

**PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
PARKROYAL KITCHENER HOTEL PTE. LTD.**

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of UOL Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Pan Pacific Hotels Group Limited ("**PPHG**"), has, on the date of this Announcement, entered into a sale and purchase agreement ("**SPA**") with Midtown Properties Pte. Ltd. ("**Midtown**" and together with PPHG, the "**Parties**" and each, a "**Party**"), for the disposal of 5,000,000 ordinary shares (the "**Sale Shares**") in Parkroyal Kitchener Hotel Pte. Ltd. ("**PKH**"), representing the entire issued and paid-up share capital of PKH (the "**Proposed Disposal**").

2. INFORMATION RELATING TO PKH

- 2.1 PKH was incorporated under the laws of Singapore on 12 August 1989, with its registered office at 101 Thomson Road, #33-00 United Square, Singapore 307591. As at the date of this Announcement, PKH has an issued and paid-up share capital of S\$5,000,000 comprising 5,000,000 ordinary shares, all of which are held by PPHG.
- 2.2 The principal activity of PKH is that of a hotelier. PKH holds the legal and beneficial title to the land comprised in Lot 1445W of Town Subdivision 17 together with the building known as "PARKROYAL on Kitchener Road" and "New Park Shopping Arcade" situated at 181 Kitchener Road Singapore 208533 (the "**Building**" and collectively with the aforementioned land, the "**Property**"). PARKROYAL on Kitchener Road is a 542-room hotel located in the heart of Little India, Singapore.

3. INFORMATION RELATING TO MIDTOWN

Based on publicly available information, (a) Midtown was incorporated in Singapore on 1 April 2019, with its registered office at 80 Marine Parade Road, #21-01, Parkway Parade, Singapore 449269 and (b) the principal activity of Midtown is that of a holding company.

4. SALIENT TERMS OF THE SPA

4.1 Sale and Purchase of the Sale Shares

Under the SPA, PPHG has agreed to sell to Midtown, and Midtown has agreed to purchase from PPHG, the Sale Shares, free from encumbrances, on and subject to the terms and conditions of the SPA.

4.2 Consideration

(a) Consideration

The consideration for the Sale Shares was arrived at on a willing-buyer willing-seller basis, taking into consideration the latest available valuation of the Property as set out in the Valuation Report (as defined below) and comprises: (i) the sum of S\$52,500,000 (inclusive of a booking fee of S\$5,250,000) representing the deposit which has been paid by Midtown to PPHG (the "**Deposit**") and (ii) an amount in cash (the "**Completion Amount**") which shall be paid by Midtown to PPHG on the date on which the Proposed Disposal is completed (the "**Completion Date**"), subject to certain post-Completion adjustments as described in paragraph 4.2(b) below.

The Completion Amount will be determined based on the Adjusted Net Asset Value of PKH at a specified time prior to the Completion Date, as agreed between the Parties (the "**Estimated Adjusted Net Asset Value**"), less the Deposit.

The "**Adjusted Net Asset Value**" of PKH as at any date, means the total assets less the total liabilities of PKH as at such date, adjusted on the basis that the value of the Property is fixed at S\$525,000,000.

(b) Post-Completion Adjustments

Following Completion, the Parties shall determine and agree on the Adjusted Net Asset Value of PKH as at the Completion Date (the "**Completion Adjusted Net Asset Value**").

If the Completion Adjusted Net Asset Value: (i) is less than the Estimated Adjusted Net Asset Value, PPHG shall pay to Midtown an amount equal to the deficit; or (ii) exceeds the Estimated Adjusted Net Asset Value, Midtown shall pay to PPHG an amount equal to the excess.

4.3 Completion

Completion of the Proposed Disposal ("**Completion**") is not subject to any condition precedent. The Parties have agreed that Completion shall take place on 31 October 2023 (or such other date as may be agreed between the Parties in writing), following which PKH shall cease to be a subsidiary of the Company.

4.4 Other Terms

The SPA contains customary provisions relating to the Proposed Disposal, including (a) warranties, (b) pre-Completion covenants and undertakings and (c) termination events.

5. RATIONALE FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Proposed Disposal provides a good opportunity for the Group to unlock the value of its investment in PKH at an attractive price, and is part of the Group's reconstitution of its overall property portfolio.

6. CHAPTER 10 OF THE LISTING MANUAL

6.1 The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX") are set out below¹:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value (" NAV ") of the Sale Shares, compared with the Group's NAV ⁽ⁱ⁾ .	0.54
(b)	The net profits attributable to the Sale Shares, compared with the Group's net profits ⁽ⁱⁱ⁾ .	0.34
(c)	The aggregate value of the consideration received for the Sale Shares ⁽ⁱⁱⁱ⁾ , compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares) ^(iv) .	9.65

Notes:

- (i) The relative figure for Rule 1006(a) has been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 (the "**FY2022 Accounts**"), being the latest announced consolidated accounts of the Company as at the date of this Announcement.
- (ii) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the FY2022 Accounts, the net profits attributable to the Sale Shares amounts to approximately S\$2,603,000 and the Group's net profits amounts to approximately S\$768,952,000.
- (iii) The aggregate value of the consideration received for the Sale Shares was determined based on the Adjusted Net Asset Value of PKH as at 30 April 2023 of approximately S\$532,082,000, being an estimate of the aggregate of the Deposit and Completion Amount. This figure does not take into account the post-Completion adjustments set out in paragraph 4.2(b) above.
- (iv) The Company's market capitalisation is approximately S\$5,515,315,000, calculated based on the total number of shares (excluding treasury shares) of the Company, being approximately 844,935,000 shares, multiplied by the weighted average price of approximately S\$6.53 per share on 3 July 2023, being the last market day preceding the date of this Announcement.

6.2 The relative figures in Rule 1006(d) and Rule 1006(e) are not applicable to the Proposed Disposal.

6.3 As the relative figure computed under Rule 1006(c) exceeds 5% but does not exceed 20%, the Proposed Disposal is classified as a "discloseable transaction" under Rule 1010 of the Listing Manual.

¹ All monetary amounts and number of shares used for purposes of computing the relative figures in Listing Rule 1006 or the illustrative financial effects of the Proposed Disposal and/or set out in the relevant paragraph have been rounded off to the nearest thousand.

7. **FINANCIAL INFORMATION OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS**

7.1 Based on the FY2022 Accounts, being the latest announced consolidated accounts of the Company as at the date of this Announcement¹:

- (a) the book value of the Sale Shares is approximately S\$83,010,000;
- (b) the net tangible asset value of the Sale Shares is approximately S\$83,010,000;
- (c) the net profits attributable to the Sale Shares is approximately S\$2,603,000;
- (d) the excess of the proceeds over the book value in respect of the Sale Shares is approximately S\$449,073,000²; and
- (e) the amount gained by the Company on the Proposed Disposal is approximately S\$446,223,000.

As at 31 December 2022, the Property was valued at S\$423,000,000 by an independent professional valuer, Jones Lang LaSalle Property Consultants Pte Ltd (the "**Valuer**"), in its valuation report dated 9 January 2023 (the "**Valuation Report**"). The Company had commissioned such valuation for the purpose of complying with its financial reporting and disclosure obligations under Chapter 7 of the Listing Manual. The valuation method adopted by the Valuer in such valuation was the discounted cash flow model.

7.2 The net proceeds from the Proposed Disposal will be used by the Group for its general working capital requirements.

8. **ILLUSTRATIVE FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**

For illustrative purposes only, the financial effects on the Proposed Disposal on the (a) net tangible assets ("**NTA**") per share of the Company and (b) earnings per share ("**EPS**") of the Company, based on the FY2022 Accounts, being the most recently completed financial year for which audited financial statements of the Company are available as at the date of this Announcement, are set out in paragraphs (a) and (b) below.

In this regard, the said illustrative financial effects have been prepared on the assumption that the proceeds from the Proposed Disposal would be used to repay the bank loans of the Group, which carry an average borrowing cost of 2.25% per annum (before taking into account any tax effects).

² Calculated based on the Adjusted Net Asset Value of PKH as at 30 April 2023 of approximately S\$532,082,000, being an estimate of the aggregate of the Deposit and Completion Amount. This figure does not take into account the post-Completion adjustments set out in paragraph 4.2(b) above.

(a) NTA per share

The pro forma financial effects on the consolidated NTA per share of the Company as at 31 December 2022, assuming the Proposed Disposal had been effected on 31 December 2022, are as follows¹:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$)	10,599,586,000	11,045,809,000
Number of issued shares of the Company (excluding treasury shares)	844,719,000	844,719,000
NTA per share (S\$)	12.55	13.08

(b) EPS

The pro forma financial effects on the consolidated EPS of the Company as at 31 December 2022, assuming the Proposed Disposal had been effected on 1 January 2022, are as follows¹:

	Before the Proposed Disposal	After the Proposed Disposal
Net profits attributable to shareholders (S\$)	491,869,000	945,426,000
Weighted average number of issued shares of the Company (excluding treasury shares)	844,557,000	844,557,000
Earnings per share (Singapore cents)	58.24	111.94

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this Announcement, based on information available to the Board, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company, save that: (a) Dr Wee Cho Yaw, Chairman of the Board and controlling shareholder of the Company and (b) Mr Liam Wee Sin, a Director, are also directors of PPHG.

10. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed to the board of the Company as part of the Proposed Disposal, and no director's service contract is proposed to be entered into by the Company with any person in connection with the Proposed Disposal.

11. DOCUMENT FOR INSPECTION

A copy of the SPA and the Valuation Report will be made available for inspection during normal business hours at the registered office of the Company at 101 Thomson Road, #33-00 United Square, Singapore 307591, for three (3) months from the date of this Announcement.

Submitted by Yeong Sien Seu, Company Secretary on 04/07/2023 to the SGX