAL Monash Melbourne, Australia

The 250-room PARKROYAL Monash Melbourne is part of M-City Monash, a mixed-use development

with office, residential, retail, and hotel components. Targeted to open in April 2021, the hotel is easily accessible to Monash University's Clayton Campus, Monash Medical Centre and Commonwealth Scientific and Industrial Research Organisation.

PARKROYAL Rainbow Hills Bogor Resort, Indonesia

Located in Bogor, the 320-room PARKROYAL Rainbow Hills Bogor Resort is close to the Rainbow Hills golf course. The resort is expected to open in the first half of 2022.

PARKROYAL A'Famosa Melaka Resort, Malaysia

A short drive away from Melaka town, PARKROYAL A'Famosa Resort offers 418 rooms and an extensive range of dining options and meeting facilities. The resort is expected to open in the first half of 2022.

PARKROYAL Dalian, The People's Republic of China

The 216-room PARKROYAL Dalian is located within walking distance to city landmarks Xinghai Square, Dalian World Expo Centre and Dalian Xinghai Convention & Exhibition Centre, and is a short drive from Dalian Airport. Slated to open in the first half of 2022, the hotel offers panoramic views of both the sea and surrounding hills at a height of 52 storeys.

PARKROYAL Langkawi Resort, Malaysia

Located along Pantai Tengah Beach, PARKROYAL Langkawi Resort offers 301 guestrooms as well as comprehensive facilities such as outdoor swimming pools, event spaces and activity areas for families and children. The resort is expected to open in the first half of 2022.

PARKROYAL Jakarta, Indonesia

The 185-room PARKROYAL Jakarta is located in Tower 2 of Thamrin Nine. It is slated to open in the first half of 2024.

Pan Pacific Phnom Penh, Cambodia

Located along Norodom Boulevard, the 205-room hotel is also in close proximity to Central Market, a major tourist attraction in Phnom Penh. Expected to open in the second half of 2023, it is under an hour's drive from the Phnom Penh International Airport.

PARKROYAL Siem Reap, Cambodia

The 150-room PARKROYAL Siem Reap is slated to open in the second half of 2023. The hotel is a short drive from tourist attractions such as Angkor Wat, Pub Street, Old Market, Night Market Street and Siem Reap International Airport.

PORTFOLIO OVERVIEW

BY BRAND	EXISTING		PIPELINE		TOTAL	
	No. of hotels	No. of rooms	No. of hotels	No. of rooms	No. of hotels	No. of rooms
Pan Pacific	20	6,571	7	1,543	27	8,114
PARKROYAL COLLECTION	2	942	1	535	3	1,477
PARKROYAL	11	3,095	10	2,340	21	5,435
Others	4	1,384	1	250	5	1,634
Total	37	11,992	19	4,668	56	16,660
BY OWNERSHIP TYPE						
Owned	25	8,637	7	1,917	32	10,554
Managed	11	2,947	12	2,751	23	5,698
Marketing Partnership	1	408	–	–	1	408
Total	37	11,992	19	4,668	56	16,660
	NO. OF HOTELS	REVENUE PER AVAILABLE ROOM				
		2020	2019			
SINGAPORE ¹						
Owned	8	\$90	\$231			
Total	8	\$90	\$231			
SOUTH EAST ASIA ² (EXCLUDING SINGAPORE)						
Owned	7	\$29	\$89			
Managed	2	\$23	\$72			
Total	9	\$28	\$86			
OCEANIA						
Owned	5	\$76	\$168			
Total	5	\$76	\$168			
THE PEOPLE'S REPUBLIC OF CHINA ³						
Owned	4	\$39	\$71			
Managed	4	\$34	\$67			
Total	8	\$37	\$69			
NORTH AMERICA						
Managed	5	\$55	\$265			
Total	5	\$55	\$265			
PORTFOLIO REVENUE PER AVAILABLE ROOM						
Owned	24	\$63	\$156			
Managed	11	\$42	\$135			
Total	35	\$58	\$151			

Note: Reported in Singapore dollar at constant exchange rate unless otherwise stated, and includes serviced suites and hotels held by associated companies.

¹ Excludes revenue per available room figures for PARKROYAL COLLECTION Marina Bay which was closed in March 2020 for major refurbishment, and Pan Pacific Orchard which was closed on 1 April 2018 for redevelopment.

² Excludes revenue per available room figures for PARKROYAL Kuala Lumpur as the hotel was closed for major refurbishment.

³ Includes revenue per available room figures for Pan Pacific Suzhou which was sold on 15 December 2019 and continues to be operated by the Group after the sale.

Operation Highlights

OVERSEAS DEVELOPMENT PROJECTS

SHANGHAI

Located within Shanghai's Changfeng Ecological Park and close to Hongqiao Transportation Hub and The Bund, the mixed-use development comprises Park Eleven (沁和园), a 398-unit residential development and Park Eleven Mall, a retail mall with 3,837 sqm of net lettable area. The project is a 40:30:30 joint venture with UOL, UIC and Kheng Leong.

LONDON

One Bishopsgate Plaza is a freehold mixed-use development located in Bishopsgate, London's Central Business District. The 41-storey luxury tower comprises a 237-room Pan Pacific London, a 160-unit residential development, and a commercial space with 2,267 sqm of net lettable area. The mixed-use project is located close to Liverpool Street Station and the upcoming Elizabeth Line.

The residential component is expected to be ready for occupation in the second half of 2021.



Park Eleven (artist's impression) is a mixed-use development in Shanghai's Changfeng Ecological Park.

INVESTMENTS IN SECURITIES

	Percentage holdings in investee		Fair value		Gross dividend received	
	2020 %	2019 %	2020 \$'m	2019 \$'m	2020 \$'m	2019 \$'m
Listed Securities						
United Overseas Bank Limited	2.4	2.3	899.9	1,050.1	37.4	41.8
Others			31.7	37.8	8.9	11.4
			931.6	1,087.9	46.3	53.2
Unlisted Securities						
			82.0	101.9	2.7	2.0
Total			1,013.6	1,189.8	49.0	55.2

The fair value of the Group's listed securities decreased from \$1,189.8 million as at 31 December 2019 to \$1,013.6 million as at 31 December 2020 due mainly to the decrease in the share price of United Overseas Bank Limited. Overall, an unrealised loss of \$176.2 million arising from changes in the fair value of investments has been recognised in the fair value reserve account in 2020.

Dividend yield from investment in securities was 4.8% in 2020 (2019: 4.6%).

MANAGEMENT SERVICES AND TECHNOLOGY OPERATIONS

MANAGEMENT SERVICES

UOL Management Services Pte Ltd manages the Group's various properties in Singapore, while another wholly-owned subsidiary of the Group, UOL Project Management Services Pte Ltd, oversees project management and related services to the Group's development projects and properties.

TECHNOLOGY OPERATIONS

UIC Technologies Group (UIC) focuses on three main IT offerings namely system integration, IT services and payroll software, and human resource outsourcing services. Its customers are from the education, financial services, healthcare and public sectors. In 2020, UIC saw increased demand for computing devices, security software and cloud computing services, as more companies arranged for their employees to work from home.

SPA/LIFESTYLE-RELATED OPERATIONS

"St. Gregory"

Known for its diverse selection of traditional therapies, comprehensive workout facilities, personal training programmes and fitness classes, "St. Gregory" is an established integrated lifestyle brand with presence in eight "Pan Pacific", PARKROYAL COLLECTION and PARKROYAL hotels across Singapore, Malaysia, China, Vietnam and Myanmar.

"Si Chuan Dou Hua"

"Si Chuan Dou Hua" is known for its authentic Sichuan cuisine and operates five restaurants in Singapore, Japan and Myanmar. Singapore Tatler listed the Singapore flagship outlet at Top of UOB Plaza in its Best Restaurants 2019/20 food guide.

"Si Chuan Dou Hua" also operates Chuan @ The Sixtieth, a craft cocktail bar adjoined to the outlet at Top of UOB Plaza.

"Tian Fu Tea Room"

"Tian Fu Tea Room" is adjoined to the two "Si Chuan Dou Hua" restaurants in Singapore at PARKROYAL on Beach Road and Top of UOB Plaza. The tearoom offers a wide selection of Chinese tea paired with handcrafted dim sum.

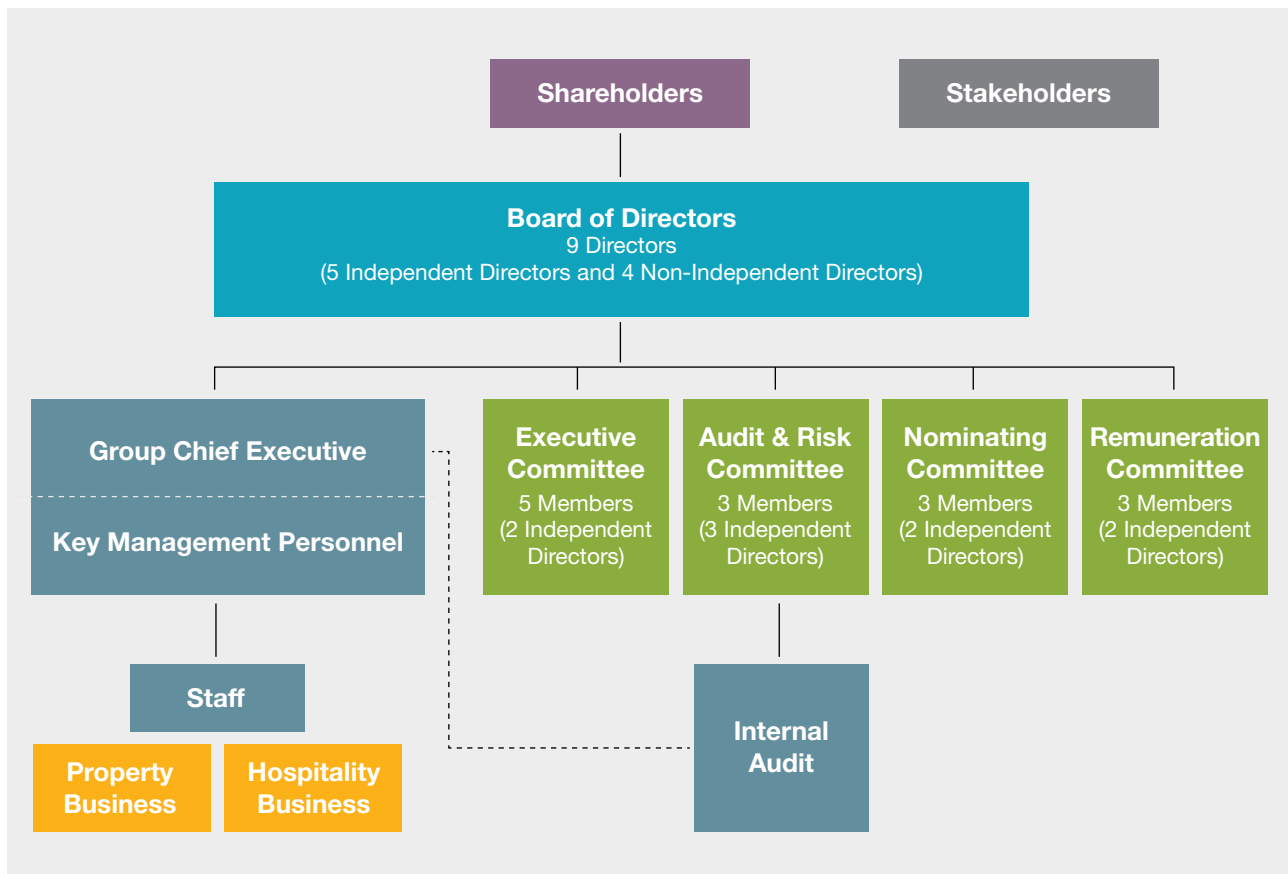
Corporate Governance Report

For the Financial Year Ended 31 December 2020

UOL Group Limited (the “Company”) is committed in its continuing efforts to achieve high standards of corporate governance and business conduct so as to enhance long-term shareholder value and safeguard the interests of its stakeholders.

This corporate governance report (“Report”) sets out the framework of corporate governance policies and practices that have been adopted by the Company with reference to the principles and provisions of the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (the “Code”).

CORPORATE GOVERNANCE FRAMEWORK



STATEMENT OF COMPLIANCE

The Board of Directors (the “Board”) of the Company confirms that for the financial year ended 31 December 2020 (“FY2020”), the Company has complied with the principles under the Code and substantially all the provisions set out thereunder, deviation from which are explained in this Report.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Responsibilities of the Board

The principal responsibilities of the Board are to:

1. review the Company's strategic business plans, taking into account sustainability and environmental issues, value creation and innovation;
2. review and approve the corporate policies, budgets and financial plans of the Company;
3. monitor financial performance including approval of the annual and interim financial results;
4. approve major funding proposals, investments, acquisitions and divestment proposals;
5. establish a framework of good corporate governance, values and ethics to safeguard Shareholders' interests and the assets of the UOL group of companies (the "Group");
6. oversee and review the processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance;
7. review the performance of the management team (the "Management") and the resources needed for the Company to meet its objectives; and
8. review the succession plans and remuneration policies for the Board and key management personnel.

Board Approval

To facilitate effective oversight, certain functions of the Board have been delegated to various board committees ("Board Committees"), which review and make recommendations to the Board on specific areas. Notwithstanding the delegation, the Board remains ultimately responsible for all matters which have been reserved in its written terms of reference. Management has also been provided with clear directions on the matters which must be approved by the Board. In this regard, the Board will review and approve all material transactions and matters, including any expenditure, budget and variance, investment, acquisition or disposal, which exceed specified limits.

The material matters that require Board approval include:

- the Group's policies, strategies and objectives;
- appointment of Directors and changes to the Board Committees;
- appointment of the Group Chief Executive (the "GCE") and other key management personnel;
- issue of equity or debt securities;
- acquisitions and disposals of investments exceeding certain limits and other significant transactions; and
- annual and interim financial results.

Board Committees

EXECUTIVE
COMMITTEE
(EXCO)

AUDIT & RISK
COMMITTEE
(ARC)

NOMINATING
COMMITTEE
(NC)

REMUNERATION
COMMITTEE
(RC)

There are four standing Board Committees appointed by the Board, namely the EXCO, ARC, NC and RC.

Each Board Committee has its own written terms of reference setting out its composition, authority and duties (including reporting back to the Board), which is reviewed periodically to ensure its continued relevance. Changes to the Board Committees' composition and appointments to the Board Committees are reviewed by the NC and approved by the Board.

Corporate Governance Report

For the Financial Year Ended 31 December 2020

Composition and Role of EXCO and GCE

EXECUTIVE COMMITTEE (EXCO)

5 Members

Wee Cho Yaw (Chairman) / Wee Ee Lim (Deputy Chairman) / Liam Wee Sin / Low Weng Keong / Lee Chin Yong Francis

The Board has conferred upon the EXCO and the GCE certain discretionary limits and powers for capital expenditure, budgeting, treasury and investment activities as well as acquisitions and disposals. The levels of authorisation required for specified transactions are specified in the EXCO's terms of reference adopted by the Board.

The EXCO and the GCE are assisted by Management in the daily operations and administration of the business activities of the Group and the effective implementation of the operating expenditures and the Group's strategies. The GCE in turn issues a chart of authority and limits for capital expenditure, budgets, investment and other activities for Management's compliance.

The EXCO is chaired by the Chairman of the Board and has been given certain authority and functions, such as the formulation and review of policies, approval of treasury and investments, overall planning and review of budgets and strategies as well as dealing with business of an urgent, important or extraordinary nature whilst the GCE is responsible for the day-to-day management, operations and administration of the Group.

Directors' Discharge of Duties and Responsibilities

The Directors discharge their duties and responsibilities as fiduciaries who act objectively in the best interests of the Company and hold Management accountable for the Company's performance. At Board meetings, the Directors review the financial performance of the Company, and also participate in detailed discussions of matters relating to corporate governance, business operations, risks as well as transactions undertaken by the Company.

The Board conducts regular scheduled meetings on a quarterly basis. Additional ad-hoc meetings are convened when circumstances require. The Board may also meet informally where necessary. The Company's Constitution ("Constitution") allows a board meeting to be conducted by way of telephonic and video conferencing. The attendance of Directors at Board and Board Committee meetings, as well as the frequency of such meetings in FY2020, are disclosed on page 61. Directors receive meeting materials ahead of meetings. Directors who are unable to attend Board meetings may convey their views to another Director or to the Company Secretary.

During the Board's quarterly meetings in FY2020, the Board together with senior management staff discussed and reviewed the impact of the COVID-19 pandemic on the Group's businesses and operations.

Conflicts of Interest

Each Director is required to act honestly, in good faith and with due care and diligence when exercising his powers. He has to notify the Company in a timely manner of his interests or appointments. Directors' direct and deemed interests in shares and debentures of the Company and its related corporations are disclosed in the "Directors' Statement" section of the Annual Report. Where a Director has an interest in a matter which may conflict with his duties to the Company, he must disclose his interests, recuse himself from the discussion and abstain from voting on the matter.

Directors' Induction and Training

All Directors appointed to the Board are provided with a formal letter of appointment which sets out the Director's roles and key responsibilities. The NC ensures that new Directors are made aware of their duties and obligations. In particular, new Directors receive comprehensive induction on joining the Board. They are provided with information on the corporate background, key personnel, core businesses, group structure, financial statements of the Group and their scope of duties and responsibilities. They are also briefed on the Group's businesses and

operations. Site visits are conducted as necessary to familiarise them with the Group's properties. Guidance is also given to all Directors on regulatory requirements concerning disclosure of interests and restrictions on dealings in securities.

At the Company's cost and through the Company Secretary, training is made available to Directors on the Company's business and governance practices, and updates/developments in the regulatory framework affecting the Company. Directors are provided with opportunities to attend courses and talks on board matters organised by professional and reputable organisations including the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Singapore Institute of Directors. This aims to give Directors a better understanding of the corporate governance matters relating to the Group and allows them to integrate into their roles and duties.

From time to time, the Company keeps the Directors apprised of new laws, regulations, changes to the SGX-ST listing requirements and changes to legislation which may impact the Group's businesses or business outlook, or may change the risks affecting the Group. The external auditor also briefs and updates ARC Members on developments in accounting and governance standards and issues which have a direct impact on financial statements. The Directors are also kept updated on the outlook and trends in the property and hospitality markets during the quarterly Board meetings. With effect from 1 January 2019, a new Director appointed who has no prior experience as a director of an issuer listed on SGX-ST will also be required to undergo mandatory training in his roles and responsibilities as prescribed by the SGX-ST, unless the NC is of the view that training is not required because he has other relevant experience.

During FY2020, the Directors were briefed on, among others, the new legislation and regulations introduced in connection with COVID-19, the amendments to the SGX-ST Listing Manual, changes to the accounting standards and steps undertaken by Management to manage the businesses and operations.

Access to Information

The Directors receive regular financial and operational reports on the Group's businesses and briefings during the quarterly Board meetings. Management reports comparing actual performance with budget and previous corresponding periods and highlighting key performance indicators, as well as accounts and reports on the financial performance of the Group are provided to Directors. Relevant Management staff make the appropriate presentations and answer queries from Directors at the Board meetings. Directors who require additional information may approach Management staff directly and independently and the required information is provided in a timely manner. Directors have separate and independent access to the advice and services of the Company Secretary and they may, either individually or as a group, in the furtherance of their duties and where necessary, obtain independent professional advice at the Company's expense. Such access to information is intended to enable the Directors to make informed decisions to discharge their duties and responsibilities.

Company Secretary

Under the direction of the Chairman, the Company Secretary is responsible for ensuring good information flow within the Board and Board Committees and between Management and Non-Executive Directors, advising the Board on all governance matters, facilitating the induction of new Directors and assisting with professional development as required. The Company Secretary, from time to time, circulates to the Board articles and press releases relevant to the Directors and the Group's businesses, and material announcements issued to/by SGX-ST and the Accounting & Corporate Regulatory Authority. The Company Secretary keeps the Board informed of relevant laws and regulations, industry issues, practices and trends pertaining to corporate governance affecting the Board and the Board Committees.

The Company Secretary attends all Board and Board Committee meetings and ensures that all meeting procedures are followed. The Company Secretary, together with Management, ensures that the Company complies with all applicable statutory and regulatory rules. The minutes of all Board and Board Committee meetings are circulated to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole. Following Mr Foo Thiam Fong Wellington's retirement and cessation as Company Secretary on 31 December 2020, Mr Yeong Sien Seu remains as the sole Company Secretary.

Corporate Governance Report

For the Financial Year Ended 31 December 2020

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence and Number of Independent Directors on the Board

As at 31 December 2020, the Board comprised nine members of whom five were independent and four were non-independent. Except for the GCE, all the other Directors were Non-Executive Directors. The review of independence of the Directors is set out in the “Board Membership” section on pages 45 to 47.

With a majority of the Board comprising Independent Directors and such Independent Directors having the requisite experience, expertise and standing, the Board is able to exercise objective judgment independently from the Company’s substantial shareholders and Management, and no individual or small group of individuals dominates the Board’s decision-making process. Where necessary, Non-Executive Directors may meet, formally or informally, without the presence of Management, and provide feedback to the Board and/or the Chairman after such meetings, as appropriate.

Size and Composition of Board and Board Committees

The Board considers the current size and composition of the Board and the Board Committees to be appropriate, taking into account the nature and scope of the Group’s businesses and operations and the requirements of the Code.

The Company believes in the benefits that diversity can bring to the Board. Diversity would enhance the decision-making process of the Board through the sharing of different perspectives and insights, avoiding groupthink and enabling the Company to draw on a diverse mix and combination of skills, experience, independence and knowledge. The Company’s board diversity policy seeks to ensure that the Board will comprise directors appointed based on merit, who as a group possesses an appropriate balance and combination of business experience, skills, age, gender, ethnicity and culture, tenure of service and other relevant qualities.

The Board, taking into account the views of the NC, considers that the current Board comprises persons with diverse business experiences and as a group, possesses an appropriate balance and diversity necessary to manage and contribute effectively to the Company and accordingly, the Board composition is in line with the board diversity policy. In this regard, the Directors are business leaders and professionals with backgrounds and experience in real estate, hospitality, banking, finance (including accounting, tax and audit), economics and business management. Collectively, they have core competencies spanning the relevant areas of the Group’s businesses and operations. The ongoing Board renewal process results in a Board with staggered tenure for the Independent Directors. This provides continuity and stability for the conduct of Board matters while also ensuring the ability to have different perspectives and insights to meet the changing business environment of the Group. In identifying successors to retiring Directors, the Board appoints new Directors who bring other strategic, business and investment experience to the Board. This allows different perspectives to be brought into the Board discussions and review of the Group’s businesses and operations. The composition of the Board will continue to be assessed annually taking into consideration the provisions of the board diversity policy and the needs of the Group.

CHAIRMAN AND GCE

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Separation of the Roles of Chairman and GCE

The Company has a separate Chairman and GCE as it believes that a distinct separation of responsibilities between the Chairman and the GCE will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making in the best interest of the Company and its Shareholders. The Chairman and the GCE have no familial relationship with each other.

Responsibilities of Chairman and GCE

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the GCE. The Chairman provides leadership to the Board and ensures that Board meetings are held as and when necessary. He sets the meeting agenda in consultation with the GCE and ensures that Directors are provided with accurate, timely and clear information. He further ensures that adequate time is provided for each agenda item included in the Board papers to be reviewed and debated at the Board meetings. The Chairman also facilitates the communications between the Shareholders, Board and Management and between the Non-Independent and Independent Directors. On the other hand, the GCE has the executive responsibility for the overall operations and administration of the Group.

Lead Independent Director

Provision 3.3 of the Code provides that the Board should have a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. It further provides that the lead independent director should be available to Shareholders where they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

While the Chairman is non-independent, the Company is of the view that it is not necessary to appoint a lead independent director as the Independent Directors are able to function effectively and provide objective feedback to the Chairman. The Company believes that there are sufficient channels of open communications and access to any of the Independent Directors by any Shareholder without the presence of the other Directors. Where necessary, the Independent Directors also have the discretion to meet without the presence of the other Directors and they are able to provide their feedback to the Chairman after such meetings. The Independent Directors chairing the ARC, NC and RC have sufficient standing and authority to look into any matter which the Chairman, the GCE or the Chief Financial Officer (“CFO”) fails to resolve. Further, as disclosed above, the Chairman and GCE are separate persons and have no familial relationship with each other. Accordingly, the Company is of the view that despite its deviation from Provision 3.3 of the Code, there is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC Composition and Role

NOMINATING COMMITTEE (NC)

2 Independent Directors

1 Non-Executive Non-Independent Director

Low Weng Keong (Chairman) / Wee Cho Yaw / Poon Hon Thang Samuel

Based on its written terms of reference which sets out clearly its authority and duties, the NC will make its recommendations to the Board on all board appointments and re-appointments, the process and criteria for evaluating the performance of the Board, the Board Committees and the Directors, review the adequacy of the training and professional development programmes for the Board and the Directors, and review the succession plans for Directors, in particular for the Chairman, the GCE and the other key management personnel.

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Director Independence

Annually, the Directors submit declarations on their independence to the NC for assessment. The NC reviews the independence of each Director annually, and as and when circumstances require, in accordance with the requirements of the SGX-ST Listing Manual and the provisions of the Code, and also taking into account the guidance in the relevant Practice Guidance. A Director is considered independent if he is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment in the best interests of the Company. Each member of the NC and the Board abstained from the NC's and the Board's deliberations in respect of his own independence assessment.

The Directors who are considered to be independent are Low Weng Keong, Tan Tiong Cheng, Poon Hon Thang Samuel, Sim Hwee Cher and Lee Chin Yong Francis.

For FY2020, the effectiveness and independence of Low Weng Keong who has served on the Board beyond nine years was subject to particularly rigorous scrutiny. Despite his long period of service, the NC found and recommended to the Board that Low Weng Keong has, at all times, expressed his individual viewpoints, objectively debated issues brought up at meetings of the Board and/or Board Committees and closely scrutinised Board matters and Board Committee matters. He had sought clarification and advice, as and when he considered necessary, from Management, other employees and external advisors, and exercised strong independence in character and impartial judgment whilst discharging his duties as a member of the Board and Board Committees. Both the Board and NC noted that Low Weng Keong has made decisions objectively in the best interests of the Group and its stakeholders. The Board, having considered the NC's recommendation and weighing the need for the Board's refreshment against tenure and familiarity with the Group's businesses and operations, deems Low Weng Keong as independent and agrees that his years of service has not compromised his independence or ability to discharge his duties as a member to the Board and Board Committees.

Tan Tiong Cheng was Senior Adviser to Knight Frank Asia Pacific until his retirement in April 2020. The Group engages the Knight Frank group of companies to provide the independent valuations of its investment properties and various real estate-related services, in respect of which the fees payable exceeded \$200,000 in FY2020. Tan Tiong Cheng has no financial interest in the Knight Frank group of companies. The NC regards Tan Tiong Cheng as an Independent Director because he is able to maintain his objectivity and independence at all times in the discharge of his duties as Director of the Company and the NC's views were endorsed by the Board. Tan Tiong Cheng has no influence or control over the Company or Management in the selection and appointment processes leading to the Knight Frank group of companies being appointed to provide the said services.

Directors' Principal Commitments

Where a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. Taking into account the Directors' number of listed company board representations and other principal commitments and the contributions made by the Directors, the NC is satisfied that the Directors have given sufficient time and attention to the affairs of the Company. The Board does not set any prescribed maximum number of listed company board representations which any Director may hold. It is restrictive and not practical to do so, given that the demands and commitments on the individual Director will vary for every Director and each Director will be best able to assess for himself if he is able to discharge his duties as a Director of the Company effectively. It is also noted in this regard that none of the Directors has more than four listed company board representations.

Alternate Directors

The Company does not have any alternate Directors appointed to the Board.

Selection, Appointment and Re-election of Directors

In conjunction with succession planning, the Board regularly reviews the composition of the Board. The NC makes recommendations to the Board on all board appointments and re-appointments. For new Director appointments, suitable candidates are identified through personal and professional networks and recommendations, and are nominated for appointment through an objective and comprehensive selection process. Where necessary, external consultants may be engaged to assist in the search and selection process. In determining the suitability of a candidate, the NC and the Board consider whether the candidate would complement and enhance the existing Board taking into consideration the current Board composition together with other factors such as core competencies, skills, experience, diversity, independence and time commitments. In recommending to the Board any re-nomination and re-election of existing Directors, in addition to the above-mentioned factors, the NC also takes into consideration the Directors' contribution and performance at Board meetings, including attendance, preparedness, participation and candour.

The Constitution requires one-third of the Directors, or the number nearest to (but not less than) one-third, to retire from office by rotation at every Annual General Meeting ("AGM"). The Directors to retire in the relevant year by rotation shall be those who have been longest in office since their last re-election or appointment and as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. This effectively results in all Directors having to retire at least once every three years, or earlier. A retiring Director shall be eligible for re-election. A Director appointed by the Board to fill a casual vacancy or as an additional Director may only hold office until the next AGM, and will be eligible for re-election at such AGM. The NC, with each member abstaining in respect of his own re-election and in accordance with the Constitution, has recommended that Wee Cho Yaw, Wee Ee-chao and Sim Hwee Cher, who retire by rotation pursuant to the Constitution, be nominated for re-election.

The detailed information as required under Rule 720(6) of the SGX-ST Listing Manual on Directors seeking appointment and re-election are disclosed in the "Supplemental Information" section of the Annual Report.

Key Information on Directors

Key information on each Director, including his academic qualifications and principal commitments, are set out in the "Board of Directors" section of the Annual Report. In addition, information on shareholdings in the Company held by each Director is set out in the "Directors' Statement" section of the Annual Report.

Information relating to Directors who are nominated for appointment or re-election, including any relationships between such Directors, and the other Directors, the Company, its related corporations, substantial shareholders or officers respectively, are set out as notes accompanying the relevant resolutions.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Evaluation of Board Performance

Using objective performance criteria and process which are recommended by the NC and approved by the Board, the NC has assessed, on an annual basis, the effectiveness of the Board as a whole, the Board Committees and the individual Directors. As part of the evaluation process, each Director completes an evaluation questionnaire covering matters relating to the performance of the Board and the Board Committees as well as a self-assessment of his own performance. The results from this exercise are presented to the NC and the Board, and are taken into consideration in the NC's annual overall assessment.

In evaluating the performance of the Board as a whole, the NC has adopted certain quantitative indicators which include return on equity, return on assets, the Company's share price performance and total shareholders' return. The quantitative performance criteria allow the Company to make comparisons with its industry peers and are linked to long-term shareholder value. The NC has also adopted certain qualitative criteria which include the

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Board's composition (including the balance of skills, experience, independence, knowledge of the Company and diversity), Board practices and conduct and how the Board as a whole adds value to the Company. For consistency in assessment, the performance criteria are not changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the NC, in consultation with the Board, will justify such changes.

In the assessment of the Board Committees, the NC considered, *inter alia*, the frequency of Board Committee meetings and the matters considered by the Board Committees. In assessing the contributions of the Chairman and each other Director to the Board, the NC takes into account various factors including the size and composition of the Board, the conduct of the Board meetings, the Director's attendance records, the rigour of debate and discussion at the Board and Board Committee meetings and the knowledge, experience and inputs provided by each Director. The Chairman reviews the NC's evaluation and acts, where appropriate and in consultation with the NC, to propose new members to be appointed to the Board or seek the resignation of Directors.

The Board and the NC are satisfied that for FY2020, all Directors have discharged their duties adequately and the performance of the Board as a whole and the Board Committees have been satisfactory.

NC's Access to External Expert Advice

The NC has access to appropriate expert advice to facilitate the evaluation process where necessary, and did not consider it necessary to engage a consultant for FY2020.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

RC Composition and Role

REMUNERATION COMMITTEE (RC)

2 Independent Directors

1 Non-Executive Non-Independent Director

Tan Tiong Cheng (Chairman) / Wee Cho Yaw / Low Weng Keong

The RC's written terms of reference sets out the roles and responsibilities of the RC, which include reviewing and making recommendations to the Board on:

- a framework of remuneration for the Board and the key management personnel. The framework takes into account the specific roles and circumstances of each Director and key management personnel to ensure an appropriate remuneration level and mix that recognises the performance, potential and responsibilities of these individuals;
- the specific remuneration package for each Director and the key management personnel which covers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, options, share-based incentives, benefits-in-kind and termination payments; and
- whether Non-Executive Directors should be eligible for benefits under long-term incentive schemes.

The RC considers all aspects of remuneration and aims to be fair and avoids rewarding poor performance. In particular, the RC has reviewed the Company's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service and ensures that such contracts contain fair and reasonable termination clauses which are not overly generous. It also administers the UOL 2012 Share Option Scheme and such other incentive schemes as may be approved by Shareholders from time to time.

None of the RC Members is involved in the deliberation on any remuneration, compensation or form of benefit to be granted to himself.

RC's Access to External Expert Advice

The RC Members are familiar with executive remuneration/compensation matters as they manage their own businesses and/or are serving on the boards of other listed companies. The RC has access to appropriate expert advice where necessary, and did not consider it necessary to engage a remuneration consultant for FY2020.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration Framework

The remuneration policy of the Company seeks to align the interests of the Directors and the key management personnel with those of the Company, as well as to ensure that remuneration is commercially attractive to attract, retain and motivate Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company and enhance value creation for the long term. In determining remuneration packages, the RC takes into consideration industry practices, norms in compensation and the strategic objectives of the Company, as well as the need for remuneration to be linked with the long-term interest, risk policies, sustained performance and value creation of the Company. There are appropriate measures in place to assess the performance of the Executive Director and key management personnel.

Remuneration for Executive Director and the Other Key Management Personnel

For the Executive Director and the other key management personnel, the performance-linked elements of their remuneration packages constitute a significant and appropriate proportion of the entire package, are designed to align their interests with those of Shareholders, other stakeholders and the long-term success of the Company and take into account the risk policies of the Company. The Executive Director and the other key management personnel are eligible for share options under the UOL 2012 Share Option Scheme and are encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability. Liam Wee Sin, the sole Executive Director, is remunerated as the GCE and receives basic fees only for serving as a member of the Board.

Remuneration of Non-Executive Directors

For Non-Executive Directors, their remuneration is appropriate to their level of contribution, taking into account factors such as effort and time spent as well as their respective responsibilities. The RC reviews and makes recommendations to the Board in relation to Non-Executive Directors' fees and allowances. The Board recommends the fees to be paid to Non-Executive Directors for Shareholders' approval annually. The fees consist of a basic fee for service on the Board and additional fees for service as member or chairman of Board Committees. The fees are pro-rated based on a Director's length of service in the year under review. Non-Executive Directors do not receive any variable remuneration such as options or bonuses.

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The fee structure for Non-Executive Directors for FY2020 is as follows:

Board	\$
Chairman	100,000
Deputy Chairman	65,000
Member	50,000
EXCO	
Chairman	25,000
Member	16,500
ARC	
Chairman	37,500
Member	25,000
NC and RC	
Chairman	25,000
Member	12,500

Contractual Provisions to Reclaim Incentive Components of Remuneration

Liam Wee Sin, who is the Executive Director and GCE, has an employment contract with the Company which may be terminated by either party giving three months' notice. His remuneration package includes a variable bonus element (which is substantially linked to the performance of the Company) and the grant of share options under the UOL 2012 Share Option Scheme as mentioned above.

Currently, the Company does not have and does not deem it appropriate to have, any contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and the other key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration policy of the Company seeks to align the interests of the employees with the Company's short and long term business objectives, as well as to ensure that the Company remains attractive as a prospective employer, and a fair employer to retain and motivate the existing staff. The entire remuneration package of all employees comprises salaries, short and long term incentives, as well as benefits in kind. Short term incentives include bonuses for staff to drive business performance, and long term incentives in the form of share options are used to ensure alignment of shareholders' and employees' interests and to reward value creation. As part of the Company's performance management system, the Company sets and reviews the key performance indicators ("KPIs") of the employees on an annual basis and the rewards package of each employee is dependent on achieving these annual targets.

The KPIs of each employee take into consideration the Company's, respective departments' and each individual's performance in accordance with his/her designation and responsibilities within the Group. The KPIs are communicated to each employee at the beginning of each year so as to align the employee's performance to the performance of the Company. The entire remuneration package and policy is reviewed periodically to ensure market competitiveness, and is considered against the wider industry landscape and trends.

Provision 8.1 of the Code provides for disclosure of the remuneration of the top five key management personnel (who are not also Directors or the GCE) of the Company. Following a review of the Company's policies and principles, and taking into account the practices and disclosures of other companies, the Board has decided to provide the aggregate remuneration of the key management personnel together with the percentage breakdown of the components of remuneration. Disclosure of further remuneration details would not be in the best interests of the Company given the confidential and sensitive nature of employees' remuneration and the intense competition in attracting and retaining talent. This also better aligns the Company's disclosure with its peers, both listed and unlisted, and does not put the Company at an undue disadvantage in talent management. The RC is of the view that the level and structure of remuneration are aligned with the Company's long-term interests and risk-management policies. The Remuneration Report is set out on pages 62 to 63.

Details of the UOL 2000 and 2012 Share Option Schemes are disclosed in the "Directors' Statement" section of the Annual Report.

Save as disclosed on page 63, there were no employees of the Company and its subsidiaries who are substantial shareholders of the Company, or are immediate family members of a Director, the GCE or a substantial shareholder of the Company, and whose remuneration exceeded \$100,000 for FY2020.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk Governance

The Board has overall responsibility for the governance of risk. To pursue a sustainable long-term growth path, the Board recognises the importance of, and is responsible for, ensuring that Management designs, implements and monitors a sound system of risk management and internal controls that incorporate stakeholders' considerations as part of good governance. The ARC assists the Board in carrying out the Board's responsibilities of overseeing the Group's risk profile, and the adequacy and effectiveness of the risk management framework and policies, as well as the internal control system. The ARC reviews and the Board endorses the Group's risk strategy, appetite and risk policies, which determine the nature and extent of significant risks that the Group is willing to take to achieve its strategic and business objectives. The Board also reviews annually the adequacy and effectiveness of the Group's risk management and internal control systems.

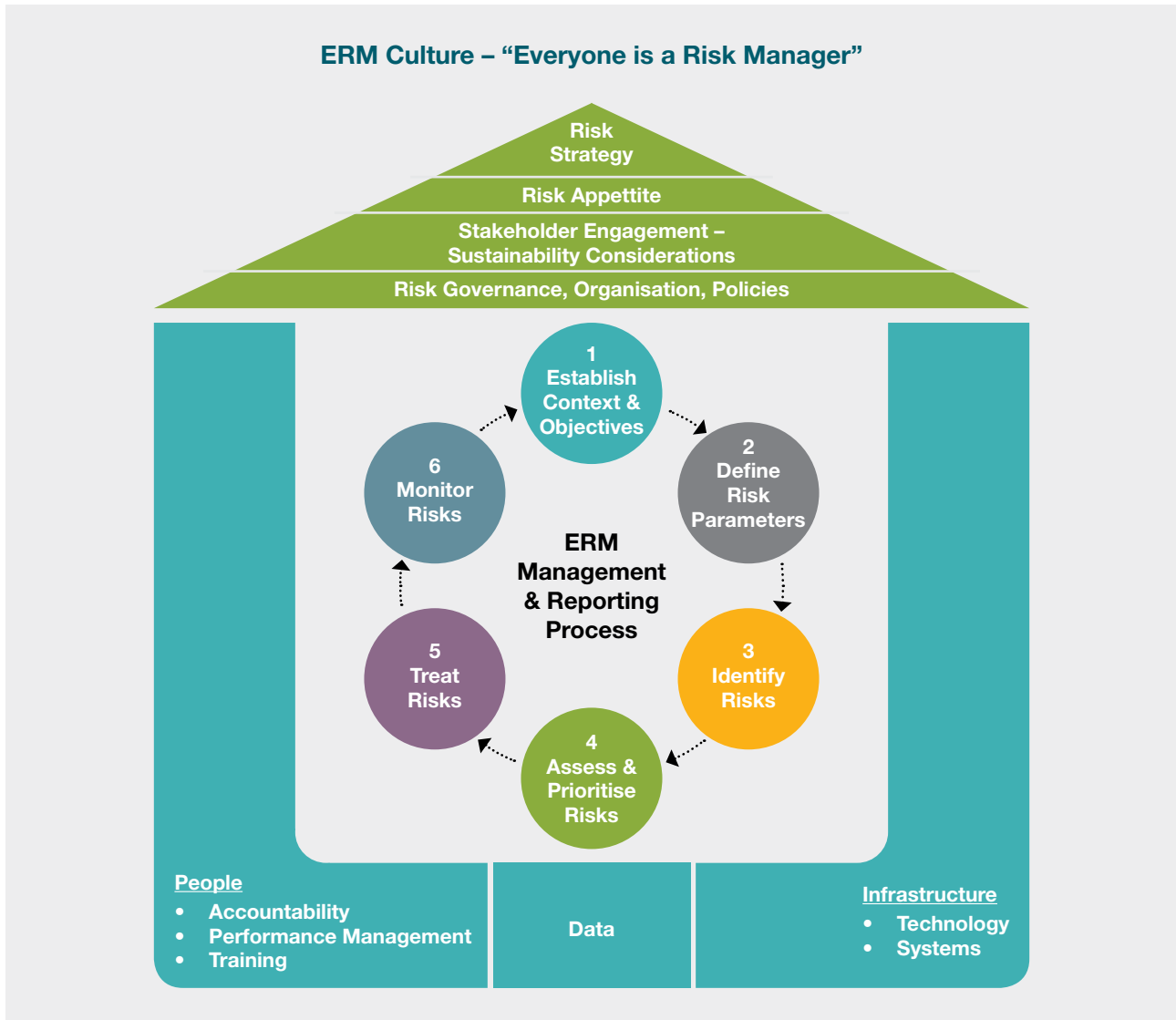
At the Management level, the Group Risk Management Committee ("GRMC"), chaired by the GCE and comprising the senior management staff from both the property and hospitality businesses, reports to the ARC on a half-yearly basis or more frequently as needed. The GRMC highlights significant risk issues, both existing and emerging, for discussion with the ARC and the Board, taking into account the immediate operating environment and the next half-year prospects. In addition, the GRMC oversees the direction, implementation and running of the enterprise-wide risk management across the Group.

Enterprise Risk Management Framework

The Group has established an Enterprise Risk Management ("ERM") framework, and is continuously reinforcing it across all levels of the Group's businesses and operations. The ERM framework aims to increase the confidence in the Group's strategies, businesses and operations, through assurance that key risks are properly and systematically addressed.

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The ERM framework enables Management to have a formal structure to:

1. define the risk strategy and appetite of the Group, incorporating stakeholders' considerations;
2. set up the risk governance structures, organisation, policies and processes;
3. identify and assess the key risks which the Group faces and the current controls and measures for the Group to respond to these risks;
4. evaluate the effectiveness of the current controls and measures, and determine if further risk treatment plans are needed;
5. design key risk indicators to monitor risks that may have a material impact on the Group's businesses and operations as and when they arise and take mitigating steps as necessary;
6. develop and strengthen our people, data management and infrastructure which are key pillars of a sound ERM; and
7. report and review the Group's overall risk profile.

For a comprehensive risk identification and assessment, an integrated top-down and bottom-up risk review process is in place. Business functions undertake and perform their self-assessment of key risks and mitigating measures via their respective risk scorecards under their ownership. These operational risks are then aggregated and reported to the GRMC, together with any emergent issues identified from both the internal and external operating environment. The GRMC examines the Group's top-tier risks and deliberates on any potential significant threats that may impact the Group's businesses, at both the strategic and operational level. New or emerging concerns that are highlighted from these forums are addressed in consultation with the business owners for further assessment and appropriate follow up actions. This ongoing dialogue and communication with the relevant stakeholders facilitate a more robust and relevant ERM within the Group.

Management sets the appropriate tone at the top and is continuously reinforcing the "risk-aware" culture within the Group. With the belief that risk management is every employee's responsibility, Management works towards embedding risk management principles in the day-to-day decision-making and business processes. To promote risk awareness and enhance risk management knowledge, senior management staff in both the property and hospitality businesses actively participate in regular ERM discussions, training and workshops to acquire and maintain an adequate understanding of ERM concepts, methodologies and tools to enable them to manage risks in their respective areas of work.

To demonstrate ownership and accountability, senior management staff who are key risk and control owners review and provide assurances by way of sign-offs to the GCE, CFO and the other key management personnel in respect of the risks and controls under their charge or purview. In turn, based on these assurances, the GCE, CFO and other key management personnel provide an annual written confirmation to the Board.

As at 31 December 2020, the Board has received assurances from:

- (a) the GCE and the CFO, that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the GCE and the other key management personnel who are responsible, that the Group's risk management and internal control systems were adequate and effective to address the risks (including financial, operational, compliance and information technology risks) which the Group considers material to its current business environment.

Based on the internal controls currently in place, the work undertaken by the internal and external auditors, the assurances from the GCE, the CFO and the other key management personnel as well as reviews by the ARC and the Board, the Board, with the concurrence of the ARC, has commented that the Group's risk management and internal control systems are adequate and effective as at 31 December 2020. In commenting on the risk management and internal control systems, the Board has noted the ERM framework and processes as set out in the preceding paragraphs under "Enterprise Risk Management Framework".

The Group's risk management and internal control systems provide reasonable but not absolute assurance that the Group will not be adversely affected by the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities or other events arising from the business environment which the Group operates in.

Key Risks

The key risks identified for the Group can be broadly classified under strategic/investment risks, financial risks, operational risks, compliance risks, and information technology risks.

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- Strategic/Investment Risks

The Group closely monitors developments and trends in the property and hospitality industries, and calibrates its strategies to achieve the Group's business objectives. As the COVID-19 pandemic is still unfolding, the Board and Management are continually assessing the longer-term implications in particular the outlook for hotels and retail, and the impact of work-from-home ("WFH") arrangement on the demand for office space and design of residential developments.

Risks associated with the Group's acquisitions, market conditions and competition are continually being analysed and managed, especially in the current uncertain environment where countries are on different cycles of recovery, re-opening and lock-down.

The Board and the EXCO have overall responsibility for determining the level and type of business risk that the Group undertakes. The Group has a dedicated Investment, Asset Management & Strategy Department that evaluates all new investment opportunities based on the criteria set out by the Board and the EXCO. All major investment proposals are submitted to the EXCO and the Board, as the case may be, for approval. Ongoing performance monitoring and asset management of new and existing investments are performed by the Group.

- Financial Risks

The Group is exposed to a variety of financial risks, including interest rate, foreign currency, credit and liquidity risks. While it is still difficult to fully ascertain the impact of COVID-19, the weak market conditions and elevated investment risks arising from the pandemic is expected to affect valuation of the Group's investment and hotel properties. The management of financial risks is outlined under Note 36 of the Notes to the Financial Statements.

- Operational Risks

Stakeholders' health and safety are of top priority to the Group. Safe management measures are in place to ensure wellbeing of the Group's employees, customers, business partners and the community.

The Group's development projects as well as investment and hotel properties are subject to operational risks that are common to the respective industries, and to the business environment of the countries in which the Group has a presence in. The Group's operational risk framework, which is implemented at each operating unit, is designed to ensure that operational risks are continuously identified, addressed and mitigated. With regard to development projects, it is recognised that risks can never be entirely eliminated and the Group must always weigh the cost and benefit in managing risks. Operating in the midst of the pandemic, existing policies and procedures are adapted when lockdowns in various countries occurred. Tools and guides are disseminated to employees to equip and facilitate their new working arrangements. This ensures the continuity of the Group's businesses and operations.

The Group uses insurance as a tool to transfer and/or mitigate certain portions of risks, and maintains insurance covers at appropriate levels after taking into account the cost of cover and risk profiles of the businesses. The insurance covers are reviewed regularly to ensure that they are adequate. Complementing Management's role is the Internal Audit function which provides an independent perspective on the controls that helps to mitigate major operational risks. Management reviews and implements further improvements to the current measures as and when any concern is identified.

- Compliance Risks

The Group ensures compliance risks are adequately addressed as part of the ERM framework. The relevant policies and procedures are put in place to ensure compliance with the relevant laws and regulations in Singapore, including the SGX-ST listing requirements, as well as the laws and regulations of the jurisdictions where the Group operates in. Management is kept apprised of applicable legislation updates, particularly the growing and changing

business restrictions in the midst of COVID-19 and takes adequate steps to ensure continuing compliance which is embedded in the day-to-day operations. In addition, the Company has in place a Code of Business Conduct which all employees are required to comply with. Amongst other provisions, the Code of Business Conduct specifies compliance with all relevant anti-bribery and corruption laws by all employees.

Management is cognisant of changes in the compliance requirements arising from the WFH working arrangement and modification in work processes. Proper risk assessments are performed prior to implementing adjustments in workflows to mitigate potential risks while ensuring business continuity.

- Information Technology (“IT”) Risks

IT being a business enabler is essential to the Group’s operations and processes. Against the current COVID-19 and WFH backdrop of rising phishing and hacking attempts, and a possible higher security risk arising from employees working outside of the office, cybersecurity is a key focus. Given the risk of disruption to the Group’s businesses during system down times, as well as the potential reputational and financial impact from the loss of critical data, the Group conducts regular reviews on the management and maintenance of the Group’s IT systems and software. The Group also partners with cyber security vendors to implement adequate measures including policies, information security controls and equipment to safeguard against any malicious and deliberate hacking of its IT systems. Ongoing cybersecurity education and reminders to employees are also in place.

AUDIT AND RISK COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

ARC Composition and Role

AUDIT AND RISK COMMITTEE (ARC)

3 Independent Directors

Low Weng Keong (Chairman) / Tan Tiong Cheng / Sim Hwee Cher

The ARC comprises three members who have recent and relevant accounting and financial management expertise and experience. All of the ARC Members are Independent Directors. None of the ARC Members were previous partners or directors of, or had any financial interest in, the Company’s external auditor, PricewaterhouseCoopers LLP, within the past 24 months.

The ARC carries out the functions set out in the Code and the Companies Act. The ARC’s written terms of reference include:

- reviewing and reporting to the Board on the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements and any announcements relating to the Company’s financial performance;
- reviewing and reporting to the Board on the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function at least annually, including reviewing the internal and external audit plans and audit reports, the external auditor’s evaluation of the system of internal accounting controls, the scope and results of the internal audit procedures, the cost-effectiveness, independence and objectivity of the external auditor;
- considering and recommending to the Board the appointment/re-appointment of the external auditor, the audit fee and matters relating to the resignation or dismissal of the external auditor;
- reviewing and reporting to the Board on interested person transactions in compliance with the SGX-ST Listing Manual;
- reviewing and reporting to the Board the adequacy and effectiveness of the Company’s internal controls and risk management systems at least annually;

Corporate Governance Report

For the Financial Year Ended 31 December 2020

- reviewing the assurances from the GCE and the CFO on the financial records and financial statements; and
- reviewing the procedures for detecting fraud and for concerns about possible improprieties in financial reporting or other matters to be safely raised, and ensuring that these arrangements allow proportionate and independent investigation of such matters and are appropriately followed up on.

In performing the functions, the ARC has reviewed the Group's audited consolidated financial statements and discussed with Management and the external auditor the significant matters which involved judgment by the Management. The ARC reviewed, amongst other matters, the following key audit matters as reported by the external auditor for FY2020:

Significant matters	How the ARC reviewed these matters
Valuation of investment properties	<p>The ARC reviewed the outcomes of the valuation process with Management, focusing on the methodologies and key underlying assumptions applied to the valuation models in assessing the fair value of the investment properties of the Group, particularly in view of the estimation uncertainty amidst the COVID-19 pandemic.</p> <p>The ARC also considered the findings of the external auditor and was satisfied that the valuation methodologies used were in line with generally accepted market practices and the key assumptions used were within the range of market data.</p>
Valuation of development properties and revenue and cost of sales recognition from the sales of development properties	<p>The ARC reviewed the approach taken by the Management in determining whether any foreseeable losses should be recognised in the respective development properties, particularly how Management intended to sell the properties under prevailing market conditions and how the impact of COVID-19 has been considered in estimating total development costs.</p> <p>In addition, the ARC considered the use of the percentage of completion method in recognising revenue and profit for the sale of development properties in Singapore and discussed with Management the justifications for adopting the various revenue and cost of sales assumptions for each project.</p> <p>The ARC also discussed with the external auditor on their assessment of the valuation of development properties and the estimates and assumptions used in determining total development costs and selling prices and in the recognition of revenue and costs of sales.</p> <p>Based on the discussion with Management and external auditor, the ARC concluded that the estimates and assumptions used were reasonable.</p>

The ARC has met with the internal and external auditors, without the presence of Management, at least annually and reviewed the overall scope of the internal and external audits and the assistance given by Management to the auditors.

The ARC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of Management, and full discretion to invite any Director or executive officer to attend its meetings. It has reasonable resources to enable it to discharge its functions properly.

PricewaterhouseCoopers LLP is the Company's current external auditor. In accordance with Rule 1207(6) of the SGX-ST Listing Manual, details of the aggregate amount of fees paid to PricewaterhouseCoopers LLP and the breakdown of fees payable in respect of audit and non-audit services can be found under Note 5 of the Notes to the Financial Statements. Further to the above, the Company has also complied with Rules 712 and 715 of the SGX-ST Listing Manual.

The ARC has reviewed and is satisfied with the independence and objectivity of the external auditor and has approved the remuneration and terms of engagement of PricewaterhouseCoopers LLP. In its review, the ARC has taken into account the non-audit services provided by the external auditor and is of the opinion that these services do not affect the auditor's independence. The ARC has reviewed the Audit Quality Indicators and the performance of PricewaterhouseCoopers LLP and has recommended to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment by the Shareholders at the AGM on 23 April 2021.

Code of Business Conduct

The Company has in place the Code of Business Conduct which all employees are required to comply with. Employees are expected to conduct themselves professionally with the highest regard for honesty and in compliance with all applicable laws and the code provides guidance on the business ethics practices that employees are required to observe. The code covers key matters such as fraud, bribery, conflicts of interests, health, safety and environment. The code also requires all employees to comply with anti-corruption laws in countries where the Company operates, and sets out the Company's anti-corruption practices in its business operations as well as the reporting policy and procedure.

Whistle-Blowing Policy

The Company has a whistle-blowing policy which aims to encourage and provide a channel to employees and any other persons to report, in good faith and in confidence, concerns about possible fraud, improprieties in financial reporting or other matters. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. Employees and any other persons may report their concerns to the head of Group Internal Audit by post or through the online feedback form, details of which are disclosed in the Company's website (<http://www.uol.com.sg>). The head of Group Internal Audit is responsible for investigating any concerns raised and he reports his findings to the ARC independent of Management. The ARC is able to act independently to take such action as may be necessary to address the concerns raised and has the authority to instruct any senior management staff to assist or co-operate in such action. The ARC reports significant matters raised to the Board.

In addition, the ARC is also responsible for assisting the Board in the oversight of the risk management and internal control systems within the Group (see "Risk Management and Internal Controls" section above).

Internal Audit

The head of Group Internal Audit reports directly to the ARC and administratively to the GCE. The ARC approves the appointment, remuneration and resignation of the head of Group Internal Audit. Group Internal Audit aims to meet or exceed the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. As part of its audit activities, Group Internal Audit monitors all interested party transactions and provides assurance that the necessary controls are in place and are complied with. Group Internal Audit conducts its audit reviews based on the approved internal audit plans and its audit reports containing findings and recommendations are provided to Management for their responses and follow-up action.

Corporate Governance Report

For the Financial Year Ended 31 December 2020

The Internal Audit function is adequately resourced and independent of the activities it audits, comprises persons with relevant qualifications and experience and has appropriate standing within the Group. It has unfettered access to all documents, records, properties and personnel (including the ARC) and has appropriate standing within the Group. The head of Group Internal Audit, who joined the Group in October 1997, holds a Bachelor of Accountancy (Honours) Degree from the Nanyang Technological University. He is also a fellow of the Institute of Singapore Chartered Accountants and a member of the Institute of Internal Auditors (Singapore).

The ARC has reviewed and commented that the Group's Internal Audit function is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholder Rights and Participation at General Meetings

The Company encourages shareholder participation at its general meetings and allows Shareholders the opportunity to communicate their views on various matters affecting the Company. The notices of general meetings setting out the agenda are despatched to the Shareholders with the annual reports, explanatory notes and if necessary, letters to shareholders on the items of special businesses, at least 14 days before general meetings are called to pass ordinary resolutions, or 21 days before general meetings are called to pass special resolutions, in compliance with the Companies Act and the SGX-ST Listing Manual.

Shareholders have the opportunity to participate effectively in and vote at the general meetings and may, under the Constitution, appoint up to two proxies to attend, speak and vote on their behalf. Shareholders, who hold shares in the Company through corporations which provide nominee/custodial services and who provide satisfactory evidence of their share ownership, are allowed to attend, speak and vote at the general meetings. The Company allows such corporations to appoint more than two proxies following revisions to the Companies Act.

Barring unforeseen circumstances, all Directors and in particular, the Chairpersons of the EXCO, NC, RC and ARC, as well as senior management personnel will be available to address questions at general meetings. The external auditor is also present to address any Shareholder's query on the conduct of audit and the preparation of the Auditors' Report. The Company Secretary attends all general meetings to ensure that procedures under the Constitution and the SGX-ST Listing Manual are followed.

COVID-19 Alternative Arrangements for 2020 and 2021 AGMs

In view of the COVID-19 situation, the immediate past adjourned AGM held on 10 June 2020 ("2020 AGM") was convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the 2020 AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the chairman of the meeting in advance of the 2020 AGM, addressing of substantial and relevant questions at, or prior to, the 2020 AGM and voting by appointing the chairman of the meeting as proxy at the 2020 AGM, were put in place for the 2020 AGM.

As the COVID-19 situation continues to remain uncertain, the forthcoming AGM to be held on 23 April 2021 will also be convened and held in substantially the same manner as the 2020 AGM.

Separate Resolutions at General Meetings

In compliance with the Code, the Company tables separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. In the event that there are resolutions which are interdependent and linked, the Board will explain the reasons and material implications in the notice of meeting.

Voting by Poll at General Meetings

At the general meetings, Shareholders are briefed on the poll voting procedures and the resolutions that they are voting on. For greater transparency and efficiency, the Company has implemented electronic poll voting since 2012, and will continue with electronic poll voting for the upcoming general meeting. Under this approach, each Shareholder votes on each of the resolutions by poll, instead of by hand, thereby enabling the Shareholders and proxies present at the AGM to vote on a one-share, one-vote basis. The Company engages an independent external party as scrutineer for the electronic poll voting. Prior to the commencement of the meeting, the scrutineer will review the proxies and the electronic poll voting system and will also review the proxy verification process to ensure that the proxy information is compiled correctly. The results of the voting for each resolution are validated by the scrutineer, and broadcast at the AGM and announced on SGXNET after the AGM.

Provision 11.4 of the Code provides that a company's constitution should allow for absentia voting at general meetings of shareholders. Presently, the Constitution does not permit Shareholders to vote at general meetings in absentia (such as via mail, email or fax), and the Company does not currently intend to amend its Constitution to provide for absentia voting, having taken into account the costs of implementation and the reliability of safeguards against error, frauds and other irregularities. Nevertheless, the Company is of the opinion that notwithstanding its deviation from Provision 11.4 of the Code, Shareholders are treated fairly and equitably and have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. For example, Shareholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

Minutes and Results of General Meetings

The Company Secretary prepares the minutes of the general meetings and includes all substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management. The minutes of the general meetings, when available, are published on the Company's corporate website. Results of the general meetings are also released as an announcement via SGXNET.

Dividend Policy

The Company adopts the policy of declaring dividends at the rate of approximately 20-50% of the profit after tax and minority interest and excluding fair value gains and other non-cash exceptional gains. Barring any unforeseen circumstances and provided that cash is not required for major investments in the future, the Company will continue to declare dividends at sustainable rates. Major investments may include potential mergers and acquisitions and the development of new assets and capabilities to expand the existing operations.

The payment of dividends is communicated to Shareholders in announcements released through SGXNET. The Board is recommending the declaration and payment of a first and final tax exempt (one-tier) dividend of 15.0 cents per ordinary share for FY2020 at the AGM on 23 April 2021.

Corporate Governance Report

For the Financial Year Ended 31 December 2020

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Group engages in regular, effective and fair communication with its Shareholders through the release of the Group's periodic and annual results, the timely release of material information through SGXNET and the publication of the Annual Report. Announcements of the Group's results are released and Annual Reports and Sustainability Reports are issued within the periods prescribed under the SGX-ST Listing Manual. The Company also makes timely disclosures to Shareholders via SGXNET in accordance with the SGX-ST listing requirements on any changes in the Company or the Group which would likely materially affect the price or value of the Company's shares. Where appropriate, the Company also discloses such information on the "Investors and Media" section of its website. In line with maintaining communication with Shareholders, as and when briefings on the Company's performance and financial results are conducted for analysts and the media, the Company will disclose the presentation materials on SGXNET. During the year, the Company engaged with its Shareholders and the investment community virtually through various platforms such as the AGM, earnings calls, post-results luncheons, conferences and one-on-one meetings.

Following amendments to Rule 705 of the SGX-ST Listing Manual which took effect from 7 February 2020, the Company announced on 28 February 2020 that it would cease to announce its financial statements on a quarterly basis and would announce its financial statements on a half-yearly basis, commencing from the financial results announcement for the half-year ending 30 June 2020. The Company will comply with its continuing disclosure obligations to keep Shareholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to the Company or the Group. In this regard, the Company had also provided voluntary business updates for the first and third quarters of 2020 on 18 May 2020 and 11 November 2020 respectively.

The Group's website (<http://www.uol.com.sg>) has a dedicated "Investors and Media" section that contains key information for Shareholders, investors and other stakeholders, including announcements, stock information and financial summary, financial results, annual reports, letters to shareholders, information on AGMs, shareholding statistics, upcoming events and analyst coverage. The website is updated regularly, and allows users to subscribe for email notifications of the Company's latest updates on the website. The website also provides contact details of the Corporate Communications and Investor Relations Department for Shareholders to be able to reach out to the Company.

The Group's investor relations policy sets out the mechanism through which Shareholders may contact the Company with questions, allowing for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Shareholders. The Group's investor relations policy is available on the above-mentioned "Investors and Media" section of the website. Further information on the Group's investor relations approach is set out in the "Investor Relations" section of the Annual Report.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company's approach towards its engagement with stakeholders, including arrangements to identify and engage with its material stakeholder groups and to manage its relationship with such groups, and its strategy and key areas of focus in relation to the management of stakeholder relationships, is set out under the "Commitment to Stakeholders" heading in the "Sustainability" section of the Annual Report. The Company's full sustainability report for FY2020 will be issued within five months from the end of FY2020 in compliance with the SGX-ST Listing Manual.

OTHER MATTERS

Dealings in Securities

Pursuant to Rule 1207(19) of the SGX-ST Listing Manual on Dealings in Securities, during FY2020, the Company issued circulars, memorandums, notifications and updates, on a regular basis and as-and-when required, to its Directors and employees to prohibit the dealing in listed securities of the Company in the following periods:

1. one month before the announcement of the Group's half-year and full-year financial results and ending on the date of announcement of the results; and
2. at any time when they are in possession of unpublished material price sensitive information.

During FY2020, the Company also issued announcements at least one month before announcing the Group's half-year and full-year financial results to provide notice of when such financial results will be released.

Directors and employees are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the prohibited periods. They are discouraged from dealing in the Company's securities on short-term considerations and are reminded of the laws on insider trading.

Interested Person Transactions and Material Contracts

The Company's interested person transactions policy sets out the review and approval process for interested person transactions. Interested person transactions are to be undertaken at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies. Interested person transactions are also reviewed by the ARC and recorded in the Company's interested person transactions register.

In compliance with the SGX-ST Listing Manual, the Company has disclosed information on interested person transactions and material contracts in the "Interested Person Transactions and Material Contracts" section of the Annual Report.

ATTENDANCE AT AGM, BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

NAME OF DIRECTOR	Number of meetings attended in 2020					
	AGM	BOARD	EXCO	ARC	RC	NC
Wee Cho Yaw	1	4	2	NA	1	2
Wee Ee Lim ¹	1	4	2	2	NA	NA
Liam Wee Sin	1	4	2	NA	NA	NA
Low Weng Keong	1	4	2	4	1	2
Tan Tiong Cheng ²	1	4	NA	4	NA	NA
Poon Hon Thang Samuel	-	4	NA	NA	NA	2
Wee Ee-chao	1	4	NA	NA	NA	NA
Sim Hwee Cher ³	1	4	NA	2	NA	NA
Lee Chin Yong Francis ⁴	1	4	1	NA	NA	NA
Wee Sin Tho ⁵	NA	-	NA	NA	1	NA
Number of meetings held in 2020	1	4	2	4	1	2

Notes:

NA Not Applicable

¹ Mr Wee Ee Lim ceased to be a Member of the ARC on 15 July 2020.

² Mr Tan Tiong Cheng was appointed as Chairman of the RC on 10 June 2020.

³ Mr Sim Hwee Cher was appointed as a Member of the ARC on 15 July 2020.

⁴ Mr Lee Chin Yong Francis was appointed as a Member of the EXCO on 28 October 2020.

⁵ Mr Wee Sin Tho ceased to be a Director upon his demise on 29 February 2020.

Corporate Governance Report

For the Financial Year Ended 31 December 2020

REMUNERATION REPORT

The following table shows a breakdown (in percentage terms) of the remuneration of and details of share options granted to Directors and key management personnel for FY2020:

REMUNERATION OF DIRECTORS

Name	Total remuneration \$'000	Salary %	Bonuses %	Directors' fees ¹ %	Share option grants ² %	Defined contribution plans %	Others %	Total remuneration %	Share options granted ³ number
WEE CHO YAW	154	–	–	100	–	–	–	100	–
WEE EE LIM	107	–	–	100	–	–	–	100	–
LIAM WEE SIN	2,175	32	55	3	3	–	7	100	100,000
LOW WENG KEONG	142	–	–	100	–	–	–	100	–
TAN TIONG CHENG	100	–	–	100	–	–	–	100	–
POON HON THANG SAMUEL	63	–	–	100	–	–	–	100	–
WEE EE-CHAO	50	–	–	100	–	–	–	100	–
SIM HWEE CHER	63	–	–	100	–	–	–	100	–
LEE CHIN YONG FRANCIS	58	–	–	100	–	–	–	100	–
WEE SIN THO ⁴	38	–	–	100	–	–	–	100	–

REMUNERATION OF KEY MANAGEMENT PERSONNEL⁵

Name	Salary %	Bonuses %	Directors' fees ¹ %	Share option grants ² %	Defined contribution plans %	Others %	Total remuneration %	Share options granted ³ number
CHOE PENG SUM <i>Chief Executive Officer (Hotels), PPHG</i>								
FOO THIAM FONG WELLINGTON ⁶ <i>Chief Financial Officer/Group Company Secretary, UOL</i>	73	12	1	5	2	7	100	149,000
GOH HWEE PENG JESLINE <i>Chief Investment and Asset Officer, UOL</i>								
NEO SOON HUP <i>Chief Operating Officer, PPHG</i>								

Notes:

¹ Directors' fees are subject to approval by the Shareholders at the relevant AGMs and include fees payable by subsidiaries.

² Fair value of share options is estimated using the Trinomial Tree model at date of grant.

³ Refers to options granted on 9 March 2020 under the UOL 2012 Share Option Scheme to subscribe for ordinary shares in the capital of the Company. The options may be exercised at any time during the option period from 9 March 2021 to 8 March 2030 at the offer price of \$7.32 per ordinary share.

⁴ Mr Wee Sin Tho ceased to be a Director upon his demise on 29 February 2020.

⁵ There was a salary reduction effective 1 April 2020 as announced in the 1st Quarter Business Update on 18 May 2020.

⁶ Mr Foo Thiam Fong Wellington retired on 31 December 2020.

Excluding the GCE, the Company had four key management personnel during FY2020. Total remuneration paid to the key management personnel (including the GCE) amounted to \$4,774,000 for FY2020.

Details of the UOL 2012 Share Option Scheme can be found under the “Directors’ Statement” section of the Annual Report.

Remuneration of employees who are immediate family members of a Director, the GCE or a substantial shareholder of the Company

The remuneration of employees who are immediate family members of a Director, the GCE or a substantial shareholder of the Company for FY2020 are as follows:

Remuneration band of \$300,000 to \$400,000

- Wee Wei Ling (Executive Director (Sustainability Partnerships, Lifestyle and Assets), PPHG, daughter of Wee Cho Yaw and sister of Wee Ee-chao, Wee Ee Lim and Wee Ee Cheong)

Except as disclosed above, there were no employees of the Company and its subsidiaries who are substantial shareholders of the Company, or are immediate family members of a Director, the GCE or a substantial shareholder of the Company, and whose remuneration exceeded \$100,000 for FY2020.

The above remuneration report excludes those relating to the key management personnel of the Company’s subsidiary, United Industrial Corporation Limited (“UIC”), as UIC is separately listed and the relevant information can be found in UIC’s annual report for FY2020.

Investor Relations

UOL is committed to building strong relationships with its stakeholders, which include shareholders, investors, media and regulators. The Group has an Investor Relations Policy on its corporate website (www.uol.com.sg) that articulates the principles and communication platforms used to engage shareholders and the investment community.

REGULAR ENGAGEMENT WITH STAKEHOLDERS

The Group engages its shareholders and the investment community regularly through the Annual General Meeting (AGM), earnings calls, post-results luncheons, conferences and one-on-one meetings. Due to the safe distancing measures implemented by the government, these engagements were conducted virtually during the year. The Group's Management met with over 100 institutional shareholders and investors through UOL's participation in several virtual investor conferences such as Macquarie ASEAN Virtual Conference and SGX-Credit Suisse Real Estate Virtual Corporate Day.

Following the amendments to Rule 705 of the SGX Listing Manual, the Group will report its financial results on a half-yearly basis. However, UOL remains committed to engaging with shareholders and the investment community and will provide quarterly business updates where appropriate. In 2020, the Group provided operational updates including the impact of the COVID-19 pandemic on the Group's business in the first quarter and the third quarter of the year.

OPEN COMMUNICATION PLATFORMS

The UOL corporate website is a key source of information for investors. Its "Investors and Media" section contains all disclosures submitted to the Singapore Exchange Securities Trading Limited through SGXNET. These include material announcements such as the Group's financial results, investor presentations, annual and sustainability reports and media releases. Investors can also view past Minutes of AGM and shareholding statistics in the section. Contact details to reach out directly to the Corporate Communications and Investor Relations department are found in the section and investors are able to sign up to receive email alerts on the corporate website.

UOL's quarterly newsletter Channel (www.uol.com.sg/about-uol/uol-channel/) provides updates on the Group's latest business activities. To better engage with readers, the newsletter was refreshed with a new design, and it included dedicated sections on the Group's sustainability efforts and social media activities.



STABLE RETURNS TO SHAREHOLDERS

Despite the economic downturn, UOL's share price closed the year at \$7.71, a decrease of 7% from \$8.32 in 2019. In comparison, benchmark indices such as FTSE ST Real Estate Holding & Development Index and Straits Times Index recorded a larger decrease of 19% and 12% respectively.

UOL's highest share price was recorded at \$8.51 on 2 January 2020 and the lowest share price at \$6.13 on 2 November 2020 (source: NASDAQ). Shareholders' funds decreased to \$9.79 billion, bringing net tangible asset per ordinary share to \$11.55, a 3% decrease from \$11.86 in 2019.

As at 31 December 2020, UOL's issued share capital comprised 843.9 million ordinary shares of the Company, where the majority of the Group's shareholders were Singapore-based, with the remaining from Europe, North America, Asia (excluding Singapore), and the rest of the world. The Group continued to remain a constituent of STI, as well as other indices such as iEdge SG ESG Indices, FTSE EPRA/NAREIT Developed Index, FTSE EPRA/NAREIT Developed Pure Asia Index and FTSE EPRA/NAREIT Singapore Index. UOL was ranked 64th out of a total of 577 SGX-listed companies in the annual Singapore Governance and Transparency Index (SGTI) for 2020. The Group also received an "A" rating under MSCI ESG Ratings for its ESG (environmental, social and governance) practices.

EVENTS CALENDAR 2020

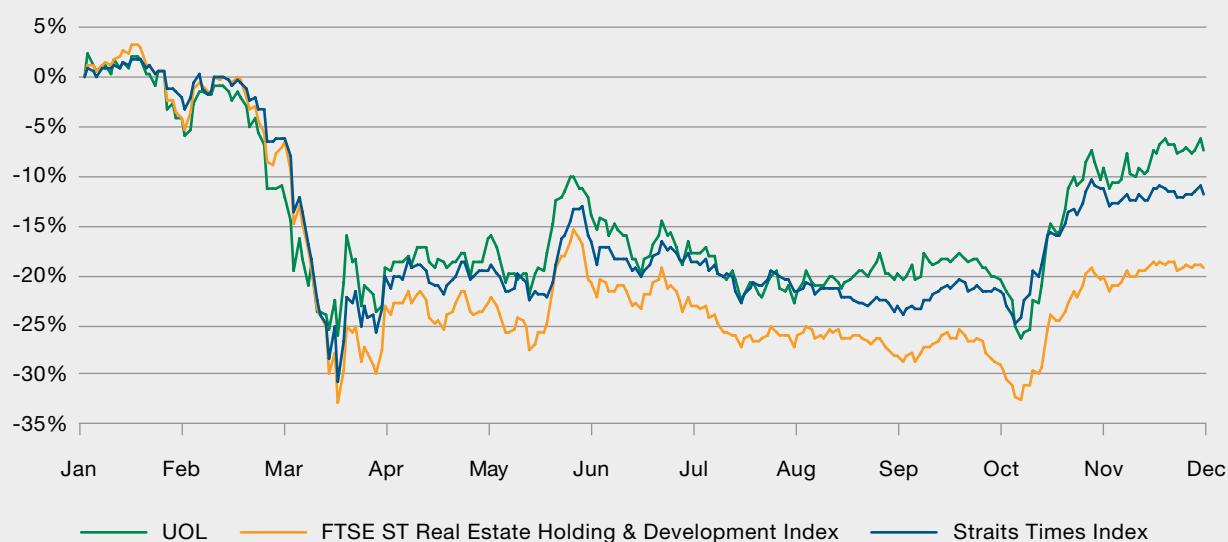
FY2019 earnings call	28 February 2020
1H2020 earnings call	13 August 2020
Post 1H2020 Results Virtual Conference hosted by UBS	17 August 2020
Macquarie ASEAN Virtual Conference	24 August 2020
SGX-Credit Suisse Real Estate Virtual Corporate Day	30 September 2020

FINANCIAL CALENDAR**For the financial year ended 31 December 2020**

Announcement of first quarter business update	18 May 2020
Announcement of first half results	13 August 2020
Announcement of third quarter business update	11 November 2020
Announcement of unaudited full year results	26 February 2021
AGM	23 April 2021
Record date	3 May 2021
First & final dividend payment date	14 May 2021

For the financial year ended 31 December 2019

Announcement of first quarter results	10 May 2019
Announcement of second quarter results	8 August 2019
Announcement of third quarter results	12 November 2019
Announcement of unaudited full year results	28 February 2020
Adjourned AGM	10 June 2020
Record date	18 June 2020
First & final dividend payment date	2 July 2020

2020 SHARE PRICE PERFORMANCE (BASED ON CLOSING)

Sustainability

BOARD STATEMENT

UOL is committed to its vision of creating value and shaping future by conducting its business operations in a manner that practises high standards of corporate governance, and considers the environmental and social impacts to sustain profitable growth. The principal responsibilities of the Board include reviewing UOL's strategic business plans, taking into account environmental, social and governance (ESG) issues which could impact the business. The Board oversees the management of UOL's material sustainability issues, as well as their targets and performance. The Board also approves the annual sustainability report.

COMMITMENT TO SUSTAINABILITY

UOL believes that sustainability is key to driving long-term growth and creating value for its stakeholders. The Group was one of the first companies in Singapore to report on its ESG practices voluntarily. Its annual sustainability report, which is available on its corporate website, covers UOL's core businesses of property development, property investments and hotel operations in Singapore, excluding those of listed UIC but including the common associated and joint venture companies of UOL Group and UIC.

UOL has been a constituent member of iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index since 2016, thus affirming its role as a leading organisation in ESG practices in Singapore. The Group also received an "A" rating under MSCI ESG Ratings.

The Group's sustainability efforts are driven by the Sustainability Steering Committee (SSC), which comprises the Group Chief Executive, Chief Executive Officer (PPHG) and members of the Management team. The SSC supports the Board and makes key decisions on UOL's sustainability strategy and reporting, including materiality assessment. The SSC is assisted by the Sustainability Working Committee, which comprises representatives across departments including Corporate Communications and Investor Relations, Finance, Human Resource, Legal & Secretariat, Marketing, Project Development, Property & Engineering and the Group's hotel subsidiary PPHG.

The governance structure of sustainability permeates functions and seniority, ensuring that sustainability is integrated both at the strategic and operational levels.

MATERIALITY

The Group has identified 12 key material issues that are pertinent to its businesses and significant to its stakeholders by reviewing its peers and the Global Reporting Initiative (GRI) framework, including the Construction and Real Estate Sector Supplement. In 2020, the Group included the material issue Market Presence for its property business.

UOL'S MATERIAL ISSUES

ISSUES	STAKEHOLDERS SIGNIFICANTLY IMPACTED
Economic Performance ●●	All
Compliance & Fair Competition ●●	All
Anti-corruption & Anti-bribery ●●	All
Data Protection ●●	Guests, Home Buyers, Shoppers
Product Quality ●●	All
Climate Change ●●	Business Partners, Regulators, Tenants
Water Consumption ●●	Tenants
Health & Safety ●●	All
Talent Attraction & Retention ●●	Employees, Business Partners, Guests, Tenants
Market Presence ●●	Employees, Business Partners, Guests, Tenants
Service Quality ●	Guests
Diversity & Equal Opportunities ●	Guests

● Property ● Hospitality

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Under the Sustainability Development Goals (SDGs) framework by the United Nations, there are 17 Goals in

total, which are designed to address a range of global challenges such as climate change and inequalities by 2030. Since 2017, UOL contributes to the global effort by aligning its sustainability efforts with nine SDGs most relevant to its business operations.

UOL'S COMMITMENT TO SDGS

SDGs	SIGNIFICANCE TO UOL
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>As a provider of living, working and leisure spaces, promoting good health and well-being of its workforce, customers and guests is the Group's primary responsibility. Across the Group's business, there is a strong focus on occupational health and safety.</p>
 <p>5 GENDER EQUALITY</p>	<p>Gender diversity is important in attracting and retaining talent. The Group also recognises its shared responsibility in fostering a more productive and equal society.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>People are the Group's leading asset. Developing employees' capabilities ensures that it maintains competitive advantage.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>The Group is dedicated towards incorporating innovative design and quality excellence in the buildings it develops. It also promotes sustainable practices across its businesses.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>The Group actively considers sustainable design in its developments, investment properties and hotels. It explores ways to preserve the environment's inherent character and cultural heritage wherever it operates.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>The Group engages key stakeholders on sustainable consumption and production to positively impact the value chains in its property investments, property development and hospitality business.</p>
 <p>13 CLIMATE ACTION</p>	<p>The Group is committed to combating climate change and its impact by regulating its greenhouse gas (GHG) emissions through the reduction of energy usage.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>The Group has zero tolerance towards fraud and corruption. It is committed to conducting business with integrity and in compliance with all applicable laws.</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>The Group actively seeks to form long lasting and strong partnerships, built on respect, trust and mutual benefit, with its stakeholders. Partnerships are necessary to achieve the SDGs and are relevant to all its material issues.</p>

Sustainability

COMMITMENT TO STAKEHOLDERS

UOL's sustainability strategy is built upon its commitment to its key stakeholders. It seeks to engage its key stakeholders regularly to understand their views and expectations that will help define the business strategy

for sustainable growth. Stakeholders are engaged through a variety of channels, including dialogues, written communications and social media platforms. They are also kept updated on the Group's sustainability initiatives through the annual sustainability reports, quarterly newsletters and corporate website.

UOL'S COMMITMENT TO STAKEHOLDERS

KEY STAKEHOLDERS	COMMITMENT
Business Partners	To provide fair and competitive policies and practices in day-to-day dealings and, over time, cultivate beneficial long-term relationships
Communities	To support and contribute to the well-being of communities where the company operates
Employees	To motivate and develop employees to their full potential in a safe work environment
Guests/Shoppers	To provide a safe and positive environment where quality services and products are offered, thereby creating a memorable experience
Home Buyers	To deliver quality and innovative products that meet the aspirations of home owners and investors
Investors	To generate long-term value and sustainable returns on investments
Regulators	To adhere to and comply with existing laws and legislation
Tenants	To offer prompt and continuous support to tenants' day-to-day business dealings and, over time, cultivate beneficial long-term relationships

HUMAN CAPITAL

In 2020, the Group had close to 2,000 employees in Singapore, with about 85% employed in its hotel subsidiary PPHG.

People are the Group's leading asset. The associated culture of competitiveness, commitment, competency, creativity, collaboration and caring, defines the way the company operates. The culture is key to the Group's success in continuing to attract, develop and retain talent, as well as to meet the business challenges caused by the pandemic.

Caring for People

During the year, the safety of the employees remained top priority. Work-from-home arrangement and other statutory requirements were implemented smoothly with the support and co-operation of all employees. To keep its employees motivated and let them have a common understanding of the Group's direction to drive collaboration, townhall meetings and regular employee

engagement sessions were organised virtually. UOL also implemented the Employee Assistance Programme and other initiatives to take care of the health and mental well-being of its employees, including telemedicine, annual health screening and online physical fitness programmes.

Attracting Talent

Despite the uncertainty during the year, UOL continued to be active in the selective recruitment of high-calibre individuals to bolster professional and managerial ranks. It also participated in industry-wide market surveys to ensure that its compensation and benefits remain competitive. UOL maintained ties with local education institutions to provide internship opportunities to students, who could see UOL as a potential employer of choice after they graduate.

Developing People

UOL continued to grow and develop its people through virtual workshops and seminars. In view of the challenges brought on by COVID-19, a Resilience and Agility



workshop was organised for its employees. Digital literacy training opportunities were facilitated to build resilience and keep the skillsets of its employees relevant and updated. Training was also provided to refresh core managerial skills and strengthen core competencies of the Group's leaders.

During the year, PPHG launched U@PPHG, an e-learning academy in partnership with e-Hotelier, a leading digital learning provider in the hospitality industry, to offer academic courses and professional certifications for its employees across a range of functions. In February 2020, Deputy Prime Minister Heng Swee Keat visited PARKROYAL on Kitchener Road, which benefitted from the government's job support schemes to reskill and upskill their employees, and the hotel had completed its digital transformation to enhance the quality of operations. In 2020, PPHG remained committed to developing its employees through government initiatives such as the Enhanced Training Support Package and Place-and-Train Programme for Hotel Industry.

Inclusive Hiring

The Group is committed to fostering a fair and inclusive work environment, especially for its diverse workforce within the hospitality group. It advocates gender diversity with men and women making up about 53% and 47% respectively of its total workforce.

PPHG is a pioneer of inclusive hiring in Singapore's hospitality sector. It hires about 30 persons with disabilities (PWDs) in its Singapore properties, and collaborates with SG Enable to offer PWDs on-site training opportunities. As PPHG moves towards expanding its talent pool

of PWDs and formulating a career retention strategy for them, some PPHG employees were selected to undertake certification programme with SG Enable to take on coaching responsibilities. In 2020, PPHG further demonstrated its commitment to inclusive hiring through the President's Challenge Enabling Employment Pledge launched by President Halimah Yacob. In conjunction with President's Challenge 2020, PPHG launched its central kitchen programme where PWDs are employed to supply food items to restaurants under the hospitality group.

PRODUCT AND SERVICE QUALITY

During the year, the Group focused on innovation and digitalisation capabilities to continue engaging its customers, while safe distancing measures were in place. Digital marketing strategies were rolled out across the Group's core businesses. As a result, a number of online activities were held for its customers, including virtual showflats, experiential events such as wedding fairs and cooking classes by the hotels, as well as food ordering platforms by the malls and hotels.

For the service-oriented hospitality industry, PPHG employees underwent service standards and behaviour reinforcement sessions during the year as part of their Service Culture training.

The multiple awards and accolades clinched by the Group in 2020 served as a testament to its pursuit of product and service excellence. UOL was recognised as a top developer for the second year running at the EdgeProp Singapore Excellence Awards 2020. Its

Sustainability

projects such as Clavon, Avenue South Residence and MEYER HOUSE also won a number of design and architectural awards at the prestigious International Property Awards (Asia Pacific) and PropertyGuru Asia Property Awards Grand Final.

On the hospitality front, PPHG won several awards at the World Travel Awards 2020 as the Leading Lifestyle Hotel Brand respectively in Asia and China, while Pan Pacific Singapore was Singapore's Leading Business Hotel.

ENVIRONMENT

The Group recognises its environmental responsibility. In response to climate change concerns, there are environmental policies, management systems and targets developed for its property and hospitality businesses. Its property business is also ISO 14001 certified for its environmental management system. During the year, the Group implemented a sustainability data management system to help streamline the data collection process, and improve data owners' accountability and reporting efficiency.

Green Buildings

The Group strives to integrate greenery and sustainable features into its developments where possible, for the benefit of the environment and users. During the year, a new PARKROYAL COLLECTION brand was introduced, where the hotels are characterised by eco-friendly practices and a focus on well-being. PARKROYAL COLLECTION Pickering comes under the new brand, and it continued to be recognised internationally as a leading green hotel with prestigious awards won in 2020.

In the same year, the Group secured its first green loan to redevelop Pan Pacific Orchard into a green hotel, which will also be the first zero-waste hotel in Singapore. In addition, the hotel was conferred the Green Mark Platinum Award by BCA.

UOL's existing commercial and hospitality properties continued to improve operational efficiency through maintenance and fit-out. United Square is in the process of receiving Green Mark Gold^{Plus} certification in 2021. The effort to make its buildings more environmentally friendly aligns with the Singapore government's masterplan to achieve at least 80% of all buildings in Singapore to be Green Mark certified by 2030.

As a Group, UOL was recognised as BCA Green Mark Champion 2020 for its commitment towards environmental sustainability. It was given to developers who achieved a substantial number of Green Mark buildings at Gold level or higher.

Other Efforts in Reducing Environmental Impact

As another step towards addressing global climate change concerns, in 2020, the Group set a new target for its commercial properties to achieve 25% reduction in carbon emissions intensity by 2030 (base year: 2010), while the hospitality business set a new target to achieve 30% reduction in carbon emissions intensity by 2030 (base year: 2013). Environmental targets including energy and water intensity reductions for 2021 were also set to guide both commercial and hospitality properties towards achieving their long-term targets. The sustainability performance of the properties will be reported in UOL Sustainability Report 2020 in May 2021. Since 2019, PPHG had eliminated all single-use plastic straws and plastic bottled water across its properties. During the year, PPHG further pledged its support to reduce plastics through the World Wildlife Fund's Plastic ACTION initiative. PPHG aimed to eliminate all single-use plastics in 2021.

HEALTH AND SAFETY

UOL strives to provide a healthy and safe environment for its employees, customers, tenants, suppliers and contractors. In all its properties, it maintains high standards of hygiene and cleanliness. All incidents on the Group's premises are reported to the property or hotel management, and the priority is to investigate these incidents and come up with remedial actions.

UOL requires all its main contractors engaged for its development projects to be OHSAS 18001 or ISO 45001 certified, or equivalent, to ensure that they have an



United Square is undergoing retrofitting works to be Green Mark Gold^{Plus} certified.

accredited health and safety management system. The main contractors working on UOL's projects - MEYER HOUSE and Amber45 - received recognition at the RoSPA Health & Safety Awards 2020 and Workplace Safety and Health Awards 2020 for their good safety and health performance at the sites.

COMMUNITY

During the year, the Group supported the immediate needs of communities affected by the pandemic and stepped up on its efforts in helping the underprivileged.

Education is a key focus area for UOL's corporate social responsibility efforts. In 2020, UOL provided financial assistance to needy students through bursaries and monetary donations to cover programme fees, transport and meals. The beneficiaries included Care Corner Student Care Centre, Institute of Technical Education and Ngee Ann Polytechnic. UOL also continued its partnership with the Singapore University of Technology and Design (SUTD) to support local students from the Architecture and Sustainable Design degree programme under the UOL Group - SUTD Scholarship.

As part of the Project Makan initiative, UOL and PPHG provided 20,000 meals to low-income families with children, when their access to free or subsidised meals in schools were disrupted during Singapore's extended Circuit Breaker in May 2020.

The Group also paid tribute to the healthcare workers who worked tirelessly against the pandemic. Frontliners who worked in Novena received shopping and dining vouchers redeemable at United Square and Velocity@ Novena Square. In partnership with the Ministry of Culture, Community and Youth, PPHG provided lunches to 500 healthcare workers in Alexandra Hospital, Ng Teng Fong General Hospital and KK Women's and Children's Hospital over a two-week period. PPHG also launched HERO, or Healthcare Employees Recognition & Ovation, to provide 25,000 complimentary stays at the Group's five hotels in Singapore to healthcare workers from three national healthcare groups.

During the December festive season, UOL specially packed goodie bags containing essential items for 140 residents from AWWA Senior Community Home to bring them some Christmas cheer. UOL Malls also partnered Extra•Ordinary People, a charity which supports children and youth with special needs, for shoppers to redeem exclusive premiums of art pieces created by the trainees from the Cerebral Palsy Alliance Singapore. In addition,

UOL gave the trainees some royalty fees to support their journey ahead.

For the Group's ongoing community efforts, UOL and PPHG were each named as Champion of Good, a national recognition by the National Volunteer & Philanthropy Centre (NVPC). The Group also pledged its support to NVPC's SG Cares Giving Week, which encouraged individual's donation to charities. UOL shared its giving stories and helped raise the campaign's awareness on its malls' social media platforms, while PPHG volunteers delivered a desk bell performance with some beneficiaries at the campaign's virtual closing ceremony.

In 2020, the Group was conferred the Patron of the Arts award by NAC, mainly for supporting disadvantaged arts groups and special needs communities in the local arts scene. During the year, UOL continued its support to Very Special Arts Singapore, which empowers people with disabilities through arts, with a donation to help defray its operating costs.

The National Heritage Board also recognised UOL as a Friend in 2020 at its Patron of Heritage Awards for partnering with the Asian Civilisations Museum (ACM) for three years to organise family-friendly programmes held at ACM and UOL premises.

In recognition of its effort towards building an inclusive society, PPHG was conferred the Volunteer Partner Award at the National Council of Social Service's annual Community Chest Awards. Its signature Eat Well With Us programme, which aims to harness the culinary expertise of its senior chefs to impart recipes and cooking techniques to charity homes, received the recognition. PPHG also participated in Community Chest's Fú Dài 2020, where volunteers packed and delivered festive bags to vulnerable seniors and families.



UOL Chief Financial Officer Kwa Bing Seng (second from left) and several UOL volunteers delivered Christmas goodie bags to AWWA Senior Community Home.

Geographical Presence



REGIONAL

MIXED DEVELOPMENTS

CHINA

The Esplanade (海河华鼎), Tianjin¹
Park Eleven (沁和园), Shanghai²

UNITED KINGDOM

One Bishopsgate Plaza, London³
110 High Holborn, London⁴
120 Holborn Island, London⁵

OFFICE

AUSTRALIA

72 Christie Street, Sydney

HOTELS/SERVICED SUITES

AUSTRALIA

Pan Pacific Perth
Pan Pacific Melbourne
PARKROYAL Darling Harbour
PARKROYAL Melbourne Airport
PARKROYAL Parramatta
PARKROYAL Monash Melbourne⁶

MALAYSIA

Pan Pacific Serviced Suites
Kuala Lumpur¹⁹
PARKROYAL COLLECTION
Kuala Lumpur⁶
PARKROYAL Serviced Suites
Kuala Lumpur

SINGAPORE

RESIDENTIAL

- Amber45
- The Tre Ver⁹
- V on Shenton¹²
- Mon Jervois¹²
- Avenue South Residence¹³
- MEYER HOUSE¹²
- Clavon¹⁴
- Canberra Drive site¹³

RETAIL MALLS

- United Square
- Velocity@Novena Square¹⁵
- KINEX
- West Mall¹²
- Marina Square shopping mall¹⁶

PARKROYAL Penang Resort
Pan Pacific Serviced Suites
Puteri Harbour¹⁹
PARKROYAL A'Famosa
Melaka Resort¹⁹
PARKROYAL Langkawi Resort¹⁹

CHINA

Pan Pacific Tianjin
Pan Pacific Xiamen
Pan Pacific Suzhou
Pan Pacific Beijing
Pan Pacific Ningbo
Pan Pacific Serviced Suites Ningbo
The Westin Tianjin⁷
Tianjin Yanyuan International Grand
Hotel⁸
PARKROYAL Dalian¹⁹
VIETNAM
Pan Pacific Hanoi⁹
PARKROYAL Saigon
PARKROYAL Serviced Suites Hanoi⁶
Sofitel Saigon Plaza⁷

MYANMAR

PARKROYAL Yangon
Pan Pacific Yangon¹⁰
PARKROYAL Nay Pyi Taw

UNITED KINGDOM

Pan Pacific London⁶

INDONESIA

Pan Pacific Serviced Suites Jakarta¹¹
Pan Pacific Jakarta¹¹
PARKROYAL Serviced Suites Jakarta¹¹
PARKROYAL Jakarta²⁰
PARKROYAL Rainbow Hills Bogor
Resort¹⁹

THAILAND

PARKROYAL Suites Bangkok⁶

BANGLADESH

Pan Pacific Sonargaon Dhaka

CAMBODIA

Pan Pacific Phnom Penh¹¹
PARKROYAL Siem Reap¹¹

JAPAN

Pan Pacific Partner Hotel - Cerulean
Tower Tokyo Hotel

NORTH AMERICA

Pan Pacific Seattle
Pan Pacific Toronto
Pan Pacific Vancouver
Pan Pacific Whistler Mountainside
Pan Pacific Whistler Village Centre

OFFICES

- United Square
- Novena Square¹⁵
- Odeon Towers
- Faber House²¹
- One Upper Pickering
- UIC Building¹²
- Stamford Court¹²
- Clifford Centre¹²
- The Gateway¹²
- Singapore Land Tower¹²
- SGX Centre 2¹²
- Tampines Plaza 1 and
Tampines Plaza 2¹²
- 333 North Bridge Road

HOTELS/SERVICED SUITES

- Pan Pacific Orchard¹⁹
- Pan Pacific Singapore¹⁶
- Pan Pacific Serviced Suites
Beach Road
- Pan Pacific Serviced Suites
Orchard
- PARKROYAL on Beach Road
- PARKROYAL on Kitchener
Road
- PARKROYAL Serviced Suites,
Singapore
- PARKROYAL COLLECTION
Marina Bay¹⁷
- PARKROYAL COLLECTION
Pickering
- Mandarin Oriental¹⁸

LEGEND

■ Owned by the Group | ■ Partially owned by the Group | ■ Managed hotels | ■ Marketing Partnership

- Comprises residential units, offices, retail space and Pan Pacific Tianjin.
- 55% stake, comprises Park Eleven and Park Eleven Mall.
- Comprises residential units, commercial space and Pan Pacific London.
- Comprises offices and retail space.
- 75% stake, comprises offices and retail space.
- Opening in 2021.
- 26% stake.
- 18% stake.
- 75% stake.
- 40% stake.
- Opening in 2023.
- 50% stake.
- 65% stake.
- 90% stake.
- 70% stake.
- 62% stake.
- 71% stake.
- 31% stake.
- Opening in 2022.
- Opening in 2024.
- To be redeveloped into a 250-key hotel. Construction expected to start in 1H2022.

Property Summary

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor* Gross Floor Area (sqm)	Car Park Facilities	2020 Committed Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP								
FABER HOUSE								
230 Orchard Road, Singapore 12-storey office building (excluding first storey which was sold)	1973	–	Freehold	3,956	48	93	105.0	100
ODEON TOWERS								
331 North Bridge Road, Singapore 23-storey commercial building with 3 basement levels and a 2-storey podium block	1992 & 2003	–	999-year lease from 1827	18,355	167	99	480.0	100
333 NORTH BRIDGE ROAD								
333 North Bridge Road, Singapore a 9-storey commercial building with basement	–	2019	999-year lease from 1827	2,998	6	34	81.0	100
UNITED SQUARE								
101 Thomson Road, Singapore Retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 car park decks	1982 & 2002	1987	Freehold	19,608	658	98	1,094.0	100
Shops	1982 & 2002	1987	Freehold	19,608	658	98	1,094.0	100
Offices	1982			26,857		90		
NOVENA SQUARE								
238/A/B Thomson Road, Singapore A commercial building above the Novena MRT station, comprising 2 blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated car parks (excluding #01-38 which was sold)	2000 & 2006	–	99-year lease from 1997	15,855	491	97	1,401.0	70
Shops	2000 & 2006	–	99-year lease from 1997	15,855	491	97	1,401.0	70
Offices	2000			41,627		99		
KINEX								
11 Tanjong Katong Road, Singapore 3-storey commercial podium with a basement located within a commercial/residential development	2014	2011	Freehold	18,784	278	91	371.0	100
STAMFORD COURT								
61 Stamford Road, Singapore A 4-storey commercial building of shops and offices	1996	–	99-year lease from 1994	5,990 #	36	94	96.0	50

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor* Gross Floor* Area (sqm)	Car Park Facilities	2020 Committed Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP (continued)								
WEST MALL								
1 Bukit Batok Central Link, Singapore A 5-storey retail and entertainment complex with three basements of car park	1998	–	99-year lease from 1995	17,042 #	314	100	382.0	50
SINGAPORE LAND TOWER								
50 Raffles Place, Singapore A 47-storey complex of banks and offices and three basements of car park	1982	–	999-year lease from 1826	57,500 #	288	93	1,612.0	50
SGX CENTRE 2								
4 Shenton Way, Singapore A 29-storey office building with two basements of car park	2001	–	99-year lease from 1995	25,800 # (inclusive of 3,336 sqm in SGX Centre 1)	136	98	534.0 (UIC Group's interest in SGX Centre 1 & 2)	50
CLIFFORD CENTRE								
24 Raffles Place, Singapore A 29-storey complex of shops and offices	1977	–	999-year lease from 1826	25,470 #	268	94	570.0	50
THE GATEWAY								
152 Beach Rd, Singapore A pair of 37-storey towers with two basements of car park	1990	–	99-year lease from 1982	69,803 #	689	93	1,144.0	50
TAMPINES PLAZA 1 (FORMERLY KNOWN AS ABACUS PLAZA) TAMPINES PLAZA 2 (FORMERLY KNOWN AS TAMPINES PLAZA)								
3 Tampines Central 1 and 5 Tampines Central 1, Singapore A pair of 8-storey office buildings with two basements of car park								
Tampines Plaza 1	1998	–	99-year lease from 1996	8,397 #	87	68	99.0	
Tampines Plaza 2				8,397 #	79	100	99.0	50
MARINA SQUARE SHOPPING MALL								
6 Raffles Boulevard, Singapore The 5-storey retail mall (including basement) is part of a mixed development that includes 3 hotels	1986	–	99-year lease from 1980	74,301 #	1,990 (shared with 3 hotels)	94	1,033.0	62
UIC BUILDING								
5 Shenton Way, Singapore Part of a mixed development (residential and commercial) with the residential component, V on Shenton	2017	–	99-year lease from 2011	26,373 #	591 (for the whole development)	98	677.0	50

Property Summary

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)	Car Park Facilities	2020 Committed Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP (continued)								
THE PLAZA								
7500 Beach Road, Singapore Retained interests in a 32-storey tower block comprising restaurants, function rooms, shops, offices and serviced suites, and a 15-storey Pan Pacific Serviced Suites Beach Road above the existing car park block								
Shops & Offices	1974 & 1979	–		4,311		97	69.8	100
PARKROYAL SERVICED SUITES, SINGAPORE								
90 serviced suites and 1 owner-occupied apartment								
	1979	–	99-year lease from 1968	6,125 & 165 respectively	449	68	73.0	100
PAN PACIFIC SERVICED SUITES BEACH ROAD, SINGAPORE								
180 serviced suites								
	2013	–		8,260		60	126.0	100
ONE UPPER PICKERING								
1 Upper Pickering Street, Singapore 15-storey office building with a roof terrace within a hotel and office development								
	2012	–	99-year lease from 2008	8,089	51	100	214.0	100
THE ESPLANADE (海河华鼎)								
No. 1, Zhang Zi Zhong Road, Hong Qiao District, Tianjin, The People's Republic of China 3-storey retail mall and an office component with basement car parks within a commercial/residential development								
	2014	2007	40-year lease from 2007	15,526	513	50	56.7	100
110 HIGH HOLBORN								
Midtown, London, WC1V 6JS, United Kingdom A retail-cum-office building comprising basement and 1 st storey retail space and a 9-storey office block with basement car park								
Shops & Offices	–	2016	Part freehold and part 999-leasehold from 1999	10,722	10	93	181.6	100

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)	Car Park Facilities	2020 Committed Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP (continued)								
120 HOLBORN ISLAND								
Midtown, London, EC1N 2TD, United Kingdom Comprises 120 Holborn, an office building with retail units, a gym and club/restaurant on part basement, ground floor and mezzanine level with nine upper floors of office, and 100 Hatton Garden, which has retail units and two floors of offices								
Shops & Offices	–	2016	Freehold	32,143	34	92	448.3	75
72 CHRISTIE STREET								
72 Christie Street, St Leonards Sydney, New South Wales 2065, Australia 8-storey office building with 4 floors of basement car park								
	–	2018	Freehold	11,259	222	100	161.8	100
PARK ELEVEN (沁和园)								
No. 382, Danba Road, Putuo District, Shanghai The People's Republic of China 3 storey retail podium with basement car park								
	2018	2011	70-year lease from 2011	3,837	77	81	52.2	55
PAN PACIFIC SERVICED SUITES ORCHARD, SINGAPORE								
96 Somerset Road, Singapore 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement car park								
	2008 (redeveloped)	1979	Freehold	8,821	40	51	150.0	100
PARKROYAL SERVICED SUITES KUALA LUMPUR								
No. 1 Jalan Nagasari, Off Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia 31-storey serviced suite with 287 units and a car park								
	2010	2005	Freehold	19,005	290	27	64.6	100

Property Summary

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor* Gross Floor Area (sqm)	Car Park Facilities	2020 Average Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
HOTELS OWNED AND MANAGED BY THE GROUP								
PARKROYAL ON BEACH ROAD								
7500C Beach Road, Singapore 7-storey hotel building with 346 rooms	1971 & 1979	–	99-year lease from 1968	22,047 *	28	79	217.0	100
PARKROYAL ON KITCHENER ROAD								
181 Kitchener Road, Singapore Comprising a 5-storey podium with a basement and a 16-storey Y-shaped tower with 542 rooms	1976 & 1981	1989	Freehold	37,800 *	263	75	400.0	100
PARKROYAL COLLECTION PICKERING								
3 Upper Pickering Street, Singapore 16-storey hotel building with 367 rooms	2012	–	99-year lease from 2008	21,175 *	53	72	465.0	100
PAN PACIFIC SINGAPORE								
7 Raffles Boulevard, Singapore 790 rooms in a 38-storey hotel building with a basement level	1986	–	99-year lease from 1980	83,384 *	–	83	845.0	62
PARKROYAL COLLECTION MARINA BAY								
6 Raffles Boulevard, Singapore 583 rooms in a 22-storey hotel building with a basement level	1986	–	99-year lease from 1980	56,801 *	–	11	710.0	71
PAN PACIFIC XIAMEN								
19 Hubin Bei Road, Xiamen The People's Republic of China Comprising two towers of 19-storey and 29-storey with 329 hotel rooms and 25 serviced apartments, including a two-storey basement car park	2005 (redeveloped)	2001	70-year lease from 1991	39,004 *	76	46	42.9	100
PAN PACIFIC TIANJIN								
No.1 Zhang Zi Zhong Road, Hong Qiao District, Tianjin, The People's Republic of China Hotel with 289 rooms and 30 serviced apartments	2014	2007	40-year lease from 2007	40,132 *	176	44	79.2	100
PARKROYAL SAIGON								
309B-311 Nguyen Van Trois Street, Tan Binh District, Ho Chi Minh City, Vietnam Comprising 186 rooms in a 10-storey hotel building with a 9-storey extension wing and a 6-storey annex office building	1997	–	49-year lease from 1994	12,165 *	25	28	21.2	100

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)	Car Park Facilities	2020 Average Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
HOTELS OWNED AND MANAGED BY THE GROUP (continued)								
PARKROYAL YANGON 33 Alan Pya Phaya Road, Dagon Township, Yangon, Myanmar 8-storey V-shaped tower with 319 hotel rooms and 23 serviced suites	1997	2001	50-year lease from 1998 (with an option to extend for 2 consecutive terms of 10 years each with the approval of Myanmar Investment Commission)	17,700 *	140	23	29.2	100
PARKROYAL COLLECTION KUALA LUMPUR AND PAN PACIFIC SERVICED SUITES KUALA LUMPUR (FORMERLY KNOWN AS PARKROYAL KUALA LUMPUR AND PRESIDENT HOUSE) Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia								
Hotel with proposed 535-rooms to be operated as PARKROYAL COLLECTION Kuala Lumpur			Freehold	56,707 *	104	30	58.4	
24-storey 210 serviced suites under development to be operated as Pan Pacific Serviced Suites Kuala Lumpur	1974 & 2008	1999	Leasehold, expiring in 2080	18,901 *	–	–	33.8	100
PARKROYAL PENANG RESORT Batu Ferringhi Beach, 11100 Penang, Malaysia 310-room 8-storey beachfront resort hotel	1990	1999	Freehold	31,502 *	149	33	61.3	100
PARKROYAL DARLING HARBOUR, SYDNEY 150 Day Street, Sydney, Australia 13-level hotel with 340 rooms	1991	1993	Freehold	24,126 *	58	62	157.8	100
PARKROYAL MELBOURNE AIRPORT Arrival Drive, Melbourne Airport, Tullamarine, Victoria, Australia 6-level hotel with 276 rooms	2001	2011	Leasehold, expiring in 2047 (with an option to extend for a further 49 years subject to renewal of head lease	20,584 *	–	88	110.2	100
PAN PACIFIC MELBOURNE 2 Convention Centre Place, South Wharf, Victoria, Australia 20-level hotel with 396 rooms	2009	2017	99-year lease from 2009	30,668 *	–	75	224.5	100

Property Summary

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)	Car Park Facilities	2020 Average Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
HOTELS OWNED AND MANAGED BY THE GROUP (continued)								
PARKROYAL PARRAMATTA 30 Phillip Street, Parramatta, New South Wales, Australia A 286-room hotel in a 15-level hotel building with a 8-storey extension wing	1986 & 2016	1994	Freehold	19,798 *	150	22	78.9	100
PAN PACIFIC PERTH 207 Adelaide Terrace Perth, Australia Comprising 486 rooms in a 23-storey hotel tower and a 4-level extension wing	1973	1995	Freehold	31,513 *	220	49	92.0	100
PAN PACIFIC HANOI 1 Thanh Nien Road, Ba Dinh District, Hanoi, Vietnam 10000 20-storey hotel with 270 rooms and 54 serviced apartments	1998	2001	48-year lease from 1993	39,250 *	45	26	71.7	75
HOTELS OWNED BY THE GROUP AND MANAGED BY THIRD PARTIES								
THE WESTIN TIANJIN 101 Nanjing Road, Heping District, Tianjin The People's Republic of China 275 rooms located in B3 to 20 th floor of a 41-storey building	2010	-	50-year lease from 2005	39,495 *	-	46	161.1	26
OTHER PROPERTIES OWNED BY THE GROUP								
EUNOS WAREHOUSE COMPLEX 1 Kaki Bukit Road 2, Singapore Retained interests in 3 units of a 4-storey flatted warehouse	1983	-	60-year lease from 1982	1,295	-	-	2.8	100
THE PLAZA 7500A Beach Road, Singapore Owner-occupied corporate office and lobby	1979	-	99-year lease from 1968	1,824	-	-	22.4	100
CHINATOWN POINT 133 New Bridge Road, Singapore Owner-occupied back office for PARKROYAL COLLECTION Pickering	1980	2008	99-year lease from 1980	223	-	-	4.5	100

	Purchased	Tenure of Land	Approximate Gross Floor Area (sqm)	Stage of Completion as at 31.12.2020 %	Expected Completion	Effective Percentage of Interest %	
PROPERTIES UNDER CONSTRUCTION							
ONE BISHOPSGATE PLAZA							
London, EC2M 4HX, United Kingdom							
Hotel with proposed 237 rooms							
Proposed 160 units of residential apartments							
Commercial component							
	2014	Freehold	29,071	86	2 nd Half 2021	100	
			20,745				
			3,586				
PAN PACIFIC ORCHARD							
10 Claymore Road, Singapore							
New 23-storey hotel with proposed 347 rooms							
	2006	Freehold	19,625	27	1 st Half 2022	100	
PARKROYAL SERVICED SUITES JAKARTA							
Situated within Tower 2 of Thamrin Nine, an integrated development located on Jalan MH Thamrin, Jakarta Pusat, Indonesia							
Serviced suites with proposed 180 rooms							
	2018	30-year lease from 2014	16,667	–	2 nd Half 2023	100	
PAN PACIFIC JAKARTA							
Situated within Tower 2 of Thamrin Nine, an integrated development located on Jalan MH Thamrin Jakarta Pusat, Indonesia							
Hotel with proposed 158 rooms							
	2020	30-year lease from 2014	12,577	–	2 nd Half 2023	100	
Type of Development	Tenure of Land	Approximate Gross Floor Area (sqm)	Site Area (sqm)	Sales Status as at 31.12.2020 %	Stage of Completion as at 31.12.2020 %	Expected Completion	Effective Percentage of Interest %
PROPERTIES FOR SALE UNDER DEVELOPMENT							
THE TRE VER							
Potong Pasir Avenue 1							
729 units of condominium apartments							
Residential	99-year leasehold commencing 27.3.2018	52,391	18,711	96	33	1 st Half 2022	75
AVENUE SOUTH RESIDENCE							
Silat Avenue							
1,074 units of condominium apartments							
Residential	99-year leasehold commencing 14.8.2018	92,876	22,852	52	38	2 nd Half 2022	65
CLAVON							
Clementi Avenue 1							
640 units of condominium apartments							
Residential	99-year leasehold commencing 7.10.2019	57,900	16,543	2	4	2 nd Half 2023	90
SITE AT CANBERRA DRIVE							
Canberra Drive							
448 units of condominium apartments							
Residential	99-year leasehold commencing 8.6.2020	41,489	27,566	–	–	1 st Half 2024	65

Simplified Group Financial Position

TOTAL ASSETS OWNED



	2020 \$m	2019 \$m	2020 %	2019 %
Property, plant and equipment	2,912	2,870	14	14
Investment properties	11,343	11,594	56	56
Financial assets, at fair value through other comprehensive income	1,014	1,190	5	6
Associated and joint venture companies	377	384	1	2
Development properties	3,158	3,305	16	16
Other assets and cash	1,569	1,311	8	6
	20,373	20,654	100	100

TOTAL LIABILITIES OWED AND CAPITAL INVESTED



	2020 \$m	2019 \$m	2020 %	2019 %
Shareholders' funds	9,788	10,047	48	48
Non-controlling interests	4,313	4,287	21	21
Borrowings	5,126	4,952	25	24
Trade and other payables	708	886	4	4
Deferred income tax liabilities	259	332	1	2
Other liabilities	179	150	1	1
	20,373	20,654	100	100

Five-Year Financial Summary

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Group Revenue					
Property development	943,101	847,057	989,344	1,166,729	733,934
Hotel operations	246,499	653,703	678,655	526,221	429,613
Property investments	503,334	551,734	541,012	338,284	225,038
Investments	49,036	55,240	48,213	29,768	30,181
Technology operations	225,746	160,099	125,484	33,071	-
Management services	9,432	15,508	14,635	20,298	21,973
	1,977,148	2,283,341	2,397,343	2,114,371	1,440,739
Group Income Statement					
Property development	206,272	132,105	156,356	129,078	52,256
Property investments	356,356	385,226	377,970	218,001	151,242
Hotel operations	(74,831)	73,662	78,623	40,540	50,774
Investments	48,875	55,265	47,677	29,542	30,152
Technology operations	10,888	5,235	3,986	1,081	-
Management services	(4,308)	11,904	9,064	12,431	9,966
	543,252	663,397	673,676	430,673	294,390
Unallocated costs	(19,615)	(25,156)	(25,279)	(18,086)	(14,549)
Profit from operations	523,637	638,241	648,397	412,587	279,841
Finance income	12,546	12,128	13,936	11,666	5,406
Finance expense	(83,360)	(116,528)	(93,097)	(37,942)	(30,292)
Share of (loss)/profit of associated companies excluding fair value losses of associated companies' investment properties	(7,671)	6,019	5,442	107,099	131,993
Share of (loss)/profit of joint venture companies excluding other losses	(1,929)	(3,770)	(2,837)	11,605	4,256
Profit before fair value and other losses/gains and income tax	443,223	536,090	571,841	505,015	391,204
Other losses of a joint venture company	-	-	-	-	(3,169)
Other (losses)/gains of the Group	(41,212)	28,124	(34,418)	518,149	(23,275)
Fair value losses on associated companies' investment properties	-	-	-	(1,094)	(1,144)
Fair value (losses)/gains on the Group's investment properties	(293,295)	220,331	149,279	15,593	(9,700)
Profit before income tax	108,716	784,545	686,702	1,037,663	353,916
Profit attributable to equity holders of the Company	13,141	478,817	418,304	880,239	287,040

Five-Year Financial Summary

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Group Statement of Financial Position					
Property, plant and equipment	2,911,670	2,869,771	2,807,688	2,856,164	1,165,536
Investment properties	11,343,168	11,593,671	11,264,120	10,917,340	4,299,597
Associated companies, joint venture companies, receivables and other assets (non-current)	495,368	441,797	411,718	380,943	3,616,561
Financial assets, at fair value through other comprehensive income	1,013,621	1,189,755	1,075,536	1,131,702	855,051
Intangibles	43,735	43,969	122,691	180,951	24,361
Deferred tax assets	59,535	33,334	1,931	1,005	3,904
Net current assets (excluding borrowings)	3,840,167	3,663,450	4,026,483	3,127,239	1,339,306
Non-current liabilities (excluding borrowings)	(479,797)	(549,874)	(566,703)	(594,553)	(259,509)
	19,227,467	19,285,873	19,143,464	18,000,791	11,044,807
Share capital	1,563,860	1,560,918	1,556,201	1,549,744	1,269,853
Reserves	8,224,281	8,486,562	8,064,850	7,901,389	6,857,301
Interests of the shareholders	9,788,141	10,047,480	9,621,051	9,451,133	8,127,154
Non-controlling interests	4,313,007	4,286,809	4,812,597	4,702,674	508,210
Borrowings	5,126,319	4,951,584	4,709,816	3,846,984	2,409,443
	19,227,467	19,285,873	19,143,464	18,000,791	11,044,807
Financial Ratios					
Basic earnings per ordinary share* (cents)	1.56	56.79	49.66	107.50	35.82
Gross dividend declared (\$'000)	126,584	147,626	147,543	147,418	120,716
Gross dividend declared					
First and final (cents)	15.0	17.5	17.5	17.5	15.0
Cover (times)	0.1	3.2	2.8	6.0	2.4
Net tangible asset backing per ordinary share (\$)					
Before accounting for surplus on revaluation of hotel properties	11.55	11.86	11.27	11.01	10.07
After accounting for surplus on revaluation of hotel properties	13.23	13.74	12.83	12.34	11.30
Gearing ratio	0.29	0.30	0.28	0.21	0.24

Note:

* Basic earnings per ordinary share is calculated by reference to the weighted average number of ordinary shares in issue during the year.

Segmental Performance Analysis

TOTAL REVENUE BY BUSINESS SEGMENTS

	2020		2019	
	\$'000	%	\$'000	%
Property development	943,101	47.7	847,057	37.1
Hotel operations	246,499	12.5	653,703	28.6
Property investments	503,334	25.5	551,734	24.2
Investments	49,036	2.4	55,240	2.4
Technology operations	225,746	11.4	160,099	7.0
Management services	9,432	0.5	15,508	0.7
	1,977,148	100.0	2,283,341	100.0

ADJUSTED EBITDA* BY BUSINESS SEGMENTS

	2020		2019	
	\$'000	%	\$'000	%
Property development	205,182	31.5	204,830	23.9
Property investments	360,738	55.4	390,127	45.6
Hotel operations	27,058	4.2	185,616	21.7
Investments	48,964	7.4	55,331	6.4
Technology operations	11,586	1.8	5,992	0.7
Management services	(1,996)	(0.3)	14,403	1.7
	651,532	100.0	856,299	100.0

* Excludes unallocated costs, other losses/gains and fair losses/gains on investment properties

TOTAL ASSETS BY BUSINESS SEGMENTS

	2020		2019	
	\$'000	%	\$'000	%
Property development	4,205,712	20.6	4,209,021	20.4
Property investments	11,498,481	56.5	11,636,942	56.3
Hotel operations	3,428,466	16.8	3,418,587	16.5
Investments	996,844	4.9	1,178,455	5.7
Technology operations	111,043	0.5	57,731	0.3
Management services	52,726	0.3	57,759	0.3
	20,293,272	99.6	20,558,495	99.5
Unallocated assets	80,222	0.4	95,279	0.5
	20,373,494	100.0	20,653,774	100.0

Segmental Performance Analysis

TOTAL REVENUE BY GEOGRAPHICAL SEGMENTS

	2020		2019	
	\$'000	%	\$'000	%
Singapore	1,452,583	73.5	1,586,542	69.5
The People's Republic of China	380,847	19.3	413,686	18.1
Australia	79,050	4.0	156,615	6.9
United Kingdom	33,212	1.7	32,337	1.4
Vietnam	12,717	0.6	32,811	1.4
Malaysia	12,603	0.6	45,039	2.0
Myanmar	5,140	0.3	13,254	0.6
Others	996	0.0	3,057	0.1
	1,977,148	100.0	2,283,341	100.0

ADJUSTED EBITDA* BY GEOGRAPHICAL SEGMENTS

	2020		2019	
	\$'000	%	\$'000	%
Singapore	493,407	75.7	635,823	74.3
The People's Republic of China	120,461	18.5	126,895	14.8
United Kingdom	25,568	3.9	28,650	3.3
Australia	19,497	3.0	41,498	4.9
Vietnam	1,400	0.3	12,402	1.5
Malaysia	(3,383)	(0.5)	9,781	1.1
Myanmar	(4,976)	(0.8)	(441)	(0.1)
Others	(442)	(0.1)	1,691	0.2
	651,532	100.0	856,299	100.0

* Excludes unallocated costs, other losses/gains and fair value losses/gains on investment properties


TOTAL ASSETS BY GEOGRAPHICAL SEGMENTS

	2020		2019	
	\$'000	%	\$'000	%
Singapore	16,840,458	82.7	17,333,433	83.9
United Kingdom	1,364,639	6.7	1,270,646	6.2
The People's Republic of China	1,152,544	5.6	1,093,661	5.3
Australia	651,921	3.2	634,652	3.1
Malaysia	177,571	0.9	171,235	0.8
Myanmar	61,522	0.3	62,374	0.3
Vietnam	38,886	0.2	42,081	0.2
Others	85,953	0.4	45,692	0.2
	20,373,494	100.0	20,653,774	100.0

Value-Added Statement

	2020 \$'000	2019 \$'000
Sales of goods and services	1,928,112	2,228,101
Purchase of materials and services	(1,079,263)	(1,324,164)
Gross value added	848,849	903,937
Share of (loss)/profit of associated companies	(7,671)	6,019
Share of loss of a joint venture company	(1,929)	(3,770)
Income from investments and interest	61,083	67,368
Other (losses)/gains	(41,212)	28,124
Fair value (losses)/gains on investment properties	(293,295)	220,331
Currency exchange differences	499	(4,561)
Total Value Added	566,324	1,217,448
Distribution of Value Added:		
To employees and directors		
Employees' salaries, wages and benefits	212,017	288,949
Directors' remuneration	2,947	3,023
	214,964	291,972
To government		
Corporate and property taxes	81,065	161,896
To providers of capital		
Interest expense	85,080	123,769
Dividend attributable to non-controlling interests	42,642	42,122
Dividend attributable to equity holders of the Company	147,626	147,543
	275,348	313,434
Total Value Added Distributed	571,377	767,302
Retained in the business		
Depreciation	116,012	112,227
Retained earnings	159,994	27,075
	276,006	139,302
Non-production cost and income		
Bad debts	(8,134)	(418)
Income from investments and interest	61,083	67,368
Other (losses)/gains	(41,212)	28,124
Fair value (losses)/gains on investment properties	(293,295)	220,331
Currency exchange differences	499	(4,561)
	(281,059)	310,844
	566,324	1,217,448
Productivity Ratios:		
Value added per employee	\$ 174,016	\$ 150,933
Value added per \$ employment costs	3.95	3.10
Value added per \$ investment in property, plant and equipment and investment properties (before depreciation)		
– at cost	0.07	0.07
– at valuation	0.06	0.06
Value added per \$ net sales	0.44	0.41

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Directors' Statement

For the Financial Year Ended 31 December 2020

The directors have pleasure in submitting this statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2020 and the statement of financial position of the Company as at 31 December 2020.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 100 to 209 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Wee Cho Yaw	–	Chairman
Wee Ee Lim	–	Deputy Chairman
Liam Wee Sin	–	Group Chief Executive
Low Weng Keong		
Tan Tiong Cheng		
Poon Hon Thang Samuel		
Wee Ee-chao		
Sim Hwee Cher		
Lee Chin Yong Francis	–	(appointed on 2 January 2020)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" on pages 91 to 93 of this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) The directors holding office at 31 December 2020 are also the directors holding office at the date of this statement. Their interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings, were as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2020	At 1.1.2020	At 31.12.2020	At 1.1.2020
UOL Group Limited ("UOL")				
– Ordinary Shares				
Wee Cho Yaw	3,661,566	3,661,566	312,208,597	307,235,597
Wee Ee Lim	260,975	260,975	124,728,315	119,755,315
Liam Wee Sin	288,777	288,777	–	–
Low Weng Keong	37,694	37,694	–	–
Tan Tiong Cheng	120,528*	120,528*	–	–
Wee Ee-chao	31,735*	31,735*	125,003,885*	120,030,885*

Directors' Statement

For the Financial Year Ended 31 December 2020

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2020	At 1.1.2020	At 31.12.2020	At 1.1.2020
UOL Group Limited ("UOL")				
– Executives' Share Options				
Liam Wee Sin	540,000	440,000	–	–
United Industrial Corporation Limited ("UIC")				
– Ordinary Shares				
Wee Cho Yaw	–	–	721,582,791*	718,230,418*
Tan Tiong Cheng	21,626	21,626	–	–

* Includes shares registered in the name of nominees.

- (b) The directors' interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings at 21 January 2021, were the same as those at 31 December 2020.
- (c) Pursuant to Section 7 of the Companies Act (Cap. 50), Wee Cho Yaw is deemed to be interested in the shares of the subsidiaries of the Company.
- (d) Save as disclosed above, none of the other directors holding office at 31 December 2020 has any interest in the ordinary shares and Executives' Share Options of the Company and any other related corporations of the Company, as recorded in the register of directors' shareholdings.

SHARE OPTIONS

UOL Group Executives' Share Option Scheme

- (a) The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.
- (b) Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

The Exercise Price is equal to the average of the last dealt prices per share as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited for a period of 5 consecutive trading days immediately prior to the relevant Date of Grant.

- (c) On 9 March 2020, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,655,000 ordinary shares in the Company (known as "the 2020 Options") at the exercise price of \$7.32 per ordinary share. 1,655,000 options granted were accepted by the executives, including Liam Wee Sin. The total fair value of the options granted was estimated to be \$1,158,500 using the Trinomial Tree Model.

Directors' Statement

For the Financial Year Ended 31 December 2020

SHARE OPTIONS (continued)

UOL Group Executives' Share Option Scheme (continued)

The details of the options accepted are as follows:

	No. of employees	At exercise price of \$7.32 per share
Executive Director	1	100,000
Other Executives	69	1,555,000
	70	1,655,000

(d) Statutory information regarding the 2020 Options is as follows:

- (i) The option period begins on 9 March 2021 and expires on 8 March 2030 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.
- (ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.
- (iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

Details of options granted in previous financial years were set out in the Directors' Statement for the respective financial years.

(e) Other information required by the Singapore Exchange Securities Trading Limited:

Pursuant to Rule 852 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is reported that during the financial year:

(i) The Remuneration Committee, comprising the following directors, administers the 2012 Scheme:

Tan Tiong Cheng	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
Low Weng Keong	Member	(Independent)

(ii) The details of options granted to a director of the Company, Liam Wee Sin, under the 2000 and 2012 Scheme are as follows:

Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2019	Options granted during the financial year	Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2020	Aggregate options exercised since commencement of the 2000 and 2012 Scheme to 31.12.2020	Aggregate options outstanding at 31.12.2020
1,258,000	100,000	1,358,000	818,000	540,000

(iii) Save as disclosed above, no options have been granted to controlling shareholders or their associates, parent group employees, and no employee has received 5% or more of the total options available under the 2012 Scheme. No options were granted at a discount during the financial year.

Directors' Statement

For the Financial Year Ended 31 December 2020

SHARE OPTIONS (continued)

Outstanding Share Options

At 31 December 2020, the holders of the Executives' Share Options include a director of the Company as disclosed under "Directors' interests in shares or debentures".

The holders of the Executives' Share Options have no right to participate by virtue of the options in any share issue of any other company in the Group.

During the financial year, 475,000 ordinary shares of the Company were issued upon the exercise of options by:

Holders of	Number of ordinary shares	Exercise price per share \$
2011 Options	58,000	4.62
2012 Options	57,000	5.40
2013 Options	32,000	6.55
2014 Options	30,000	6.10
2015 Options	7,000	7.67
2017 Options	146,000	6.61
2019 Options	145,000	6.59
	475,000	

Unissued ordinary shares under options at 31 December 2020 comprise:

	At 1.1.2020	Options granted in 2020	Options exercised	Options forfeited	At 31.12.2020	Exercise/ Subscription price/\$	Option period
Executives' Share Options							
2011 Options	58,000	-	58,000	-	-	4.62	04.03.2012 to 03.03.2021
2012 Options	88,000	-	57,000	13,000	18,000	5.40	23.08.2013 to 22.08.2022
2013 Options	306,000	-	32,000	-	274,000	6.55	08.03.2014 to 07.03.2023
2014 Options	269,000	-	30,000	-	239,000	6.10	12.03.2015 to 11.03.2024
2015 Options	476,000	-	7,000	-	469,000	7.67	11.03.2016 to 10.03.2025
2016 Options	243,000	-	-	-	243,000	5.87	11.03.2017 to 10.03.2026
2017 Options	741,000	-	146,000	-	595,000	6.61	10.03.2018 to 09.03.2027
2018 Options	1,117,000	-	-	102,000	1,015,000	8.49	09.03.2019 to 08.03.2028
2019 Options	1,334,000	-	145,000	65,000	1,124,000	6.59	08.03.2020 to 07.03.2029
2020 Options	-	1,655,000	-	103,000	1,552,000	7.32	09.03.2021 to 08.03.2030
	4,632,000	1,655,000	475,000	283,000	5,529,000		

Directors' Statement

For the Financial Year Ended 31 December 2020

AUDIT & RISK COMMITTEE

At 31 December 2020, the Audit & Risk Committee comprises three members as follows:

Independent and non-executive directors

Low Weng Keong – Chairman
Tan Tiong Cheng
Sim Hwee Cher

The Audit & Risk Committee carries out the functions set out in the Companies Act (Cap.50). The terms of reference include reviewing the financial statements, the internal and external audit plans and audit reports, the scope and results of the internal audit procedures and proposals for improvements in internal controls, the cost effectiveness, independence and objectivity of the independent auditor and interested persons transactions.

In performing the functions, the Audit & Risk Committee has met with the internal and independent auditors and reviewed the overall scope of the internal and external audits and the assistance given by Management to the auditors.

The Audit & Risk Committee has nominated PricewaterhouseCoopers LLP for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

WEE CHO YAW
Chairman

LIAM WEE SIN
Director

26 February 2021

Independent Auditor's Report

To the Members of UOL Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of UOL Group Limited (“the Company”) and its subsidiaries (“the Group”) and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (“the Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year ended 31 December 2020;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the statements of financial position of the Group and of the Company as at 31 December 2020;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Independent Auditor's Report

To the Members of UOL Group Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Valuation of investment properties</u></p> <p>Refer to Note 3(b) (Key accounting estimates, assumptions and judgements) and Note 20 (Investment properties) to the financial statements.</p> <p>As at 31 December 2020, the carrying value of the Group's investment properties stated at fair value based on independent external valuation of \$11.3 billion accounted for 56% of the Group's total assets.</p> <p>The valuation of the investment properties is significant to our audit due to the use of estimates in the valuation techniques based on certain key assumptions. The key assumptions include adopted value per square foot, discount rates, capitalisation rates and growth rates. These assumptions are dependent on the prevailing market conditions.</p> <p>Furthermore, the valuation reports obtained from independent property valuers for certain investment properties have included a 'material valuation uncertainty' clause due to COVID-19.</p>	<p>Our audit procedures focused on the valuation process and included the following:</p> <ul style="list-style-type: none"> • assessed the competency and independence of the professional valuers engaged by the Group; • discussed the key assumptions and critical judgemental areas with the professional valuers and understood the approaches taken by them in determining the valuation of each investment property, including how they have considered the impact of COVID-19 and market uncertainty in their valuations; • checked, on a sample basis, the accuracy of underlying lease and financial information provided to the valuers; and • assessed the reasonableness of the adopted value per square foot, discount rates, capitalisation rates and growth rates assumptions by benchmarking the rates against specific property data, comparables and prior year's inputs. <p>We also assessed the appropriateness of the disclosures relating to the valuation techniques, key inputs applied by the professional valuers and valuation uncertainty over the valuation of investment properties.</p> <p>The external valuers are members of recognised bodies for professional valuers. We found that the valuation methodologies used were in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be appropriate.</p>

Independent Auditor's Report

To the Members of UOL Group Limited

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Valuation of development properties and revenue and cost of sales recognition from sales of development properties</u></p> <p>Refer to Note 3(c), Note 3(d) (Key accounting estimates, assumptions and judgements) and Note 13 (Development properties) to the financial statements.</p> <p>As at 31 December 2020, the carrying value of the Group's development properties of \$3.2 billion accounted for 16% of the Group's total assets.</p> <p>For the year ended 31 December 2020, revenue from sales of development properties of \$943 million accounted for 48% of the Group's total revenue and the corresponding cost of sales of \$660 million accounted for 53% of the Group's total cost of sales.</p> <p>The determination of the carrying value and whether to recognise any foreseeable losses for development properties is highly dependent on the estimated cost to complete each development and the estimated selling price as disclosed in Note 2.7.</p> <p>Significant estimates and assumptions are involved in estimating the stage of completion and costs of each development. Management also utilised a number of different assumptions which were highly subjective to determine the estimated selling prices which are impacted by market demand for properties and local government policies. These estimates and assumptions impact the carrying value of development properties, and the revenue and cost of sales recognised from sales of development properties.</p> <p>The COVID-19 pandemic has also resulted in additional uncertainty over estimated costs and selling prices.</p>	<p>In assessing the valuation of development properties, we focused on development projects with slower than expected sales or low margins.</p> <p>Our audit procedures to assess the adequacy of management's estimated development costs and the reasonableness of the assumptions used included the following:</p> <ul style="list-style-type: none"> • compared actual cost incurred against underlying contracts with vendors and supporting documents; • assessed the reasonableness of cost to complete by substantiating costs that have been committed to quotations from and contracts with suppliers; • discussed with the project managers the basis for the estimated cost to complete, challenged the underlying assumptions by benchmarking against the Group's past projects, and understood how the impact of COVID-19 has been considered in the estimated costs; and • evaluated the competency and capabilities of the quantity surveyors used by management for the certification of proportion of construction cost to date. <p>We have also assessed the reasonableness of estimated selling prices by comparing against recently transacted prices based on sales achieved to date, comparable market data and market price trends. We have evaluated the sensitivity of the margins to changes in sales prices.</p> <p>We have also recomputed the percentage of completion as at the reporting date to assess the appropriateness of the revenue and cost of sales recognised.</p> <p>The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable.</p>

Independent Auditor's Report

To the Members of UOL Group Limited

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report

To the Members of UOL Group Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lam Hock Choon.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 26 February 2021

Consolidated Income Statement

For the Financial Year Ended 31 December 2020

	Note	The Group	
		2020 \$'000	2019 \$'000
Revenue	4	1,977,148	2,283,341
Cost of sales		(1,249,563)	(1,237,716)
Gross profit		727,585	1,045,625
Other income			
– Finance income	4	12,546	12,128
– Miscellaneous income	4	91,260	18,916
Expenses			
– Marketing and distribution		(78,736)	(94,316)
– Administrative		(99,965)	(120,041)
– Finance	7	(83,360)	(116,528)
– Other operating			
– Impairment loss on financial assets		(8,134)	(418)
– Others		(108,373)	(211,525)
Share of (loss)/profit of associated companies		(7,671)	6,019
Share of loss of a joint venture company		(1,929)	(3,770)
		443,223	536,090
Other (losses)/gains	8	(41,212)	28,124
Fair value (losses)/gains on investment properties	20	(293,295)	220,331
Profit before income tax		108,716	784,545
Income tax expense	9(a)	(23,367)	(105,776)
Net profit		85,349	678,769
Attributable to:			
Equity holders of the Company		13,141	478,817
Non-controlling interests		72,208	199,952
		85,349	678,769
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	10		
– Basic		1.56	56.79
– Diluted		1.56	56.77

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2020

	Note	The Group	
		2020 \$'000	2019 \$'000
Net profit		85,349	678,769
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	32(e)	(2,514)	(6,173)
Currency translation differences arising from consolidation of foreign operations	32(d)	33,959	(15,391)
		31,445	(21,564)
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at fair value through other comprehensive income ("FVOCI")			
– Fair value (losses)/gains	32(b)	(176,134)	114,219
Actuarial gains on defined benefit plans, net of tax		–	309
Currency translation differences arising from consolidation of foreign operations	32(d)	20,425	(9,545)
Other comprehensive (loss)/income, net of tax		(124,264)	83,419
Total comprehensive (loss)/income		(38,915)	762,188
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(128,672)	556,770
Non-controlling interests		89,757	205,418
		(38,915)	762,188

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

– Group and Company

As at 31 December 2020

	Note	The Group		The Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
ASSETS					
Current assets					
Cash and bank balances	11	976,942	717,377	5,982	36,684
Trade and other receivables	12	308,161	401,448	4,338	8,892
Development properties	13	3,157,530	3,304,630	-	-
Inventories	14	1,242	4,289	-	-
Other assets	16	62,268	53,523	818	584
Current income tax assets	9(b)	254	210	-	-
		4,506,397	4,481,477	11,138	46,160
Non-current assets					
Trade and other receivables	12	154,695	122,286	857,329	874,955
Other assets	16	69,243	38,950	-	-
Derivative financial instrument	27	-	180	-	-
Financial assets, at FVOCI	15	1,013,621	1,189,755	752,117	884,562
Investments in associated companies	17	271,430	280,381	-	-
Investment in a joint venture company	18	-	-	-	-
Investments in subsidiaries	19	-	-	1,941,510	1,983,934
Investment properties	20	11,343,168	11,593,671	562,113	567,146
Property, plant and equipment	21	2,911,670	2,869,771	2,280	2,083
Intangibles	24	43,735	43,969	431	584
Deferred income tax assets	30	59,535	33,334	-	-
		15,867,097	16,172,297	4,115,780	4,313,264
Total assets		20,373,494	20,653,774	4,126,918	4,359,424
LIABILITIES					
Current liabilities					
Trade and other payables	25	495,144	679,534	396,880	452,992
Current income tax liabilities	9(b)	164,907	135,830	7,666	3,679
Borrowings	26	1,670,540	1,692,937	-	86,300
Derivative financial instrument	27	6,179	2,663	-	-
		2,336,770	2,510,964	404,546	542,971
Non-current liabilities					
Trade and other payables	25	213,193	206,087	3,972	3,864
Borrowings	26	3,324,554	3,151,286	267,430	62,691
Derivative financial instrument	27	4,329	5,745	1,319	1,005
Loans from non-controlling shareholders of subsidiaries (unsecured)	28	131,225	107,361	-	-
Provision for retirement benefits	29	3,712	6,375	-	-
Deferred income tax liabilities	30	258,563	331,667	188	3,746
		3,935,576	3,808,521	272,909	71,306
Total liabilities		6,272,346	6,319,485	677,455	614,277
NET ASSETS		14,101,148	14,334,289	3,449,463	3,745,147
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	31	1,563,860	1,560,918	1,563,860	1,560,918
Reserves	32	753,145	893,862	575,475	707,088
Retained earnings		7,471,136	7,592,700	1,310,128	1,477,141
		9,788,141	10,047,480	3,449,463	3,745,147
Non-controlling interests		4,313,007	4,286,809	-	-
Total equity		14,101,148	14,334,289	3,449,463	3,745,147

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2020

	Attributable to equity holders of the Company				Non-controlling interests	Total equity	
	Note	Share capital	Reserves	Retained earnings			
		\$'000	\$'000	\$'000	\$'000	\$'000	
2020							
Beginning of financial year		1,560,918	893,862	7,592,700	10,047,480	4,286,809	14,334,289
Profit for the year		–	–	13,141	13,141	72,208	85,349
Other comprehensive (loss)/income for the year		–	(141,813)	–	(141,813)	17,549	(124,264)
Total comprehensive (loss)/income for the year		–	(141,813)	13,141	(128,672)	89,757	(38,915)
Employee share option scheme							
– Value of employee services	32(a)	–	1,096	–	1,096	5	1,101
– Proceeds from shares issued	31	2,942	–	–	2,942	–	2,942
Dividends	33	–	–	(147,626)	(147,626)	(42,642)	(190,268)
Acquisition of interests from non-controlling shareholders		–	–	12,921	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)	(130,667)	(63,559)	(194,226)
End of financial year		1,563,860	753,145	7,471,136	9,788,141	4,313,007	14,101,148
2019							
Beginning of financial year		1,556,201	814,629	7,250,221	9,621,051	4,812,597	14,433,648
Profit for the year		–	–	478,817	478,817	199,952	678,769
Other comprehensive income for the year		–	77,953	–	77,953	5,466	83,419
Total comprehensive income for the year		–	77,953	478,817	556,770	205,418	762,188
Employee share option scheme							
– Value of employee services	32(a)	–	1,280	–	1,280	105	1,385
– Proceeds from shares issued	31	4,717	–	–	4,717	–	4,717
Dividends	33	–	–	(147,543)	(147,543)	(42,122)	(189,665)
Acquisition of interests from non-controlling shareholders		–	–	11,205	11,205	(689,294)	(678,089)
Issue of shares to non-controlling shareholders		–	–	–	–	105	105
Total transactions with owners, recognised directly in equity		4,717	1,280	(136,338)	(130,341)	(731,206)	(861,547)
End of financial year		1,560,918	893,862	7,592,700	10,047,480	4,286,809	14,334,289

An analysis of movements in each category within “Reserves” is presented in Note 32.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2020

	2020 \$'000	2019 \$'000
Cash flows from operating activities		
Net profit	85,349	678,769
Adjustments for		
– Income tax expense	23,367	105,776
– Depreciation and amortisation	117,880	190,653
– Allowance/(write-back) for foreseeable losses on development properties	749	(1,088)
– Impairment loss on financial assets – net	8,134	418
– Share of loss/(profit) of associated companies	7,671	(6,019)
– Share of loss of a joint venture company	1,929	3,770
– Unrealised translation losses	4,239	44,912
– Net (write-back)/provision for retirement benefits	(2,578)	683
– Employee share option expense	1,101	1,385
– Dividend income and interest income	(61,083)	(67,368)
– Interest expense	83,360	111,967
– Fair value losses/(gains) on the Group's investment properties	293,295	(220,331)
– Property, plant and equipment written off and net loss on disposals	9,467	2,234
– Gain on disposal of a subsidiary	–	(39,318)
– Write-back of impairment charge on property, plant and equipment	(1,021)	(3,586)
– Impairment charge on property, plant and equipment	42,233	14,780
	614,092	817,637
Change in working capital		
– Receivables	(104,462)	(31,963)
– Development properties	267,737	511,290
– Inventories	3,047	(69)
– Payables	(104,648)	(121,024)
	61,674	358,234
Cash generated from operations	675,766	1,175,871
Income tax paid	(96,083)	(131,730)
Retirement benefits paid	(89)	(95)
Net cash from operating activities	579,594	1,044,046
Cash flows from investing activities		
Disposal of a subsidiary, net of cash disposed of	–	74,456
Payment to non-controlling shareholders on liquidation of a subsidiary	(1,613)	–
Grants received/(payments) for intangibles	25	(363)
Loans to an associated company and a joint venture company	(2,571)	(14,304)
Net proceeds from disposal of property, plant and equipment	52	126
Payments for property, plant and equipment and investment properties	(205,559)	(330,113)
Interest received	12,047	9,223
Dividends received	50,161	62,106
Net cash used in investing activities	(147,458)	(198,869)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from financing activities			
Proceeds from shares issued		2,942	4,717
Payment to non-controlling shareholders for purchase of shares in subsidiaries		(6,591)	(678,089)
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		203	105
Loans from non-controlling shareholders of subsidiaries		23,863	5,800
Repayment of loan from non-controlling shareholder of a subsidiary		–	(80,168)
Proceeds from 3.0% unsecured fixed rate notes due 2024		–	200,000
Repayment of 2.5% unsecured fixed rate notes due 2020		(240,000)	–
Proceeds from borrowings		1,875,364	2,887,128
Repayment of borrowings		(1,570,233)	(2,826,543)
Expenditure relating to bank borrowings		(3,505)	(5,621)
Interest paid		(93,015)	(117,314)
Proceeds from/(payment of) trade financing		28,943	(1,153)
Payment of lease liabilities		(3,270)	(2,236)
Bank deposits pledged as security		500	754
Dividends paid to equity holders of the Company		(147,626)	(147,543)
Dividends paid to non-controlling interests		(42,642)	(42,122)
Net cash used in financing activities		(175,067)	(802,285)
Net increase in cash and cash equivalents			
		257,069	42,892
Cash and cash equivalents at the beginning of the financial year		714,377	673,418
Effects of currency translation on cash and cash equivalents		2,996	(1,933)
Cash and cash equivalents at the end of the financial year	11(c)	974,442	714,377

Reconciliation of liabilities arising from financing activities

	1 January 2020 \$'000	Principal, interest and facility fees payments/ receipts \$'000	Non-cash changes \$'000		31 December 2020 \$'000
			Interest expense	Foreign exchange movement	
Medium term notes	441,160	(252,034)	10,848	–	199,974
Bank borrowings	4,387,338	221,145	82,250	57,146	4,747,879
Loans from non-controlling shareholders	112,430	23,863	2,527	–	138,820
Lease liabilities	18,617	(3,333)	1,154	144	16,582
Trade financing	8,551	28,506	437	–	37,494

	1 January 2019 \$'000	Principal, interest and facility fees payments/ receipts \$'000	Non-cash changes \$'000				31 December 2019 \$'000
			Adoption of SFRS(I) 16	Additions	Interest expense	Foreign exchange movement	
Medium term notes	241,145	189,976	–	–	10,039	–	441,160
Bank borrowings	4,294,387	(48,210)	–	–	109,161	32,000	4,387,338
Loan from non-controlling shareholder	183,316	(75,001)	–	–	4,115	–	112,430
Lease liabilities	3,619	(3,389)	16,488	759	1,203	(63)	18,617
Trade financing	–	(1,232)	–	9,704	79	–	8,551

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

UOL Group Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is as follows:

101 Thomson Road
#33-00 United Square
Singapore 307591

The principal activities of the Company are investments in properties, subsidiaries, associated companies and listed and unlisted securities. The principal activities of its subsidiaries are set out in Note 19.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain key accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 Interpretations and amendments to published standards effective 2020

On 1 January 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years except as follows:

Interest Rate Benchmark Reform

In accordance with the transition provisions, the Group has adopted the amendments to SFRS(I) 9 *Financial Instruments* (“SFRS(I) 9”) and SFRS(I) 7 *Financial Instruments: Disclosures* (“SFRS(I) 7”) effective 1 January 2020 retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve at that date. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by inter-bank offered rate (IBOR) reform.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Interpretations and amendments to published standards effective 2020 (continued)

Interest Rate Benchmark Reform (continued)

The Group has applied the following reliefs that were introduced by the amendments made to SFRS(I) 9:

- when considering the 'highly probable' requirement, the Group has assumed that the interest rates on which the Group's hedged debt is based does not change as a result of IBOR reform;
- in assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the interest rates on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by the IBOR reform; and
- the Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from interest rate benchmark reform are no longer present.

Note 36(a)(iii) provides information about the uncertainty arising from IBOR reform for hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

Early adoption of amendment to SFRS(I) 16 Leases ("SFRS(I) 16")

The Group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of \$459,000 (Note 4) was recognised as negative variable lease payments within other income in the profit or loss during the year.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, workplace closures, movement controls, construction stoppages and other measures imposed by the various governments. The Group's significant operations are in Singapore, Australia, The People's Republic of China, United Kingdom, Malaysia, Vietnam and Myanmar, all of which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

- i. The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- ii. In 2020, border closures, workplace closures and construction stoppages have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have affected the Group's operations in 2020, resulting in a negative impact on the Group's financial performance for 2020.
- iii. In 2020, the Group received rental rebates for its leased premises and also provided rental concessions to tenants in its retail and office buildings. The effects of such rental concessions received/provided are disclosed in Note 4.
- iv. In 2020, the Group recognised government wage subsidies under the Job Support Scheme in Singapore and JobKeeper's Payment in Australia amounting to \$55,103,000. The Group further received property tax rebates for its hotels and serviced suites and own-use spaces amounting to \$17,207,000. The effects of such government grants are disclosed in Note 4.
- v. The Group has considered the market conditions (including the impact of COVID-19) as at the end of the reporting period, in making estimates and judgements on the recoverability of assets as at 31 December 2020. The significant estimates and judgement applied on valuation of investment properties, impairment of property, plant and equipment and impairment of trade receivables are disclosed in Notes 3(b), 3(e) and 3(g) respectively.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

2.4 Revenue recognition

(a) *Revenue from property development – sale of development properties*

Revenue from sale of development properties is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer at a point in time or over time.

For development properties where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, such as when the property is accepted by the customer, or deemed as accepted according to the contract, or when title has passed to the customer.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue recognition (continued)

(a) Revenue from property development – sale of development properties (continued)

For development properties where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the Group's efforts or inputs to the fulfillment of the performance obligation, by reference to the stage of completion of the properties. The stage of completion is measured by reference to the proportion of the total construction cost incurred to date, as per certification by quantity surveyors, to the estimated total construction costs. Management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development properties to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the development properties. Costs incurred that are not related to the contract or that do not contribute towards fulfilling a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Payment is typically due within two weeks. A contract asset is recognised as "unbilled revenue" under development properties when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised as "contract liability for development properties" under trade and other payables when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if the costs relate directly to the contract, generate or enhance resources used in fulfilling the contract and are expected to be recovered. Other contract costs are expensed as incurred. Incremental costs of obtaining a contract are capitalised if these costs are recoverable.

Capitalised contract costs and costs to obtain contracts are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs and costs to obtain contracts exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, the Group adjusts the promised amount of consideration for the effect of a financing component, if significant.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue recognition (continued)

(b) Revenue from hotel ownership and operations

Revenue from the ownership and operation of hotels is recognised over the period in which the accommodation and related services are provided, except for revenue from the sale of food and beverages, which is recognised at a point in time when the food and beverages are delivered. For retail customers, payment is due immediately when the accommodation and related services are rendered. For corporate customers, invoices are issued on a monthly basis and are payable within 30 days.

(c) Revenue from hotel and other management services

Revenue from hotel and other management services includes property and project management fees, hotel management fees, franchise fees and other related fees.

(i) Property and project management fees

Property and project management fees are recognised over time as services are rendered under the terms of the contract. The customers are invoiced on monthly or on a progress payment schedule and payment is due within 30 days. A contract asset is recognised for the cumulative revenue recognised but not yet invoiced.

(ii) Hotel management fees

Management fees earned from hotels managed by the Group, usually under long-term contracts with the hotel owner, are recognised over time as services are rendered under the terms of the contract. The fees include a base fee, which is generally a percentage of hotel revenue, and/or an incentive fee, which is generally based on the hotel's profitability. Customers are invoiced on a monthly basis and payment is due within 30 days.

(iii) Franchise fees

Franchise fees received in connection with licensing of the Group's brand names, usually under long-term contracts with the hotel owner, are recognised over time over the license period. The Group generally charges franchise fees as a percentage of hotel revenue. Customers are invoiced on a monthly basis and payment is due within 30 days.

(iv) Other related fees

Other related fees earned from hotels managed by the Group are recognised when services are rendered under the terms of the contract. Payment of the transaction price is due immediately when the services are rendered.

(d) Interest income

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(f) Revenue from property investments – rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue recognition (continued)

(g) Revenue from technology operations

Revenue from technology operations mainly comprise the following for which payment is generally due within 30 to 90 days from the invoice date.

- (i) Software license reselling arrangements, either as a standalone or bundled with computer hardware, including value-added services which are not distinct from the software license in the context of the contract with customers. The Group is acting as a principal in the reselling arrangement and revenue is recognised gross in the profit or loss at the point in time control of the license is transferred to the customers.
- (ii) Sale of computer hardware which may include an element of significant financing in certain contracts. All goods sold are non-refundable and non-returnable unless faulty. Where required, the Group adjusts the transaction price for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception. Revenue allocated to the sale of goods is recognised at a point in time when the computer hardware is delivered with formal acceptance from the customer.

2.5 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of financial position for the Group. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions* (continued)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from purchase. Please refer to the paragraph "Intangibles – Goodwill on acquisition" for the subsequent accounting policy on goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to the income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint venture companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associated companies and joint venture companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint venture companies are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint venture companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Group accounting (continued)

(c) Associated companies and joint venture companies (continued)

(i) Acquisitions

Investments in associated companies and joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies or joint venture companies represents the excess of the cost of acquisition of the associated company or joint venture company over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associates' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associates or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associates or joint venture equals to or exceeds its interest in the associates or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associates or joint venture. If the associates or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associates or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies and joint venture companies are eliminated to the extent of the Group's interest in the associated companies and joint venture companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies and joint venture companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint venture companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the income statement.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint venture companies" for the accounting policy on investments in associated companies and joint venture companies in the separate financial statements of the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at cost less accumulated impairment losses. Leasehold land and buildings are subsequently carried at cost or valuation less accumulated depreciation and accumulated impairment losses.

(ii) *Properties under development*

Hotel property under development is carried at cost less accumulated impairment losses until construction is completed at which time depreciation will commence over its estimated useful life.

(iii) *Other property, plant and equipment*

Plant, equipment, furniture and fittings and motor vehicles are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iv) *Component of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the properties under development. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) *Depreciation*

Freehold land, properties under development and renovation in progress are not depreciated. Leasehold land is amortised evenly over the term of the lease. Please refer to Note 21(f) for the lease period of each property.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land and buildings	45 to 93 years
Plant, equipment, furniture and fittings	3 to 20 years
Motor vehicles	5 to 7 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the income statement when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(d) *Disposals*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement. Any amount in revaluation reserve relating to that item is transferred to retained earnings directly.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Development properties

Development properties refer to properties developed for sale. Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete the development and selling expenses.

2.8 Intangibles

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference ("negative goodwill") is recognised directly in the income statement as a gain from purchase.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on associated companies and joint venture companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint venture companies include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired trademarks*

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful lives of 10 to 20 years.

(c) *Acquired computer software costs*

Acquired computer software costs are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software under development is not amortised. Other computer software costs are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful life of 3 to 5 years.

(d) *Contract acquisition costs*

Directly attributable costs incurred in the securing of management contracts or franchise agreements are capitalised as intangibles. These costs do not represent a physical asset which the Group has legal title to. They represent costs incurred to obtain a legal contractual right.

The directly attributable costs are amortised to the income statement using the straight-line method over the number of years of the management contract or franchise agreement they relate to, which is generally within 5 to 10 years. They are also reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Intangibles (continued)

(d) Contract acquisition costs (continued)

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each financial year. The effects of any revision are recognised in the income statement when the changes arise.

2.9 Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to the construction or development of property, plant and equipment or development properties for which revenue is recognised at a point in time. This includes those costs on borrowings acquired specifically for the construction or development of such properties, as well as those in relation to general borrowings used to finance the construction or development of such properties.

The actual borrowing costs incurred for construction or development of property, plant and equipment or development properties for which revenue is recognised at a point in time during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.10 Investment properties

Investment properties include those land and buildings or portions of buildings that are held for long-term rental yields and/or for capital appreciation and right-of-use assets relating to leasehold land that are held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in the income statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvements is recognised in the income statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

2.11 Investments in subsidiaries, associated companies and joint venture companies

Investments in subsidiaries, associated companies and joint venture companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(b) Intangibles

Property, plant and equipment

Right-of-use assets

Investments in subsidiaries, associated companies and joint venture companies

Intangibles, property, plant and equipment, right-of-use assets and investments in subsidiaries, associated companies and joint venture companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and loans to associated companies and a joint venture company.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/(losses)". Interest income from these financial assets is recognised using the effective interest rate method and presented in "finance income".

- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains/(losses)".

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other gains/(losses)”, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as “fair value gains/(losses)” in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as “revenue”.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially measured at fair value plus transaction costs, except when the fair value is determined to be insignificant, and subsequently measured at the higher of (a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15"); and (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Intra-group transactions are eliminated on consolidation.

2.15 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.17 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 27. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group has derivative financial instruments which are designated as cash flow hedges and fair value hedges.

The following hedges in place qualified respectively as cash flow and fair value hedges under SFRS(I) 9.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Derivative financial instruments and hedging activities (continued)

Cash flow hedge – Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to the income statement when the hedged interest expense on the borrowings is recognised in the income statement. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the income statement.

Fair value hedge

The firm commitment of contracts entered into with various customers denominated in foreign currencies are designated as the hedged item. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk arising from these contracts. Under the Group's policy, the critical terms of the forward exchange contracts must align with the hedged items. The Group designates the spot component of forward contracts as the hedging instrument. The fair value changes on the hedged item resulting from currency risk are recognised in income statement. The fair value changes on the spot of the currency forwards designated as fair value hedges are recognised in income statement within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised in income statement and presented separately in "other gains/(losses)".

2.18 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at the end of each reporting period. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.19 Leases

(a) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Leases (continued)

(a) When the Group is the lessee: (continued)

- *Right-of-use assets*

The Group recognises right-of-use assets and lease liabilities at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

Right-of-use assets which meet the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.10.

- *Lease liabilities*

Lease liabilities are initially measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Leases (continued)

(a) When the Group is the lessee: (continued)

- *Short term and low value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(b) When the Group is the lessor:

The Group leases certain investment properties under operating leases to non-related parties.

- *Lessor – Operating leases*

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

Rental due but unpaid is presented under 'Trade and other receivables'.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in the income statement when earned.

Any changes in the scope or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, rent concessions given which were not contemplated as part of the original terms and conditions of the lease) are accounted for as lease modifications. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognising the remaining lease payments as income on either a straight-line basis or another systematic basis over the remaining lease term.

2.20 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.21 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint venture companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for deductible temporary differences and tax losses where deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.22 Provisions

Provisions for legal claims, asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the income statement as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise, except for changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs, which are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the income statement immediately.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Employee compensation

(a) *Post-employment benefits*

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the country in which it operates. These benefit plans are either defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to the length of service and earnings over the employees' period of employment; that benefit is discounted to determine the present value. The discount rate is the market yield at the end of reporting period on high quality corporate bonds or government bonds. Provision for employee retirement benefits is made in the financial statements so as to provide for the accrued liability at year end. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision for the defined benefit plan is not likely to be significant.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan under the 2012 Share Option Scheme. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated currency translation differences is reclassified to income statement, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented net in the income statement within “finance income” or “finance expenses”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “miscellaneous income”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities’ financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to the income statement on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.26 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash and bank balances, highly liquid short-term deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts and exclude bank deposits pledged as security. Bank overdrafts are presented as current borrowings on the statement of financial position.

2.27 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company purchases its own ordinary shares and cancels them upon purchase, the consideration paid including any directly attributable incremental cost is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

2.28 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.29 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Classification of the Group's serviced suites as investment property or property, plant and equipment

Management applies judgement in determining the classification of the serviced suites owned by the Group. The key criteria used to distinguish the Group's serviced suites which are classified as investment properties and its other properties classified as property, plant and equipment, is the level of services provided to tenants of the serviced suites.

The Group's serviced suites have been classified as investment properties and the carrying amount at the end of the reporting period was \$412,392,000.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(b) Fair values of investment properties

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

The majority of valuation reports as at 31 December 2020 contain a 'material valuation uncertainty' clause due to the market disruption caused by the COVID-19 pandemic, which resulted in a reduction in transactional evidence and market yields. This clause does not invalidate the valuation but implies that there is substantially more uncertainty than under normal market conditions. Accordingly, the valuers cannot attach as much weight to previous market evidence for comparison purposes, and there is an increased risk that the price realised in an actual transaction would differ from the value conclusion. As a result of this increased uncertainty, the assumptions may be revised significantly in 2021.

The highly uncertain economic outlook due to COVID-19 may have a material adverse effect on the operations of the Group's investment properties. Accordingly, this uncertainty is factored into the valuation of the investment properties, specifically in estimated passing rent, vacancy rates, lease incentives, capitalisation rates, growth rates, discount rates and cash flow projections, which have been modified from the prior year's assumptions.

Management has assessed that the valuation methods and estimates are reflective of current market conditions. The carrying amount of investment properties and the key assumptions used to determine the fair value of the investment properties are disclosed in Note 20. If the fair values of investment properties decrease/increase by 1% from the estimates, profit after tax and net assets of the Group will decrease/increase by \$123,639,000.

(c) Revenue and cost of sales recognition from sales of development properties

The Group recognises revenue and cost of sales from the sale of certain development properties over time by reference to the Group's progress towards completion of the properties. The stage of completion is measured in accordance with the accounting policy stated in Note 2.4(a). Significant estimates and assumptions are involved in determining the stage of completion and estimated total construction costs of each development. In making these estimates, management has relied on quotations from and contracts with suppliers, past experience as well as the work of third party experts.

(d) Valuation of development properties

The Group assesses the carrying value of development properties in accordance with the accounting policy stated in Note 2.7, which is highly dependent on the estimated cost to complete each development and the estimated selling prices. Estimation uncertainty involved in determining the costs of each development is as disclosed in Note 3(c). In determining the estimated selling prices, management has utilised a number of assumptions which are highly subjective and are impacted by market demand for properties and local government policies.

(e) Impairment of hotel properties

The Group's hotel properties classified as property, plant and equipment are assessed for impairment by considering the valuations of the hotel properties as determined by independent professional valuers. In determining fair values, the valuers have used valuation techniques which involve certain estimates. As disclosed in Note 21(f), the Group recorded impairment losses for Pan Pacific Melbourne and the hotel property under development at Bishopsgate, London during the year.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(e) Impairment of hotel properties (continued)

The inherent uncertainty arising from the continually evolving COVID-19 situation, which affects future outcomes, have been factored into the valuation of Pan Pacific Melbourne and the hotel property under development at Bishopsgate, London by modifying the estimated future cash flows and growth rates from the prior year's assumptions. There were also changes to cost estimates for the property under development at Bishopsgate, London as construction progress has been affected by lockdowns during the COVID-19 pandemic.

The valuation reports of hotel properties as at 31 December 2020 also contain similar 'material valuation uncertainty' clauses as described in Note 3(b) and the same considerations listed are applicable to the valuation of hotel properties.

If the fair values of the hotel property under development at Bishopsgate, London and Pan Pacific Melbourne decrease/increase by 1% from the estimates, profit after tax and net assets of the Group will decrease/increase by \$4,084,000.

(f) Revenue recognition of technology operations

The Group's revenue from technology operations include software license reselling arrangements bundled with computer hardware and value-added services, and the assessment of whether the Group acts as a principal or an agent is judgmental and requires a weighting of the individual factors in reaching a conclusion.

Management concluded that the Group is the principal with respect to such arrangements. The Group provides value-added services for the software license promised in the contract that represent the combined output for which the customer has contracted. Therefore, the software license and value-added service offering is not distinct within the context of the contract and the Group controls the specified value-added services before it is transferred to the customer.

This is evidenced by the fact that the customer views the Group as primarily responsible for fulfilling the performance obligation to the customer, including ensuring the compatibility of software licenses to the customer's operations and providing support for the software installation. Furthermore, the Group has discretion in establishing the price for the specified software license or bundled software service.

(g) Impairment of trade receivables

The level of estimation and judgement used in the expected credit loss ("ECL") calculation has increased as a result of COVID-19 outbreak.

The Group has identified a group of tenants in UK, Singapore and China who were adversely impacted by mall closures and social distancing measures as a result of the COVID-19 outbreak. The recovery from respective receivables are assessed individually after consideration of deposits and banker's guarantees held and the Group has considered the volatility of the forward-looking macroeconomic factors affecting the ability of the customer to repay their debts.

The Group also considered that some of the hospitality industry players were adversely impacted due to border closures as compared to customers in other industry segments. Accordingly, the Group has further disaggregated this group of receivables into a different provision matrix.

A loss allowance of \$8,728,000 is recognised as at 31 December 2020 for trade receivables as disclosed in Note 36(b).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(h) Fair values of unquoted financial assets, at FVOCI

The Group, on its own or in reliance on third party experts, also applies estimates, assumptions and judgements in the determination of the fair values of unquoted financial assets, at FVOCI. These estimates, assumptions and judgements are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements.

4. REVENUE, FINANCE INCOME AND MISCELLANEOUS INCOME

	The Group	
	2020 \$'000	2019 \$'000
<u>Revenue from contracts with customers under SFRS(I) 15</u>		
Revenue from property development		
– recognised at a point in time	480,554	443,506
– recognised over time	462,547	403,551
Revenue from hotel ownership and operations		
– recognised at a point in time	88,793	232,109
– recognised over time	157,706	421,594
Revenue from technology operations		
– recognised at a point in time	216,516	152,974
– recognised over time	9,230	7,125
Revenue from management services		
– recognised over time	9,432	15,508
	1,424,778	1,676,367
<u>Other revenue</u>		
Revenue from property investments	503,334	551,734
Dividend income from equity investments designated at FVOCI	49,036	55,240
Total revenue	1,977,148	2,283,341
<u>Interest income from financial assets measured at amortised cost</u>		
Fixed deposits with financial institutions	8,985	8,761
Loans to a joint venture company	2,253	2,905
Others	809	462
	12,047	12,128
Currency exchange gains – net	499	–
Finance income	12,546	12,128
<u>Miscellaneous income, including government grants</u>		
Government grant income – COVID-19 related [Note (d) below]	105,789	–
Less: Government grant expense – COVID-19 related rent concessions given to tenants [Note (e) below]	(33,354)	–
	72,435	–
Other miscellaneous income	18,825	18,916
Miscellaneous income	91,260	18,916

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

4. REVENUE, FINANCE INCOME AND MISCELLANEOUS INCOME (continued)

(a) Contract assets and liabilities

	The Group		
	31 December 2020 \$'000	2019 \$'000	1 January 2019 \$'000
Contract assets			
– Unbilled revenue for development properties (Note 13)	26,888	69,063	581,222
– Unbilled revenue for technology operations (Note 12)	41,370	9,772	–
Contract liabilities			
– Contract liabilities for development properties (Note 25)	(33,980)	(197,428)	(362,837)
– Contract liabilities for technology operations (Note 25)	(5,655)	(1,154)	–
– Deferred revenue for technology operations	(3,669)	(4,348)	(4,758)

Unbilled revenue relates to the Group's rights to consideration for work completed but not billed at the reporting date. Unbilled revenue is transferred to receivables when the rights to consideration become unconditional. Total unbilled revenue for development properties decreased as the Group provided less services and transferred less goods ahead of the agreed payment schedules compared to the previous financial year. Total unbilled revenue for technology operations increased as the Group provided more products ahead of the agreed payment schedules.

Contract liabilities for development properties relates to advance consideration received from customers for sale of development properties. Contract liabilities have decreased due mainly to revenue recognised on the Group's development property projects upon sales completion; where control of the properties have been transferred to the customer; or based on actual performance completed to date.

Contract liabilities for technology operations relate to advance consideration received from customers for unfulfilled performance obligations in fulfilling the delivery of computer hardware and software licenses. Total advances increased as the Group received more consideration ahead of delivery of goods.

Deferred revenue for technology operations relate to consideration received from customers for the unfulfilled performance obligations in providing maintenance and warranty services. Total deferred revenue from technology operations decreased as the Group provided more services ahead of consideration received.

(i) Revenue recognised in relation to contract liabilities

	The Group	
	2020 \$'000	2019 \$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
– sale of development properties	190,960	351,331
– deferred revenue for technology operations	3,274	3,028

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

4. REVENUE, FINANCE INCOME AND MISCELLANEOUS INCOME (continued)

(a) Contract assets and liabilities (continued)

(ii) *Transaction price allocated to unfulfilled performance obligations*

The following table includes revenue expected to be recognised in the future related to performance obligations that are unfulfilled (or partially fulfilled) at the reporting date.

	2020	2021	The Group		Total
	\$'000	\$'000	2022	2023	\$'000
			\$'000	\$'000	\$'000
Revenue from property development					
31 December 2020	–	855,823	261,925	2,670	1,120,418
31 December 2019	705,532	328,392	4,592	–	1,038,516

There is no variable consideration that is subject to significant risk of reversal.

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unfulfilled contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

(b) Assets recognised from costs to obtain contracts

Incremental costs of obtaining a contract are capitalised and are presented within other assets in the statement of financial position if these costs are recoverable. The Group has applied the practical expedient and recognised the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

	The Group	
	2020	2019
	\$'000	\$'000
<u>Other assets</u>		
Assets recognised from costs to obtain contracts (Note 16)	34,185	26,534
Amortisation recognised to marketing and distribution expense during the period	16,662	9,831

(c) Trade receivables from contracts with customers

	The Group		
	31 December	1 January	
	2020	2019	2019
	\$'000	\$'000	\$'000
Trade receivables from contracts with customers	215,236	348,510	411,938
Less: Loss allowance	(934)	(471)	(582)
	214,302	348,039	411,356

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

4. REVENUE, FINANCE INCOME AND MISCELLANEOUS INCOME (continued)

(d) Government grant income

Government grant income relates mainly to property tax rebates, cash grant and Job Support Scheme received from the Singapore Government and JobKeeper's Payment received from the Australia Government to help businesses deal with the impact from COVID-19.

For the property tax rebates received where the Group is a lessor, the Group is obliged to pass on the benefits to its tenants and has transferred these to the tenants in the form of rent rebates during the current financial year. For the cash grant, the Group is obliged to waive up to two months of rental to eligible tenants.

(e) Government grant expense

Government grant expense relates to the property tax rebates received from the Singapore Government that were transferred to tenants in the form of rent rebates during the year and rental waivers provided to eligible tenants as part of the qualifying conditions of the cash grant.

5. EXPENSES BY NATURE

	The Group	
	2020 \$'000	2019 \$'000
Cost of inventories sold	203,959	203,366
Depreciation of property, plant and equipment (Note 21)	116,012	112,227
Amortisation of intangibles [Note 24(a),(b),(c),(d)]	1,868	78,426
Total depreciation and amortisation	117,880	190,653
Property, plant and equipment written off and net loss on disposals	9,467	2,234
Auditors' remuneration paid/payable to:		
– auditor of the Company	1,387	1,507
– other auditors	558	726
Other fees paid/payable to:		
– auditor of the Company	218	318
– other auditors	264	248
Employees compensation (Note 6)	214,191	291,230
Rent paid to other parties [Note 22(d)]	822	1,158
Heat, light and power	25,601	36,644
Property tax	57,698	56,120
Development cost included in cost of sales	660,370	557,507
Advertising and promotion	47,342	51,788
Management fees	1,995	9,812
IT related expenses	7,660	8,262
Repairs and maintenance	44,883	53,395
Commission	13,202	33,881
Reservation expenses	2,355	3,927
Cleaning services, security services and other sub-contractor charges	17,787	30,047
Guest supplies and cleaning expenses	5,004	9,081
Linen, uniform and laundry	3,892	9,932
Allowance/(write-back) for foreseeable losses on development properties	749	(1,088)
Impairment loss on financial assets	8,134	418
Other expenses	99,353	112,850
Total cost of sales, marketing and distribution, administrative and other operating expenses	1,544,771	1,664,016

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

6. EMPLOYEES COMPENSATION

	The Group	
	2020	2019
	\$'000	\$'000
Wages and salaries	198,258	266,713
Employer's contribution to defined contribution plans including Central Provident Fund	17,406	22,459
Retirement benefits	(2,574)	673
Share options granted to directors and employees	1,101	1,385
	214,191	291,230

7. FINANCE EXPENSE

	The Group	
	2020	2019
	\$'000	\$'000
Interest expense:		
– bank loans, notes and overdrafts	75,771	112,750
– loans from non-controlling shareholders of subsidiaries	2,527	4,115
– trade financing	437	79
– lease liabilities	1,154	1,203
– bank facility fees	5,191	5,622
	85,080	123,769
Cash flow hedges, transfer from hedging reserve [Note 32(e)]	12,135	749
Less:		
Borrowing costs capitalised in development properties [Note 13(a)]	(4,480)	(1,658)
Borrowing costs capitalised in property, plant and equipment [Note 21(b)]	(9,375)	(10,893)
	83,360	111,967
Currency exchange losses – net	–	4,561
	83,360	116,528

8. OTHER (LOSSES)/GAINS

	The Group	
	2020	2019
	\$'000	\$'000
Impairment charge on property, plant and equipment	(42,233)	(14,780)
Write-back of impairment charge on property, plant and equipment	1,021	3,586
Gain on disposal of a subsidiary	–	39,318
	(41,212)	28,124

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

9. INCOME TAXES

(a) Income tax expense

	The Group	
	2020 \$'000	2019 \$'000
Tax expense attributable to profit is made up of:		
– Profit for the financial year:		
Current income tax [Note (b) below]		
– Singapore	99,695	117,690
– Foreign	38,293	45,925
– Withholding tax paid	309	508
	138,297	164,123
Deferred income tax (Note 30)	(83,367)	(54,870)
	54,930	109,253
– (Over)/under provision in prior financial years:		
Current income tax [Note (b) below]		
– Singapore	(6,328)	(2,155)
– Foreign	(765)	74
	(7,093)	(2,081)
Deferred income tax (Note 30)	(24,470)	(1,396)
	(31,563)	(3,477)
	23,367	105,776

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	
	2020 \$'000	2019 \$'000
Profit before income tax	108,716	784,545
Share of (loss)/profit of associated companies, net of tax	7,671	(6,019)
Share of loss of a joint venture company, net of tax	1,929	3,770
Profit before tax and share of (loss)/profit of associated companies and loss of a joint venture company	118,316	782,296
Tax calculated at a tax rate of 17% (2019: 17%)	20,114	132,990
Effects of:		
– Singapore statutory stepped income exemption	(610)	(755)
– Tax rebates	(340)	(1,233)
– Different tax rates in other countries	2,613	8,200
– Income not subject to tax	(21,077)	(53,343)
– Expenses not deductible for tax purposes	62,103	26,496
– Recognition/utilisation of previously unrecognised tax losses	(8,553)	(3,895)
– Deferred tax assets not recognised in the current financial year	680	793
– Over provision in prior financial years	(31,563)	(3,477)
Tax charge	23,367	105,776

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

9. INCOME TAXES (continued)

(b) Movements in current income tax (assets)/liabilities

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At the beginning of the financial year	135,620	107,157	3,679	1,845
Currency translation differences	1,195	(765)	-	-
Income tax paid	(96,127)	(131,730)	(1,118)	(203)
Tax expense on profit [Note (a) above]				
– current financial year	138,297	164,123	1,806	2,292
– Group tax relief	(7,239)	(1,084)	-	-
– (over)/under provision in prior financial years	(7,093)	(2,081)	3,299	(255)
At the end of the financial year	164,653	135,620	7,666	3,679
Comprise:				
Current income tax assets	(254)	(210)	-	-
Current income tax liabilities	164,907	135,830	7,666	3,679
	164,653	135,620	7,666	3,679

10. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2020	2019
Net profit attributable to equity holders of the Company (\$'000)	13,141	478,817
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	843,595	843,150
Basic earnings per share (cents per share)	1.56	56.79

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2020, the Company's dilutive potential ordinary shares are its share options.

The weighted average number of shares in issue is adjusted as if all share options that are dilutive were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares was issued for no consideration. No adjustment is made to the net profit.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

10. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

Diluted earnings per share attributable to equity holders of the Company are calculated as follows:

	2020	2019
Net profit attributable to equity holders of the Company (\$'000)	13,141	478,817
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	843,595	843,150
Adjustments for share options ('000)	194	305
Weighted average number of ordinary shares for diluted earnings per share ('000)	843,789	843,455
Diluted earnings per share (cents per share)	1.56	56.77

11. CASH AND BANK BALANCES

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	662,910	327,244	5,969	4,382
Fixed deposits with financial institutions	314,032	390,133	13	32,302
	976,942	717,377	5,982	36,684

- (a) Included in cash and bank balances of the Group is an amount of \$157,545,000 (2019: \$162,334,000) maintained in Project accounts. The funds in the Project Accounts can only be applied in accordance with Housing Developers (Project Account) Rules (1997 Ed.).
- (b) Included in cash and bank balances of the Group is an amount of \$1,041,000 (2019: \$4,650,000) maintained in maintenance fund accounts for completed development properties. The funds in the maintenance fund accounts can only be applied for the upkeep of the completed development properties.
- (c) For the purposes of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised the following:

	The Group	
	2020	2019
	\$'000	\$'000
Cash and bank balances (as above)	976,942	717,377
Less: Bank deposits pledged as security [Note 26(b)]	(2,500)	(3,000)
Cash and cash equivalents per consolidated statement of cash flows	974,442	714,377

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

11. CASH AND BANK BALANCES (continued)

- (d) The fixed deposits with financial institutions for the Group and the Company mature on varying dates within 11 months (2019: 19 months) from the end of the financial year and have the following weighted average effective interest rates as at the end of the reporting period:

	The Group		The Company	
	2020 %	2019 %	2020 %	2019 %
Singapore Dollar	0.1	1.6	0.2	0.2
United States Dollar	0.02	1.0	-	-
Pound Sterling	0.1	0.3	-	-
Australian Dollar	0.1	0.5	-	-
Malaysian Ringgit	1.9	2.9	-	-
Vietnamese Dong	1.9	3.6	-	-
Chinese Renminbi	1.8	1.8	-	-

- (e) Disposal of a subsidiary

On 16 December 2019, the Group disposed of its wholly-owned subsidiary, Suzhou Wugong Hotel Co., Ltd. The effects of the disposal on the cash flows of the Group were:

	The Group At 16 December 2019 \$'000
Carrying amounts of assets and liabilities as at the date of disposal:	
Cash and cash equivalents	3,111
Property, plant and equipment	38,098
Inventory	29
Trade and other receivables	805
Total assets	42,043
Trade and other payables	1,664
Other current liabilities	2,066
Provisions	64
Total liabilities	3,794
Net assets disposed of	38,249
Cash inflows arising from disposal:	
Net assets disposed of (as above)	38,249
Gain on disposal	39,318
Cash proceeds on disposal	77,567
Less: Cash and cash equivalents in subsidiary disposed of	(3,111)
Net cash inflow on disposal	74,456

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Trade receivables:				
– non-related parties	265,664	381,011	577	5,399
– subsidiaries	–	–	285	250
– associated companies	297	106	–	–
Less: Loss allowance on receivables				
– non-related parties	(8,728)	(1,000)	(253)	–
Trade receivables – net	257,233	380,117	609	5,649
Other receivables:				
– subsidiaries (non-trade)	–	–	3,311	2,974
– associated companies (non-trade)	1,954	1,028	–	–
– a joint venture company (non-trade)	977	703	191	73
– sundry debtors	29,960	15,674	227	196
Unbilled revenue for technology operations [Note 4(a)]	18,037	3,926	–	–
	308,161	401,448	4,338	8,892
Non-current				
Trade receivables:				
– non-related parties	22,077	13,759	117	143
Other receivables:				
– a joint venture company (non-trade)	5,732	4,180	–	–
– sundry debtors	5,079	–	–	–
Unbilled revenue for technology operations [Note 4(a)]	23,333	5,846	–	–
Loans to:				
– subsidiaries (unsecured)	–	–	857,212	874,812
– associated companies (unsecured)	30,644	29,643	–	–
– a joint venture company (unsecured)	75,395	74,495	–	–
Less: Share of loss of a joint venture company taken against loans to the joint venture company	(7,565)	(5,637)	–	–
	154,695	122,286	857,329	874,955
Total trade and other receivables	462,856	523,734	861,667	883,847

- (a) An impairment of receivables of \$8,134,000 (2019: \$418,000) has been included in the income statement.
- (b) Included within trade receivables are the balance of sales consideration to be billed for properties held for sale that has obtained temporary occupation permit.
- (c) The non-trade amounts due from subsidiaries, associated companies and a joint venture company are unsecured, interest-free and repayable on demand. The non-current loans to subsidiaries, associated companies and a joint venture company are unsecured, have no fixed terms of repayment and are not expected to be repaid within twelve months from the end of the reporting period.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

12. TRADE AND OTHER RECEIVABLES (continued)

- (d) The loans to a joint venture company that are subordinated to the secured bank loans of the joint venture company is as follows:

	The Group	
	2020	2019
	\$'000	\$'000
Loans subordinated to secured bank loans:		
– Loans to a joint venture company	75,395	74,495

- (e) The fair values of non-current trade and other receivables are computed based on cash flows discounted using market borrowing rates. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<u>Fair value</u>				
Loans to subsidiaries:				
– Interest-free	–	–	846,650	854,328
Loans to associated companies:				
– Interest-free	18,591	18,665	–	–
Loans to a joint venture company:				
– Floating rate	67,830	68,858	–	–
	86,421	87,523	846,650	854,328

	The Group and The Company	
	2020	2019
	%	%
<u>Market borrowing rate</u>		
Loans to subsidiaries:		
– Interest-free	1.2	2.4
Loans to associated companies:		
– Interest-free	1.3	3.0
Loans to a joint venture company:		
– Floating rate	1.7	3.0

13. DEVELOPMENT PROPERTIES

	The Group	
	2020	2019
	\$'000	\$'000
Completed properties	473,414	697,681
Allowance for foreseeable losses	(6,029)	(6,392)
Development properties in progress	2,663,257	2,544,278
Unbilled revenue for development properties [Note 4(a)]	26,888	69,063
	3,157,530	3,304,630

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

13. DEVELOPMENT PROPERTIES (continued)

- (a) Borrowing costs of \$4,480,000 (2019: \$1,658,000) (Note 7) arising on financing specifically entered into for the development of properties for which revenue is recognised at a point in time were capitalised during the financial year.
- (b) Bank borrowings and other banking facilities are secured on certain development properties of the Group amounting to \$2,287,030,000 (2019: \$2,181,584,000) [Note 26(b)].
- (c) Details of the Group's development properties in progress as at 31 December 2020 are as follows:

Property	Tenure of land	Stage of completion	Expected completion date	Site area/ gross floor area (sq m)	Effective interest in property
One Bishopsgate Plaza A residential development with proposed 160 units of apartments within a mixed development in London, The United Kingdom	Freehold	85.9%	2 nd Half 2021	3,200/53,402	100%
The Tre Ver A residential development comprising 729 units of condominium apartments	99-year leasehold	33.0%	1 st Half 2022	18,711/52,391	75.1%
Avenue South Residence A residential development comprising 1,074 units of condominium apartments	99-year leasehold	38.0%	2 nd Half 2022	22,852/92,876	65.1%
Clavon A residential development comprising 640 units of condominium apartments	99-year leasehold	4.1%	2 nd Half 2023	16,543/57,900	90.1%
Site at Canberra Drive A residential development comprising 448 units of condominium apartments	99-year leasehold	–	1 st Half 2024	27,566/41,489	65.1%

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

13. DEVELOPMENT PROPERTIES (continued)

(d) Details of the Group's completed properties as at 31 December 2020 are as follows:

Property	Tenure of land	Net saleable area (sq m)	Effective interest in property
The Esplanade (Hai He Hua Ding) 25 unsold office units within a mixed development in Tianjin, The People's Republic of China	40-year leasehold	8,807	100%
Mon Jervois 10 unsold units in a 109-unit condominium development at Jervois Road	99-year leasehold	2,110	50.4%
V on Shenton 33 unsold units in a 510-unit condominium development at Shenton Way, part of a mixed residential and commercial development at Shenton Way	99-year leasehold	5,958	50.4%
Park Eleven 37 sold units awaiting handover and 80 unsold units in a mixed-use development comprising 398 residential apartments, with a retail component in Shanghai, The People's Republic of China	70-year leasehold	29,617	55.1%
Amber45 4 unsold units in a 139-unit condominium development at Amber Road	Freehold	526	100%

14. INVENTORIES

	The Group	
	2020 \$'000	2019 \$'000
Food and beverages	661	937
Other supplies	581	3,352
	1,242	4,289

The cost of inventories recognised as expense and included in 'cost of sales' amounted to \$203,959,000 (2019: \$203,366,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

15. FINANCIAL ASSETS, AT FVOCI

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At the beginning of the financial year	1,189,755	1,075,536	884,562	820,642
Fair value (losses)/gains recognised in other comprehensive income [Note 32(b)]	(176,134)	114,219	(132,445)	63,920
At the end of the financial year	1,013,621	1,189,755	752,117	884,562

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-current assets				
Listed equity securities:				
– United Overseas Bank Limited	899,925	1,050,111	676,443	789,334
– Haw Par Corporation Limited	31,682	37,752	28,101	33,485
	931,607	1,087,863	704,544	822,819
Unlisted equity securities:				
– OUB Centre Pte Ltd	47,573	61,743	47,573	61,743
– Others	34,441	40,149	–	–
	82,014	101,892	47,573	61,743
	1,013,621	1,189,755	752,117	884,562

16. OTHER ASSETS

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Deposits	13,318	18,153	39	39
Prepayments	22,696	18,441	779	545
Capitalised costs to obtain contracts [Note 4(b)]	26,254	16,929	–	–
	62,268	53,523	818	584
Non-current				
Deposits	120	2,081	–	–
Prepayments	61,192	27,264	–	–
Capitalised costs to obtain contracts [Note 4(b)]	7,931	9,605	–	–
	69,243	38,950	–	–
Total other assets	131,511	92,473	818	584

Included in non-current prepayments are: (i) \$30,092,000 (2019: \$27,262,000) relating to payments for the 180 serviced suites to be operated as PARKROYAL Serviced Suites Jakarta; and (ii) \$28,236,000 (2019: nil) relating to payments for the 158 hotel rooms to be operated as Pan Pacific Jakarta. These properties are currently under development and are located at Thamrin Nine Tower 2, Jakarta, Indonesia.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

17. INVESTMENTS IN ASSOCIATED COMPANIES

(a) The associated companies are:

Name of companies	Principal activities	Country of business/ Incorporation	Equity holding	
			2020 %	2019 %
Marina Bay Hotel Private Limited	Hotelier	Singapore	50 by MCH	50 by MCH
Avenue Park Development Pte. Ltd.	Property development	Singapore	48 by SLD	48 by SLD
Tianjin Yanyuan International Grand Hotel	Hotel investment	The People's Republic of China	20 by ABCC 16 by NW	20 by ABCC 16 by NW
City Square Hotel Co. Ltd.**	Hotelier	Myanmar	40 by PPHH	40 by PPHH
Pilkon Development Company Limited*	Investment holding	The British Virgin Islands	39.35 by PPHG	39.35 by PPHG
PPHR (Thailand) Company Limited**	Marketing agent	Thailand	48.97 by PPH	48.97 by PPH
Marina Promenade Limited	Place management	Singapore	25 by MCH	25 by MCH

PricewaterhouseCoopers LLP Singapore is the auditor of all associated companies of the Group unless otherwise indicated.

* Not required to be audited under the laws of the country of incorporation.

** Audited by other auditors. The associated companies not audited by PricewaterhouseCoopers LLP Singapore or PricewaterhouseCoopers firms outside Singapore are not significant associated companies as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2020.

- (b) The associated companies are, in the opinion of the directors, not material to the Group as at 31 December 2020 and 2019.
- (c) There is no share of an associated company's contingent liabilities incurred jointly with other investors. Contingent liabilities relating to borrowings of an associated company in which the Group is severally liable (Note 34) amounted to \$575,000 (2019: \$586,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

18. INVESTMENT IN A JOINT VENTURE COMPANY

(a) The joint venture company is:

Name of company	Principal activity	Country of business/ incorporation	Equity holding	
			2020 %	2019 %
Secure Venture Development (No. 1) Pte. Ltd.	Property development	Singapore	50 by UVI	50 by UVI

PricewaterhouseCoopers LLP Singapore is the auditor of the joint venture company.

(b) The joint venture company is, in the opinion of the directors, not material to the Group as at 31 December 2020 and 2019. There is no share of joint venture company's contingent liabilities incurred jointly with other investors.

19. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2020 \$'000	2019 \$'000
Listed investments at cost	52,940	52,940
Unlisted investments at cost	1,942,907	1,934,507
	1,995,847	1,987,447
Less accumulated impairment charge:		
At the beginning of the financial year	(3,513)	(1,244)
Impairment charge for the financial year	(50,824)	(2,269)
At the end of the financial year	(54,337)	(3,513)
	1,941,510	1,983,934

(a) Impairment charge

Impairment charges were made to adjust the carrying values of certain of the Company's unlisted investments in subsidiaries to their recoverable amounts, taking into account the general economic and operating environments, including the impact of the COVID-19 pandemic, in which the relevant subsidiaries operate in.

The recoverable amount for the relevant subsidiaries was mainly estimated based on the fair value less cost to sell of the net assets as at the end of the reporting period. The carrying amounts of the net assets of the relevant subsidiaries approximate their fair values.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are:

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 \$'000	2019 \$'000	2020 %	2019 %	2020 %	2019 %
Held by the Company								
Pan Pacific Hotels Group Limited ("PPHG")	Hotelier, property owner, rental of serviced suites and investment holding	Singapore	690,038	690,038	100	100	-	-
United Industrial Corporation Limited ("UIC")	Property investment, development and management and information technology related products and services	Singapore	52,940	52,940	2.35 by UOL and 48.02 by UEI	2.35 by UOL and 47.79 by UEI	49.63	49.86
Marina Centre Holdings Pte Ltd	Hotelier and property investment	Singapore	111,484	111,484	22.67 by UOL, 18.67 by SKR, 10.00 by PSPL, 5.33 by SLP and 43.34 by SLD	22.67 by UOL, 18.67 by SKR, 10.00 by PSPL, 5.33 by SLP and 43.34 by SLD	38.44	38.61
UOL Claymore Investment Pte. Ltd.	Hotelier	Singapore	50,000	50,000	100	100	-	-
UOL Somerset Investments Pte. Ltd.	Rental of serviced suites	Singapore	75,000	75,000	100	100	-	-
UOL Property Investments Pte Ltd	Property investment	Singapore	76,006	76,006	100	100	-	-
Novena Square Investments Ltd	Property investment	Singapore	162,000	162,000	60 by UOL, 20 by SLP	60 by UOL, 20 by SLP	29.94	29.95
Novena Square Development Ltd	Property investment	Singapore	42,000	42,000	60 by UOL, 20 by SLP	60 by UOL, 20 by SLP	29.94	29.95
UOL Development Pte Ltd	Property development	Singapore	20,000	20,000	100	100	-	-
UOL Development (Dakota) Pte. Ltd.	Property development	Singapore	41,436	41,436	100	100	-	-
Secure Venture Development (Simei) Pte. Ltd.	Liquidated	Singapore	-	600	-	60	-	40
UOL Residential Development Pte. Ltd.	Property development	Singapore	1,000	1,000	100	100	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 \$'000	2019 \$'000	2020 %	2019 %	2020 %	2019 %
Held by the Company (continued)								
UOL Development (St Patrick) Pte. Ltd.	Property development	Singapore	1,000	1,000	100	100	-	-
UOL Development (Sengkang) Pte. Ltd.	Property development	Singapore	1,000	1,000	100	100	-	-
UOL Development (Bartley) Pte. Ltd.	Property development	Singapore	30,500	30,500	100	100	-	-
UOL Management Services Pte Ltd	Property management services and property investment	Singapore	2,041	2,041	100	100	-	-
UOL Project Management Services Pte. Ltd.	Project management services	Singapore	115	115	100	100	-	-
UOL Treasury Services Pte. Ltd.	Treasury services	Singapore	10,000	1,000	100	100	-	-
UOL Equity Investments Pte Ltd ("UEI")	Investment holding	Singapore	480,000	480,000	100	100	-	-
UOL Overseas Development Pte. Ltd. ("UOD")	Investment holding	Singapore	50,000	50,000	100	100	-	-
UOL Capital Investments Pte. Ltd. ("UCI")	Investment holding	Singapore	52,000	52,000	100	100	-	-
UOL Venture Investments Pte. Ltd. ("UVI")	Investment holding	Singapore	2,651	2,651	100	100	-	-
Secure Venture Investments Limited ("SVIL")**	Investment holding	Hong Kong	28,208	28,208	100	100	-	-
UOL Development (Amber) Pte. Ltd.	Property development	Singapore	2,000	2,000	100	100	-	-
UOL Ventures Holdings Pte. Ltd.	Investment holding	Singapore	~	~	100	100	-	-
UOL Retail Management Pte. Ltd.	Retail management consultancy services	Singapore	~	~	100	100	-	-
UOL Investments (Australia) Pte. Ltd. ("UIA")	Investment holding	Singapore	14,428	14,428	100	100	-	-
			1,995,847	1,987,447				

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Held by subsidiaries						
UIC Development (Private) Limited ("UICD")	Investment holding	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Enterprise Pte Ltd ("UICE")	Investment holding	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Investment Pte Ltd ("UICI")	Property development	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Investments (Properties) Pte Ltd	Property investment	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Management Services Pte. Ltd.	Property management agents	Singapore	100 by UIC	100 by UIC	49.63	49.86
Active Building & Civil Construction (1985) Pte. Ltd. ("ABCC")	Investment holding	Singapore	100 by UIC	100 by UIC	49.63	49.86
Networkd Pte Ltd ("NW")	Investment holding	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC China Realty Pte. Ltd. ("UICCR")	Investment holding	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Overseas Investments Pte. Ltd. ("UICOI")	Investment holding	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Homes Pte. Ltd. ("UICH")	Investment holding	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Commodities Pte Ltd®	Dormant	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Printedcircuits Pte Ltd®	Dormant	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Commercial Properties Pte. Ltd. ("UCP")®	Dormant	Singapore	100 by UIC	100 by UIC	49.63	49.86
UIC Land Pte Ltd	Property investment	Singapore	100 by UICD	100 by UICD	49.63	49.86
Singapore Land Limited ("SLL")	Investment holding	Singapore	78.88 by UICE 20.76 by UICD 0.037 by UICI	78.88 by UICE 20.76 by UICD 0.037 by UICI	49.70	49.93
Gateway Land Limited	Property investment	Singapore	100 by SLL	100 by SLL	49.70	49.93

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Held by subsidiaries (continued)						
Realty Management Services (Pte) Ltd.	Property management agents	Singapore	100 by SLL	100 by SLL	49.70	49.93
RMA-Land Development Private Ltd	Investment holding	Singapore	100 by SLL	100 by SLL	49.70	49.93
Shing Kwan Realty (Pte.) Limited ("SKR")	Property investment and investment holding	Singapore	100 by SLL	100 by SLL	49.70	49.93
S.L. Home Loans Pte. Ltd.	Investment holding	Singapore	100 by SLL	100 by SLL	49.70	49.93
S.L. Development Pte. Limited ("SLD")	Property investment and investment holding	Singapore	100 by SLL	100 by SLL	49.70	49.93
Singland China Holdings Pte. Ltd. ("SCH")	Investment holding	Singapore	100 by SLL	100 by SLL	49.70	49.93
Singland Homes Pte. Ltd. ("SLH")	Investment holding	Singapore	100 by SLL	100 by SLL	49.70	49.93
S.L. Properties Limited ("SLP")	Property investment and investment holding	Singapore	100 by SLL	100 by SLL	49.70	49.93
Interpex Services Private Limited®	Dormant	Singapore	100 by SKR	100 by SKR	49.70	49.93
Alprop Pte Ltd	Property investment	Singapore	50 by SLD 50 by UICD	50 by SLD 50 by UICD	49.70	49.93
Ideal Homes Pte. Limited	Property development	Singapore	100 by SLD	100 by SLD	49.70	49.93
Singland Development (Farrer Drive) Pte. Ltd.	Property development	Singapore	100 by SLD	100 by SLD	49.70	49.93
Singland Development (Jervois) Pte. Ltd.	Property development	Singapore	100 by SLD	100 by SLD	49.70	49.93
Singland (Chengdu) Development Co., Ltd.*	Property development	The People's Republic of China	100 by SCH	100 by SCH	49.70	49.93
Singland Homes (Alexandra) Pte. Ltd.	Property development	Singapore	100 by SLH	100 by SLH	49.70	49.93
Singland Homes (London 90) Pte. Ltd.®	Dormant	Singapore	100 by SLH	100 by SLH	49.70	49.93
Pothonier Singapore Pte Ltd ("PSPL")	Investment holding	Singapore	100 by SLP	100 by SLP	49.70	49.93
Shenton Holdings Private Limited ("SH")	Investment holding	Singapore	100 by SLP	100 by SLP	49.70	49.93

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Held by subsidiaries (continued)						
S L Prime Properties Pte Ltd	Property investment	Singapore	100 by SH	100 by SH	49.70	49.93
S L Prime Realty Pte Ltd	Property investment	Singapore	100 by SH	100 by SH	49.70	49.93
UIC Technologies Pte Ltd ("UICT")	Investment holding	Singapore	60 by UIC	60 by UIC	69.78	69.92
UIC Asian Computer Services Pte Ltd	Retailing of computer hardware and software	Singapore	100 by UICT	100 by UICT	69.78	69.92
UIC Investments (Equities) Pte Ltd [®]	Dormant	Singapore	100 by UICT	100 by UICT	69.78	69.92
Marina Management Services Pte Ltd	Property management agents	Singapore	100 by MCH	100 by MCH	38.44	38.61
Hotel Marina City Private Limited	Hotelier	Singapore	100 by MCH	100 by MCH	38.44	38.61
UIC JinTravel (Tianjin) Co., Ltd*	Property investment, trading and hotelier	The People's Republic of China	51 by UICCR	51 by UICCR	74.31	74.43
Aquamarina Hotel Private Limited ("AHPL")	Hotelier	Singapore	25 by UEI 75 by MCH	25 by UEI 75 by MCH	28.83	28.96
Shanghai Jin Peng Realty Co. Ltd ("SJP")*	Property development	The People's Republic of China	40 by UCI 30 by SCH	40 by UCI 30 by SCH	44.91	44.98
United Venture Development (Bedok) Pte. Ltd.	Property development	Singapore	50 by UVI 50 by SLD	50 by UVI 50 by SLD	24.85	24.97
United Venture Development (Thomson) Pte. Ltd.	Property development	Singapore	50 by UVI 50 by SLH	50 by UVI 50 by SLH	24.85	24.97
United Venture Development (Clementi) Pte. Ltd.	Property development	Singapore	50 by UVI 50 by SLH	50 by UVI 50 by SLH	24.85	24.97
United Venture Development (Clementi 1) Pte. Ltd.	Property development	Singapore	80 by UVI 20 by UICH	80 by UVI 20 by UICH	9.93	10.00
UVD (Projects) Pte. Ltd.	Property development	Singapore	50 by UVI 50 by SLH	50 by UVI 50 by SLH	24.85	24.97
United Venture Development (Silat) Pte. Ltd.	Property development	Singapore	50 by UVI 30 by UICH	50 by UVI 30 by UICH	34.89	34.96

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Held by subsidiaries (continued)						
United Venture Development (2020) Pte. Ltd.^	Property development	Singapore	50 by UVI 30 by UICH	–	34.89	–
United Venture Development (No. 1) Pte. Ltd.	Dormant	Singapore	42.5 by UVI 42.5 by SLH	42.5 by UVI 42.5 by SLH	36.12	36.22
United Venture Investments (No. 2) Pte. Ltd.	Dormant	Singapore	70 by UVI 30 by UCP	70 by UVI 30 by UCP	14.89	14.98
United Venture Development (No. 3) Pte. Ltd.	Dormant	Singapore	80 by UVI 20 by UICH	70 by UVI 30 by UICH	9.93	14.96
United Venture Investments (No.1) Pte. Ltd.	Dormant	Singapore	50 by UVI 50 by UCP	50 by UVI 50 by UCP	24.82	24.93
United Venture Investments (HI) Pte. Ltd. (“UVIHI”)	Property investment	United Kingdom/ Singapore	50 by UVI 50 by UICOI	50 by UVI 50 by UICOI	24.82	24.93
United Venture Investment (Thomson) Pte. Ltd.	Dormant	Singapore	60 by UVI 40 by SLD	60 by UVI 40 by SLD	19.88	19.97
Secure Venture Development (Alexandra) Pte. Ltd.	Property development	Singapore	70 by UVI	70 by UVI	30	30
Promatik Emas Sdn. Bhd.*	Property development	Malaysia	55 by UOD	55 by UOD	45	45
UOL Serviced Residences Sdn. Bhd.*	Rental of serviced suites	Malaysia	100 by UOD	100 by UOD	–	–
Tianjin UOL Xiwang Real Estate Development Co., Ltd.*	Property development, hotelier and property investment	The People’s Republic of China	100 by UCI	100 by UCI	–	–
Hua Ye Xiamen Hotel Limited*	Hotelier	The People’s Republic of China	100 by SVIL	100 by SVIL	–	–
Success Venture Investments (Jersey) Limited (“SVIJ”)#	Investment holding	Jersey	100 by UOD	100 by UOD	–	–
One Bishopsgate Plaza Limited#	Management of real estate	United Kingdom	100 by SVIJ	100 by SVIJ	–	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Held by subsidiaries (continued)						
Success Venture Development (Jersey) Limited ("SVDJ") [#]	Dormant	Jersey	100 by UOD	100 by UOD	–	–
Success Venture Nominees (No. 1) Limited [#]	Dormant	United Kingdom	100 by SVIJ	100 by SVIJ	–	–
Pan Pacific London Hotel Limited [#]	Dormant	United Kingdom	100 by ULH	100 by ULH	–	–
UOL Development (UK) Limited*	Property development	United Kingdom	100 by UVI	100 by UVI	–	–
Success Venture Property Investments Limited*	Property investment	United Kingdom/ Hong Kong	100 by UOD	100 by UOD	–	–
Peak Venture Pte. Ltd.**	Dormant	Singapore	40 by UCI 30 by SCH	40 by UCI 30 by SCH	44.91	44.98
Success Venture (CS) Pty Ltd*	Property investment	Australia	100 by UIA	100 by UIA	–	–
Parkroyal Kitchener Hotel Pte. Ltd.	Hotelier	Singapore	100 by PPHG	100 by PPHG	–	–
Parkroyal Pickering Hotel Pte. Ltd.	Hotelier and property investment	Singapore	100 by PPHG	100 by PPHG	–	–
Parkroyal Serviced Residences Pte. Ltd.	Management of serviced suites	Singapore	100 by PPHG	100 by PPHG	–	–
United Lifestyle Holdings Pte Ltd ("ULH")	Investment holding	Singapore	100 by PPHG	100 by PPHG	–	–
St Gregory Spa Pte Ltd	Management and operator of health and beauty retreats and facilities	Singapore	100 by PPHG	100 by PPHG	–	–
Dou Hua Restaurants Pte Ltd	Operator of restaurants	Singapore	100 by PPHG	100 by PPHG	–	–
Pan Pacific Shared Services Centre Pte. Ltd.	Provision of accounting services to hotels and serviced suites within the Group	Singapore	100 by PPHG	100 by PPHG	–	–
Parkroyal International Pte. Ltd.	Managing and licensing of trademark	Singapore	100 by PPHG	100 by PPHG	–	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Held by subsidiaries (continued)						
Pan Pacific International Pte. Ltd.	Managing and licensing of trademark	Singapore	100 by PPHG	100 by PPHG	–	–
PPHG Ventures Pte. Ltd.	Dormant	Singapore	100 by PPHG	100 by PPHG	–	–
Garden Plaza Company Limited*	Hotelier	Vietnam	100 by PPHG	100 by PPHG	–	–
Success City Pty Limited*	Hotelier	Australia	100 by PPHG	100 by PPHG	–	–
Success Venture Investments (Australia) Ltd (“SVIA”)	Investment holding	The British Virgin Islands	100 by PPHG	100 by PPHG	–	–
Success Venture Pty Limited*	Trustee company	Australia	100 by SVIA	100 by SVIA	–	–
Success Venture Investments (WA) Limited (“SVIWA”)	Investment holding	The British Virgin Islands	100 by PPHG	100 by PPHG	–	–
HPL Properties (Malaysia) Sdn. Bhd. (“HPM”)*	Investment holding	Malaysia	100 by PPHG	100 by PPHG	–	–
President Hotel Sdn Berhad (“PHSB”)*	Hotelier	Malaysia	66.67 by HPM and 33.33 by PPHG	66.67 by HPM and 33.33 by PPHG	–	–
Grand Elite Sdn. Bhd.*	Dormant	Malaysia	100 by PHSB	100 by PHSB	–	–
Grand Elite (Penang) Sdn. Bhd.*	Dormant	Malaysia	100 by PHSB	100 by PHSB	–	–
Hotel Investments (Suzhou) Pte. Ltd. (“HIS”)	Investment holding	Singapore	100 by PPHG	100 by PPHG	–	–
Hotel Investments (Hanoi) Pte. Ltd. (“HIH”)	Investment holding	Singapore	100 by PPHG	100 by PPHG	–	–
Westlake International Company*	Hotelier	Vietnam	75 by HIH	75 by HIH	25	25
YIPL Investment Pte. Ltd. (“YIPL”)	Investment holding	Singapore	100 by PPHG	100 by PPHG	–	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Held by subsidiaries (continued)						
Yangon Hotel Limited**	Hotelier	Myanmar	100 by YIPL	100 by YIPL	–	–
Pan Pacific Hospitality Holdings Pte. Ltd. (“PPHH”)	Investment holding	Singapore	100 by PPHG	100 by PPHG	–	–
Pan Pacific Hospitality Pte. Ltd. (“PPH”)	Manage and operate serviced suites and investment holding	Singapore	100 by PPHH	100 by PPHH	–	–
Pan Pacific Technical Services Pte. Ltd.	Provision of technical services to hotels and serviced suites	Singapore	100 by PPHH	100 by PPHH	–	–
Pan Pacific Marketing Services Pte. Ltd.	Provision of marketing and related services to hotels and serviced suites	Singapore	100 by PPHH	100 by PPHH	–	–
Pan Pacific Hotels and Resorts Pte. Ltd. (“PPHR”)	Hotel manager and operator	Singapore	100 by PPHH	100 by PPHH	–	–
Pan Pacific Hotels and Resorts Japan Co., Ltd [#]	Hotel manager and operator	Japan	100 by PPHR	100 by PPHR	–	–
Pan Pacific (Shanghai) Hotels Management Co., Ltd.**	Hotel manager and operator	The People’s Republic of China	100 by PPHR	100 by PPHR	–	–
Pan Pacific Hotels and Resorts America, Inc. (“PPHRA”) [#]	Hotel manager and operator	United States of America	100 by PPHR	100 by PPHR	–	–
Pan Pacific Hotels and Resorts Australia Pty Ltd [^]	Hotel manager and operator	Australia	100 by PPHR	–	–	–
Pan Pacific Hotels and Resorts Seattle Limited Liability Co [#]	Hotel manager and operator	United States of America	100 by PPHRA	100 by PPHRA	–	–
PT. Pan Pacific Hotels & Resorts Indonesia**	Hotel manager and operator	Indonesia	99 by PPHR and 1 by PPHRA	99 by PPHR and 1 by PPHRA	–	–
PT Success Venture Serviced Suites Investments*	Business development	Indonesia	99 by PPHH and 1 by PPHR	99 by PPHH and 1 by PPHR	–	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Held by subsidiaries (continued)						
Success Venture Investments (Jakarta) Pte. Ltd. ("SVI(Jkt)")	Investment holding	Singapore	100 by PPHG	100 by PPHG	-	-
PT Success Venture Hotel Investments*	Hotelier/Investment holding	Indonesia	99 by SVI(Jkt) and 1 by PPHR	99 by SVI(Jkt) and 1 by PPHR	-	-

(c) The following unit trusts are held by:

Name of unit trusts	Principal activities	Country of business/ constitution	Proportion of units held by the Group		Proportion of units held by non-controlling interests	
			2020 %	2019 %	2020 %	2019 %
Success Venture (Darling Harbour) Unit Trust*	Hotelier	Australia	100 by SVIA	100 by SVIA	-	-
Success Venture (Parramatta) Unit Trust*	Hotelier	Australia	100 by SVIA	100 by SVIA	-	-
Success Venture (WA) Unit Trust*	Hotelier	Australia	100 by SVIWA	100 by SVIWA	-	-
Success Venture (Melbourne) Unit Trust*	Hotelier	Australia	100 by SVIWA	100 by SVIWA	-	-

PricewaterhouseCoopers LLP Singapore is the auditor of all subsidiaries of the Group unless otherwise indicated.

~ Less than \$1,000.

* Audited by PricewaterhouseCoopers firms outside Singapore.

** Audited by other auditors. The subsidiaries not audited by PricewaterhouseCoopers LLP Singapore or PricewaterhouseCoopers firms outside Singapore are not significant subsidiaries as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Not required to be audited under the laws of the country of incorporation.

^ Newly incorporated during the financial year.

@ Not required to be audited as these companies are considered dormant and exempted from audit under the Companies' Act.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2020.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

(d) Carrying value of non-controlling interests

The non-controlling interests for subsidiaries are, in the opinion of the directors, not material to the Group except for UIC and its subsidiary companies.

	2020 \$'000	2019 \$'000
UIC and its subsidiary companies ("UIC Group")	3,646,561	3,666,911
Other subsidiaries with immaterial non-controlling interests	666,446	619,898

(e) Summarised aggregate financial information of subsidiaries with material non-controlling interests, presented before inter-company eliminations:

	UIC Group	
	2020 \$'000	2019 \$'000
Current		
Assets	385,686	430,567
Liabilities	(580,834)	(678,520)
Total current net liabilities	(195,148)	(247,953)
Non-current		
Assets	8,561,057	8,594,061
Liabilities	(368,410)	(373,284)
Total non-current net assets	8,192,647	8,220,777
Net assets	7,997,499	7,972,824
	UIC Group	
	2020 \$'000	2019 \$'000
Revenue	671,125	789,451
Profit before income tax	107,729	736,786
Income tax expense	(28,411)	(47,439)
Profit after tax	79,318	689,347
Total comprehensive income	86,249	715,320
Total comprehensive income allocated to non-controlling interests	72,655	322,535
Dividends paid to non-controlling interests	28,444	17,856
Net cash generated from operating activities	193,570	434,251
Net cash used in investing activities	(68,909)	(83,647)
Net cash used in financing activities	(124,714)	(416,135)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

19. INVESTMENTS IN SUBSIDIARIES (continued)

- (f) Acquisition of additional interest in subsidiaries

The Group acquired the following additional interests in subsidiaries:

	Number of shares acquired in subsidiary	Purchase consideration \$'000	Effective equity interest of the Group after acquisition %
2020			
UIC (acquired by UOL)	3,352,373	6,591	50.37
2019			
UIC (acquired by UOL)	585,968	1,791	50.14
MCH (acquired by SLD)	72,800,000	485,333	61.39
AHPL (acquired by MCH)	34,250,000	190,000	71.04

The carrying amount of the non-controlling interests in these subsidiaries prior to the acquisitions was \$3,984,727,000 (2019: \$4,553,625,000). The Group derecognised non-controlling interests of \$17,576,000 (2019: \$689,294,000) and recorded an increase in equity attributable to owners of the parent of \$10,985,000 (2019: \$11,205,000).

The effect of changes in the ownership interest of UIC on the equity attributable to owners of the Company during the year is summarised as follows:

	2020 \$'000	2019 \$'000
Carrying amount of non-controlling interests acquired	17,576	689,294
Consideration, including acquisition-related costs, paid to non-controlling interests	(6,591)	(678,089)
Excess of carrying amount over consideration paid recognised in parent's equity	10,985	11,205

20. INVESTMENT PROPERTIES

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At the beginning of the financial year	11,593,671	11,264,120	567,146	477,250
Currency translation differences	31,617	(1,186)	-	-
Additions	11,175	110,498	-	86,554
Disposals/write-offs	-	(92)	-	-
Net fair value (losses)/gains recognised in income statement	(293,295)	220,331	(5,033)	3,342
At the end of the financial year	11,343,168	11,593,671	562,113	567,146

- (a) Bank facilities are secured on certain investment properties of the Group amounting to \$1,391,387,000 (2019: \$1,411,450,000) [Note 26(b)].

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

20. INVESTMENT PROPERTIES (continued)

(b) The following amounts are recognised in the income statements:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Rental income (Note 4)	503,334	551,734	17,533	17,588
Direct operating expenses arising from investment properties that generated rental income	77,181	84,544	2,664	3,067

The Group and the Company do not have any investment properties that do not generate rental income.

(c) The accrued receivables relating to lease incentives recognised against investment properties were:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At the beginning of the financial year	16,287	–	144	–
Movement recognised against fair value losses/gains on investment properties	7,612	16,287	(27)	144
At the end of the financial year	23,899	16,287	117	144

(d) The details of the Group's investment properties at 31 December 2020 were:

		Tenure of land
United Square	– a retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks at Thomson Road, Singapore	Freehold
Faber House	– retained interests in a 12-storey office building and a 48-lot carpark at Orchard Road, Singapore	Freehold
KINEX	– a 3-storey commercial podium with a basement located within a commercial/residential development at Tanjong Katong Road, Singapore	Freehold
Pan Pacific Serviced Suites Orchard	– a 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark at Somerset Road, Singapore	Freehold
Odeon Towers	– a 23-storey commercial building with 3 basement levels and a 2-storey podium block at North Bridge Road, Singapore	999-year leasehold from 1827
333 North Bridge Road site	– a 9-storey commercial building with basement carpark located adjacent to Odeon Towers with dual frontages along North Bridge Road and Cashin Street, Singapore	999-year leasehold from 1827

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

20. INVESTMENT PROPERTIES (continued)

(d) The details of the Group's investment properties at 31 December 2020 were: (continued)

		Tenure of land
Novena Square	– retained interests in a commercial building comprising two blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks at Thomson Road, Singapore	99-year lease from 1997
The Plaza	– retained interests in a 32-storey tower block comprising restaurants, a function room, shops, offices and 90 units of serviced suites (PARKROYAL Serviced Suites) at Beach Road, Singapore	99-year lease from 1968
	– a 15-storey building comprising 180 units of serviced suites (Pan Pacific Serviced Suites Beach Road) above the existing carpark block at Beach Road, Singapore	99-year lease from 1968
One Upper Pickering	– a 15-storey office building with a roof terrace within a hotel and office development at Upper Pickering Street, Singapore	99-year lease from 2008
Singapore Land Tower	– a 47-storey complex of banks and offices and three basements of car parking space at Raffles Place, Singapore	999-year lease from 1826
Clifford Centre	– a 29-storey complex of shops and offices at Raffles Place, Singapore	999-year lease from 1826
Stamford Court	– a 4-storey commercial building of shops and offices at Stamford Road, Singapore	99-year lease from 1994
West Mall	– a 5-storey retail and entertainment complex with three basements of car parking space at Bukit Batok Central Link, Singapore	99-year lease from 1995
The Gateway	– a pair of 37-storey towers with two basements of car parking space at Beach Road, Singapore	99-year lease from 1982
SGX Centre 2	– a 29-storey office building with two basements of car parking space at Shenton Way, Singapore	99-year lease from 1995
Tampines Plaza 1 and Tampines Plaza 2 (formerly known as ABACUS Plaza and Tampines Plaza respectively)	– a pair of 8-storey office buildings with two basements of car parking space at Tampines Central 1, Singapore	99-year lease from 1996
Marina Square Shopping Mall	– a 5-storey retail mal (including basement) that is part of a mixed development that includes three hotels at Raffles Boulevard, Singapore	99-year lease from 1980

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

20. INVESTMENT PROPERTIES (continued)

(d) The details of the Group's investment properties at 31 December 2020 were: (continued)

		Tenure of land
UIC Building	– part of a mixed development (residential and commercial) at Shenton Way, Singapore, with the residential component, V on Shenton, classified under development properties	99-year lease from 2011
120 Holborn Island	– comprises 120 Holborn, an office building with retail units, a gym and club/restaurant on part basement, ground floor and mezzanine level with nine upper floors of office, and 100 Hatton Garden, which has retail units and two floors of office at Midtown, London, United Kingdom	Freehold
110 High Holborn	– a retail-cum-office building comprising basement and 1 st storey retail space and a 9 storey office block with basement carpark at Midtown, London, United Kingdom	Part freehold and part 999-leasehold from 1999
72 Christie Street	– an 8-storey office building with four floors of basement parking at Christie Street, St Leonards, Sydney, New South Wales, Australia	Freehold
PARKROYAL Serviced Suites Kuala Lumpur	– a 31-storey serviced suite with 287 units and a carpark at Jalan Nagasari, Kuala Lumpur, Malaysia	Freehold
The Esplanade (Hai He Hua Ding)	– a 3-storey retail mall and an office component with basement carparks located within a commercial/residential development in Hong Qiao District, Tianjin, The People's Republic of China	40-year lease from 2007
Park Eleven	– a 3-storey retail podium with basement carpark within a commercial/residential development at Danba Road, Putuo District, The People's Republic of China	70-year lease from 2011

In 2019, the 333 North Bridge Road site was acquired with a view to redevelop the acquired investment property as an extension of the existing floor plate of the adjacent Odeon Towers, an existing investment property of the Group, subject to government approval. The fair value of the site as of 31 December 2020 and 31 December 2019 was valued by independent valuers on this basis of redevelopment.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

20. INVESTMENT PROPERTIES (continued)

(e) Fair value hierarchy – Recurring fair value measurements

Description	The Group Fair value measurements using significant unobservable inputs (Level 3)	
	2020	2019
	\$'000	\$'000
Singapore:		
– Shops	2,740,394	2,839,290
– Offices	7,304,777	7,388,749
– Serviced Suites	342,632	370,952
Malaysia:		
– Serviced Suites	63,223	69,103
The People's Republic of China:		
– Shops	84,490	85,200
– Carpark	23,366	24,407
United Kingdom:		
– Shops	154,523	179,127
– Offices	469,642	485,630
Australia:		
– Offices	160,121	151,213

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties semi-annually based on the properties' highest and best use.

Changes in Level 3 fair values as assessed by the external valuers are reviewed by the Group Chief Executive and the Chief Financial Officer and are presented at the relevant Board meetings for approval.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's completed investment properties have been generally derived using one or more of the following valuation approach:

- (i) the Direct Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant input to the valuation approach would be the adopted value per square foot.
- (ii) the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value. Significant inputs to the valuation approach would be the growth rate, capitalisation rate and discount rate.
- (iii) the Income Method approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth and over the unexpired lease term. The most significant input to the valuation approach would be the capitalisation rate.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

20. INVESTMENT PROPERTIES (continued)

(e) Fair value hierarchy – Recurring fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

Estimates used in the valuations are largely consistent with the budgets and other financial projections developed internally by the Group based on management's experience and knowledge of market conditions.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 31 December		Valuation technique(s)	Unobservable inputs [#]	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	2020 \$'000	2019 \$'000				
Singapore Shops	2,740,394	2,839,290	Direct Comparison Method	– Adopted value per square foot	\$1,425 to \$2,904 (\$2,122) [2019: \$1,470 to \$2,994 (\$2,227)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	4% to 5% (5%) [2019: 4% to 5% (5%)]	The lower the capitalisation rate, the higher the fair value.
Offices	7,304,777	7,388,749	Direct Comparison Method	– Adopted value per square foot	\$1,013 to \$3,228 (\$2,050) [2019: \$1,017 to \$2,613 (\$2,078)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	3% to 4% (4%) [2019: 3% to 4% (3%)]	The lower the capitalisation rate, the higher the fair value.
Serviced Suites	342,632	370,952	Discounted Cash Flow Method	– Growth rate*	4% to 5% (4%) [2019: 3% to 8% (5%)]	The higher the growth rate, the higher the fair value.
				– Discount rate	6% to 7% (6%) [2019: 6% to 7% (6%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				– Capitalisation rate	4% to 5% (4%) [2019: 4% to 5% (4%)]	
				[#] Income Method	– Capitalisation rate	4% (4%) [2019: 4% (4%)]

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

20. INVESTMENT PROPERTIES (continued)

(e) Fair value hierarchy – Recurring fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value as at 31 December		Valuation technique(s)	Unobservable inputs [®]	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	2020 \$'000	2019 \$'000				
Malaysia Serviced Suites	63,223	69,103	Discounted Cash Flow Method	– Growth rate*	5% (5%) [2019: 5% (5%)]	The higher the growth rate, the higher the fair value.
				– Discount rate	7% (9%) [2019: 9% (9%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				– Capitalisation rate	6% (7%) [2019: 7% (7%)]	
			Direct Comparison Method	– Adopted value per square foot	\$322 (\$322) [2019: \$369 (\$369)]	The higher the adopted value, the higher the fair value.
The People's Republic of China Shops	84,490	85,200	Direct Comparison Method	– Adopted value per square foot	\$257 to \$1,137 (\$469) [2019: \$367 to \$1,093 (\$542)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	5% to 6% (5%) [2019: 5% to 6% (6%)]	The lower the capitalisation rate, the higher the fair value.
Carpark	23,366	24,407	Direct Comparison Method	– Adopted value per square foot	\$91 to \$116 (\$96) [2019: \$100 to \$111 (\$102)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	4% [2019: 4%]	The lower the capitalisation rate, the higher the fair value.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

20. INVESTMENT PROPERTIES (continued)

(e) Fair value hierarchy – Recurring fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value as at 31 December		Valuation technique(s)	Unobservable inputs [®]	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	2020 \$'000	2019 \$'000				
United Kingdom						
Shops	154,523	179,127	Income Method	– Capitalisation rate	4% to 7% (6%) [2019: 5% to 6% (5%)]	The lower the capitalisation rate, the higher the fair value.
Offices	469,642	485,630	Income Method	– Capitalisation rate	5% to 7% (6%) [2019: 5% to 7% (6%)]	The lower the capitalisation rate, the higher the fair value.
Australia						
Offices	160,121	151,213	Income Method	– Capitalisation rate	5% [2019: 5%]	The lower the capitalisation rate, the higher the fair value.
			Discounted Cash Flow Method	– Growth rate	5% [2019: 4%]	The higher the growth rate, the higher the fair value.
				– Discount rate	6% [2019: 7%]	The higher the discount rate or capitalisation rate, the lower the fair value.
				– Capitalisation rate	5% [2019: 5%]	

Only applicable for PARKROYAL Serviced Suites which is situated inside The Plaza (Block A).

® There were no significant inter-relationships between unobservable inputs except that under the Discounted Cash Flow Method, the discount rate should conceptually approximate the summation of the capitalisation rate and the growth rate.

* Growth rates are based on average growth rates during stabilised years and exclude growth rates in years where there is accelerated recovery from the impact of the COVID-19 pandemic.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

21. PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$'000	Freehold buildings \$'000	Leasehold land and buildings \$'000	Plant, equipment, furniture and fittings \$'000	Motor vehicles \$'000	Properties under development \$'000	Renovation in progress \$'000	Total \$'000
The Group								
Cost								
At 1 January 2020	173,173	186,750	2,153,811	725,899	1,961	424,841	4,730	3,671,165
Currency translation differences	1,580	7,020	36,460	13,155	31	8,233	319	66,798
Additions	–	96	1,655	21,240	86	102,622	38,878	164,577
Disposals/write-offs	–	(588)	(1,688)	(27,463)	(65)	–	–	(29,804)
Reclassification	–	–	1,072	19,434	–	–	(20,506)	–
At 31 December 2020	174,753	193,278	2,191,310	752,265	2,013	535,696	23,421	3,872,736
Accumulated depreciation and impairment								
At 1 January 2020	–	79,951	196,178	405,636	1,553	118,076	–	801,394
Currency translation differences	–	2,632	4,270	12,371	27	3,433	–	22,733
Charge for the financial year	–	3,830	47,943	63,987	252	–	–	116,012
Disposals/write-offs	–	(190)	(225)	(19,805)	(65)	–	–	(20,285)
Write-back of impairment charge (Note 8)	–	–	(1,021)	–	–	–	–	(1,021)
Impairment charge (Note 8)	–	–	9,313	–	–	32,920	–	42,233
At 31 December 2020	–	86,223	256,458	462,189	1,767	154,429	–	961,066
Net book value at 31 December 2020	174,753	107,055	1,934,852	290,076	246	381,267	23,421	2,911,670
Cost								
At 1 January 2019	173,800	189,141	2,217,011	749,356	2,575	250,812	2,559	3,585,254
Adoption of SFRS(I) 16	–	–	16,488	–	–	–	–	16,488
Currency translation differences	(627)	(2,763)	(16,358)	(10,634)	(38)	2,159	(37)	(28,298)
Additions	–	460	959	39,562	244	171,870	9,962	223,057
Disposals/write-offs	–	(88)	(1,693)	(20,657)	(435)	–	(3)	(22,876)
Transfer from development properties	–	–	–	4,793	–	–	–	4,793
Reclassification	–	–	2,267	5,484	–	–	(7,751)	–
Disposal of a subsidiary (Note 11)	–	–	(64,863)	(42,005)	(385)	–	–	(107,253)
At 31 December 2019	173,173	186,750	2,153,811	725,899	1,961	424,841	4,730	3,671,165
Accumulated depreciation and impairment								
At 1 January 2019	–	77,133	195,388	400,945	1,998	102,102	–	777,566
Currency translation differences	–	(957)	(2,959)	(7,171)	(29)	1,194	–	(9,922)
Charge for the financial year	–	3,830	40,334	67,703	360	–	–	112,227
Disposals/write-offs	–	(55)	(742)	(19,284)	(435)	–	–	(20,516)
Disposal of a subsidiary (Note 11)	–	–	(32,257)	(36,557)	(341)	–	–	(69,155)
Write-back of impairment charge (Note 8)	–	–	(3,586)	–	–	–	–	(3,586)
Impairment charge (Note 8)	–	–	–	–	–	14,780	–	14,780
At 31 December 2019	–	79,951	196,178	405,636	1,553	118,076	–	801,394
Net book value at 31 December 2019	173,173	106,799	1,957,633	320,263	408	306,765	4,730	2,869,771

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant, equipment, furniture and fittings \$'000	Motor vehicles \$'000	Total \$'000
The Company			
Cost			
At 1 January 2020	7,092	–	7,092
Additions	859	–	859
Disposals/write-offs	(584)	–	(584)
At 31 December 2020	7,367	–	7,367
Accumulated depreciation			
At 1 January 2020	5,009	–	5,009
Charge for the financial year	659	–	659
Disposals/write-offs	(581)	–	(581)
At 31 December 2020	5,087	–	5,087
Net book value at 31 December 2020	2,280	–	2,280
Cost			
At 1 January 2019	6,198	100	6,298
Additions	957	–	957
Disposals/write-offs	(63)	(100)	(163)
At 31 December 2019	7,092	–	7,092
Accumulated depreciation			
At 1 January 2019	4,533	100	4,633
Charge for the financial year	532	–	532
Disposals/write-offs	(56)	(100)	(156)
At 31 December 2019	5,009	–	5,009
Net book value at 31 December 2019	2,083	–	2,083

- (a) At 31 December 2020, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was \$4,436,357,000 (2019: \$4,568,184,000) and the net book value was \$2,685,760,000 (2019: \$2,684,971,000). The surplus on valuation of these hotel properties amounting to \$1,750,597,000 (2019: \$1,883,213,000) has not been incorporated in the financial statements.

The fair values derived using the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value are within Level 3 of the fair values hierarchy. The key assumptions to determine the fair value include capitalisation rate, growth rate and discount rate.

- (b) Borrowing costs of \$9,375,000 (2019: \$10,893,000) (Note 7) arising on financing incurred for the property under development were capitalised during the financial year.
- (c) Bank borrowings and other banking facilities are secured on certain hotel properties of the Group [Note 26(b)] amounting to \$514,345,000 (2019: \$561,118,000).
- (d) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 22(a).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(e) The details of the Group's properties in property, plant and equipment at 31 December 2020 were:

		Tenure of land	Remaining lease term
PARKROYAL on Beach Road	– a 346-room hotel at Beach Road, Singapore	99-year lease from 1968	47 years
PARKROYAL on Kitchener Road	– a 542-room hotel at Kitchener Road, Singapore	Freehold	–
PARKROYAL COLLECTION Pickering	– a 367-room hotel at Upper Pickering Street, Singapore	99-year lease from 2008	87 years
Pan Pacific Orchard	– a new 23-storey hotel with proposed 347 rooms under development at Claymore Road, Singapore	Freehold	–
Eunos Warehouse Complex	– retained interests in 3 units of a 4-storey flatted warehouse at Kaki Bukit Road, Singapore	60-year lease from 1982	22 years
PARKROYAL Darling Harbour, Sydney	– a 340-room hotel at Darling Harbour, Sydney, Australia	Freehold	–
PARKROYAL Parramatta	– a 286-room hotel at Parramatta, Phillip Street, New South Wales, Australia	Freehold	–
Pan Pacific Perth	– a 486-room hotel at Adelaide Terrace, Perth, Australia	Freehold	–
PARKROYAL COLLECTION Kuala Lumpur and Pan Pacific Serviced Suites Kuala Lumpur (formerly known as PARKROYAL Kuala Lumpur and President House)	– a proposed 535-rooms hotel under re-development at Jalan Sultan Ismail, Kuala Lumpur, Malaysia to be operated at PARKROYAL COLLECTION Kuala Lumpur – a 24-storey building under development at Jalan Sultan Ismail, Kuala Lumpur, Malaysia with proposed 210 serviced suites to be operated as Pan Pacific Serviced Suites Kuala Lumpur	Freehold Leasehold expiring in 2080	– 60 years
PARKROYAL Penang Resort	– a 310-room resort hotel at Batu Ferringhi Beach, Penang, Malaysia	Freehold	–
PARKROYAL Saigon	– a 186-room hotel and a 6-storey annex office building at Nguyen Van Troi Street, Tan Binh District, Ho Chi Minh City, Vietnam	49-year lease from 1994	23 years
Pan Pacific Hanoi	– a 270-room hotel and 54 serviced suites at Thanh Nien Road, Hanoi, Vietnam	48-year lease from 1993	21 years

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(e) The details of the Group's properties in property, plant and equipment at 31 December 2020 were (continued):

		Tenure of land	Remaining lease term
Pan Pacific Xiamen	– a 329-room hotel and 25 serviced apartments at Hubin Bei Road, Xiamen, The People's Republic of China	70-year lease from 1991	41 years
Pan Pacific Tianjin	– a 289-room hotel and 30 serviced apartments in Hong Qiao District, Tianjin, The People's Republic of China	40-year lease from 2007	27 years
PARKROYAL Yangon	– a 319-room hotel and 23 serviced suites at Alan Pya Phaya Road, Dagon Township, Yangon, Myanmar	50-year lease from 1998 with an option to extend for 2 consecutive terms of 10 years each with the approval of Myanmar Investment Commission	28+10+10 years
PARKROYAL Melbourne Airport	– a 276-room hotel opposite Melbourne Airport, Victoria, Australia	50-year lease from 1997 with an option to extend for a further 49 years subject to renewal of head lease	27+49 years
Pan Pacific Melbourne	– a 396-room hotel at South Wharf, Victoria, Australia	99-year lease from 2009	88 years
Pan Pacific London	– a proposed hotel with an estimated 237 rooms with a commercial component at Bishopsgate, London, United Kingdom	Freehold	–
Pan Pacific Singapore	– a 790-room hotel at Raffles Boulevard, Singapore	99-year lease from 1980	59 years
PARKROYAL COLLECTION Marina Bay	– a 583-room hotel at Raffles Boulevard, Singapore	99-year lease from 1980	59 years
The Westin Tianjin	– a 275-room hotel in Heping District, Tianjin, The People's Republic of China	50-year lease from 2005	34 years

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

21. PROPERTY, PLANT AND EQUIPMENT (continued)

- (f) The impairment charge for the financial year was in respect of the hotel property under development at Bishopsgate, London for an amount of \$32,920,000 (2019: \$14,780,000) and Pan Pacific Melbourne for an amount of \$9,313,000 (2019: nil). The write-back of impairment charge of \$1,021,000 (2019: \$3,586,000) was in respect of Pan Pacific Tianjin (2019: Pan Pacific Melbourne).

The impairment charge for Pan Pacific Melbourne and the write-back of impairment charge for Pan Pacific Tianjin were due to the fair value of the property as appraised by professional valuers being below and above their respective carrying amounts.

The impairment charge for the hotel property under development at Bishopsgate, London arose from the difference between the recoverable amount and the estimated total development cost of the hotel. The recoverable amount represents the valuation of the hotel upon completion as appraised by professional valuers on the basis of value-in-use using the discounted cash flow approach. Certain assumptions and judgement were applied to estimate the gross development value of the hotel as if it is completed and operational. The terminal capitalisation rate and discount rate used were 5.5% (2019: 5.5%) and 7.5% (2019: 7.5%) respectively. Management has estimated the total development costs in consultation with quantity surveyors and other professional consultants. Certain judgement was exercised as there are costs to complete and to be contracted for as at 31 December 2020.

Impairment charges and write-back of impairment charge were included within "other (losses)/gains" in the consolidated income statement.

22. LEASES – THE GROUP AND THE COMPANY AS A LESSEE

Nature of the Group and the Company's leasing activities

Property

The Group leases various premises from non-related parties for the purpose of back office operations and sale of goods to customers.

Leasehold land and building

The Group and the Company has made upfront payments to secure the right-of-use of various leasehold land and buildings. The leasehold land and buildings are recognised within property, plant and equipment (Note 21) when they are used in the production or supply of goods or services, such as for the Group's hotel operations. Otherwise, these are classified within investment properties (Note 20) when they are held for long-term rental yields and/or for capital appreciation.

The Group also makes annual lease payments for leasehold land and buildings. The right-of-use of the land and buildings are classified as property, plant and equipment (Note 21).

Bank borrowings and other banking facilities are secured on certain right-of-use assets of the Group amounting to \$215,737,000 (2019: \$217,361,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

22. LEASES – THE GROUP AND THE COMPANY AS A LESSEE (continued)

		The Group	
		2020	2019
		\$'000	\$'000
(a)	Carrying amounts – ROU assets classified within property, plant and equipment		
	<u>Leasehold land and buildings</u>	1,340,321	1,365,443
(b)	Depreciation charge during the year		
	<u>Leasehold land and buildings</u>	25,040	25,504
(c)	Interest expense		
	<u>Interest expense on lease liabilities</u>	1,154	1,282
(d)	Lease expense not capitalised in lease liabilities		
	Lease expense – short-term leases	512	628
	Lease expense – low-value leases	310	530
	<u>Total (Note 5)</u>	822	1,158
(e)	Total cash outflow for all the leases was \$4,155,000 (2019: \$4,547,000).		
(f)	Addition of ROU assets during the year was \$55,000 (2019: \$759,000).		
(g)	Future cash outflow which are not capitalised in lease liabilities		

Extension options

The leases for certain leasehold land and buildings contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

23. LEASES – THE GROUP AND THE COMPANY AS A LESSOR

Nature of the Group and the Company's leasing activities – Group and Company as a lessor

The Group and the Company lease out retail and office space to non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group and the Company may obtain deposits or banker's guarantees amounting to three to five months of the monthly lease rental. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

23. LEASES – THE GROUP AND THE COMPANY AS A LESSOR (continued)

Rental income from investment properties are disclosed in Note 20(b). Income recognised during the financial year 2020 of \$1,356,000 (2019: \$2,969,000) for the Group and \$32,000 (2019: \$10,000) for the Company relates to variable lease payments that do not depend on an index or rate.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Less than one year	358,352	371,774	17,318	14,093
One to two years	258,213	293,356	13,584	11,811
Two to three years	159,322	194,424	6,181	8,872
Three to four years	95,094	115,164	3,298	3,235
Four to five years	69,773	76,877	1,055	1,418
Later than five years	104,503	149,604	–	–
Total undiscounted lease payment	1,045,257	1,201,199	41,436	39,429

24. INTANGIBLES

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trademarks [Note (a) below]	5,088	5,815	–	–
Computer software costs [Note (b) below]	801	1,182	431	584
Contract acquisition costs [Note (c) below]	3,080	3,899	–	–
Development property backlog [Note (d) below]	–	–	–	–
Goodwill arising on consolidation [Note (e) below]	34,766	33,073	–	–
	43,735	43,969	431	584

(a) Trademarks

	The Group	
	2020 \$'000	2019 \$'000
Cost		
At the beginning and end of the financial year	14,806	14,806
Accumulated amortisation		
At the beginning of the financial year	8,991	8,264
Amortisation for the financial year	727	727
At the end of the financial year	9,718	8,991
Net book value	5,088	5,815

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

24. INTANGIBLES (continued)

(b) Computer software costs

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cost				
At the beginning of the financial year	8,324	8,508	2,008	1,999
Currency translation differences	63	(58)	-	-
Additions	45	363	30	9
Disposal of a subsidiary	-	(470)	-	-
Disposals	(90)	(19)	-	-
At the end of the financial year	8,342	8,324	2,038	2,008
Accumulated amortisation				
At the beginning of the financial year	7,142	7,345	1,424	1,241
Currency translation differences	83	(55)	-	-
Amortisation for the financial year	322	340	183	183
Disposal of a subsidiary	-	(470)	-	-
Disposals	(6)	(18)	-	-
At the end of the financial year	7,541	7,142	1,607	1,424
Net book value	801	1,182	431	584

(c) Contract acquisition costs

	The Group	
	2020	2019
	\$'000	\$'000
Cost		
At the beginning of the financial year	8,276	8,300
Currency translation differences	18	(24)
At the end of the financial year	8,294	8,276
Accumulated amortisation		
At the beginning of the financial year	4,377	3,439
Currency translation differences	18	(24)
Amortisation for the financial year	819	962
At the end of the financial year	5,214	4,377
Net book value	3,080	3,899

(d) Development property backlog

	The Group	
	2020	2019
	\$'000	\$'000
Cost		
At the beginning and end of the financial year	156,578	156,578
Accumulated amortisation		
At the beginning of the financial year	156,578	80,181
Amortisation for the financial year	-	76,397
At the end of the financial year	156,578	156,578
Net book value	-	-

Development property backlog relates to the recognition of fair value on sold development properties of acquired subsidiaries in accordance with SFRS(I) 3 *Business Combinations* and will be amortised as and when such profits are recorded by the acquired subsidiaries.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

24. INTANGIBLES (continued)

(e) Goodwill arising on consolidation

	The Group	
	2020	2019
	\$'000	\$'000
At the beginning of the financial year	33,073	33,728
Currency translation differences	1,693	(655)
At the end of the financial year	34,766	33,073

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units ("CGUs") identified according to countries of operation and business segment. A segment-level summary of the goodwill allocation is analysed as follows:

	Hotel operations	
	2020	2019
	\$'000	\$'000
Singapore	10,371	10,371
Malaysia	831	831
Australia	23,564	21,871
	34,766	33,073

The recoverable amount of the above CGUs were determined based on fair value less cost to sell calculations. The fair value less cost to sell reflects the best estimate of the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The fair values were determined by independent professional valuers using the cash flows projections of 5 to 10 years (2019: 5 to 10 years) which were prepared based on the expected future market trend. The key assumptions include the revenue growth rate for the next 5 to 10 years and the discount rate, which have been modified from the prior year due to the inherent uncertainty arising from the continually evolving COVID-19 situation.

Key assumptions used for fair value less cost to sell calculations:

	Australia	Malaysia	Singapore
	%	%	%
31 December 2020			
Growth rate*	3.9	2.3	4.2
Discount rate	6.8	8.5	6.8
31 December 2019			
Growth rate	4.1	2.9	5.4
Discount rate	7.0	9.0	6.8

* Growth rates are based on average growth rates during stabilised years and exclude growth rates in years where there is accelerated recovery from the impact of the COVID-19 pandemic.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

25. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Trade payables:				
– non-related parties	156,092	150,306	1,239	846
Other payables:				
– rental and other deposits	61,003	71,555	1,350	1,014
– accrued interest payable	6,835	11,443	27	103
– retention monies	22,928	31,326	152	229
– accrued development expenditure	25,978	24,907	–	–
– accruals for completed projects	25,628	37,315	–	–
– accrued operating expenses	137,235	137,581	6,720	9,138
– sundry creditors	15,916	11,021	3,579	3,553
– deferred revenue	6,728	5,491	–	–
– contract liabilities for development properties [Note 4(a)]	31,144	197,428	–	–
– contract liabilities for technology operations [Note 4(a)]	5,655	1,154	–	–
– subsidiaries (non-trade)	–	–	519	970
– associated company (non-trade)	2	7	12	–
	339,052	529,228	12,359	15,007
Loans from subsidiaries	–	–	383,282	437,139
	495,144	679,534	396,880	452,992
Non-current				
Contract liabilities for development properties [Note 4(a)]	2,836	–	–	–
Deferred revenue	90,983	94,126	–	–
Rental deposits	86,278	94,495	3,972	3,864
Retention monies	23,876	10,773	–	–
Accrued interest payable to non-controlling shareholder	7,596	5,069	–	–
Due to an associated company	1,624	1,624	–	–
	213,193	206,087	3,972	3,864
Total trade and other payables	708,337	885,621	400,852	456,856

- (a) The loans from subsidiaries and non-trade amounts due to subsidiaries and an associated company are unsecured, interest-free and repayable on demand.
- (b) The carrying amounts of rental and other deposits, retention monies and amount due to an associated company approximate their fair values.
- (c) Deferred revenue includes advance rental in respect of operating leases where amounts are recognised in the income statement on a straight-line basis over the lease term and deferred revenue from technology operations as disclosed in Note 4(a).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

26. BORROWINGS

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Bank loans (secured)	206,787	185,537	-	-
Bank loans (unsecured)	1,445,689	1,261,883	-	86,300
2.50% unsecured fixed rate notes due 2020 [Note (a)(ii) below]	-	239,840	-	-
Trade financing	15,564	3,301	-	-
Lease liabilities	2,500	2,376	-	-
	1,670,540	1,692,937	-	86,300
Non-current				
Bank loans (secured)	1,268,972	1,266,819	-	-
Bank loans (unsecured)	1,820,237	1,663,843	267,430	62,691
3.00% unsecured fixed rate notes due 2024 [Note (a)(ii) below]	199,333	199,133	-	-
Trade financing	21,930	5,250	-	-
Lease liabilities	14,082	16,241	-	-
	3,324,554	3,151,286	267,430	62,691
Total borrowings	4,995,094	4,844,223	267,430	148,991

(a) Medium term notes

- (i) On 1 July 2010, the Company established a S\$1 billion Multicurrency Medium Term Note Programme (the "2010 Programme"). Under the 2010 Programme, the Company may issue Notes (the "Notes") denominated in Singapore Dollars and/or any other currencies agreed with the dealers. The Notes may be issued on a syndicated or non-syndicated basis and will rank pari passu with all other unsecured obligations. Each series of Notes may be issued in one or more tranches, on the same or different terms such as issue dates, interest rates, maturities, etc. as agreed between the Company and the relevant dealers.
- (ii) On 3 November 2014, a wholly-owned subsidiary of the Group established a S\$1 billion Multicurrency Medium Term Note Programme (the "2014 Programme") with similar terms as the 2010 Programme. The 2014 Programme was updated on 22 November 2018 and increased to a S\$2 billion Multicurrency Medium Term Note Programme (the "2018 Programme") with similar terms as the earlier 2014 Programme. The 2018 Programme is unconditionally and irrevocably guaranteed by the Company.

(b) Securities granted

The bank loans and other banking facilities are secured by mortgages on certain subsidiaries' bank deposits, hotel properties, investment properties and development properties; and/or assignment of all rights and benefits with respect to the properties. The carrying amounts of bank deposits, hotel properties, investment properties and development properties which have been pledged as securities are as follows:

	The Group	
	2020 \$'000	2019 \$'000
Bank deposits	2,500	3,000
Hotel properties	514,345	561,118
Investment properties	1,391,387	1,411,450
Development properties	2,287,030	2,181,584
	4,195,262	4,157,152

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

26. BORROWINGS (continued)

- (c) Included within unsecured non-current bank loans are revolving credit loans drawn under various committed floating rate revolving credit facilities. The amounts advanced under the revolving credit facilities were included as non-current liabilities as the Group has the discretion to rollover the facilities for at least 12 months after the statement of financial position date. For the purposes of liquidity risk disclosure [Note 36(c)], the revolving credit facilities had been classified as current as the disclosures was based on actual contractual drawdowns to be repaid within a year.

(d) Effective interest rates

The weighted average effective interest rates of floating rate borrowings at the end of the reporting period were as follows:

The Group

	SGD %	RMB %	GBP %	EUR %	AUD %	MYR %
31 December 2020						
Bank loans (secured)	1.3	5.3	–	–	1.3	–
Bank loans (unsecured)	1.2	–	0.9	1.0	1.0	2.4
31 December 2019						
Bank loans (secured)	2.4	5.3	–	–	2.7	–
Bank loans (unsecured)	2.3	4.6	1.5	1.1	2.2	–

The Company

	SGD %	AUD %
31 December 2020		
Bank loans (unsecured)	0.8	1.0
31 December 2019		
Bank loans (unsecured)	2.3	2.6

- (e) The fair values of secured and unsecured bank loans approximate their carrying values except for the unsecured fixed rate notes. The fair values of the unsecured fixed rate notes are computed based on cash flows discounted using market borrowing rates at the end of the reporting period. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group			
	Fair value		Market borrowing rate	
	2020 \$'000	2019 \$'000	2020 %	2019 %
2.50% unsecured fixed rate notes due 2020	–	240,178	–	2.4
3.00% unsecured fixed rate notes due 2024	205,796	202,663	2.1	2.7
	205,796	442,841		

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

27. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract notional amount \$'000	The Group		The Company	
		Asset \$'000	Liability \$'000	Contract notional amount \$'000	Fair value Liability \$'000
31 December 2020					
<i>Cash flow hedges – interest rate risk</i>					
– Interest rate swaps	978,256	–	(10,187)	67,767	(1,319)
<i>Fair value hedges – Currency risk</i>					
– Currency forwards	10,147	–	(295)	–	–
<i>Derivatives not held for hedging</i>					
– Currency forwards	1,523	–	(26)	–	–
	989,926	–	(10,508)	67,767	(1,319)
Less: Current portion	(711,224)	–	6,179	–	–
Non-current portion	278,702	–	(4,329)	67,767	(1,319)
31 December 2019					
<i>Cash flow hedges – interest rate risk</i>					
– Interest rate swaps	1,121,226	180	(8,244)	69,471	(1,005)
<i>Fair value hedges – Currency risk</i>					
– Currency forwards	1,530	–	(19)	–	–
<i>Derivatives not held for hedging</i>					
– Currency forwards	9,484	–	(145)	–	–
	1,132,240	180	(8,408)	69,471	(1,005)
Less: Current portion	(295,510)	–	2,663	–	–
Non-current portion	836,730	180	(5,745)	69,471	(1,005)

The interest rate swaps of the Group and the Company mature on varying dates within 16 months (2019: 28 months) from the end of the financial year and have weighted average effective interest rates of 1.35% (2019: 1.12%) for the Group and 1.61% (2019: 1.61%) for the Company as at the end of the reporting period. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings.

28. LOANS FROM NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES (UNSECURED)

The loans from non-controlling shareholders of subsidiaries of \$131,225,000 (2019: \$107,361,000) bears interest at 1.5% (2019: 1.5%) per annum over the bank quoted three-month swap rate on the first business day of each quarter of the calendar year and the effective interest rate as at the end of the reporting period was 1.69% (2019: 3.04%) per annum. The loans, including accrued interest payable, are subordinated to the bank loan of the subsidiaries, have no fixed terms of repayment and are not expected to be repaid within the next twelve months from the end of the reporting period. The fair values of the loans from non-controlling shareholder approximate their carrying values.

29. PROVISION FOR RETIREMENT BENEFITS

	The Group	
	2020 \$'000	2019 \$'000
Non-current	3,712	6,375

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

29. PROVISION FOR RETIREMENT BENEFITS (continued)

(a) A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to length of service and earnings over the employees' year of employment. Provision for post-employment benefit obligations is made in the financial statements so as to provide for the accrued liability at the end of the reporting period. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision are not likely to be significant. The most recent valuation was in December 2019.

(b) The movements during the financial year recognised in the statement of financial position were as follows:

	The Group	
	2020 \$'000	2019 \$'000
At the beginning of the financial year	6,375	6,203
Benefits paid	(89)	(95)
Current service cost	232	351
Interest on obligation	180	332
Write-back	(2,990)	–
Actuarial gain	–	(406)
Currency translation differences	4	(10)
At the end of the financial year	3,712	6,375

(c) The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	The Group	
	2020 %	2019 %
Discount rate	4.4	4.4
Future salary increase	4.0 – 7.0	4.0 – 7.0
Inflation rate	2.5	2.5
Normal retirement age (years)		
– Male	60	60
– Female	60	60

30. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Deferred income tax assets	(59,535)	(33,334)	–	–
Deferred income tax liabilities	258,563	331,667	188	3,746
Net deferred tax liabilities	199,028	298,333	188	3,746

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

30. DEFERRED INCOME TAXES (continued)

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At the beginning of the financial year	298,333	355,517	3,746	3,717
Currency translation differences	847	(943)	-	-
Tax (credit)/charge to:				
- income statement [Note 9(a)]	(83,367)	(54,870)	181	145
- other comprehensive income (Note 32)	402	(1,059)	(54)	(116)
Income tax refunded	44	-	-	-
Group tax relief	7,239	1,084	-	-
Over provision in prior financial year [Note 9(a)]	(24,470)	(1,396)	(3,685)	-
At the end of the financial year	199,028	298,333	188	3,746

Deferred income tax credited/(charged) against other comprehensive income (Note 32) during the financial year are as follows:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Hedging reserve [Note 32(e)]	402	(1,156)	(54)	(116)
Employee benefit reserve [Note 32(f)]	-	97	-	-
	402	(1,059)	(54)	(116)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has unrecognised tax losses of \$60,000,000 (2019: \$71,600,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to those subsidiary companies meeting certain statutory requirements in their respective countries of incorporation. Tax losses incurred by subsidiaries of \$47,008,000 (2019: \$66,111,000) can be carried forward for a period of up to five years subsequent to the year of the loss.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

30. DEFERRED INCOME TAXES (continued)

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

The Group

Deferred income tax liabilities

	Fair value gains on derivative financial instruments \$'000	Accelerated tax depreciation \$'000	Fair value gains on hotel properties, investment properties and development property backlog \$'000	Unremitted foreign income, interest and dividends \$'000	Development profit \$'000	Other temporary differences \$'000	Total \$'000
2020							
At the beginning of the financial year	13	109,756	189,252	1,429	27,890	1,474	329,814
Currency translation differences	–	2,411	270	–	–	–	2,681
Tax (credit)/charge to income statement	–	(32,813)	(16,248)	116	(35,576)	(147)	(84,668)
Tax credit to other comprehensive income	(13)	–	–	–	–	–	(13)
Group tax relief	–	–	–	–	7,025	–	7,025
At the end of the financial year	–	79,354	173,274	1,545	(661)	1,327	254,839
2019							
At the beginning of the financial year	313	104,349	206,072	1,417	62,254	1,723	376,128
Currency translation differences	(2)	(1,045)	(124)	–	–	–	(1,171)
Tax charge/(credit) to income statement	–	6,452	(16,696)	12	(34,364)	(346)	(44,942)
Tax (credit)/charge to other comprehensive income	(298)	–	–	–	–	97	(201)
At the end of the financial year	13	109,756	189,252	1,429	27,890	1,474	329,814

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

30. DEFERRED INCOME TAXES (continued)

The Group (continued)

Deferred income tax assets

	Fair value losses on derivative financial instruments \$'000	Excess of depreciation over capital allowances \$'000	Tax losses \$'000	Provisions and other temporary differences* \$'000	Total \$'000
2020					
At the beginning of the financial year	(1,314)	–	(14,663)	(15,504)	(31,481)
Currency translation differences	(5)	(203)	(854)	(772)	(1,834)
Tax credit to income statement	–	(10,932)	(6,321)	(5,916)	(23,169)
Tax charge to other comprehensive income	415	–	–	–	415
Income tax refunded	–	–	–	44	44
Group tax relief	–	–	214	–	214
At the end of the financial year	(904)	(11,135)	(21,624)	(22,148)	(55,811)
2019					
At the beginning of the financial year	(467)	–	(18,321)	(1,823)	(20,611)
Currency translation differences	11	–	191	26	228
Tax charge/(credit) to income statement	–	–	2,383	(13,707)	(11,324)
Tax credit to other comprehensive income	(858)	–	–	–	(858)
Group tax relief	–	–	1,084	–	1,084
At the end of the financial year	(1,314)	–	(14,663)	(15,504)	(31,481)

* Includes deferred income tax asset of \$12,623,000 (2019: \$6,672,000) relating to land value appreciation tax of the Group's development property in The People's Republic of China.

The Company

Deferred income tax liabilities

	Accelerated tax depreciation \$'000	Total \$'000
2020		
At the beginning of the financial year	3,916	3,916
Tax credit to income statement	(3,504)	(3,504)
At the end of the financial year	412	412
2019		
At the beginning of the financial year	3,771	3,771
Tax charge to income statement	145	145
At the end of the financial year	3,916	3,916

Notes to the Financial Statements

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30. DEFERRED INCOME TAXES (continued)

The Company (continued)

Deferred income tax assets

	Fair value loss on derivative financial instruments \$'000	Total \$'000
2020		
At the beginning of the financial year	(170)	(170)
Tax credit to other comprehensive income	(54)	(54)
At the end of the financial year	(224)	(224)
2019		
At the beginning of the financial year	(54)	(54)
Tax credit to other comprehensive income	(116)	(116)
At the end of the financial year	(170)	(170)

31. SHARE CAPITAL OF UOL GROUP LIMITED

	Number of shares '000	Amount \$'000
2020		
At the beginning of the financial year	843,418	1,560,918
Proceeds from shares issued:		
– to holders of share options	475	2,942
At the end of the financial year	843,893	1,563,860
2019		
At the beginning of the financial year	842,679	1,556,201
Proceeds from shares issued:		
– to holders of share options	739	4,717
At the end of the financial year	843,418	1,560,918

- (a) All issued ordinary shares have no par value and are fully paid.
- (b) During the financial year, the Company issued 475,000 (2019: 739,000) ordinary shares pursuant to the options under the UOL 2000 and 2012 Share Option Scheme. The newly issued shares rank pari passu in all respects with the previously issued shares.

Notes to the Financial Statements

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31. SHARE CAPITAL OF UOL GROUP LIMITED (continued)

UOL Group Executives' Share Option Scheme (continued)

The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

The Exercise Price is equal to the average of the last dealt prices per share as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited for a period of 5 consecutive trading days immediately prior to the relevant Date of Grant.

On 9 March 2020, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,655,000 ordinary shares in the Company (known as "the 2020 Options") at the exercise price of \$7.32 per ordinary share. 1,655,000 options granted were accepted.

Statutory information regarding the 2020 Options is as follows:

- (i) The option period begins on 9 March 2021 and expires on 8 March 2030 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.
- (ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.
- (iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

31. SHARE CAPITAL OF UOL GROUP LIMITED (continued)

UOL Group Executives' Share Option Scheme (continued)

Movements in the number of ordinary shares outstanding under options at the end of the financial year and their exercise prices were as follows:

The Group and the Company	At the beginning of the financial year	Options granted during the financial year	Options exercised during the financial year	Options forfeited during the financial year	At the end of the financial year	Exercise/ Subscription price/\$	Option period
Executives' Share Options							
2020							
2011 Options	58,000	–	58,000	–	–	4.62	04.03.2012 to 03.03.2021
2012 Options	88,000	–	57,000	13,000	18,000	5.40	23.08.2013 to 22.08.2022
2013 Options	306,000	–	32,000	–	274,000	6.55	08.03.2014 to 07.03.2023
2014 Options	269,000	–	30,000	–	239,000	6.10	12.03.2015 to 11.03.2024
2015 Options	476,000	–	7,000	–	469,000	7.67	11.03.2016 to 10.03.2025
2016 Options	243,000	–	–	–	243,000	5.87	11.03.2017 to 10.03.2026
2017 Options	741,000	–	146,000	–	595,000	6.61	10.03.2018 to 09.03.2027
2018 Options	1,117,000	–	–	102,000	1,015,000	8.49	09.03.2019 to 08.03.2028
2019 Options	1,334,000	–	145,000	65,000	1,124,000	6.59	08.03.2020 to 07.03.2029
2020 Options	–	1,655,000	–	103,000	1,552,000	7.32	09.03.2021 to 08.03.2030
	4,632,000	1,655,000	475,000	283,000	5,529,000		
2019							
2011 Options	100,000	–	42,000	–	58,000	4.62	04.03.2012 to 03.03.2021
2012 Options	100,000	–	12,000	–	88,000	5.40	23.08.2013 to 22.08.2022
2013 Options	469,000	–	163,000	–	306,000	6.55	08.03.2014 to 07.03.2023
2014 Options	444,000	–	175,000	–	269,000	6.10	12.03.2015 to 11.03.2024
2015 Options	704,000	–	78,000	150,000	476,000	7.67	11.03.2016 to 10.03.2025
2016 Options	315,000	–	72,000	–	243,000	5.87	11.03.2017 to 10.03.2026
2017 Options	956,000	–	197,000	18,000	741,000	6.61	10.03.2018 to 09.03.2027
2018 Options	1,436,000	–	–	319,000	1,117,000	8.49	09.03.2019 to 08.03.2028
2019 Options	–	1,402,000	–	68,000	1,334,000	6.59	08.03.2020 to 07.03.2029
	4,524,000	1,402,000	739,000	555,000	4,632,000		

Out of the outstanding options for 5,529,000 (2019: 4,632,000) shares, options for 3,977,000 (2019: 3,298,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise was \$7.45 (2019: \$7.05) per share.

The fair value of options granted on 9 March 2020 (2019: 8 March 2019), determined using the Trinomial Tree Model was \$1,158,500 (2019: \$1,143,000). The significant inputs into the model were share price of \$6.69 (2019: \$6.44) at the grant date, exercise price of \$7.32 (2019: \$6.59), standard deviation of expected share price returns of 20.27% (2019: 17.83%), option life from 9 March 2021 to 8 March 2030 (2019: 8 March 2020 to 7 March 2029), annual risk-free interest rate of 0.78% (2019: 2.04%) and dividend yield of 2.95% (2019: 3.00%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last three years.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

32. RESERVES

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Composition:				
Share option reserve [Note (a) below]	21,137	20,041	20,868	19,777
Fair value reserve [Note (b) below]	685,968	859,568	555,102	687,547
Capital reserves [Note (c) below]	70,203	70,203	-	-
Currency translation reserve [Note (d) below]	(15,707)	(49,666)	-	-
Hedging reserve [Note (e) below]	(8,765)	(6,593)	(1,093)	(834)
Employee benefits reserve [Note (f) below]	309	309	-	-
Others	-	-	598	598
	753,145	893,862	575,475	707,088

Capital reserves are non-distributable.

(a) Share option reserve

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At the beginning of the financial year	20,041	18,761	19,777	18,602
Employee share option scheme of the Company:				
- Value of employee services	1,101	1,385	1,091	1,175
Less: Amount attributable to non-controlling interests	(5)	(105)	-	-
	1,096	1,280	1,091	1,175
At the end of the financial year	21,137	20,041	20,868	19,777

(b) Fair value reserve

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At the beginning of the financial year	859,568	761,503	687,547	623,627
Fair value (losses)/gains on financial assets, at FVOCI (Note 15)	(176,134)	114,219	(132,445)	63,920
Less: Amount attributable to non-controlling interests	2,534	(16,154)	-	-
	(173,600)	98,065	(132,445)	63,920
At the end of the financial year	685,968	859,568	555,102	687,547

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

32. RESERVES (continued)

(c) Capital reserves

Composition of capital reserves is as follows:

	The Group	
	2020	2019
	\$'000	\$'000
Transfer from asset revaluation reserve for bonus issue of shares by a subsidiary	55,846	55,846
Share premium in a subsidiary attributable to the Group	13,360	13,360
Goodwill on consolidation	997	997
	70,203	70,203

(d) Currency translation reserve

	The Group	
	2020	2019
	\$'000	\$'000
At the beginning of the financial year	(49,666)	(34,275)
Net currency translation differences of financial statements of foreign subsidiaries and an associated company	54,384	(27,977)
Disposal of a subsidiary	-	3,041
Less: Amount attributable to non-controlling interests	(20,425)	9,545
	33,959	(15,391)
At the end of the financial year	(15,707)	(49,666)

(e) Hedging reserve

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<u>Interest rate risk</u>				
At the beginning of the financial year	(6,593)	(1,563)	(834)	(267)
Fair value losses	(14,414)	(8,192)	(1,106)	(1,089)
Currency translation differences	167	114	-	-
Deferred tax on fair value (Note 30)	(402)	1,156	54	116
	(14,649)	(6,922)	(1,052)	(973)
Transfer to income statement				
– Finance expense (Note 7)	12,135	749	793	406
Less: Amount attributable to non-controlling interests	342	1,143	-	-
	(2,172)	(5,030)	(259)	(567)
At the end of the financial year	(8,765)	(6,593)	(1,093)	(834)

The hedging reserve comprised the effective portion of the accumulated net change in the fair value of interest rate swaps for hedged transactions that had not occurred.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

32. RESERVES (continued)

(f) Employee benefits reserve

	The Group	
	2020	2019
	\$'000	\$'000
At the beginning of the financial year	309	–
Actuarial gains on defined benefit plans	–	406
Deferred tax on actuarial gains (Note 30)	–	(97)
	–	309
At the end of the financial year	309	309

33. DIVIDENDS

	The Group and the Company	
	2020	2019
	\$'000	\$'000
Final one-tier dividend paid in respect of the previous financial year of 17.5 cents (2019: 17.5 cents) per share	147,626	147,543

At the forthcoming Annual General Meeting on 23 April 2021, a final one-tier dividend of 15.0 cents per share amounting to a total of \$126,584,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2021.

34. CONTINGENT LIABILITIES

The Company has guaranteed the borrowings of subsidiaries in the following currencies:

	2020	2019
	\$'000	\$'000
Singapore Dollar	1,434,200	1,517,400
Pound Sterling	1,129,271	1,018,846
Australian Dollar	249,828	270,093
Euro	7,275	11,051
Chinese Renminbi	–	22,315
	2,820,574	2,839,705

The Company has also given undertakings to provide financial support to certain subsidiaries. At the end of the reporting period, the Group has given a guarantee of \$575,000 (2019: \$586,000) in respect of banking facilities granted to an associated company. The directors are of the view that no material losses will arise from these contingent liabilities.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

35. COMMITMENTS

Capital and other commitments

Expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	The Group	
	2020 \$'000	2019 \$'000
Expenditure contracted for:		
– property, plant and equipment	201,665	205,330
– development properties	648,477	624,264
– investment properties	11,191	9,986
	861,333	839,580

36. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Board of Directors provides guidance for overall risk management. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. When necessary, the Group uses financial instruments such as interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

(a) Market risk

(i) *Currency risk*

The Group operates in the Asia Pacific region and in the United Kingdom. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB"), United States Dollar ("USD") and Pound Sterling ("GBP").

The Group has a number of investments in foreign subsidiaries and associated companies whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's subsidiaries and associated companies in Australia, Malaysia, Myanmar, The People's Republic of China ("PRC"), Vietnam and the United Kingdom are managed through borrowings, as far as is reasonably practical, in foreign currencies which broadly match those in which the net assets are denominated or in currencies that are freely convertible.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	AUD \$'000	MYR \$'000	RMB \$'000	GBP \$'000	Others \$'000	Total \$'000
The Group								
31 December 2020								
Financial assets								
Cash and bank balances	875,470	13,574	6,238	6,474	48,566	9,498	17,122	976,942
Trade and other receivables	297,482	39,190	9,245	194	4,970	66,483	3,922	421,486
Receivables from subsidiaries	703,530	14,486	55,326	–	–	87,467	–	860,809
Other assets – deposits	1,390	–	9,057	318	27	2,596	50	13,438
	1,877,872	67,250	79,866	6,986	53,563	166,044	21,094	2,272,675
Financial liabilities								
Borrowings	(3,354,548)	(9,451)	(400,765)	(24,585)	(13,935)	(1,184,535)	(7,275)	(4,995,094)
Trade and other payables	(441,971)	(2,177)	(22,987)	(9,054)	(73,776)	(17,058)	(3,968)	(570,991)
Payables to subsidiaries	(703,530)	(14,486)	(55,326)	–	–	(87,467)	–	(860,809)
Derivative financial instrument	(10,508)	–	–	–	–	–	–	(10,508)
Loans from non-controlling shareholders of subsidiaries	(131,225)	–	–	–	–	–	–	(131,225)
	(4,641,782)	(26,114)	(479,078)	(33,639)	(87,711)	(1,289,060)	(11,243)	(6,568,627)
Net financial (liabilities)/ assets	(2,763,910)	41,136	(399,212)	(26,653)	(34,148)	(1,123,016)	9,851	(4,295,952)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	2,763,950	(12,485)	399,582	26,608	34,109	1,123,016	(17,167)	4,317,613
Add: Firm commitments and highly probable forecast transactions in foreign currencies	(763,471)	(6,424)	(1,355)	(57,148)	901	(36,039)	(408)	(863,944)
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	763,471	–	1,355	57,148	(901)	36,039	408	857,520
Add: Currency forwards	–	11,625	–	–	–	–	–	11,625
Currency exposure	40	33,852	370	(45)	(39)	–	(7,316)	26,862

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD \$'000	USD \$'000	AUD \$'000	MYR \$'000	RMB \$'000	GBP \$'000	Others \$'000	Total \$'000
The Group								
31 December 2019								
Financial assets								
Cash and bank balances	598,960	27,584	7,409	8,539	52,559	17,247	5,079	717,377
Trade and other receivables	406,589	37,856	7,168	1,316	10,209	46,674	4,150	513,962
Receivables from subsidiaries	726,474	14,780	51,353	–	–	85,427	–	878,034
Derivative financial instrument	180	–	–	–	–	–	–	180
Other assets – deposits	13,129	–	1	439	691	4,055	1,919	20,234
	1,745,332	80,220	65,931	10,294	63,459	153,403	11,148	2,129,787
Financial liabilities								
Borrowings	(3,356,174)	–	(371,340)	–	(36,141)	(1,069,519)	(11,049)	(4,844,223)
Trade and other payables	(454,399)	(15,422)	(30,515)	(10,866)	(59,035)	(11,737)	(5,448)	(587,422)
Payables to subsidiaries	(726,474)	(14,780)	(51,353)	–	–	(85,427)	–	(878,034)
Derivative financial instrument	(8,408)	–	–	–	–	–	–	(8,408)
Loans from non-controlling shareholders of subsidiaries	(107,361)	–	–	–	–	–	–	(107,361)
	(4,652,816)	(30,202)	(453,208)	(10,866)	(95,176)	(1,166,683)	(16,497)	(6,425,448)
Net financial (liabilities)/ assets	(2,907,484)	50,018	(387,277)	(572)	(31,717)	(1,013,280)	(5,349)	(4,295,661)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies								
	2,908,058	(8,570)	387,861	467	31,670	1,013,280	(5,703)	4,327,063
Add: Firm commitments and highly probable forecast transactions in foreign currencies								
	(720,721)	(1,515)	(1,664)	(44,384)	–	(70,249)	(2,562)	(841,095)
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies								
	720,721	–	1,664	44,384	–	70,249	2,562	839,580
Add: Currency forwards	–	10,937	–	–	–	–	–	10,937
Currency exposure	574	50,870	584	(105)	(47)	–	(11,052)	40,824

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group does not have significant exposure to currency risk other than USD. Assuming that the USD changes against SGD by 5% (2019: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax will be as follows:

	The Group Increase/(Decrease)	
	2020 \$'000	2019 \$'000
USD against SGD		
– strengthens	1,405	2,111
– weakens	(1,405)	(2,111)

The Company's revenue, purchases, receivables and borrowings were contracted or denominated in Singapore Dollar which is the functional and presentation currency of the Company, except for the following:

	USD \$'000	GBP \$'000	AUD \$'000
The Company			
31 December 2020			
Financial assets			
Loans to subsidiaries	14,486	87,467	55,326
Financial liabilities			
Bank borrowings	–	–	(67,767)
Currency exposure	14,486	87,467	(12,441)
31 December 2019			
Financial assets			
Loans to subsidiaries	14,781	85,427	51,352
Financial liabilities			
Bank borrowings	–	–	(62,900)
Currency exposure	14,781	85,427	(11,548)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Assuming that the USD, GBP and AUD changes against SGD by 5% (2019: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax of the Company will be as follows:

	The Company	
	Increase/(Decrease) 2020	2019
	\$'000	\$'000
USD against SGD		
– strengthens	601	613
– weakens	(601)	(613)
GBP against SGD		
– strengthens	3,630	3,545
– weakens	(3,630)	(3,545)
AUD against SGD		
– strengthens	(516)	(479)
– weakens	516	479

(ii) Price risk

The Group and the Company are exposed to equity securities price risk due to their investments in quoted securities listed in Singapore, which have been classified in the consolidated statement of financial position as financial assets, at FVOCI.

Based on the portfolio of quoted equity securities held by the Group and the Company as at 31 December 2020, if prices for equity securities listed in Singapore change by 10% (2019: 10%) with all other variables being held constant, the fair value reserve will be higher/lower by \$93,161,000 (2019: \$108,786,000) and \$70,454,000 (2019: \$82,282,000) for the Group and the Company respectively.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Group and the Company monitor closely the changes in interest rates on borrowings and when appropriate, manage their exposure to changes in interest rates by entering into borrowings on a fixed rate basis over a longer term.

The Group enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The interest rate swaps have reference rates that are indexed to SOR or LIBOR, which are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. ISDA is currently reviewing its standardised contracts in the light of IBOR reform. When ISDA has completed its review, the Group expects to negotiate the revised rates with its derivative counterparties. No interest rate swaps have been modified as at 31 December 2020.

The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the year, the economic relationship was 100% effective.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) *Cash flow and fair value interest rate risks* (continued)

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedging relationships that are impacted by IBOR reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding IBOR reform transition. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedge items and hedging instruments. Such uncertainty may impact the hedging relationship. The contractual notional amount of interest rate swaps held for hedging which is based on SOR and LIBOR is \$530,000,000 and \$360,260,000 respectively. The Group applied the amendments to SFRS(I) 9 issued in December 2019 to those hedging relationships directly affected by IBOR reform and no changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

There was no ineffectiveness during 2020 and 2019 in relation to the cash flow hedge and fair value hedge.

The Group's and the Company's variable-rate financial assets and liabilities for which effective hedges have not been entered into, are denominated mainly in SGD, USD, GBP, AUD, MYR, RMB and EUR. If the respective interest rates increase/decrease by 1% (2019: 1%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower/higher by \$21,724,000 (2019: \$23,829,000) and \$2,154,000 (2019: \$505,000) respectively as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets subject to credit risks are loans and receivables which include cash and bank balances. For trade and other receivables, the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history, and obtaining sufficient security such as deposits and bankers' guarantees where appropriate to mitigate credit risk. Bank deposits were mainly placed with financial institutions which have high credit ratings.

Credit exposure to individual customers or counterparties for the revenue streams mentioned above are also generally restricted by credit limits that are approved by the respective management at the entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and by Group management. There is no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

For trade receivables and unbilled revenue from sale of development properties, the Group has policies in place to ensure that sales are made to purchasers with appropriate financial strength and after obtaining sufficient security such as deposits. If a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may resume possession of the units, retain a portion of the purchaser's deposits from payments made to date, and resell the property. Unless the selling price falls by more than the portion of purchaser's deposits retained, which is remote, the Group would not be in a loss position in selling those properties.

For trade receivables from property investments, the Group typically collects deposits or banker's guarantees amounting to three to five months of the monthly lease rental. All late payments are monitored closely and followed up with active chasing or legal action if necessary. The Group also regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate credit losses are made for irrecoverable amounts.

The Group's revenue from hotel ownership and operations do not give rise to significant trade receivables as the value of transactions are low and transactions are mainly settled through cash or credit card which have a short collection period. For all other trade receivables from hotel ownership and operations, management makes periodic collective assessments as well as individual assessment on the recoverability of trade receivables based on historical settlement records and past experience.

For trade receivables from management services and technology operations and unbilled revenue from technology operations, the Group has monitoring procedures in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except for corporate guarantees provided by the Company to banks on subsidiaries' loans as disclosed in Note 34.

The movements in credit loss allowance are as follows:

	Trade receivables and unbilled revenue ^(a)	
	2020 \$'000	2019 \$'000
The Group		
Balance at 1 January	1,000	1,007
Currency translation difference	108	11
Loss allowance recognised in profit or loss during the year on:		
– Reversal of unutilised amounts	(392)	(97)
– Assets acquired/originated	8,526	515
	8,134	418
Receivables written off as uncollectible	(514)	(436)
Balance at 31 December	8,728	1,000

(a) Loss allowance measured at lifetime ECL

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The Group's cash and cash equivalents are subject to immaterial credit loss.

(i) Trade receivables and unbilled revenue

In measuring the expected credit losses, the trade receivables and unbilled revenue are grouped based on shared credit risk characteristics and days past due. The unbilled revenue relates to unbilled work in progress, which has substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled revenue.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, including property development, property investment, hotel ownership and operations, technology operations and management services, and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables, and accordingly adjusts the historical loss rates based on expected changes in these factors. Management has considered, among other factors (including forward-looking information), the Group's and Company's historical loss pattern over the last three financial years, its ability to resume possession of units for the property development business, the existence of deposits and banker's guarantees for the property investment business, as well as the relatively low value of transactions and manner in which these are settled i.e. by cash and credit card for the Group's hotel ownership and operation business.

As disclosed in Note 3(g), management has identified higher credit risks for a group of tenants and for some hospitality industry players as at 31 December 2020 due to the COVID-19 pandemic.

The movements in credit loss allowance for the property investments segment are as follows:

	The Group \$'000	The Company \$'000
Balance at 1 January 2020	640	–
Currency translation difference	95	–
Loss allowance recognised in profit or loss during the year	7,525	254
Receivables written off as uncollectible	(455)	–
Balance at 31 December 2020	7,805	254

The movements in credit loss allowance for the hotel operations and hotel management segments are as follows:

	The Group \$'000
Balance at 1 January 2020	358
Currency translation difference	13
Loss allowance recognised in profit or loss during the year	590
Receivables written off as uncollectible	(58)
Balance at 31 December 2020	903

Apart from the above and a small credit loss for the technology operations segment, management concluded that the expected credit loss rate for trade receivables and unbilled revenue as at 31 December 2020 was not material.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) *Trade receivables and unbilled revenue* (continued)

Trade receivables and unbilled revenue are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(ii) *Other trade and other receivables and loans to subsidiaries, associated companies and joint venture companies*

For other trade and other receivables and loans to subsidiaries, associated companies and a joint venture company, management has considered, among other factors (including forward-looking information), the Group's and Company's historical loss pattern over the last three financial years to assess the expected credit loss.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about events, including but not limited to significant financial difficulty of the borrower or a breach of contract, such as a default or past due event.

(iii) *Financial guarantee contracts*

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

The Group and the Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities and the ability to close market positions at a short notice.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year \$'000	Between 1 to 2 years \$'000	Between 2 to 5 years \$'000	Over 5 years \$'000
The Group				
31 December 2020				
Trade and other payables	451,617	37,459	77,946	3,969
Derivative financial instruments	7,797	760	–	–
Borrowings (excluding lease liabilities)	1,649,696	1,748,163	1,691,923	–
Lease liabilities	2,500	505	906	12,671
Loans from non-controlling shareholders of subsidiaries	–	–	110,631	24,913
Financial guarantees for borrowings of associated companies	575	–	–	–
	2,112,185	1,786,887	1,881,406	41,553

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Less than 1 year \$'000	Between 1 to 2 years \$'000	Between 2 to 5 years \$'000	Over 5 years \$'000
The Group				
31 December 2019				
Trade and other payables	475,461	36,745	65,698	9,518
Derivative financial instruments	4,299	1,575	134	–
Borrowings (excluding lease liabilities)	1,962,328	336,711	2,721,421	–
Lease liabilities	2,376	2,853	589	12,799
Loans from non-controlling shareholders of subsidiaries	–	–	115,914	–
Financial guarantees for borrowings of associated companies	–	586	–	–
	2,444,464	378,470	2,903,756	22,317

	Less than 1 year \$'000	Between 1 to 2 years \$'000	Between 2 to 5 years \$'000
The Company			
31 December 2020			
Trade and other payables	396,880	1,122	2,850
Derivative financial instrument	1,081	250	–
Borrowings	3,351	69,767	200,378
Financial guarantees for borrowings of subsidiaries and associated companies	1,172,644	836,098	811,832
	1,573,956	907,237	1,015,060
31 December 2019			
Trade and other payables	452,992	1,200	2,664
Derivative financial instrument	476	476	111
Borrowings	88,246	1,626	63,279
Financial guarantees for borrowings of subsidiaries and associated companies	1,182,266	634,017	1,023,421
	1,723,980	637,319	1,089,475

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and aim to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may, subject to the necessary approvals from the shareholders, the lending bank, other creditors and/or the regulatory authorities, adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required under their note issuance programmes to maintain a gearing ratio of not exceeding 200% (2019: 200%). The Group's and the Company's strategies, which were unchanged from 2019, are to maintain a gearing ratio below 150%.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings (including loans from non-controlling shareholders of subsidiaries) less cash and bank balances.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk (continued)

	The Group		The Company	
	2020	2019	2020	2019
Net debt (\$'000)	4,149,377	4,234,207	261,448	112,307
Total equity (\$'000)	14,101,148	14,334,289	3,449,463	3,745,147
Gearing ratio	29%	30%	8%	3%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2020 and 2019.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Note 20 for disclosure of the investment properties that are measured at fair value.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Group				
31 December 2020				
Assets				
Financial assets, at FVOCI	931,607	-	82,014	1,013,621
Liabilities				
Derivative financial instruments	-	(10,508)	-	(10,508)
31 December 2019				
Assets				
Financial assets, at FVOCI	1,087,863	-	101,892	1,189,755
Derivative financial instruments	-	180	-	180
Liabilities				
Derivative financial instruments	-	(8,408)	-	(8,408)
The Company				
31 December 2020				
Assets				
Financial assets, at FVOCI	704,544	-	47,573	752,117
Liabilities				
Derivative financial instruments	-	(1,319)	-	(1,319)
31 December 2019				
Assets				
Financial assets, at FVOCI	822,819	-	61,743	884,562
Liabilities				
Derivative financial instruments	-	(1,005)	-	(1,005)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

36. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

The fair value of financial instruments traded in active markets (such as financial assets, at FVOCI) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at the end of each reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. These investments are classified as Level 2. The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the balance sheet date. These investments are classified as Level 2.

Other financial assets, at FVOCI of the Group and the Company where the fair value is calculated using a significant unobservable input is classified as Level 3. In the valuation model, the net asset value of the financial assets, at FVOCI is multiplied by a discount factor for lack of liquidity and marketability, where applicable. The discount factor applied for 2020 was 30% to 40% (2019: 11% to 40%). If the discount factor increases/decreases by 5% points (2019: 5% points), the fair value of the Level 3 unquoted financial assets, at FVOCI will decrease/increase by \$2,997,000 (31 December 2019: \$5,567,000).

The following table presents the changes in Level 3 instruments:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At the beginning of the financial year	101,892	61,143	61,743	53,341
Fair value (losses)/gains recognised in other comprehensive income	(19,878)	40,749	(14,170)	8,402
At the end of the financial year	82,014	101,892	47,573	61,743

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of current borrowings approximates their carrying amount except for unsecured fixed rate notes as disclosed in Note 26(e).

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the financial years ended 31 December 2020 and 2019.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 15 and Note 27 to the financial statements, except for the following:

	The Group \$'000	The Company \$'000
31 December 2020		
Financial assets, at amortised cost	1,411,746	867,688
Financial liabilities, at amortised cost	5,697,310	668,282
31 December 2019		
Financial assets, at amortised cost	1,249,492	920,570
Financial liabilities, at amortised cost	5,540,160	605,847

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

37. RELATED PARTY TRANSACTIONS

- (a) 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 year on terms agreed between the parties concerned:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Transactions with directors and their associates				
Proceeds from sale of development properties	342	1,534	-	-
Rental received	311	484	224	384
Interest paid/payable on shareholder's loan	2,527	5,703	-	-
Commission paid for sale of development properties	528	463	-	-
Purchase of gift vouchers	7	-	-	-
Transactions with associated companies and a joint venture company				
Fees received for management of development properties	192	192	-	-
Commissions received for sale of development properties	166	131	-	-
Interest receivable on loans to a joint venture company	1,552	2,347	-	-

- (b) Key management personnel compensation is analysed as follows:

	The Group	
	2020 \$'000	2019 \$'000
Salaries and other short-term employee benefits	4,425	4,747
Directors' fees	863	904
Post-employment benefits – contribution to CPF	58	106
Share options granted	203	148
	5,549	5,905

Total compensation to directors of the Company included in above amounted to \$2,947,000 (2019: \$3,026,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

38. 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, 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 relates to equity shares with country exposures in Singapore, PRC and United Arab Emirates.

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.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

38. GROUP SEGMENTAL INFORMATION (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2020 is as follows:

	Property development			Property investments*	
	Singapore \$'000	Malaysia \$'000	PRC \$'000	United Kingdom \$'000	\$'000
2020					
Revenue					
Total segment sales					
– recognised at a point in time	136,664	–	343,890	–	–
– recognised over time	462,547	–	–	–	–
– others	–	–	–	–	507,768
Inter-segment sales	–	–	–	–	(4,434)
Sales to external parties	599,211	–	343,890	–	503,334
Adjusted EBITDA	87,471	(16)	117,169	558	360,738
Depreciation and amortisation	(16)	–	(255)	(568)	(4,382)
Impairment charge on property, plant and equipment	–	–	–	–	–
Write-back of impairment charge on property, plant and equipment	–	–	–	–	–
Fair value losses on investment properties	–	–	–	–	(293,295)
Share of losses of associated companies	–	–	–	–	–
Share of loss of a joint venture company	(1,929)	–	–	–	–
Segment assets	3,021,695	1,837	759,251	422,929	11,498,481
Unallocated assets					
Total assets					
Total assets include:					
Investment in associated companies	388	–	–	–	–
Additions during the financial year to:					
– property, plant and equipment	–	–	–	–	4,621
– investment properties	–	–	–	–	11,175
– intangibles	–	–	–	–	30
Segment liabilities	1,580,238	–	80,071	180,802	503,981
Unallocated liabilities					
Total liabilities					

* Included within are Malaysia, PRC, United Kingdom, Australia and Indonesia operating segments which are not reportable segments individually.

^ Included within are Vietnam, Malaysia, PRC, Myanmar and Indonesia operating segments which are not reportable segments individually.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

Hotel operations			Investments	Technology operations	Others	Total
Singapore \$'000	Australia \$'000	Others^ \$'000	\$'000	\$'000	\$'000	\$'000
45,753	20,953	22,170	–	216,516	–	785,946
77,650	49,658	30,398	–	9,230	35,593	665,076
–	–	–	93,717	–	–	601,485
(83)	–	–	(44,681)	–	(26,161)	(75,359)
123,320	70,611	52,568	49,036	225,746	9,432	1,977,148
17,691	11,382	(2,015)	48,964	11,586	(1,996)	651,532
(64,405)	(17,621)	(27,528)	(89)	(698)	(2,318)	(117,880)
–	(9,313)	(32,920)	–	–	–	(42,233)
–	–	1,021	–	–	–	1,021
–	–	–	–	–	–	(293,295)
(1,736)	–	(5,929)	–	–	(6)	(7,671)
–	–	–	–	–	–	(1,929)
2,321,482	471,980	635,004	996,844	111,043	52,726	20,293,272
						80,222
						<u>20,373,494</u>
241,422	–	26,643	–	–	2,977	271,430
54,603	2,593	101,963	229	198	370	164,577
–	–	–	–	–	–	11,175
–	–	15	–	–	–	45
326,264	216,790	329,314	5,316	79,705	1,332	3,303,813
						2,968,533
						<u>6,272,346</u>

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

38. GROUP SEGMENTAL INFORMATION (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2019 is as follows:

	Property development			Property investments*	
	Singapore \$'000	Malaysia \$'000	PRC \$'000	United Kingdom \$'000	\$'000
2019					
Revenue					
Total segment sales					
– recognised at a point in time	110,986	–	332,520	–	–
– recognised over time	403,551	–	–	–	–
– others	–	–	–	–	557,179
Inter-segment sales	–	–	–	–	(5,445)
Sales to external parties	514,537	–	332,520	–	551,734
Adjusted EBITDA	90,763	(21)	115,020	(932)	390,127
Depreciation and amortisation	(2,816)	–	(73,679)	–	(4,901)
Impairment charge on property, plant and equipment	–	–	–	–	–
Write-back of impairment charge on property, plant and equipment	–	–	–	–	–
Other gains	–	–	–	–	–
Fair value gains on investment properties	–	–	–	–	220,331
Share of profit/(loss) of associated companies	–	–	–	–	–
Share of loss of a joint venture company	(3,770)	–	–	–	–
Segment assets	3,129,034	1,908	721,261	356,818	11,636,942
Unallocated assets					
Total assets					
Total assets include:					
Investment in associated companies	388	–	–	–	–
Additions during the financial year to:					
– property, plant and equipment	80	–	–	–	3,290
– investment properties	–	–	–	–	110,498
– intangibles	–	–	–	–	30
Segment liabilities	1,766,776	105	114,024	253,963	435,433
Unallocated liabilities					
Total liabilities					

* Included within are Malaysia, PRC, United Kingdom, Australia and Indonesia operating segments which are not reportable segments individually.

^ Included within are Vietnam, Malaysia, PRC, Myanmar and Indonesia operating segments which are not reportable segments individually.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

38. GROUP SEGMENTAL INFORMATION (continued)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the income statements.

The Exco assesses the performance of the operating segments based on a measure of Earnings before interest, tax, depreciation and amortisation excluding the effects of fair value and other gains and losses which are not operational in nature ("adjusted EBITDA"). Finance income and finance expenses are not allocated to segments, as these types of activities are driven by the Group's treasury function, which manages the cash position of the Group.

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	2020 \$'000	2019 \$'000
Adjusted EBITDA for reportable segments	651,532	856,299
Depreciation and amortisation	(117,880)	(190,653)
Other (losses)/gains	(41,212)	28,124
Fair value (losses)/gains on investment properties	(293,295)	220,331
Unallocated costs	(19,615)	(25,156)
Finance income	12,546	12,128
Finance expense	(83,360)	(116,528)
Profit before income tax	108,716	784,545

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of these financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Exco monitors the development properties, property, plant and equipment, intangible assets, inventories, receivables, operating cash and investment properties attributable to each segment. All assets are allocated to reportable segments other than tangible and intangible assets at corporate level and current and deferred income tax assets.

	2020 \$'000	2019 \$'000
Segment assets for reportable segments	20,293,272	20,558,495
Unallocated:		
Cash and bank balances	13,609	57,840
Derivative financial instruments	-	180
Receivables and other assets	4,422	1,298
Current income tax assets	254	210
Property, plant and equipment	1,971	1,833
Intangibles	431	584
Deferred income tax assets	59,535	33,334
	20,373,494	20,653,774

Notes to the Financial Statements

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38. GROUP SEGMENTAL INFORMATION (continued)

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of these financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than accruals for expenses and borrowings at corporate level, current and deferred income tax liabilities and derivative financial instruments.

	2020 \$'000	2019 \$'000
Segment liabilities for reportable segments	3,303,813	3,409,812
Unallocated:		
Other payables	13,099	63,005
Current income tax liabilities	164,907	135,830
Borrowings	2,521,456	2,370,763
Derivative financial instruments	10,508	8,408
Deferred income tax liabilities	258,563	331,667
	6,272,346	6,319,485

Revenue from major products and services

Revenue from external customers are derived mainly from the Group's property development, property investments, hotel operations, investment holdings, technology operations and management services. A breakdown of the revenues from external customers for each of these categories is shown in Note 4.

Geographical information

The Group's six business segments operate in seven main geographical areas. In Singapore, where the Company is located, the areas of operation of the Group are principally hotel operations, property development, property investments, investment holdings and technology operations. The Group also engages in the provision of management services in Singapore and in various overseas locations.

The main activities in Australia, Vietnam, Malaysia, PRC, Myanmar and the United Kingdom consist of hotel operations, operation of serviced suites and investment holdings. The Group also engages in property development in PRC and the United Kingdom.

Revenue and non-current assets (excluding financial instruments and deferred income tax assets) are shown by the geographical areas where the assets are located.

	Revenue	
	2020 \$'000	2019 \$'000
Singapore	1,452,583	1,586,542
Australia	79,050	156,615
Malaysia	12,603	45,039
PRC	380,847	413,686
Vietnam	12,717	32,811
Myanmar	5,140	13,254
United Kingdom	33,212	32,337
Others	996	3,057
	1,977,148	2,283,341

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

38. GROUP SEGMENTAL INFORMATION (continued)

	Non-current assets	
	2020	2019
	\$'000	\$'000
Singapore	12,471,618	12,708,587
Australia	620,125	602,539
Vietnam	33,133	35,229
Malaysia	169,617	160,493
PRC	356,655	373,594
Myanmar	27,253	27,530
United Kingdom	903,130	892,116
Others	57,715	26,654
	14,639,246	14,826,742

There is no single external customer who contributes 10 per cent or more of the Group's revenue during the financial years ended 31 December 2020 and 2019.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

- (a) Amendments to SFRS(I) 9, SFRS(I) 7 Interest Rate Benchmark Reform – Phase 2 (effective for annual periods beginning on or after 1 January 2021)

The amendments to SFRS(I) 9 and SFRS(I) 7 *Interest Rate Benchmark Reform – Phase 2* ("Phase 2 Amendments") address issues arising during interest rate benchmark reform, including specifying when the 'Phase 1' amendments will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate as the hedged risk are permitted.

Hedge accounting

The Group will adopt the following hedge accounting reliefs provided by the Phase 2 amendments:

- Hedge designation: When the Phase 1 amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of these changes:
 - a. designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;
 - b. amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
 - c. amending the description of the hedging instrument.

The Group will update its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group amends its hedge designation as described above, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate. For discontinued hedging relationships, when the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the amount accumulated in the cash flow hedge reserve is also deemed to be based on the alternative benchmark rate for the purpose of assessing whether the hedged future cash flows are still expected to occur.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2020

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- (a) Amendments to SFRS(I) 9 and SFRS(I) 7 Interest Rate Benchmark Reform – Phase 2 (effective for annual periods beginning on or after 1 January 2021) (continued)

Long-term debt

The Phase 2 amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument's effective interest rate. Any additional changes are accounted for in the normal way (that is, assessed for modification or derecognition, with the resulting modification gain / loss recognised immediately in profit or loss where the instrument is not derecognised).

The Group does not expect any significant impact arising from applying these amendments.

- (b) Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

40. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of UOL Group Limited on 26 February 2021.

Interested Person Transactions

For the Financial Year Ended 31 December 2020

Aggregate value of all interested person transactions during the financial year under review
(excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)

Name of interested person	Nature of relationship	\$'000
<u>Directors and their associates</u>		
1 Loof Pte. Ltd. Unit #03-07 at Odeon Towers – receipt of rental and service income	Associate of a director	849
<u>Kheng Leong Co (Pte) Ltd and/or its subsidiaries ("KLC")</u>		
2 Secure Venture Development (Alexandra) Pte. Ltd. ("SVDA") ¹ , a joint venture with an associate of certain directors for the development of Principal Garden – charging of project management fee and accounting fee income	Associate of certain directors	145
3 Secure Venture Development (No. 1) Pte. Ltd. ("SVD1") ¹ , a joint venture with an associate of certain directors for the development of MEYER HOUSE – charging of project management fee and marketing fee income – receipt of shareholders' loans and charging of interest income on shareholders' loans	Associate of certain directors	2,761
4 United Venture Development (Silat) Pte. Ltd. ("UVDS") ¹ , a joint venture with an associate of certain directors for the development of Avenue South Residence – charging of project management fee, marketing fee and accounting fee income – receipt of shareholders' loans and charging of interest income on shareholders' loans	Associate of certain directors	8,777
5 United Venture Development (2020) Pte. Ltd. ("UVD2020") ¹ , a joint venture with an associate of certain directors for the development at Canberra Drive – charging of accounting fee income – receipt of shareholders' loans and charging of interest income on shareholders' loans	Associate of certain directors	59,366
6 Jin Qing (Shanghai) Investment Consultancy Co., Ltd ¹ – payment of shared payroll costs of project management team by Shanghai JinPeng Realty Co., Ltd ("SJRCCL"), a joint venture with an associate of certain directors for the development of Park Eleven ²	Associate of certain directors	367

Footnotes

- (1) The amounts disclosed do not include amounts paid to KLC by United Industrial Corporation Limited ("UIC"), a subsidiary of the Company listed on the SGX-ST, and the relevant joint venture entity (i.e. SVDA, SVD1, UVDS, UVD2020 and SJRCCL) for services provided by KLC to SVDA, SVD1, UVDS, UVD2020 and SJRCCL.
- (2) Based on the average rate of RMB1: SGD0.19998 for 2020. The amount disclosed is the amount at risk for the Group based on the proportion of the Group's investment in SJRCCL, namely its 40% stake in SJRCCL's equity held through the Group's wholly-owned subsidiary UOL Capital Investments Pte. Ltd.

Interested Person Transactions

For the Financial Year Ended 31 December 2020

MATERIAL CONTRACTS

Except as disclosed under the section on Interested Person Transactions above and in Note 37 (Related Party Transactions) of the Notes to the Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the Group Chief Executive (as defined in the SGX-ST Listing Manual), each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting entered into since the end of the previous financial year.

Shareholding Statistics

As at 5 March 2021

Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
No. of Treasury Shares	:	Nil
No. of Subsidiary Holdings [#]	:	Nil

SIZE OF SHAREHOLDERS

RANGE	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	5,711	22.49	158,937	0.02
100 – 1,000	9,089	35.79	3,902,183	0.46
1,001 – 10,000	8,555	33.69	30,103,198	3.57
10,001 – 1,000,000	2,012	7.92	86,768,757	10.28
1,000,001 AND ABOVE	27	0.11	723,041,157	85.67
TOTAL	25,394	100.00	843,974,232	100.00

LOCATION OF SHAREHOLDERS

COUNTRY	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
SINGAPORE	22,085	86.93	835,190,295	98.96
MALAYSIA	2,833	11.15	7,532,821	0.89
OTHERS	488	1.92	1,251,116	0.15
TOTAL	25,406	100.00	843,974,232	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	WEE INVESTMENTS (PTE) LIMITED	124,708,836	14.78
2.	DBS NOMINEES (PRIVATE) LIMITED	120,199,844	14.24
3.	C. Y. WEE & COMPANY PRIVATE LIMITED	115,162,017	13.65
4.	CITIBANK NOMINEES SINGAPORE PTE LTD	112,055,648	13.28
5.	TYE HUA NOMINEES (PTE) LTD	59,258,209	7.02
6.	DBSN SERVICES PTE. LTD.	47,127,859	5.58
7.	HAW PAR CAPITAL PTE LTD	38,649,505	4.58
8.	HAW PAR INVESTMENT HOLDINGS PRIVATE LIMITED	28,705,436	3.40
9.	HSBC (SINGAPORE) NOMINEES PTE LTD	28,192,826	3.34
10.	RAFFLES NOMINEES (PTE) LIMITED	14,459,219	1.71
11.	WEE CHO YAW	3,661,566	0.43
12.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,647,787	0.43
13.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,588,062	0.43
14.	KAH MOTOR CO SDN BHD	3,477,010	0.41
15.	HO HAN LEONG CALVIN	2,765,000	0.33
16.	NGEE ANN DEVELOPMENT PTE LTD	2,154,334	0.26
17.	PICKWICK SECURITIES PRIVATE LIMITED	1,888,037	0.22
18.	PHILLIP SECURITIES PTE LTD	1,762,970	0.21
19.	UOB KAY HIAN PRIVATE LIMITED	1,587,721	0.19
20.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,548,964	0.18
	TOTAL	714,600,850	84.67

Based on information available to the Company as at 5 March 2021, approximately 49.73% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual is complied with.

[#] "Subsidiary Holdings" is defined in the SGX-ST Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore

Shareholding Statistics

As at 5 March 2021

SUBSTANTIAL SHAREHOLDERS OF UOL GROUP LIMITED

as shown in the Register of Substantial Shareholders

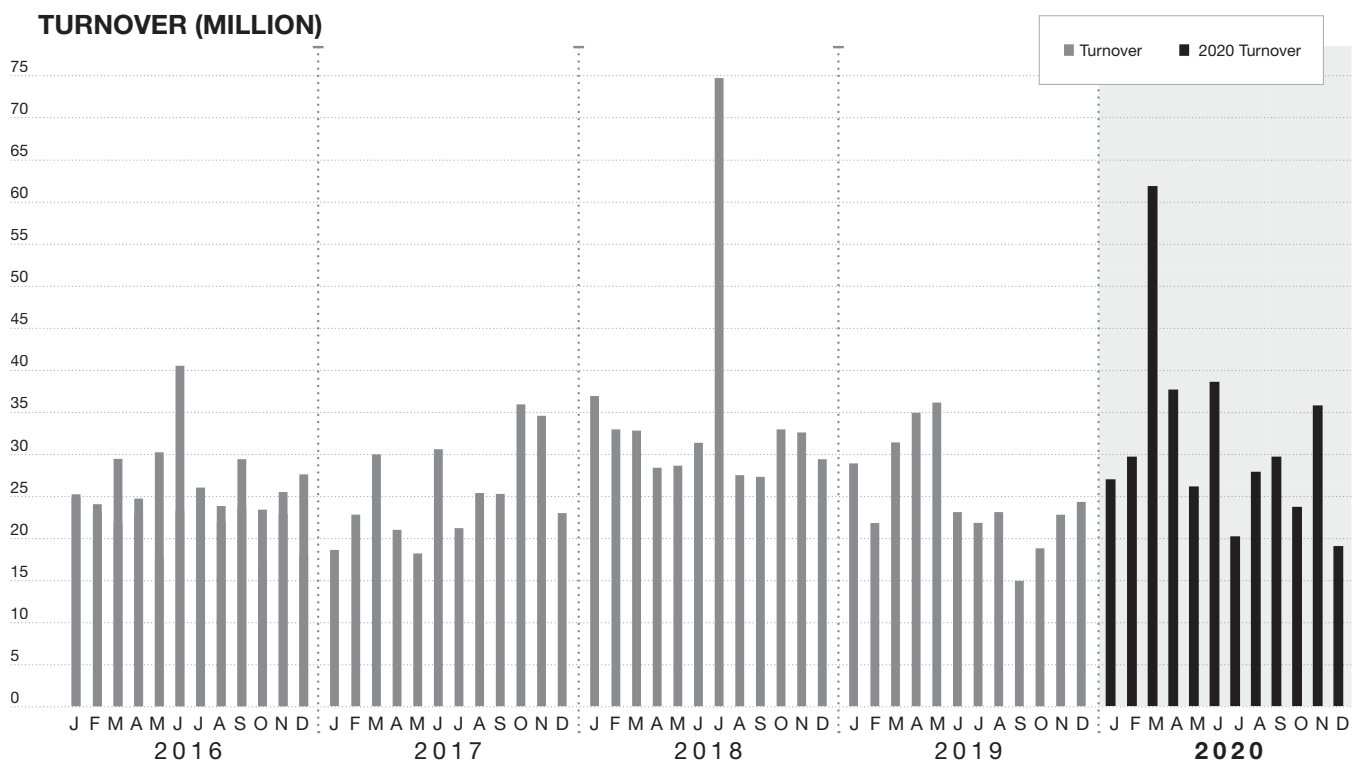
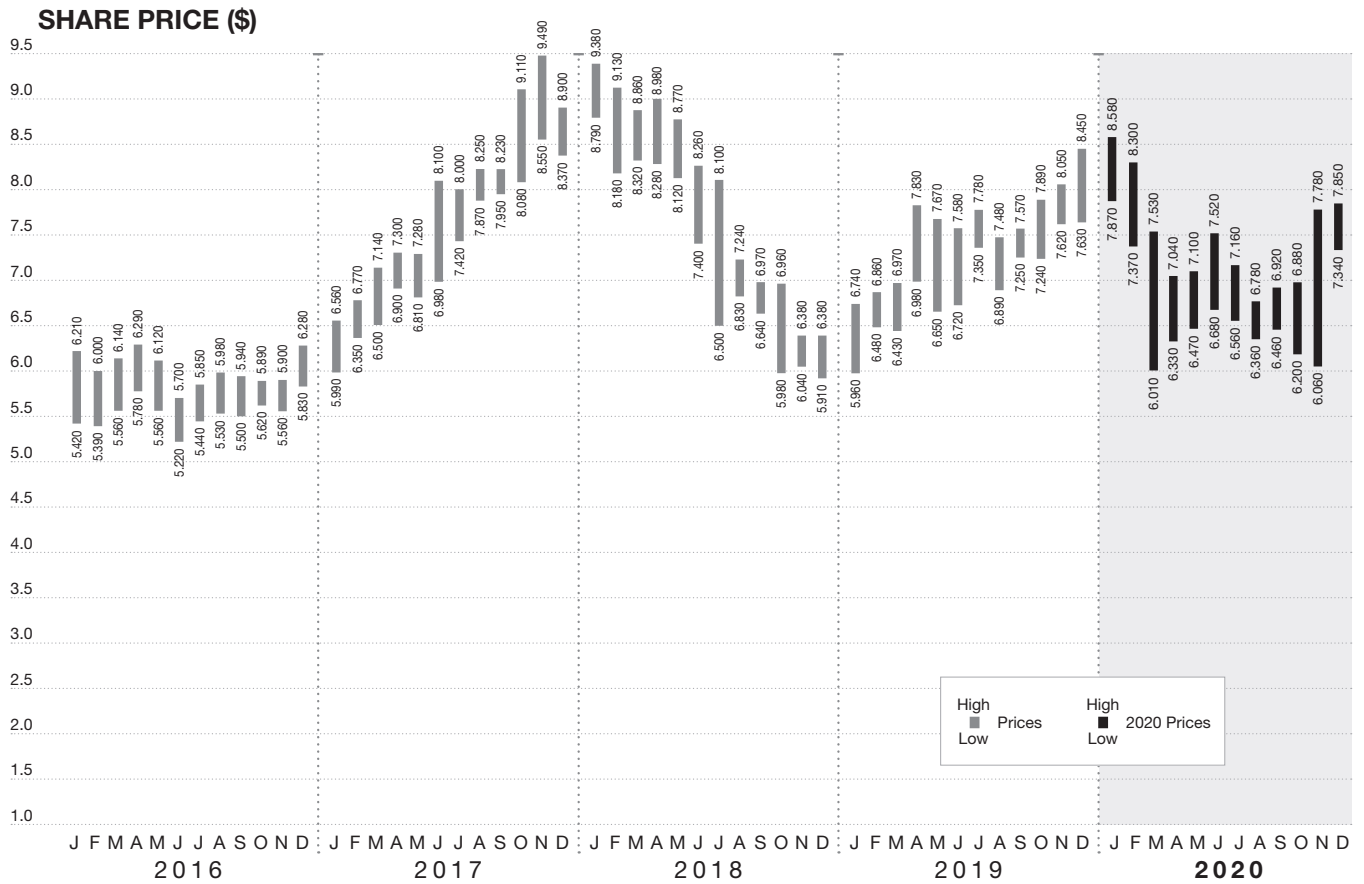
NO.	NAME	NO. OF SHARES FULLY PAID			% ¹
		DIRECT INTEREST	DEEMED INTEREST	TOTAL	
1.	Wee Cho Yaw	3,661,566	311,933,739 ²	315,595,305	37.39
2.	Wee Ee Cheong	318,417	239,968,947 ³	240,287,364	28.47
3.	Wee Ee-chao	31,735	125,001,057 ⁴	125,032,792	14.81
4.	Wee Ee Lim	260,975	124,726,954 ⁵	124,987,929	14.81
5.	Wee Investments (Pte) Limited	124,708,836	–	124,708,836	14.78
6.	C. Y. Wee & Company Private Limited	115,162,017	–	115,162,017	13.65
7.	Haw Par Corporation Limited	–	72,044,768 ⁶	72,044,768	8.54
8.	United Overseas Bank Limited (“UOB”)	–	59,553,898 ⁷	59,553,898	7.06
9.	Silchester International Investors LLP	–	45,593,366 ⁸	45,593,366	5.40

Notes:

- 1 As a percentage of the issued share capital of the Company, comprising 843,974,232 shares.
- 2 Dr Wee Cho Yaw's deemed interest in the shares arises as follows:
 - (a) 115,162,017 shares held by C. Y. Wee & Company Private Limited
 - (b) 124,708,836 shares held by Wee Investments (Pte) Limited
 - (c) 72,044,768 shares which Haw Par Corporation Limited is deemed to be interested in
 - (d) 18,118 shares held by Kheng Leong Company (Private) Limited
- 3 Mr Wee Ee Cheong's deemed interest in the shares arises as follows:
 - (a) 115,162,017 shares held by C. Y. Wee & Company Private Limited
 - (b) 124,708,836 shares held by Wee Investments (Pte) Limited
 - (c) 79,976 shares held by E. C. Wee Pte Ltd
 - (d) 18,118 shares held by Kheng Leong Company (Private) Limited
- 4 Mr Wee Ee-chao's deemed interest in the shares arises as follows:
 - (a) 124,708,836 shares held by Wee Investments (Pte) Limited
 - (b) 274,103 shares held by Protheus Investment Holdings Pte Ltd
 - (c) 18,118 shares held by Kheng Leong Company (Private) Limited
- 5 Mr Wee Ee Lim's deemed interest in the shares arises as follows:
 - (a) 124,708,836 shares held by Wee Investments (Pte) Limited
 - (b) 18,118 shares held by Kheng Leong Company (Private) Limited
- 6 Haw Par Corporation Limited's deemed interest in the shares arises as follows:
 - (a) 28,705,436 shares held by Haw Par Investment Holdings Private Limited
 - (b) 38,649,505 shares held by Haw Par Capital Pte Ltd
 - (c) 1,888,037 shares held by Pickwick Securities Private Limited
 - (d) 695,598 shares held by Haw Par Equities Pte Ltd
 - (e) 1,539,974 shares held by Straits Maritime Leasing Private Limited
 - (f) 324,209 shares held by Haw Par Trading Pte Ltd
 - (g) 242,009 shares held by M & G Maritime Services Pte. Ltd.
- 7 UOB's deemed interest in the shares arises as follows:
 - (a) 59,245,898 shares held in the name of Tye Hua Nominees (Private) Limited for the benefit of UOB
 - (b) 308,000 shares held by UOB Asset Management Ltd (“UOBAM”) as client portfolios managed by UOBAM (Discretionary)
- 8 Silchester International Investors LLP's deemed interest in the shares arises as it acts as investment manager in respect of 45,593,366 shares held under a number of commingled funds.

Share Price and Turnover

For the period from 1 January 2016 to 31 December 2020



Notice of Annual General Meeting

Notice is hereby given that the 58th Annual General Meeting of UOL Group Limited (the “Company”) will be convened and held by way of electronic means on Friday, 23 April 2021 at 3.00 p.m. (Singapore time) to transact the following business:

AS ORDINARY BUSINESS

- Resolution 1** To receive and adopt the Directors’ Statement and the Audited Financial Statements for the year ended 31 December 2020 together with the Auditor’s Report.
- Resolution 2** To declare a first and final tax exempt (one-tier) dividend of 15.0 cents per ordinary share for the year ended 31 December 2020.
- Resolution 3** To approve Directors’ fees of \$818,750 for 2020 (2019: \$816,750).
- Resolution 4** To re-elect Dr Wee Cho Yaw, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as Director of the Company.
- Resolution 5** To re-elect Mr Wee Ee-chao, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as Director of the Company.
- Resolution 6** To re-elect Mr Sim Hwee Cher, who retires by rotation pursuant to Article 94 of the Company’s Constitution, as Director of the Company.
- Resolution 7** To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company and authorise the Directors to fix its remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without amendments, the following resolutions as Ordinary Resolutions:

- Resolution 8** “That Mr Lau Cheng Soon be and is hereby appointed as Director of the Company pursuant to Article 100 of the Company’s Constitution.”
- Resolution 9** “That approval be and is hereby given to the Directors of the Company to offer and grant options in accordance with the rules of the UOL 2012 Share Option Scheme (the “2012 Scheme”) and to allot and issue such number of shares of the Company as may be required to be issued pursuant to the exercise of share options under the 2012 Scheme, provided that the aggregate number of shares to be issued pursuant to the 2012 Scheme shall not exceed 10% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited)) from time to time.”
- Resolution 10** “That authority be and is hereby given to the Directors of the Company to:
- (a) (i) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,
- at any time and upon such terms and conditions, and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

Notice of Annual General Meeting

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) any new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in paragraph (1) above and this paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

Resolution 11 “That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 (the “Companies Act”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“Shares”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchase(s) (each a “Market Purchase”) on the Singapore Exchange Securities Trading Limited (“SGX-ST”); and/or
 - (ii) off-market purchase(s) (each an “Off-Market Purchase”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buyback Mandate”);

Notice of Annual General Meeting

- (b) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
 - (ii) the date in which the authority conferred by the Share Buyback Mandate is revoked or varied by shareholders of the Company in a general meeting; and
 - (iii) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

“Maximum Limit” means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)) as at the date of the passing of this Resolution;

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

where:

“Average Closing Price” means the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Shares were recorded, before the date on which the Market Purchase is made or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5 market days and the date on which the Market Purchase is made or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme(s) for effecting the Off-Market Purchase; and

“market day” means a day on which the SGX-ST is open for securities trading; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

BY ORDER OF THE BOARD

Yeong Sien Seu
Company Secretary

Singapore, 1 April 2021

Notice of Annual General Meeting

NOTES:

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will be sent to members by electronic means via publication on the Company's website at the URL <https://www.uol.com.sg/investors-and-media/announcements/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements/>. For convenience, printed copies of this Notice will also be sent by post to members.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions prior to, or at, the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 1 April 2021. This announcement may be accessed at the Company's website at the URL <https://www.uol.com.sg/investors-and-media/announcements/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements/>. For convenience, printed copies of this announcement will also be sent by post to members.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at the URL <https://www.uol.com.sg/investors-and-media/announcements/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements/>. For convenience, printed copies of the proxy form will also be sent by post to members.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2021.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of Trusted Services Pte. Ltd., 456 Alexandra Road #14-02, Fragrance Empire Building, Singapore 119962; or
 - (b) if submitted electronically:
 - (i) be submitted via email to proxyform@trustedservices.com.sg; or
 - (ii) be submitted via the pre-registration website at the URL <https://online.meetings.vision/uol-agm-registration>,

in either case by 3.00 p.m. on 20 April 2021, being 72 hours before the time appointed for holding the Annual General Meeting.

Notice of Annual General Meeting

A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above or via the pre-registration website at the URL provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or through the pre-registration website.

6. The Company's Annual Report 2020 and the Letter to Shareholders dated 1 April 2021 (in relation to the proposed renewal of the share purchase mandate) (the "Letter") may be accessed at the Company's website as follows:
- (a) the Company's Annual Report 2020 may be accessed at the URL <http://www.uol.com.sg/> by clicking the hyperlink under "Annual Report"; and
 - (b) the Letter may be accessed at the URL <http://www.uol.com.sg/investors-and-media/overview/> by clicking the hyperlink under "Letters to Shareholders".

The above documents will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements/>. Members may request for printed copies of the Company's Annual Report 2020 and/or the Letter by completing and submitting the Request Form sent by post to members.

PERSONAL DATA PROTECTION:

All personal data collected by the Company (including its agents/service providers) shall be subject to the Company's data protection policy, which is published on its corporate website at the URL <http://www.uol.com.sg/>. In particular, by submitting any instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting (including any adjournment thereof), a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (including its agents/service providers) for the purposes of processing, administration and analysis in relation to the appointment of the Chairman of the Meeting as proxy by that member, preparation and compilation of attendance lists, minutes and any other document related to the Annual General Meeting (including any adjournment thereof), general administration and analysis undertaken in connection with the Annual General Meeting, and compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

EXPLANATORY NOTES TO RESOLUTIONS:

1. In relation to **Resolution 4**, Dr Wee Cho Yaw will, upon re-election, continue to serve as the Chairman of the Board of Directors and the Executive Committee, and as a Member of the Remuneration and Nominating Committees. He is considered a non-independent Director. Dr Wee is the father of Mr Wee Ee Lim and Mr Wee Ee-chao, who are both Directors and substantial shareholders¹ of the Company. Dr Wee is also the father of Mr Wee Ee Cheong, substantial shareholder¹ of the Company. Please refer to the "Board of Directors", "Corporate Governance Report" and "Supplemental Information" sections of the Company's Annual Report 2020 for information on Dr Wee.
2. In relation to **Resolution 5**, Mr Wee Ee-chao will, upon re-election, continue to serve as a Member of the Board of Directors. He is considered a non-independent Director. Mr Wee is the son of Dr Wee Cho Yaw, Chairman and substantial shareholder¹ of the Company. Mr Wee is also the brother of Mr Wee Ee Lim, Director and substantial shareholder¹ of the Company and Mr Wee Ee Cheong, substantial shareholder¹ of the Company. Please refer to the "Board of Directors", "Corporate Governance Report" and "Supplemental Information" sections of the Company's Annual Report 2020 for information on Mr Wee.
3. In relation to **Resolution 6**, Mr Sim Hwee Cher will, upon re-election, continue to serve as a Member of the Audit and Risk Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Sim and the other Directors, the Company, its related corporations, its substantial shareholders¹ or its officers. Please refer to the "Board of Directors", "Corporate Governance Report" and "Supplemental Information" sections of the Company's Annual Report 2020 for information on Mr Sim.

Notice of Annual General Meeting

4. **Resolution 8** is to appoint Mr Lau Cheng Soon as an additional Director pursuant to Article 100 of the Company's Constitution. Mr Lau Cheng Soon will be considered an independent and non-executive Director. There are no relationships (including immediate family relationships) between Mr Lau Cheng Soon and the other Directors, the Company, its related corporations, its substantial shareholders¹ or its officers. Please refer to the "Supplemental Information" section of the Company's Annual Report 2020 for information on Mr Lau Cheng Soon.
5. **Resolution 9** is to empower the Directors to offer and grant options and to issue shares of the Company pursuant to the 2012 Scheme, which was approved at the 49th Annual General Meeting of the Company on 19 April 2012. A copy of the rules governing the 2012 Scheme is available for inspection by shareholders during normal office hours at the Company's Registered Office.
6. **Resolution 10** is to authorise the Directors from the date of the Meeting until the next Annual General Meeting is held or required by law to be held, whichever is the earlier (unless such authority is revoked or varied at a general meeting), to issue, or agree to issue shares and/or grant instruments that might require shares to be issued, up to a number not exceeding 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (calculated as described) of which the total number of shares to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (calculated as described). As at 5 March 2021, the Company did not have treasury shares or subsidiary holdings.
7. **Resolution 11** is to renew the Share Buyback Mandate, which was approved at the adjourned 57th Annual General Meeting of the Company on 10 June 2020.

The Company intends to use its internal resources or external borrowings, or combination of both, to finance its purchase or acquisition of the Shares. The amount of financing required for the Company to purchase or acquire its Shares and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of Annual General Meeting as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

Purely for illustrative purposes only, the financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Buyback Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2020, based on certain assumptions, are set out in Appendix A of the Letter to Shareholders dated 1 April 2021 (the "Letter").

Please refer to the Letter for more details.

¹ A "substantial shareholder" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the Company.

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Supplemental Information

The following information relating to Dr Wee Cho Yaw, Mr Wee Ee-chao and Mr Sim Hwee Cher, each of whom is standing for re-election as a Director, and Mr Lau Cheng Soon who is proposed to be appointed as a Director for the first time, at the upcoming 58th Annual General Meeting of UOL Group Limited (“UOL” or the “Company”) to be held on 23 April 2021, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name	Dr Wee Cho Yaw
Date of appointment	23 April 1973
Date last re-elected (if applicable)	25 April 2018
Age	92
Country of principal residence	Singapore
The Board’s comments on the re-election/appointment	The Board had considered the Nominating Committee’s recommendation and assessment on Dr Wee’s background, experience and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.
Whether appointment is executive and if so, the area of responsibility	Non-Executive
Job title	<ul style="list-style-type: none"> • Chairman • Non-Executive and Non-Independent Director • Executive Committee (Chairman) • Remuneration Committee (Member) • Nominating Committee (Member)
Professional qualifications	Please refer to the “Board of Directors” section of the Annual Report.
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • Dr Wee is a distinguished banker with more than 60 years’ experience and a veteran in the banking, insurance, real estate and hospitality industries. • Dr Wee retired from the Board of United Overseas Bank Limited (“UOB”) in 2018 following more than 60 years at the helm of the UOB Group. He is currently the Chairman Emeritus and Honorary Adviser of UOB. • Dr Wee currently serves as the Chairman of various companies and holds directorships in other private companies. <p>Please refer to the “Board of Directors” section of the Annual Report for Dr Wee’s biography.</p>

Supplemental Information

Mr Wee Ee-chao	Mr Sim Hwee Cher	Mr Lau Cheng Soon
9 May 2006	25 April 2019	–
25 April 2018	–	–
66	63	65
Singapore	Singapore	Singapore
The Board had considered the Nominating Committee's recommendation and assessment on Mr Wee's background, experience and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Sim's background, experience, independence and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Lau's background, experience and independence and is satisfied that he will add relevant knowledge, skills and experience to the Board.
Non-Executive	Non-Executive	Non-Executive
Non-Executive and Non-Independent Director	<ul style="list-style-type: none"> Non-Executive and Independent Director Audit and Risk Committee (Member) 	Non-Executive and Independent Director
Please refer to the "Board of Directors" section of the Annual Report.	Please refer to the "Board of Directors" section of the Annual Report.	<ul style="list-style-type: none"> Bachelor of Science, Oregon State University Master of Business Administration, University of Chicago – Booth School of Business
Mr Wee was appointed Chairman of UOB-Kay Hian Holdings Limited in August 2000. He is currently Chairman and Managing Director of UOB Kay Hian group of companies. Please refer to the "Board of Directors" section of the Annual Report for Mr Wee's biography.	<p>2009 – 2017</p> <ul style="list-style-type: none"> Member of the PricewaterhouseCoopers ("PwC") Executive Board for Singapore, China, Hong Kong and Taiwan Leader of PwC Singapore's Assurance practice Vice Chairman (Operations) at PwC Singapore <p>1992 – 2018 Partner of PwC Singapore (retired on 1 July 2018)</p> <p>2018 – present Please refer to the "Board of Directors" section of the Annual Report for Mr Sim's biography.</p>	<p>2006 – March 2021 Managing Director for Invesco Real Estate, Asia Pacific</p> <p>Mr Lau has extensive experience in senior management roles in the Asia Pacific real estate investment business and has been actively involved in planning, developing, managing and marketing numerous real estate investment and development projects across major markets.</p>

Supplemental Information

Name	Dr Wee Cho Yaw
Shareholding interest in the Company and its subsidiaries	<p>UOL Group Limited Direct – 3,661,566 shares Deemed – 312,208,597 shares</p> <p>United Industrial Corporation Limited (subsidiary of UOL Group Limited) Deemed – 721,582,791</p>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	<p>Dr Wee is the father of Mr Wee Ee Lim and Mr Wee Ee-chao, who are both Directors and substantial shareholders of the Company. Dr Wee is also the father of Mr Wee Ee Cheong, substantial shareholder of the Company.</p>
Conflict of interest (including any competing business)	<p>Dr Wee is a substantial shareholder (direct and deemed interest) of approximately 37.39% of the shares of the Company.</p>
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes
Other principal commitments (including directorships) – Present	<p>Other listed companies:</p> <ul style="list-style-type: none"> • United Overseas Insurance Limited (Chairman and Director) • Haw Par Corporation Limited (Chairman and Director) • United Industrial Corporation Limited (Chairman and Director) <p>Other non-listed companies:</p> <ul style="list-style-type: none"> • United Overseas Bank Limited (Chairman Emeritus and Honorary Adviser) • Pan Pacific Hotels Group Limited (Chairman) • Marina Centre Holdings Private Limited (Chairman) • Nanyang Technological University (Pro-Chancellor) • Singapore Chinese Chamber of Commerce & Industry (Honorary President) • Singapore Federation of Chinese Clan Associations (Honorary President) • Singapore Hokkien Huay Kuan (Honorary President) • Wee Foundation (Chairman) • Chung Cheng High School (Chairman)

Supplemental Information

Mr Wee Ee-chao	Mr Sim Hwee Cher	Mr Lau Cheng Soon
UOL Group Limited Direct – 31,735 shares Deemed – 125,003,885 shares	No	No
Mr Wee is the son of Dr Wee Cho Yaw, Chairman and substantial shareholder of the Company. Mr Wee is also the brother of Mr Wee Ee Lim, Director and substantial shareholder of the Company and Mr Wee Ee Cheong, substantial shareholder of the Company.	No	No
Mr Wee is a substantial shareholder (direct and deemed interest) of approximately 14.81% of the shares of the Company.	No	No
Yes	Yes	Yes
<p>Other listed companies:</p> <ul style="list-style-type: none"> • UOB-Kay Hian Holdings Limited (Chairman and Managing Director) • Haw Par Corporation Limited (Deputy Chairman and Director) <p>Other non-listed companies:</p> <ul style="list-style-type: none"> • UOB Kay Hian group of companies (Chairman and Managing Director) • Kheng Leong Company (Private) Limited (Director) • Wee Foundation (Director) 	<p>Other listed companies:</p> <ul style="list-style-type: none"> • Nil <p>Other non-listed companies:</p> <ul style="list-style-type: none"> • Mandai Park Holdings Pte Ltd (Director) • Duke-NUS Medical School: Centre for Aging Research & Education (Advisory Board Member) • The Esplanade Company Ltd (Director) • National Youth Achievement Award Association (Council Member) • Asia Capital Reinsurance Group Pte. Ltd. (Director) 	<p>Other listed companies:</p> <ul style="list-style-type: none"> • Nil <p>Other non-listed companies:</p> <ul style="list-style-type: none"> • Pro-invest Australia Hospitality Fund I • Pro-invest Australia Hospitality Fund II • Pro-invest Asia Pacific Distressed Hospitality Fund III

Supplemental Information

Name	Dr Wee Cho Yaw
Other principal commitments (including directorships) – Past, for the last 5 years	<ul style="list-style-type: none"> • Far Eastern Bank (Director) (till May 2018) • United Overseas Bank Limited (Director) (till April 2018)

Disclosure on the following matters concerning the Director/proposed Director:

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

Supplemental Information

Name	Dr Wee Cho Yaw
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>
<p>Disclosure applicable to the proposed appointment of Director only:</p>	
<p>Any prior experience as a director of an issuer listed on the Exchange?</p>	<p>Not applicable</p>
<p>If yes, please provide details of prior experience.</p>	<p>–</p>
<p>If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p>	<p>Not applicable</p>
<p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>–</p>

Supplemental Information

Mr Wee Ee-chao	Mr Sim Hwee Cher	Mr Lau Cheng Soon
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
Not applicable	Not applicable	No
-	-	-
Not applicable	Not applicable	Mr Lau Cheng Soon will be attending the prescribed training within one year from his date of appointment to the Board.
-	-	-

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Proxy Form

Annual General Meeting

UOL GROUP LIMITED

(Incorporated in Singapore)

Company Registration No. 196300438C

IMPORTANT:

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Annual General Meeting will be sent to members by electronic means via publication on the Company's website at the URL <https://www.uol.com.sg/investors-and-media/announcements/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements/>. For convenience, printed copies of the Notice of Annual General Meeting will also be sent by post to members.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions prior to, or at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 1 April 2021. This announcement may be accessed at the Company's website at the URL <https://www.uol.com.sg/investors-and-media/announcements/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements/>. For convenience, printed copies of this announcement will also be sent by post to members.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
4. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2021.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data protection terms set out in the Notice of Annual General Meeting dated 1 April 2021.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

I/We, _____ (Name) _____ (NRIC/Passport/Co. Reg. No.(s))

of _____ (Address)

being a member/members of UOL GROUP LIMITED (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the 58th Annual General Meeting of the Company to be convened and held by way of electronic means on Friday, 23 April 2021 at 3.00 p.m. (Singapore time) and at any adjournment thereof as indicated below.

No.	Resolutions	For *	Against *	Abstain *
Ordinary Business				
1	Adoption of Directors' Statement, Audited Financial Statements and Auditor's Report			
2	Declaration of a First and Final Dividend			
3	Approval of Directors' Fees			
4	Re-election of Dr Wee Cho Yaw as Director			
5	Re-election of Mr Wee Ee-chao as Director			
6	Re-election of Mr Sim Hwee Cher as Director			
7	Re-appointment of PricewaterhouseCoopers LLP as Auditor			
Special Business				
8	Appointment of Mr Lau Cheng Soon as Director			
9	Authority for Directors to Issue Shares (UOL 2012 Share Option Scheme)			
10	Authority for Directors to Issue Shares (General Share Issue Mandate)			
11	Renewal of Share Buyback Mandate			

* Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2021

Shares in:	Total No. of Shares Held
(a) Depository Register	
(b) Register of Members	
Total	

Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy shall be deemed to relate to all the shares held by you.
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed at the Company's website at the URL <https://www.uol.com.sg/investors-and-media/announcements/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements/>. For convenience, printed copies of this proxy form will also be sent by post to members. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 13 April 2021.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of Trusted Services Pte. Ltd., 456 Alexandra Road, #14-02, Fragrance Empire Building, Singapore 119962; or
 - (b) if submitted electronically:
 - (i) be submitted via email to proxyform@trustedservices.com.sg; or
 - (ii) be submitted via the pre-registration website at the URL <https://online.meetings.vision/uol-agm-registration>,in either case by 3.00 p.m. on 20 April 2021, being 72 hours before the time appointed for holding the Annual General Meeting.

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A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above or via the pre-registration website at the URL provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or through the pre-registration website at the URL <https://online.meetings.vision/uol-agm-registration>.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be deposited with the instrument or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email or via the pre-registration website, be submitted electronically with the instrument, failing which the instrument may be treated as invalid.
6. Any reference to a time of day is made by reference to Singapore time.
7. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 3.00 p.m. on 20 April 2021, being 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Proxy Form Annual General Meeting

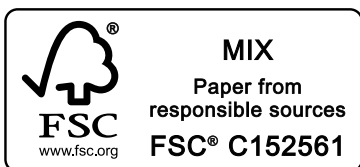
Please
Affix
Postage
Stamp

The Company Secretary
UOL GROUP LIMITED

c/o

Trusted Services Pte. Ltd.
456 Alexandra Road, #14-02
Fragrance Empire Building
Singapore 119962

Fold this flap for sealing



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