

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

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST HALF YEAR ENDED 30 JUNE 2024**

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UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

For the first half year ended 30 June 2024

	Note	The Group		
		First half year ended 30 June		
		2024	2023	+ / (-)
		\$'000	\$'000	%
Revenue	5	1,271,763	1,366,049	(7)
Cost of sales		(753,334)	(862,848)	13
Gross profit		518,429	503,201	3
Other income				
- Finance income	5	25,726	15,619	65
- Miscellaneous income	5	9,311	8,035	16
Expenses				
- Marketing and distribution	6	(56,153)	(55,326)	(1)
- Administrative	6	(72,508)	(73,103)	1
- Finance	6	(102,720)	(93,864)	(9)
- Other operating				
• Impairment loss on financial assets	6	(497)	(643)	23
• Others	6	(74,732)	(71,732)	(4)
Share of loss of associated companies		(1,836)	(6,465)	72
Share of profit of joint venture companies		325	3,029	(89)
Profit before fair value and other (losses)/gains and income tax		245,345	228,751	7
Other losses	6	-	(233)	n.m.
Fair value (losses)/gains on the Group's investment properties		(7,995)	44,609	(118)
Profit before income tax	6	237,350	273,127	(13)
Income tax expense	7	(45,245)	(42,856)	(6)
Net profit		192,105	230,271	(17)
<u>Attributable to:</u>				
Equity holders of the Company		130,386	135,045	(3)
Non-controlling interests		61,719	95,226	(35)
		192,105	230,271	(17)
The above net profit attributable to equity holders of the Company can be analysed as follows:				
Attributable profit before fair value and other (losses)/gains		142,570	131,749	8
Attributable other losses		-	(233)	n.m.
Fair value (losses)/gains on the Group's investment properties		(12,184)	3,529	(445)
Net attributable profit		130,386	135,045	(3)

Legend

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

n.m. : not meaningful

UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first half year ended 30 June 2024

	Note	The Group		
		First half year ended 30 June		
		2024	2023	+ / (-)
		\$'000	\$'000	%
Net profit		192,105	230,271	(17)
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges		11,045	13,132	(16)
Currency translation differences arising from consolidation of foreign operations	9(a)	16,840	(3,524)	578
		27,885	9,608	(190)
Items that will not be reclassified subsequently to profit or loss:				
Financial assets, at fair value through other comprehensive income ("FVOCI")				
- fair value gains/(losses)	9(b)	112,762	(107,920)	204
Currency translation differences arising from consolidation of foreign operations		6,948	(11,912)	158
Other comprehensive income/(loss), net of tax		147,595	(110,224)	234
Total comprehensive income		339,700	120,047	183
<u>Attributable to:</u>				
Equity holders of the Company		270,617	34,779	678
Non-controlling interests		69,083	85,268	(19)
		339,700	120,047	183

UOL GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION – GROUP AND COMPANY

As at 30 June 2024

	Note	The Group		The Company	
		30.06.24 \$'000	31.12.23 \$'000	30.06.24 \$'000	31.12.23 \$'000
ASSETS					
Current assets					
Cash and bank balances		1,457,412	1,390,146	4,584	3,250
Trade and other receivables	10	773,353	523,919	5,929	5,784
Derivative financial instrument		112	-	-	-
Developed properties held for sale		272,938	295,600	-	-
Development properties		2,808,410	2,782,882	-	-
Inventories		3,085	3,609	-	-
Other assets		60,896	52,092	1,027	3,585
Current income tax assets		562	353	-	-
		<u>5,376,768</u>	<u>5,048,601</u>	<u>11,540</u>	<u>12,619</u>
Non-current assets					
Trade and other receivables	11	514,420	345,454	705,289	797,110
Other assets	12	36,787	107,696	-	-
Derivative financial instrument		61,860	54,794	-	-
Financial assets, at FVOCI	13	1,343,341	1,230,578	1,014,008	928,916
Investments in associated companies		234,243	236,251	-	-
Investments in joint venture companies		31,407	31,081	-	-
Investments in subsidiaries		-	-	1,859,991	1,860,991
Investment properties	14	12,296,976	12,123,179	669,697	639,416
Property, plant and equipment		2,973,332	2,937,618	1,563	1,762
Intangibles		35,510	35,818	26	33
Deferred income tax assets		54,760	47,905	-	-
		<u>17,582,636</u>	<u>17,150,374</u>	<u>4,250,574</u>	<u>4,228,228</u>
Total assets		<u>22,959,404</u>	<u>22,198,975</u>	<u>4,262,114</u>	<u>4,240,847</u>
LIABILITIES					
Current liabilities					
Trade and other payables		618,378	675,678	537,146	494,677
Current income tax liabilities		109,089	105,453	1,946	1,172
Bank loans	15(a)	726,906	491,179	-	-
3.00% unsecured fixed rate notes due 2024	15(a)	-	199,933	-	-
Lease liabilities and trade financing		11,181	13,966	-	-
Derivative financial instrument		13	156	-	-
Loans from non-controlling shareholders of subsidiaries		53,105	44,985	-	-
		<u>1,518,672</u>	<u>1,531,350</u>	<u>539,092</u>	<u>495,849</u>
Non-current liabilities					
Trade and other payables		206,078	203,759	6,782	5,594
Lease liabilities and trade financing		21,988	22,519	-	-
Bank loans	15(a)	4,557,235	3,922,589	60,515	60,133
2.33% unsecured fixed rate notes due 2028		398,938	398,808	-	-
Derivative financial instrument		1,474	8,629	-	-
Loans from non-controlling shareholders of subsidiaries		37,156	37,156	-	-
Provision for retirement benefits		3,099	2,914	-	-
Deferred income tax liabilities		278,391	271,527	275	275
		<u>5,504,359</u>	<u>4,867,901</u>	<u>67,572</u>	<u>66,002</u>
Total liabilities		<u>7,023,031</u>	<u>6,399,251</u>	<u>606,664</u>	<u>561,851</u>
NET ASSETS		<u>15,936,373</u>	<u>15,799,724</u>	<u>3,655,450</u>	<u>3,678,996</u>
Capital & reserves attributable to equity holders of the Company					
Share capital	16	1,570,595	1,570,595	1,570,595	1,570,595
Reserves	17	1,049,159	908,922	843,893	758,798
Retained earnings		8,523,702	8,562,303	1,240,962	1,349,603
		<u>11,143,456</u>	<u>11,041,820</u>	<u>3,655,450</u>	<u>3,678,996</u>
Non-controlling interests		<u>4,792,917</u>	<u>4,757,904</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>15,936,373</u>	<u>15,799,724</u>	<u>3,655,450</u>	<u>3,678,996</u>

UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first half year ended 30 June 2024

	Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
The Group						
2024						
Balance at 1 January 2024		1,570,595	908,922	8,562,303	4,757,904	15,799,724
Profit for the period		-	-	130,386	61,719	192,105
Other comprehensive income for the period		-	140,231	-	7,364	147,595
Total comprehensive income for the period		-	140,231	130,386	69,083	339,700
Employee share option scheme - value of employee services		-	6	-	4	10
Dividends	18	-	-	(168,987)	(34,074)	(203,061)
Total transactions with owners, recognised directly in equity		-	6	(168,987)	(34,070)	(203,051)
Balance at 30 June 2024		1,570,595	1,049,159	8,523,702	4,792,917	15,936,373
2023						
Balance at 1 January 2023		1,569,193	1,062,525	8,006,668	4,654,227	15,292,613
Profit for the period		-	-	135,045	95,226	230,271
Other comprehensive loss for the period		-	(100,266)	-	(9,958)	(110,224)
Total comprehensive (loss)/income for the period		-	(100,266)	135,045	85,268	120,047
Employee share option scheme - value of employee services - proceeds from shares issued		- 1,402	841 -	- -	14 -	855 1,402
Dividends	18	-	-	(152,073)	(29,488)	(181,561)
Total transactions with owners, recognised directly in equity		1,402	841	(152,073)	(29,474)	(179,304)
Balance at 30 June 2023		1,570,595	963,100	7,989,640	4,710,021	15,233,356

UOL GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the first half year ended 30 June 2024

	Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
The Company					
2024					
Balance at 1 January 2024		1,570,595	758,798	1,349,603	3,678,996
Profit for the period		-	-	60,346	60,346
Other comprehensive income for the period		-	85,095	-	85,095
Total comprehensive income for the period		-	85,095	60,346	145,441
Dividends	18	-	-	(168,987)	(168,987)
Total transactions with owners, recognised directly in equity		-	-	(168,987)	(168,987)
Balance at 30 June 2024		<u>1,570,595</u>	<u>843,893</u>	<u>1,240,962</u>	<u>3,655,450</u>
2023					
Balance at 1 January 2023		1,569,193	823,548	1,331,301	3,724,042
Profit for the period		-	-	36,767	36,767
Other comprehensive loss for the period		-	(82,210)	-	(82,210)
Total comprehensive (loss)/income for the period		-	(82,210)	36,767	(45,443)
Employee share option scheme					
- value of employee services		-	827	-	827
- proceeds from shares issued		1,402	-	-	1,402
Dividends	18	-	-	(152,073)	(152,073)
Total transactions with owners, recognised directly in equity		1,402	827	(152,073)	(149,844)
Balance at 30 June 2023		<u>1,570,595</u>	<u>742,165</u>	<u>1,215,995</u>	<u>3,528,755</u>

UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first half year ended 30 June 2024

	Note	The Group	
		First half year ended 30	
		June	
		2024	2023
		\$'000	\$'000
Cash flows from operating activities			
Net profit		192,105	230,271
Adjustments for:			
Income tax expense		45,245	42,856
Non-cash items	20(a)	60,630	8,448
Dividend income and interest income		(61,902)	(47,439)
Interest expense		102,720	93,864
Fair value losses/(gains) on the Group's investment properties		7,995	(44,609)
Write-off of intangible asset		-	250
Fair value gain on financial assets, at FVPL		-	(17)
		<u>346,793</u>	<u>283,624</u>
Change in working capital			
Receivables		(57,155)	(47,530)
Development properties	20(b)	(261,468)	469,223
Inventories		524	182
Payables		22,327	(90,922)
		<u>(295,772)</u>	<u>330,953</u>
Cash generated from operations		51,021	614,577
Income tax paid		(44,270)	(44,057)
Retirement benefits paid		-	(44)
Net cash from operating activities		<u>6,751</u>	<u>570,476</u>
Cash flows from investing activities			
Payments for intangibles		-	(29)
Loans to joint venture and associated companies	20(c)	(169,326)	(6,390)
Repayment of loans by a joint venture company		-	17,000
Net proceeds from disposal of property, plant and equipment		48	37
Payments for property, plant and equipment and investment properties	20(d)	(195,337)	(358,516)
Net proceeds from disposal of financial assets, at FVPL		-	543
Interest received		25,498	15,437
Dividends received		36,246	33,001
Net cash used in investing activities		<u>(302,871)</u>	<u>(298,917)</u>
Cash flows from financing activities			
Proceeds from shares issued		-	1,402
Loans from non-controlling shareholders of subsidiaries		8,120	4,040
Repayment of loan from non-controlling shareholder of a subsidiary		-	(51,200)
Proceeds from 3.00% unsecured fixed rate notes due 2024		(200,000)	-
Proceeds from borrowings	20(e)	1,125,133	1,070,207
Repayment of borrowings	20(e)	(274,616)	(849,604)
Expenditure relating to bank borrowings		(3,097)	-
Interest paid		(100,219)	(93,100)
Proceeds from trade financing		4,584	4,280
Repayment of trade financing		(7,270)	(12,046)
Repayment of lease liabilities		(1,411)	(1,401)
Dividends paid to equity holders of the Company		(168,987)	(152,073)
Dividends paid to non-controlling interests		(34,074)	(29,488)
Net cash from/(used in) financing activities		<u>348,163</u>	<u>(108,983)</u>
Net increase in cash and cash equivalents		52,043	162,576
Cash and cash equivalents at the beginning of the financial period		1,383,146	1,463,397
Effects of currency translation on cash and cash equivalents		15,223	27,481
Cash and cash equivalents at the end of the financial period	20(f)	<u>1,450,412</u>	<u>1,653,454</u>

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2024

1 Basis of Preparation

The condensed interim financial statements for the first half year ended 30 June 2024 ("1H 2024") have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

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

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

2 New or amended Standards and Interpretations adopted by the Group

The Group adopted new or amended Standards and Interpretations to existing standards that are mandatory for application for the financial year beginning 1 January 2024 or from their effective date, if later. The following are the amended Standards that are relevant to the Group:

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Non-current Liabilities with Covenants
- Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I)7 Financial Statements Disclosures: Supplier finance arrangements
- Amendments to SFRS(I) 16 Leases: Lease liability in a Sale and Leaseback

The adoption of the above amended Standards did not result in substantial changes to the Group's accounting policies.

3 Key accounting estimates, assumptions and judgements

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

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

The estimates, assumptions and judgements applicable for the current financial period were largely the same as those applied to the consolidated financial statements for the financial year ended 31 December 2023, as follows:

- Fair values of investment properties
- Classification of the Group's serviced suites as investment property or property, plant and equipment
- Revenue and cost of sales recognition from sales of development properties
- Carrying value of development properties
- Level of impairment of value of hotel properties
- Fair values of unquoted financial assets, at FVOCI

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

Fair values of investment properties

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

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

4 Seasonal operations

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

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2024

6 Expenses and Profit before Income Tax (continued)

Other operating expenses

Property taxes	
Other taxes	
Repairs, maintenance and security	
Heat, light and power	
Other payroll and related expenses	
Impairment loss on financial assets	
Others	

Other (losses)/gains

Write-off of intangible asset	
Fair value gain on financial assets, at fair value through profit and loss	

Profit before income tax

Profit before income tax is stated after charging:	
Depreciation and amortisation	
Property, plant and equipment written off and net loss on disposals	

The Group		
First half year ended 30 June		
2024	2023	+ / (-)
29,233	26,220	(11)
1,804	2,258	20
12,059	11,387	(6)
17,885	18,554	4
7,423	7,843	5
497	643	23
6,328	5,470	(16)
75,229	72,375	(4)
-	(250)	n.m.
-	17	n.m.
-	(233)	n.m.
62,231	59,516	(5)
468	1,071	56

(a) Borrowing costs capitalised for 1H 2024 relate mainly to borrowings for the development/asset enhancement of Faber House, Odeon, Clifford Centre and Singapore Land Tower (1H 2023: Pan Pacific Orchard, Faber House, Odeon, Clifford Centre and Singapore Land Tower).

7 Income tax expense

Tax expense attributable to profit is made up of:

- Profit for the financial period:	
Current income tax	
- Singapore	
- Foreign	
- Withholding tax paid	
Deferred income tax	
- fair value losses of investment properties	
- others	

The Group		
First half year ended 30 June		
2024	2023	+ / (-)
\$'000	\$'000	%
44,828	42,238	(6)
2,204	1,648	(34)
500	180	(178)
(853)	(1,867)	(54)
(1,434)	657	318
45,245	42,856	(6)

8 Earnings per share

Earnings per ordinary share for the period

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

The Group	
First half year ended 30 June	
2024	2023
cents 15.43	cents 15.99
cents 15.43	cents 15.99

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

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2024

9 Other comprehensive income/(loss)

(a) Currency translation differences arising from consolidation of foreign operations

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

(b) Fair value gains/(losses) on financial assets, at FVOCI

The fair value gains/(losses) recorded were due mainly to the increase/(decrease) in the closing bid prices of the relevant quoted equity shares from the previous financial year-end.

10 Current trade and other receivables

Current trade and other receivables have increased due mainly to the recognition of receivables for the balance of payments for Clavon upon its receipt of temporary occupation permit ("TOP") in April 2024.

11 Non-current trade and other receivables

The increase in non-current trade and other receivables was due mainly to \$159.4 million paid on behalf of an associated company for deposits to acquire a residential development site at Holland Drive.

12 Non-current other assets

The decrease in non-current other assets was due mainly to the reclassification of progress payments for the construction of PARKROYAL Serviced Suites Jakarta and Pan Pacific Jakarta from prepayments to investment properties and property, plant and equipment respectively. PARKROYAL Serviced Suites Jakarta opened for operations in January 2024 while Pan Pacific Jakarta opened for operations in June 2024.

13 Financial assets, at FVOCI

The increase in the Group's financial assets, at FVOCI was due mainly to fair value gains on investment in quoted equity shares in 1H 2024.

14 Investment properties

The increase in investment properties arose mainly from (i) transfer of progress payments incurred to date for PARKROYAL Serviced Suites Jakarta to investment properties as the property was completed and opened for operations in January 2024; and (ii) costs capitalised for properties with redevelopment/asset enhancement initiatives ("AEI") including Singapore Land Tower, Odeon, Clifford Centre and West Mall. The increase was offset partially by net fair value losses of \$8.0 million based on valuations as determined by independent professional valuers as at 30 June 2024, where fair value losses were recognised for the Group's overseas properties, offset partially by fair value gains from Singapore properties.

15 Borrowings

(a) Current bank loans and notes and Non-current bank loans

The overall increase in bank loans and notes was mainly to fund the acquisitions of MEYER BLUE and sites at Orchard Boulevard and Holland Drive, offset partially by repayment of loans from proceeds from sales of development properties.

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

	30.06.24		31.12.23	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	189	779,822	93,140	643,150
Amount repayable after one year	1,638,851	3,371,476	1,373,522	3,001,744

(c) Details of any collaterals

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2024

16 Share capital

	The Company	
	30.06.24	31.12.23
(a) Total number of issued shares, excluding treasury shares	844,935,232	844,935,232

(b) There was no change in the issued share capital of the Company in 1H 2024.

	Number of Ordinary Shares
Issued share capital as at 1 January 2024 and 30 June 2024	<u>844,935,232</u>

(c) As at 30 June 2024, there were 7,459,000 (30.06.23: 8,107,000) ordinary shares which may be issued upon the exercise of options under the UOL 2012 Share Option Scheme and UOL 2022 Share Option Scheme.

(d) The Company did not hold any treasury shares and there were no subsidiary holdings as of 30 June 2024 and 30 June 2023. Accordingly, there was no sale, transfer, disposal, cancellation and/or use of treasury shares or subsidiary holdings during the financial period ended 30 June 2024.

17 Reserves

The increase in the Group's reserves from 31 December 2023 to 30 June 2024 was due mainly to fair value gains on investment in quoted equity shares during the period.

18 Dividends

Final one-tier dividend of \$0.15 (2023: \$0.15) per share and special one-tier dividend of \$0.05 (2023: \$0.03) per share paid in respect of the previous financial year

The Group	
First half year ended 30 June	
2024	2023
\$'000	\$'000
168,987	152,073

19 Net asset value

	The Group		The Company	
	30.06.24	31.12.23	30.06.24	31.12.23
Net asset value per ordinary share	\$13.19	\$13.07	\$4.33	\$4.35
Net tangible asset backing per ordinary share	\$13.15	\$13.03	\$4.33	\$4.35

20 Cash flows

(a) Non-cash items

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

(b) Cash flows for development properties

The cash outflow for development properties for 1H 2024 was mainly for the acquisition of a site at Orchard Boulevard and land betterment charge for MEYER BLUE, offset partially by receipts for the progressive payments from Clavon (which obtained TOP in April 2024), Watten House, AMO Residence and Pinetree Hill.

(c) Loans to joint venture and associated companies

Loans to joint venture and associated companies for 1H 2024 include those extended to Holly Development Pte. Ltd. for the acquisition of the Holland Drive site which the Group acquired with CapitalLand Singapore Limited and Kheng Leong Company (Private) Limited in May 2024.

(d) Payments for property, plant and equipment and investment properties

Payments for property, plant and equipment and investment properties for 1H 2024 relate mainly to expenditure for the (i) redevelopment of Clifford Centre and Faber House; (ii) construction and purchase of operating assets for PARKROYAL Serviced Suites Jakarta and Pan Pacific Jakarta which opened in January 2024 and June 2024 respectively; and (iii) major asset enhancement initiatives at Singapore Land Tower, Odeon, West Mall and Pan Pacific Perth.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2024

20 Cash flows (continued)

(e) Proceeds from borrowings/Repayment of borrowings

The proceeds from borrowings for 1H 2024 was mainly used for the acquisition of the Orchard Boulevard and Holland Drive residential sites and land betterment charge for MEYER BLUE, whilst repayments were made with receipts from sales of development projects.

(f) Cash and cash equivalents

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

	The Group	
	30.06.24	31.12.23
	\$'000	\$'000
Fixed deposits with financial institutions	1,181,563	425,055
Cash at bank and on hand	275,849	965,091
Cash and bank balances per Statement of Financial Position	1,457,412	1,390,146
Less: Bank deposits pledged as security	(7,000)	(7,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	1,450,412	1,383,146

21 Fair value measurements

(a) Fair value hierarchy

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

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

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

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

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

	The Group		The Company	
	30.06.24	31.12.23	30.06.24	31.12.23
	\$'000	\$'000	\$'000	\$'000
Assets				
Financial assets, at FVOCI				
- Level 1	1,275,378	1,162,181	962,566	877,474
- Level 3	67,963	68,397	51,442	51,442
	1,343,341	1,230,578	1,014,008	928,916
Derivative financial instruments (current and non-current)				
- Level 2	61,972	54,794	-	-
Liabilities				
Derivative financial instruments (current and non-current)				
- Level 2	(1,487)	(8,785)	-	-

(b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

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

	The Group		The Company	
	First half year ended 30 June 2024	2023	First half year ended 30 June 2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets, at FVOCI</u>				
At the beginning of the financial period	68,397	69,528	51,442	51,442
Fair value (losses)/gains recognised in other comprehensive income	(434)	1,296	-	-
At the end of the financial period	67,963	70,824	51,442	51,442

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for 1H 2024 and 1H 2023.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2024

21 Fair value measurements (continued)

(d) Financial instruments carried at other than fair value

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

2.33% unsecured fixed rate notes due 2028
3.00% unsecured fixed rate notes due 2024

The Group			
Fair value		Market borrowing rate	
30.06.24	31.12.23	30.06.24	31.12.23
\$'000	\$'000		
376,629	371,606	3.9%	4.0%
-	198,813	-	4.4%
376,629	570,419		

22 Related party transactions

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

Transactions with directors and their associates

Rental received
Interest paid/payable on non-controlling shareholder's loans
Commission paid for sale of development properties

Transactions with associated and joint venture companies

Interest receivable on loans to joint venture companies
Fees received for management of development properties
Commission received for sale of development properties
Fees received/receivable for management of a hotel property

The Group	
First half year ended 30 June	
2024	2023
\$'000	\$'000
29	28
2,137	5,105
-	59
9,596	-
-	30
-	117
-	301

23 Events after the reporting period

As announced via SGXNET on 12 August 2024, a subsidiary of Singapore Land Group Limited entered into a sale and purchase agreement to dispose its entire equity interest in its indirect wholly owned subsidiary, UIC Land Pte Ltd, which holds the legal and beneficial title in the commercial property known as Stamford Court.

24 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 comprised the Chairman, the Group Chief Executive and two other independent 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 – distribution of computers and related products including the provision of systems integration and networking infrastructure services.
- Management services – provision of hotel management services under the "Pan Pacific", PARKROYAL and PARKROYAL COLLECTION brands, project management and related services.

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

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

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

The Group's technology operations are based in Singapore.

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

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2024

24 Group segmental information (continued)

In SGD thousands	Property development			Property investments*	Hotel operations			Investments	Technology operations	Others	Total
	Singapore	China	United	Singapore	Australia	Others					
			Kingdom								
Group											
1 January 2024 to 30 June 2024											
Revenue											
Total segment sales	497,443	-	24,323	274,519	230,090	61,242	86,304	36,404	54,410	39,333	1,304,068
- recognised at a point in time	10,594	-	24,323	-	91,811	14,243	30,638	-	44,437	-	216,046
- recognised over time	486,849	-	-	-	138,280	46,999	55,665	-	9,973	39,333	777,099
- others	-	-	-	274,519	-	-	-	36,404	-	-	310,923
Inter-segment sales	-	-	-	(3,203)	(63)	-	-	-	-	(29,039)	(32,305)
Sales to external parties	497,443	-	24,323	271,316	230,027	61,242	86,304	36,404	54,410	10,294	1,271,763
Adjusted EBITDA - Company and subsidiaries	73,402	(1,853)	2,609	177,948	75,579	7,802	10,036	36,252	5,372	14,233	401,380
Share of loss of associated companies	-	-	-	-	(1,596)	-	(240)	-	-	-	(1,836)
Share of profit/(loss) of joint venture companies	327	-	-	(2)	-	-	-	-	-	-	325
Total adjusted EBITDA**	73,729	(1,853)	2,609	177,946	73,983	7,802	9,796	36,252	5,372	14,233	399,869
Depreciation and amortisation	(8)	(187)	(28)	(1,031)	(32,724)	(6,978)	(19,988)	-	(385)	(902)	(62,231)
Fair value losses on investment properties	-	-	-	(7,995)	-	-	-	-	-	-	(7,995)
Unallocated costs											(15,298)
Finance income											25,726
Finance expense											(102,720)
Profit before income tax											237,351
Income tax expense											(45,245)
Net profit											192,106

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2024

24 Group segmental information (continued)

In SGD thousands	Property development			Property investments*	Hotel operations			Investments	Technology operations	Others	Total
	Singapore	China	United Kingdom		Singapore	Australia	Others				
Group											
1 January 2023 to 30 June 2023											
Revenue											
Total segment sales	649,147	8,505	18,614	253,341	199,813	63,085	78,716	32,002	57,013	34,250	1,394,486
- recognised at a point in time	37,008	8,505	18,614	-	82,758	15,556	28,253	-	49,835	-	240,529
- recognised over time	612,139	-	-	-	117,055	47,529	50,463	-	7,178	34,250	868,614
- others	-	-	-	253,341	-	-	-	32,002	-	-	285,343
Inter-segment sales	-	-	-	(3,185)	(80)	-	-	-	-	(25,172)	(28,437)
Sales to external parties	649,147	8,505	18,614	250,156	199,733	63,085	78,716	32,002	57,013	9,078	1,366,049
Adjusted EBITDA - Company and subsidiaries	98,768	(2,491)	2,480	164,958	55,122	10,701	9,313	31,938	5,918	12,606	389,313
Share of loss of associated companies	-	-	-	-	(6,010)	-	(455)	-	-	-	(6,465)
Share of profit of a joint venture company	3,029	-	-	-	-	-	-	-	-	-	3,029
Total adjusted EBITDA**	101,797	(2,491)	2,480	164,958	49,112	10,701	8,858	31,938	5,918	12,606	385,877
Depreciation and amortisation	(8)	(191)	(25)	(1,076)	(28,944)	(6,828)	(21,194)	-	(354)	(896)	(59,516)
Other (losses)/gains	-	-	-	-	-	-	(250)	17	-	-	(233)
Fair value gains on investment properties	-	-	-	44,609	-	-	-	-	-	-	44,609
Unallocated costs											(19,365)
Finance income											15,619
Finance expense											(93,864)
Profit before income tax											273,127
Income tax expense											(42,856)
Net profit											230,271

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

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

UOL GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the first half year ended 30 June 2024

A. Review

The statements of financial position of UOL Group Limited ("the Company") and its subsidiaries ("the Group") as at 30 June 2024 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and explanatory notes have not been audited or reviewed by the Company's auditors.

B. Review of performance of the Group

Revenue

Group revenue for the first half year ended 30 June 2024 ("1H 2024") decreased by \$94.3 million or 7% to \$1.27 billion from \$1.37 billion for the first half year ended 30 June 2023 ("1H 2023") due mainly to lower revenue from property development, offset partially by higher revenue from hotel operations and property investments.

Revenue from property development decreased by \$154.5 million or 23% compared to that for 1H 2023 due mainly to lower progressive revenue recognition from Clavon and the absence of contribution from Avenue South Residence which obtained Temporary Occupation Permit in July 2023, offset partially by higher progressive revenue recognition from Watten House and Pinetree Hill.

Revenue from property investments increased by \$21.2 million or 8% compared to that for 1H 2023 due mainly to better performance by Singapore commercial properties and Pan Pacific Serviced Suites Kuala Lumpur. There was also new contribution from PARKROYAL Serviced Suites Jakarta which opened in January 2024.

Revenue from hotel operations was \$36.0 million or 11% higher compared to that for 1H 2023 due mainly to (i) the opening of Pan Pacific Orchard in June 2023; and (ii) better performance by Pan Pacific Singapore which was undergoing renovations until July 2023, offset partially by (iii) the sale of PARKROYAL on Kitchener Road in October 2023.

Gross profit margin

Gross profit margin of 40% for 1H 2024 was higher than the 37% for 1H 2023 due mainly to higher dividend income from quoted equity investments and improved performance of property investments and hotel operations.

Finance income

Finance income was \$10.1 million or 65% higher than that for 1H 2023 due mainly to (i) higher interest income from joint venture companies for the Tampines Avenue 11 project; and (ii) higher interest on bank deposits.

Expenses

Finance expense was higher by \$8.9 million or 9% as compared to that for 1H 2023 due mainly to higher interest rates. Effective weighted average interest rates on external borrowings was 3.79% for 1H 2024, as compared with 3.46% for 1H 2023.

Fair value (losses)/gains on investment properties

For 1H 2024, fair value losses on investment properties of \$8.0 million arose mainly from overseas properties, offset partially by fair value gains from Singapore properties.

Profit & Loss

The pre-tax profit before fair value and other (losses)/gains was \$245.3 million, a \$16.6 million or 7% increase from the profit of \$228.8 million for 1H 2023 due mainly to higher profit from property investments, hotel operations and dividend income.

With attributable fair value losses of \$12.2 million recognised for 1H 2024 as compared with fair value and other gains of \$3.3 million recognised for 1H 2023, profit after tax and non-controlling interest for 1H 2024 decreased by \$4.7 million or 3% to \$130.4 million from \$135.0 for 1H 2023.

Net tangible asset and gearing

The Group's shareholders' funds increased from \$11.04 billion as at 31 December 2023 to \$11.14 billion as at 30 June 2024 due mainly to profits for the period and fair value gains on investments in quoted equity shares held by the Group, offset partially by payment of dividends to shareholders. Consequently the net tangible asset per ordinary share of the Group increased to \$13.15 as at 30 June 2024 from \$13.03 as at 31 December 2023.

The Group's net gearing ratio as at 30 June 2024 increased to 0.27 from 0.24 as at 31 December 2023, due mainly to borrowings taken to fund acquisitions of new residential sites, offset partially by repayment of loans from residential sales proceeds.

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

Nil.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the first half year ended 30 June 2024

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

According to the Ministry of Trade and Industry, the Singapore economy is expected to grow by 1.0 per cent to 3.0 per cent in 2024. However, the macroeconomic environment could remain uncertain due to persistent inflation and geopolitical tensions.

The residential property market is expected to remain stable with prices expected to grow at a slower pace, underpinned by healthy household balance sheets.

Office rents are expected to remain resilient despite increase in near term supply.

The retail sector is projected to sustain recovery on the back of strong leasing demand and tourism recovery amid below historical average new retail supply.

Likewise, Singapore's hospitality sector is likely to continue its growth riding alongside the recovery in tourism.

E. Dividend Information

(a) Current Financial Period Reported On

Dividend declared for the current financial period reported on

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable : N.A.

(d) Record date : N.A.

No dividend has been declared or recommended for 1H 2024 as it is not the usual practice of the Group to declare interim dividends.

F. Interested Person Transactions

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

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

Please refer to section B.

CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for 1H 2024 to be false or misleading, in any material aspect.

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

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

BY ORDER OF THE BOARD

Yeong Sien Seu
Company Secretary
13 August 2024