



Company Registration No. 196300438C

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

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST HALF YEAR ENDED 30 JUNE 2023**

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UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

For the first half year ended 30 June 2023

	Note	The Group		
		First half year ended 30 June		
		2023	2022	+ / (-)
		\$'000	\$'000	%
Revenue	5	1,366,049	1,534,292	(11)
Cost of sales		(862,848)	(1,026,689)	16
Gross profit		503,201	507,603	(1)
Other income				
- Finance income	5	15,619	5,641	177
- Miscellaneous income	5	8,035	12,517	(36)
Expenses				
- Marketing and distribution	6	(55,326)	(64,397)	14
- Administrative	6	(73,103)	(54,775)	(33)
- Finance	6	(93,864)	(46,590)	(101)
- Other operating				
• Impairment loss on financial assets	6	(643)	(273)	(136)
• Others	6	(71,732)	(60,014)	(20)
Share of loss of associated companies		(6,465)	(1,892)	(242)
Share of profit of a joint venture company		3,029	17,666	(83)
Profit before fair value and other gains/(losses) and income tax		228,751	315,486	(27)
Other (losses)/gains	6	(233)	6	n.m.
Fair value gains on the Group's investment properties		44,609	317,057	(86)
Profit before income tax	6	273,127	632,549	(57)
Income tax expense	7	(42,856)	(53,193)	19
Net profit		230,271	579,356	(60)
<u>Attributable to:</u>				
Equity holders of the Company		135,045	371,036	(64)
Non-controlling interests		95,226	208,320	(54)
		230,271	579,356	(60)
The above net profit attributable to equity holders of the Company can be analysed as follows:				
Attributable profit before fair value and other gains/(losses)		131,749	181,069	(27)
Attributable other (losses)/gains		(233)	6	n.m.
Attributable fair value gains on the Group's investment properties		3,529	189,961	(98)
Net attributable profit		135,045	371,036	(64)

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 2023

	Note	The Group		
		First half year ended 30 June		
		2023	2022	+ / (-)
		\$'000	\$'000	%
Net profit		230,271	579,356	(60)
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges		13,132	49,868	(74)
Currency translation differences arising from consolidation of foreign operations	9(a)	(3,524)	(42,334)	92
		9,608	7,534	28
Items that will not be reclassified subsequently to profit or loss:				
Financial assets, at fair value through other comprehensive income ("FVOCI") - fair value losses	9(b)	(107,920)	(28,172)	(283)
Currency translation differences arising from consolidation of foreign operations		(11,912)	(16,538)	28
Other comprehensive loss, net of tax		(110,224)	(37,176)	(196)
Total comprehensive income		120,047	542,180	(78)
<u>Attributable to:</u>				
Equity holders of the Company		34,779	341,991	(90)
Non-controlling interests		85,268	200,189	(57)
		120,047	542,180	(78)

UOL GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION – GROUP AND COMPANY

As at 30 June 2023

	Note	The Group		The Company	
		30.06.23	31.12.22	30.06.23	31.12.22
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances		1,657,954	1,467,898	3,316	4,056
Trade and other receivables		325,142	295,584	7,924	6,355
Derivative financial instrument		-	3	-	-
Developed properties held for sale		330,014	358,229	-	-
Development properties	10	2,643,416	3,128,407	-	-
Inventories		1,902	2,084	-	-
Other assets	11	114,733	65,954	3,400	2,761
Financial assets, at fair value through profit or loss ("FVPL")		-	526	-	-
Current income tax assets		321	243	-	-
		5,073,482	5,318,928	14,640	13,172
Non-current assets					
Trade and other receivables		58,803	78,493	695,993	726,518
Other assets		101,506	103,689	-	-
Derivative financial instrument		108,334	91,533	-	-
Financial assets, at FVOCI	12	1,212,979	1,320,899	913,684	995,897
Investments in associated companies		242,253	249,930	-	-
Investment in a joint venture company		19,712	16,683	-	-
Investments in subsidiaries		-	-	1,874,482	1,874,482
Investment properties	13	12,032,793	11,861,129	619,196	614,240
Property, plant and equipment	14	3,028,717	2,822,471	1,711	1,901
Intangibles		38,150	38,800	87	144
Deferred income tax assets		42,763	35,908	-	-
		16,886,010	16,619,535	4,105,153	4,213,182
Total assets		21,959,492	21,938,463	4,119,793	4,226,354
LIABILITIES					
Current liabilities					
Trade and other payables	15	513,526	650,622	246,555	236,819
Current income tax liabilities		94,854	94,562	1,121	1,884
Bank loans	16(a)	1,617,838	839,291	279,000	199,975
Lease liabilities and trade financing		16,983	22,307	-	-
Derivative financial instrument		15	76	-	-
Loans from non-controlling shareholders of subsidiaries	17	125,785	149,321	-	-
		2,369,001	1,756,179	526,676	438,678
Non-current liabilities					
Trade and other payables		200,165	202,675	3,711	3,041
Lease liabilities and trade financing		22,546	25,808	-	-
Bank loans	16(a)	3,221,109	3,730,564	60,280	60,222
2.33% unsecured fixed rate notes due 2028		398,678	398,548	-	-
3.00% unsecured fixed rate notes due 2024		199,833	199,733	-	-
Derivative financial instrument		30	612	-	-
Loans from non-controlling shareholders of subsidiaries	17	37,156	60,780	-	-
Provision for retirement benefits		2,939	3,014	-	-
Deferred income tax liabilities		274,679	267,937	371	371
		4,357,135	4,889,671	64,362	63,634
Total liabilities		6,726,136	6,645,850	591,038	502,312
NET ASSETS		15,233,356	15,292,613	3,528,755	3,724,042
Capital & reserves attributable to equity holders of the Company					
Share capital	18	1,570,595	1,569,193	1,570,595	1,569,193
Reserves		963,100	1,062,525	742,165	823,548
Retained earnings		7,989,640	8,006,668	1,215,995	1,331,301
		10,523,335	10,638,386	3,528,755	3,724,042
Non-controlling interests		4,710,021	4,654,227	-	-
TOTAL EQUITY		15,233,356	15,292,613	3,528,755	3,724,042

UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first half year ended 30 June 2023

	Note	Share <u>capital</u> \$'000	<u>Reserves</u> \$'000	Retained <u>earnings</u> \$'000	Non- controlling <u>interests</u> \$'000	Total <u>equity</u> \$'000
The Group						
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		-	841	-	14	855
- proceeds from shares issued		1,402	-	-	-	1,402
Dividends	19	-	-	(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
2022						
Balance at 1 January 2022		1,566,802	960,059	7,641,462	4,447,752	14,616,075
Profit for the period		-	-	371,036	208,320	579,356
Other comprehensive loss for the period		-	(29,045)	-	(8,131)	(37,176)
Total comprehensive (loss)/income for the period		-	(29,045)	371,036	200,189	542,180
Employee share option scheme						
- value of employee services		-	750	-	33	783
- proceeds from shares issued		1,730	-	-	-	1,730
Dividends	19	-	-	(126,670)	(31,288)	(157,958)
Total transactions with owners, recognised directly in equity		1,730	750	(126,670)	(31,255)	(155,445)
Transfer upon liquidation of a subsidiary		-	(7)	7	-	-
Balance at 30 June 2022		1,568,532	931,757	7,885,835	4,616,686	15,002,810

UOL GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY - COMPANY

For the first half year ended 30 June 2023

	Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
The Company					
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	19	-	-	(152,073)	(152,073)
Total transactions with owners, recognised directly in equity		1,402	827	(152,073)	(149,844)
Balance at 30 June 2023		1,570,595	742,165	1,215,995	3,528,755
2022					
Balance at 1 January 2022		1,566,802	711,246	1,381,476	3,659,524
Profit for the period		-	-	47,873	47,873
Other comprehensive loss for the period		-	(20,238)	-	(20,238)
Total comprehensive (loss)/income for the period		-	(20,238)	47,873	27,635
Employee share option scheme					
- value of employee services		-	718	-	718
- proceeds from shares issued		1,730	-	-	1,730
Dividends	19	-	-	(126,670)	(126,670)
Total transactions with owners, recognised directly in equity		1,730	718	(126,670)	(124,222)
Balance at 30 June 2022		1,568,532	691,726	1,302,679	3,562,937

UOL GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first half year ended 30 June 2023

	Note	The Group	
		First half year ended	
		30 June	
		2023	2022
		\$'000	\$'000
Cash flows from operating activities			
Net profit		230,271	579,356
Adjustments for:			
Income tax expense		42,856	53,193
Non-cash items	21(a)	8,448	33,712
Dividend income and interest income		(47,439)	(31,668)
Interest expense		93,864	46,105
Fair value gains on the Group's investment properties		(44,609)	(317,057)
Gain on liquidation of associated companies		-	(11)
Impairment loss on receivables from an associated company		250	-
Fair value (gain)/loss on financial assets, at FVPL		(17)	5
		<u>283,624</u>	<u>363,635</u>
Change in working capital			
Receivables		(47,530)	(64,222)
Development properties	21(b)	469,223	(335,275)
Inventories		182	(401)
Payables		(90,922)	(76,859)
		<u>330,953</u>	<u>(476,757)</u>
Cash generated from/(used in) operations		614,577	(113,122)
Income tax paid		(44,057)	(51,240)
Retirement benefits paid		(44)	(20)
Net cash from/(used in) operating activities		<u>570,476</u>	<u>(164,382)</u>
Cash flows from investing activities			
Payments for intangibles		(29)	(23)
Loans to a joint venture company		(6,390)	-
Repayment of loans by a joint venture company		17,000	11,395
Net proceeds from disposal of property, plant and equipment		37	389
Proceeds from liquidation of an associated company		-	49
Payments for property, plant and equipment and investment properties	21(c)	(358,516)	(99,357)
Net proceeds from disposal of financial assets, at FVPL		543	3
Interest received		15,437	5,641
Dividends received		33,001	26,313
Net cash used in investing activities		<u>(298,917)</u>	<u>(55,590)</u>
Cash flows from financing activities			
Proceeds from shares issued		1,402	1,730
Loans from non-controlling shareholders of subsidiaries		4,040	5,640
Repayment of loan from non-controlling shareholder of a subsidiary		(51,200)	-
Proceeds from borrowings	21(d)	1,070,207	1,156,651
Repayment of borrowings	21(d)	(849,604)	(765,244)
Expenditure relating to bank borrowings		-	(4,800)
Interest paid		(93,100)	(42,630)
Proceeds from trade financing		4,280	6,134
Repayment of trade financing		(12,046)	(12,326)
Repayment of lease liabilities		(1,401)	(1,085)
Dividends paid to equity holders of the Company		(152,073)	(126,670)
Dividends paid to non-controlling interests		(29,488)	(31,288)
Net cash (used in)/from financing activities		<u>(108,983)</u>	<u>186,112</u>
Net increase/(decrease) in cash and cash equivalents		162,576	(33,860)
Cash and cash equivalents at the beginning of the financial period		1,463,397	1,487,183
Effects of currency translation on cash and cash equivalents		27,481	(19,956)
Cash and cash equivalents at the end of the financial period	21(e)	<u>1,653,454</u>	<u>1,433,367</u>

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

1 Basis of Preparation

The condensed interim financial statements for the first half year ended 30 June 2023 ("1H 2023") 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 2022.

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 2023 or from their effective date, if later. The following are the amended Standards and Interpretations that are relevant to the Group:

- SFRS(I) 17 Insurance Contracts
- Amendment to SFRS(I) 1-8 Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to SFRS(I) 1-12 International Tax Reform - Pillar Two Model Rules

The adoption of the above amended Standards and Interpretation 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 2022, as follows:

- Fair values of investment properties
- Classification of the Group's serviced suites as investment property or property, plant and equipment
- Revenue and cost of sales recognition from sales of development properties
- Valuation of development properties
- 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 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 2023

5 Revenue, Finance income and Miscellaneous income

Revenue from contracts with customers under SFRS(I) 15

Revenue from property development

- recognised at a point in time

- recognised over time

Revenue from hotel ownership and operations

- recognised at a point in time

- recognised over time

Revenue from technology operations

- recognised at a point in time

- recognised over time

Revenue from management services

- recognised over time

Other revenue

Revenue from property investments

Dividend income from financial assets, at FVOCI

Finance income

Interest income

Currency exchange gains (net)

Miscellaneous income

Government grants and assistance

Others

The Group		
First half year ended 30 June		
2023	2022	+ / (-)
\$'000	\$'000	%
64,127	211,390	(70)
612,139	788,547	(22)
676,266	999,937	(32)
126,487	76,770	65
215,047	129,546	66
341,534	206,316	66
49,835	43,148	15
7,178	4,004	79
57,013	47,152	21
9,078	6,943	31
1,083,891	1,260,348	(14)
250,156	247,917	1
32,002	26,027	23
1,366,049	1,534,292	(11)
15,437	5,641	174
182	-	-
15,619	5,641	177
1,966	5,332	(63)
6,069	7,185	(16)
8,035	12,517	(36)

6 Expenses and Profit before Income Tax

Marketing and distribution expenses

Advertising and promotion

Marketing and distribution payroll and related expenses

Sales commissions

Showflat expenses

Others

Administrative expenses

Administrative payroll and related expenses

Corporate expenses

Credit card commissions

Information technology related expenses

Bank loan fees and other bank charges

Others

The Group		
First half year ended 30 June		
2023	2022	+ / (-)
\$'000	\$'000	%
13,887	13,920	0
16,885	13,208	(28)
20,457	31,406	35
2,173	4,542	52
1,924	1,321	(46)
55,326	64,397	14
42,351	35,589	(19)
12,820	7,491	(71)
5,354	2,989	(79)
5,355	4,700	(14)
422	370	(14)
6,801	3,636	(87)
73,103	54,775	(33)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

6 Expenses and Profit before Income Tax (continued)

The Group		
First half year ended 30 June		
2023	2022	+ / (-)
<u>Finance expenses</u>		
Bank facility fees	2,732	2,936
Interest expense	99,770	44,425
Less: borrowing costs capitalised [See Note (a) below]	(8,638)	(1,256)
Currency exchange losses (net)	-	485
	93,864	46,590
		(101)
<u>Other operating expenses</u>		
Property taxes	26,220	26,161
Other taxes	2,258	3,355
Repairs, maintenance and security	11,387	9,936
Heat, light and power	18,554	10,535
Other payroll and related expenses	7,843	5,904
Impairment loss on financial assets [See Note (b) below]	643	273
Others	5,470	4,123
	72,375	60,287
		(20)
<u>Other (losses)/gains</u>		
Gain on liquidation of an associated company	-	11
Impairment loss on receivables from an associated company	(250)	-
Fair value gain/(loss) on financial assets, at FVPL	17	(5)
	(233)	6
		n.m.
<u>Profit before income tax</u>		
Profit before income tax is stated after charging:		
Depreciation and amortisation	59,516	57,978
Property, plant and equipment written off and net loss on disposals	1,071	90
		(3)
		n.m.

(a) Borrowing costs capitalised for 1H 2023 relate mainly to borrowings for the development/asset enhancement of Pan Pacific Orchard, Odeon Towers/333 North Bridge Road, Singapore Land Tower, Clifford Centre and Faber House (1H 2022: Pan Pacific Orchard).

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

7 Income tax expense

The Group		
First half year ended 30 June		
2023	2022	+ / (-)
\$'000	\$'000	%
Tax expense attributable to profit is made up of:		
- Profit for the financial period:		
Current income tax		
- Singapore	42,238	26,326
- Foreign	1,648	15,441
- Withholding tax paid	180	190
Deferred income tax		
- fair value losses of investment properties	(1,867)	(836)
- others [See Note (a) below]	657	13,535
	42,856	54,656
		22
- Over provision in prior financial period:		
Current income tax		
- Singapore	-	(1,463)
		(100)
	42,856	53,193
		19

(a) Other deferred income tax expense relates mainly to the timing difference between the actual recognition of development profits and the payment of income tax upon the development project obtaining Temporary Occupation Permit.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

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	
2023	2022
cents 15.99	cents 43.94
cents 15.99	cents 43.93

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.

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 losses on financial assets, at FVOCI

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

10 Development properties

The decrease in development properties was due mainly to the completion of Avenue South Residence which obtained Phase 1 temporary occupation permit ("TOP") in March 2023.

11 Current other assets

Included in other current assets as at 30 June 2023 was an amount of \$54.9 million being deposit and stamp duties paid for the en-bloc purchase of the freehold property at 81 and 83 Meyer Road Singapore ("Meyer Park site") for an aggregate consideration of \$392.2 million.

12 Financial assets, at FVOCI

The decrease in the Group's financial assets, at FVOCI from 31 December 2022 to 30 June 2023 was due mainly to downward fair value adjustments from investment in quoted equity shares.

13 Investment properties

The increase in investment properties arose mainly from costs capitalised for properties undergoing redevelopment/asset enhancement initiatives ("AEI") including Clifford Centre, Singapore Land Tower and Odeon Towers/333 North Bridge Road; offset partially by the transfer of Faber House to property, plant and equipment with the commencement of redevelopment works to a hotel in June 2023. In addition, there was the recognition of net fair value gains of \$44.6 million based on valuations as determined by independent professional valuers as at 30 June 2023, where the fair value gains from Singapore office properties due to positive rental reversion more than offset the fair value losses from properties in the United Kingdom ("UK") and Australia.

14 Property, plant and equipment

The increase in property, plant and equipment was due mainly to (i) the transfer of Faber House from investment property to property, plant and equipment with the commencement of redevelopment works to a hotel; (ii) costs capitalised for Pan Pacific Orchard which was under construction and opened for operations in June 2023; (iii) renovation costs capitalised for Pan Pacific Singapore, Pan Pacific Perth and PARKROYAL Melbourne Airport; and (iv) translation gains for the Group's properties in UK with the strengthening GBP offset partially by translation losses of the Group's properties in China with the weakening RMB against SGD.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

15 Current trade and other payables

The decrease in the Group's current trade and other payables was due mainly to (i) lower contract liabilities from development properties for AMO Residence and The Watergardens at Canberra as the Group has performed its obligations under the contracts based on the assessed progress completion; and (ii) settlement of previously accrued land related tax for Park Eleven Shanghai.

16 Borrowings

(a) Current and non-current bank loans

The net increase in current and non-current bank loans was due mainly to new loans drawn for (i) the re-development and AEI at various properties of the Group, including Clifford Centre, Faber House and Singapore Land Tower; (ii) the deposits for the Meyer Park and Tampines Avenue 11 sites, offset partially by (iii) repayment with receipts from sale of development projects and operating cash flows.

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

Amount repayable in one year or less, or on demand
Amount repayable after one year

30.06.23		31.12.22	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
259,454	1,484,746	204,536	784,602
1,048,674	2,822,863	1,164,106	3,242,965

(c) Details of any collaterals

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

17 Current and non-current loans from non-controlling shareholders of subsidiaries

The overall decrease in current and non-current loans from non-controlling shareholders of subsidiaries was due to the repayment to a non-controlling shareholder of United Venture Development (Silat) Pte. Ltd. using the proceeds from Avenue South Residence.

18 Share capital

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

The Company	
30.06.23	31.12.22
844,935,232	844,719,232

(b) During 1H 2023, the changes in the issued share capital of the Company were as follows:

	Number of Ordinary Shares
Issued share capital as at 1 January 2023	844,719,232
Issue of ordinary shares arising from the exercise of:	
2013 Options at exercise price of S\$6.55 per share	80,000
2014 Options at exercise price of S\$6.10 per share	4,000
2016 Options at exercise price of S\$5.87 per share	24,000
2017 Options at exercise price of S\$6.61 per share	54,000
2019 Options at exercise price of S\$6.59 per share	54,000
Ordinary shares issued upon exercise of options	216,000
Issued share capital as at 30 June 2023	<u>844,935,232</u>

(c) As at 30 June 2023, there were 8,107,000 (30.06.22: 7,581,000) ordinary shares which may be issued upon the exercise of options under the UOL 2000 Share Option Scheme and UOL 2012 Share Option Scheme.

(d) The Company did not hold any treasury shares and there were no subsidiary holdings as of 30 June 2023 and 30 June 2022. Accordingly, there was no sale, transfer, disposal, cancellation and/or use of treasury shares or subsidiary holdings during the financial period ended 30 June 2023.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

19 Dividends

Final one-tier dividend of \$0.15 (2022: \$0.15) per share and special one-tier dividend of \$0.03 (2022: Nil) per share paid in respect of the previous financial year

The Group	
First half year ended 30 June	
2023	2022
\$'000	\$'000
152,073	126,670

20 Net asset value

Net asset value per ordinary share
Net tangible asset backing per ordinary share

The Group		The Company	
30.06.23	31.12.22	30.06.23	31.12.22
\$12.45	\$12.59	\$4.18	\$4.41
\$12.41	\$12.55	\$4.18	\$4.41

21 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 net cash inflow for development properties was mainly from progressive payments received for Avenue South Residence which obtained Phase 1 TOP in March 2023 and other ongoing development projects in Singapore.

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

Payments for property, plant and equipment and investment properties relate mainly to expenditure for the (i) redevelopment of Clifford Centre and Faber House; (ii) construction and purchase of operating assets for Pan Pacific Orchard which opened in June 2023; (iii) construction of serviced suites and hotel at Thamrin Nine Tower 2, Jakarta; (iv) major asset enhancement initiatives at Singapore Land Tower and Odeon Towers/333 North Bridge Road; and (v) renovation of Pan Pacific Singapore, Pan Pacific Perth and PARKROYAL Melbourne Airport.

(d) Proceeds from borrowings/Repayment of borrowings

The proceeds from borrowings was mainly used for (i) the development and AEI at various properties of the Group, including Clifford Centre, Faber House, Singapore Land Tower; and (ii) the deposits for the Meyer Park and Tampines Avenue 11 sites, whilst the repayment was made using the receipts from sale of development projects and operating cash flows.

(e) Cash and cash equivalents

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

Fixed deposits with financial institutions
Cash at bank and on hand
Cash and bank balances per Statement of Financial Position
Less: Bank deposits pledged as security
Cash and cash equivalents per Consolidated Statement of Cash Flows

The Group	
30.06.23	30.06.22
\$'000	\$'000
657,331	399,521
1,000,623	1,036,346
1,657,954	1,435,867
(4,500)	(2,500)
1,653,454	1,433,367

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

22 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	
	30.06.23 \$'000	31.12.22 \$'000	30.06.23 \$'000	31.12.22 \$'000
Assets				
Financial assets, at FVPL				
- Level 1	-	526	-	-
Financial assets, at FVOCI				
- Level 1	1,142,155	1,251,371	862,242	944,455
- Level 3	70,824	69,528	51,442	51,442
	1,212,979	1,320,899	913,684	995,897
Derivative financial instruments (current and non-current)				
- Level 2	108,334	91,536	-	-
Liabilities				
Derivative financial instruments (current and non-current)				
- Level 2	(45)	(688)	-	-

(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		First half year ended 30 June	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets, at FVOCI				
At the beginning of the financial period	69,528	71,752	51,442	50,052
Fair value gains/(losses) recognised in other comprehensive income	1,296	(1,183)	-	-
At the end of the financial period	70,824	70,569	51,442	50,052

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for 1H 2023 and 1H 2022.

(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:

	The Group			
	Fair value		Market borrowing rate	
	30.06.23 \$'000	31.12.22 \$'000	30.06.23	31.12.22
2.33% unsecured fixed rate notes due 2028	364,960	347,393	4.2%	5.0%
3.00% unsecured fixed rate notes due 2024	197,169	195,187	4.6%	4.8%
	562,129	542,580		

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

23 Related party transactions

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

The Group		
First half year ended 30 June		
2023	2022	
\$'000	\$'000	
Transactions with directors and their associates		
Rental received	28	161
Interest paid/payable on non-controlling shareholder's loans	5,105	1,951
Commission paid for sale of development properties	59	321
Purchase of products/gift vouchers	-	17
Transactions with associated and joint venture companies		
Fees received for management of development properties	30	15
Commission received for sale of development properties	117	398
Interest receivable on loan to a joint venture company	-	910
Fees received/receivable for management of a hotel property	301	229

24 Events after the reporting period

As announced via SGXNET on 4 July 2023, the disposal of Parkroyal Kitchener Pte Ltd which holds the legal and beneficial title in the property known as PARKROYAL on Kitchener Road, is scheduled to complete on 31 October 2023.

25 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 Deputy 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 – the distribution of computers and related products including the provision of systems integration and networking infrastructure services.
- Management services – provision of hotel management services under the "Pan Pacific", PARKROYAL and PARKROYAL COLLECTION brands, project management and related services.

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

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

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

The Group's technology operations are based in Singapore.

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

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

25 Group segmental information (continued)

	Property development				Hotel operations				Technology operations	Others	Total
	Singapore	China	United Kingdom	Property investments*	Singapore	Australia	Others	Investments			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
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											(19,363)
Finance income											15,619
Finance expense											(93,864)
Profit before income tax											273,129
Income tax expense											(42,856)
Net profit											<u>230,273</u>

UOL GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the first half year ended 30 June 2023

25 Group segmental information (continued)

	Property development				Hotel operations				Technology operations	Others	Total
	Singapore	China	United Kingdom	Property investments*	Singapore	Australia	Others	Investments			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group											
1 January 2022 to 30 June 2022											
Revenue											
Total segment sales	808,044	156,517	35,376	250,771	112,407	51,057	42,935	26,027	47,152	24,778	1,555,064
- recognised at a point in time	19,497	156,517	35,376	-	46,565	13,205	17,083	-	43,148	-	331,391
- recognised over time	788,547	-	-	-	65,842	37,852	25,852	-	4,004	24,778	946,875
- others	-	-	-	250,771	-	-	-	26,027	-	-	276,798
Inter-segment sales	-	-	-	(2,854)	(83)	-	-	-	-	(17,835)	(20,772)
Sales to external parties	808,044	156,517	35,376	247,917	112,324	51,057	42,935	26,027	47,152	6,943	1,534,292
Adjusted EBITDA - Company and subsidiaries	119,532	53,187	1,071	170,112	28,312	8,273	(6,784)	26,021	5,225	5,950	410,899
Share of loss of associated companies	-	-	-	-	(433)	-	(1,459)	-	-	-	(1,892)
Share of profit of a joint venture company	17,666	-	-	-	-	-	-	-	-	-	17,666
Total adjusted EBITDA**	137,198	53,187	1,071	170,112	27,879	8,273	(8,243)	26,021	5,225	5,950	426,673
Depreciation and amortisation	(8)	(221)	(25)	(2,201)	(28,752)	(8,113)	(17,379)	-	(357)	(922)	(57,978)
Other (losses)/gains	-	-	-	-	-	-	-	(5)	-	11	6
Fair value gains on investment properties	-	-	-	317,057	-	-	-	-	-	-	317,057
Unallocated costs											(12,260)
Finance income											5,641
Finance expense											(46,590)
Profit before income tax											632,549
Income tax expense											(53,193)
Net profit											579,356

* 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 2023

A. Review

The statements of financial position of UOL Group Limited ("the Company") and its subsidiaries ("the Group") as at 30 June 2023 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 2023 ("1H 2023") decreased by \$168.2 million or 11% to \$1.37 billion from \$1.53 billion recorded in the first half year ended 30 June 2022 ("1H 2022").

Revenue from property development decreased by \$323.7 million or 32% compared to that of 1H 2022 due mainly to lower contribution from Avenue South Residence, The Tre Ver, Park Eleven Shanghai; offset partially by higher progressive revenue recognition from AMO Residence and The Watergardens at Canberra.

Revenue from hotel operations was \$135.2 million or 66% higher than the revenue for 1H 2022 as almost all of the Group's hotels continue to benefit from tourism rebound in their respective countries. The Group's Singapore hotels saw the largest increases, followed by PARKROYAL COLLECTION Kuala Lumpur (which opened in June 2022), Pan Pacific London and PARKROYAL Darling Harbour.

Gross profit margin

Gross profit margin of 37% for 1H 2023 was higher than that for 1H 2022 of 33% due mainly to higher investment income and improved performance of the hotel operations.

Finance income

Finance income for 1H 2023 was \$10.0 million or 177% higher than that for 1H 2022 due mainly to higher fixed deposits placed by development subsidiaries, coupled with higher deposit rates.

Expenses

Administrative expenses increased by \$18.3 million or 33% from 1H 2022 due mainly to higher payroll and related expenses, professional fees, information technology expenses and credit card commissions driven by higher business volume and inflationary factors.

Other operating expenses increased by \$12.1 million or 20% compared to 1H 2022 due mainly to higher energy costs and property maintenance costs.

Expenses have also increased with the opening of PARKROYAL COLLECTION Kuala Lumpur in June 2022, Pan Pacific Serviced Suites Kuala Lumpur in December 2022, and Pan Pacific Orchard in June 2023.

Finance expense was \$47.3 million or 101% higher than that for 1H 2022 with the steep increase in interest rates and new loans drawn for the re-development and AEI at various properties and for the purpose of bidding for new sites. The weighted average interest rate on external borrowings for 1H 2023 was 3.46% compared with 1.74% for 1H 2022.

Share of (loss)/profit of associated and joint venture companies

Share of losses of associated and joint venture companies as compared with share of profit for 1H 2022 was due mainly to lower contributions from (i) MEYER HOUSE which was completely sold; and (ii) Mandarin Oriental Singapore which was closed for renovations in March 2023.

Profit & Loss

The pre-tax profit before fair value and other gains/(losses) was \$228.8 million, a \$86.7 million or 27% decrease from the profit of \$315.5 million in 1H 2022 due mainly to lower profit from property development, lower contributions from associated and joint venture companies and higher net finance expense.

With attributable fair value and other gains of \$3.3 million recognised for 1H 2023 as compared with \$190.0 million recognised for 1H 2022, profit after tax and non-controlling interest for 1H 2023 decreased by \$236.0 million or 64% to \$135.0 million from \$371.0 for 1H 2022.

Net tangible asset and gearing

The Group's shareholders' funds decreased from \$10.64 billion as at 31 December 2022 to \$10.52 billion as at 30 June 2023 due mainly to the decrease in fair value of the Group's equity investments and payment of dividends to shareholders. Consequently the net tangible asset per ordinary share of the Group decreased to \$12.41 as at 30 June 2023 from \$12.55 as at 31 December 2022.

The Group's net gearing ratio as at 30 June 2023 remained unchanged at 0.26 from that as at 31 December 2022.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the first half year ended 30 June 2023

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

Nil.

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

The Ministry of Trade and Industry has projected that the economic growth for Singapore in 2023 is likely to expand by 0.5 to 2.5 per cent amidst persistent inflation, geopolitical instability and conflicts, and rising interest rates.

Singapore's residential market is expected to grow at a subdued level owing to cooling measures, macroeconomic headwinds and a higher supply in new homes in the next 12 months. Nevertheless, projects with strong product attributes in established locations should continue to draw keen interest from homebuyers as the fundamentals of the property market remain intact.

The office sector has remained stable. However, as leasing environment turns cautious due to lower projected economic growth, office rents are expected to grow at a slower pace, anchored on tight supply in the medium term.

With the recovery of visitor arrivals, the retail sector should benefit with higher footfall. Coupled with low supply pipeline in retail space, rents are expected to remain supported.

Singapore's hospitality sector is likely to continue its growth against the backdrop of continued pick-up in leisure and corporate travels. The hospitality business of the Group should benefit from the recovery.

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 2023 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.

UOL GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the first half year ended 30 June 2023

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 2023 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
10 August 2023