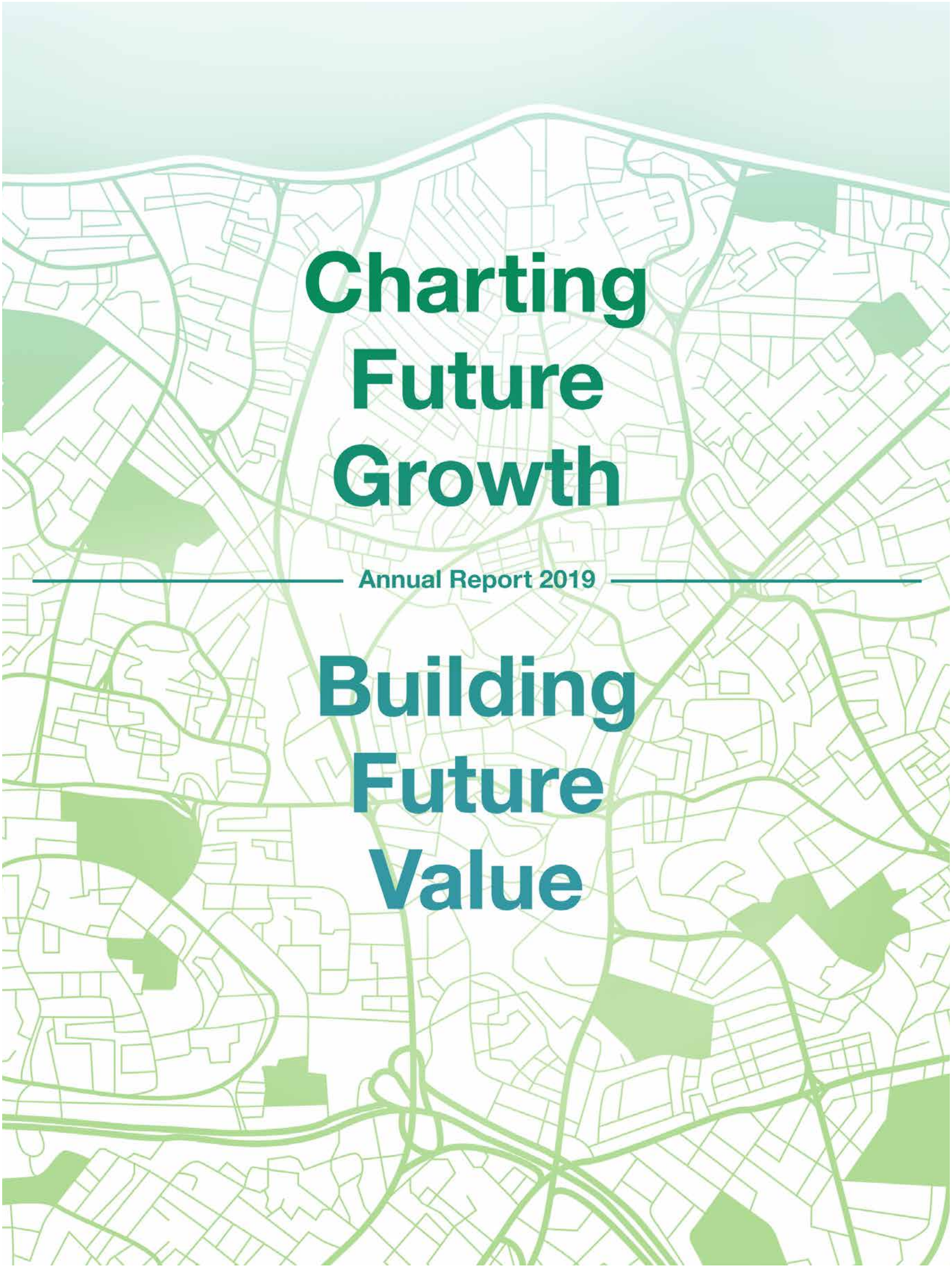
UOL
华业集团



Charting Future Growth

Annual Report 2019

Building Future Value

Contents

Alex Residences

About Us

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

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

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

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

VISION

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

MISSION

Driving Inspirations, Fulfilling Aspirations

CORE VALUES

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

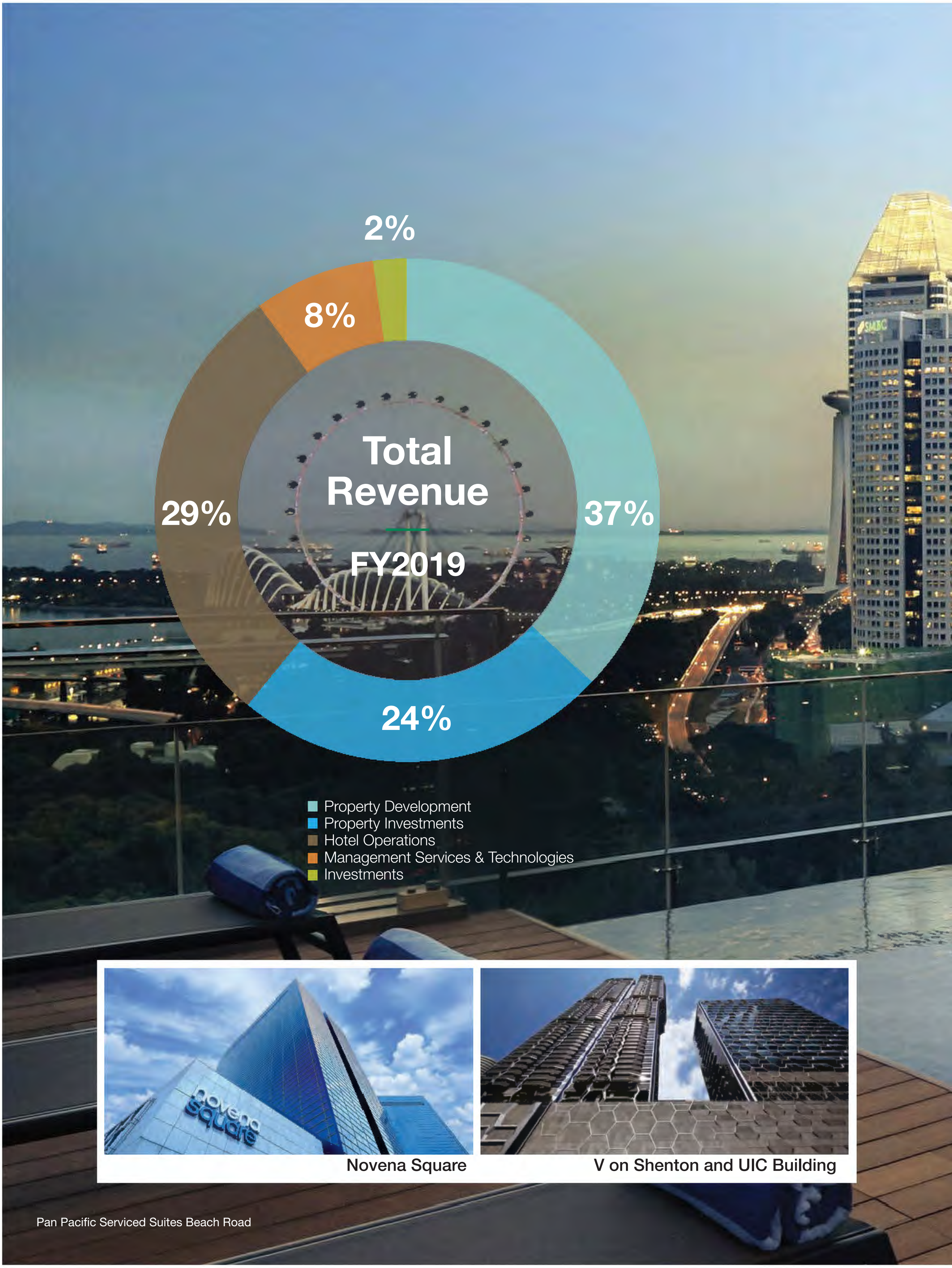
Building On Our Strengths

Avenue South Residence

Residential Sales

The Tre Ver

Amber45

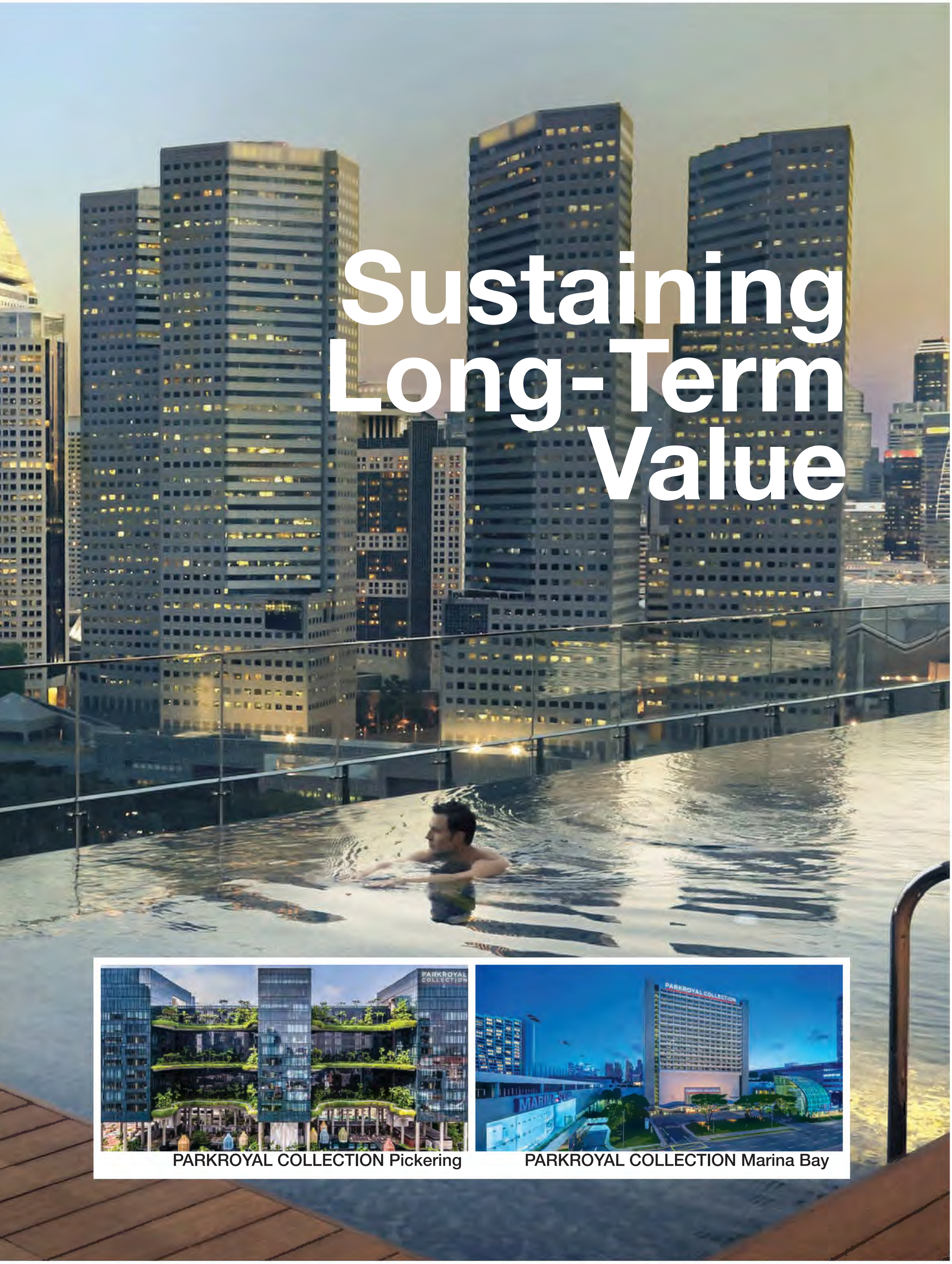


Novena Square

V on Shenton and UIC Building

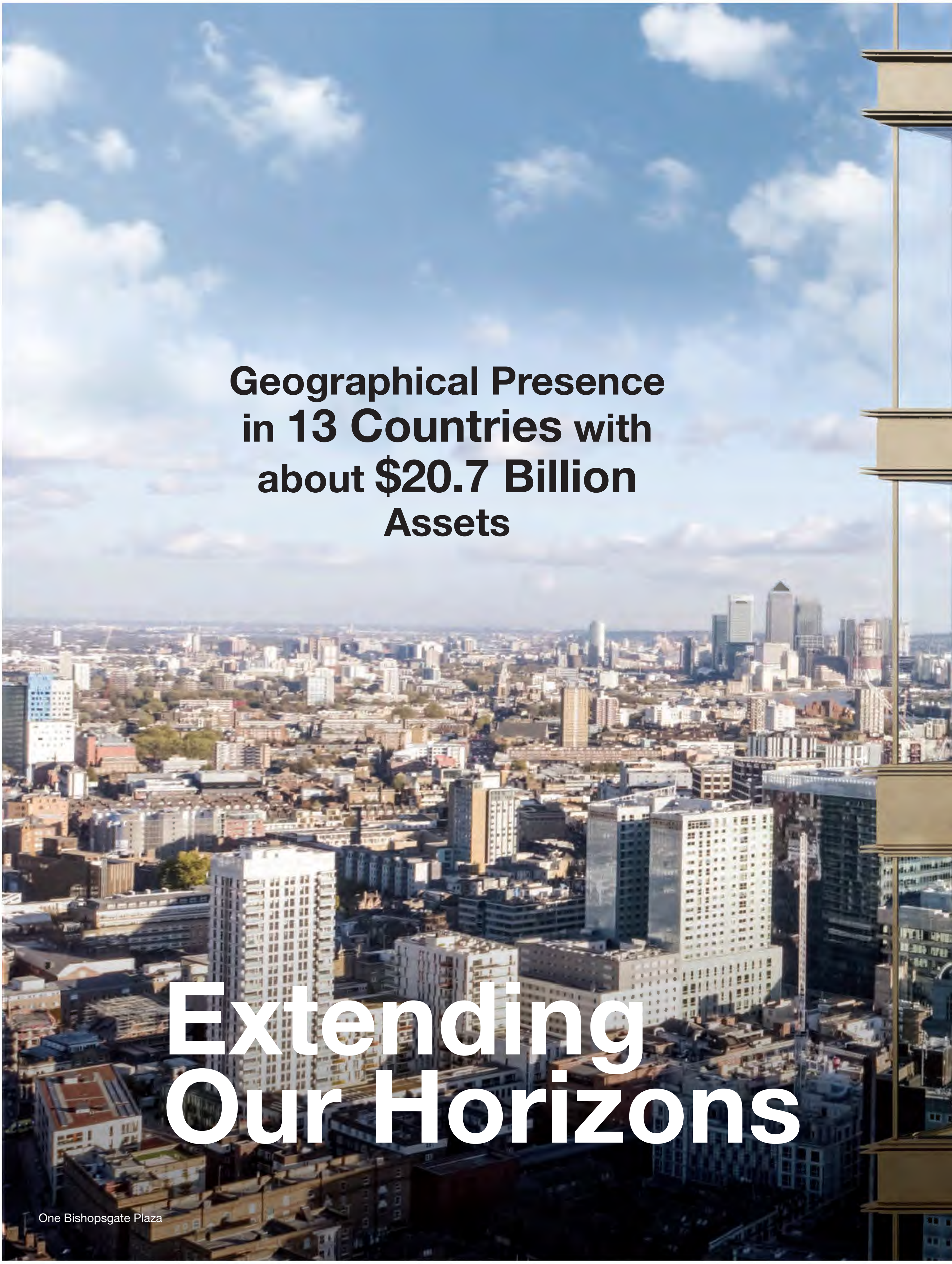
Pan Pacific Serviced Suites Beach Road

Sustaining Long-Term Value



PARKROYAL COLLECTION Pickering

PARKROYAL COLLECTION Marina Bay



Geographical Presence in 13 Countries with about $20.7 Billion Assets

Extending Our Horizons

One Bishopsgate Plaza

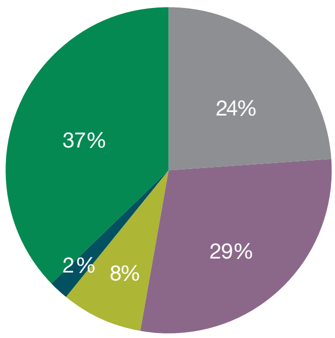
Park Eleven

72 Christie Street

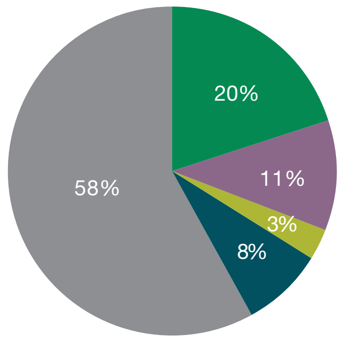
Financial Highlights

Revenue	Pre-Tax Profit (Before Fair Value and Other Gains/Losses)	Net Attributable Profit	Return On Equity
$2.28b	$536.1m	$478.8m	4.87%
Decreased 5% from FY2018's $2.40b	Decreased 6% from FY2018's $571.8m	Increased 14% from FY2018's $418.3m	Increased 11% from FY2018's 4.39%

Revenue
By Business Segment



Profit From Operations
By Business Segment



Property Development
Property Investments
Hotel Operations
Management Services & Technologies
Investments

QUARTERLY RESULT	1st Quarter $'000	%	2nd Quarter $'000	%	3rd Quarter $'000	%	4th Quarter $'000	%	Total $'000	%
Revenue										
2019	**741,214**	**32**	**512,302**	**22**	**476,608**	**21**	**553,217**	**25**	**2,283,341**	**100**
2018 (restated)	657,637	27	637,901	27	526,913	22	574,892	24	2,397,343	100
Profit before income tax										
2019	**140,958**	**18**	**323,703**	**41**	**126,135**	**16**	**193,749**	**25**	**784,545**	**100**
2018 (restated)	141,541	21	216,477	32	138,689	20	189,995	27	686,702	100
Net profit										
2019	**111,602**	**16**	**301,778**	**44**	**103,247**	**15**	**162,142**	**25**	**678,769**	**100**
2018 (restated)	113,848	19	192,085	32	119,654	20	166,370	29	591,957	100
Net attributable profit										
2019	**72,359**	**15**	**195,384**	**41**	**80,048**	**17**	**131,026**	**27**	**478,817**	**100**
2018 (restated)	75,314	18	131,894	32	85,748	20	125,348	30	418,304	100
Basic earnings per ordinary share (in cents)										
2019	**8.6**	**15**	**23.2**	**41**	**9.5**	**17**	**15.5**	**27**	**56.8**	**100**
2018 (restated)	8.9	18	15.7	32	10.2	21	14.9	29	49.7	100

Property Development

Revenue (-14%)

2019	**$847.1m**
2018	$989.3m

Profit From Operations (-16%)

2019	**$132.1m**
2018	(restated) $156.4m

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

Key Facts

- Sale of 904 residential units with a total value of approximately $1,337 million based on bookings
- Achieved Temporary Occupation Permit (TOP) for The Clement Canopy and Botanique at Bartley in Singapore
- Awarded residential site at Clementi Avenue 1 for $491.3 million

Property Investments

Revenue (+2%)

2019	**$551.7m**
2018	$541.0m

Profit From Operations (+2%)

2019	**$385.2m**
2018	$378.0m

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

Key Facts

- Six commercial offices in Singapore – United Square, Novena Square, Odeon Towers, Faber House, One Upper Pickering and 333 North Bridge Road, with a total net lettable area of 100,934 sqm, and a portfolio of seven commercial offices through UIC – UIC Building, Stamford Court, Clifford Centre, The Gateway, Singapore Land Tower, SGX Centre 2, Abacus Plaza and Tampines Plaza, with an approximate net floor area of 227,730 sqm
- Acquired 333 North Bridge Road, a commercial property in Singapore with a gross floor area of approximately 2,998 sqm
- Five shopping malls in Singapore with a total net lettable area of 144,318 sqm – United Square, Velocity@ Novena Square, KINEX, Marina Square shopping mall and West Mall
- Four owned serviced suites properties with a total of 683 units – Pan Pacific Serviced Suites Orchard, Pan Pacific Serviced Suites Beach Road, PARKROYAL Serviced Suites Singapore and PARKROYAL Serviced Suites Kuala Lumpur
- Two commercial properties in United Kingdom with a total net lettable area of 42,865 sqm – 110 High Holborn and 120 Holborn Island
- One commercial property in Australia with a net lettable area of 11,259 sqm – 72 Christie Street

Hotel Operations

Revenue (-4%)

2019	**$653.7m**
2018	$678.7m

Profit From Operations (-6%)

2019	**$73.7m**
2018	$78.6m

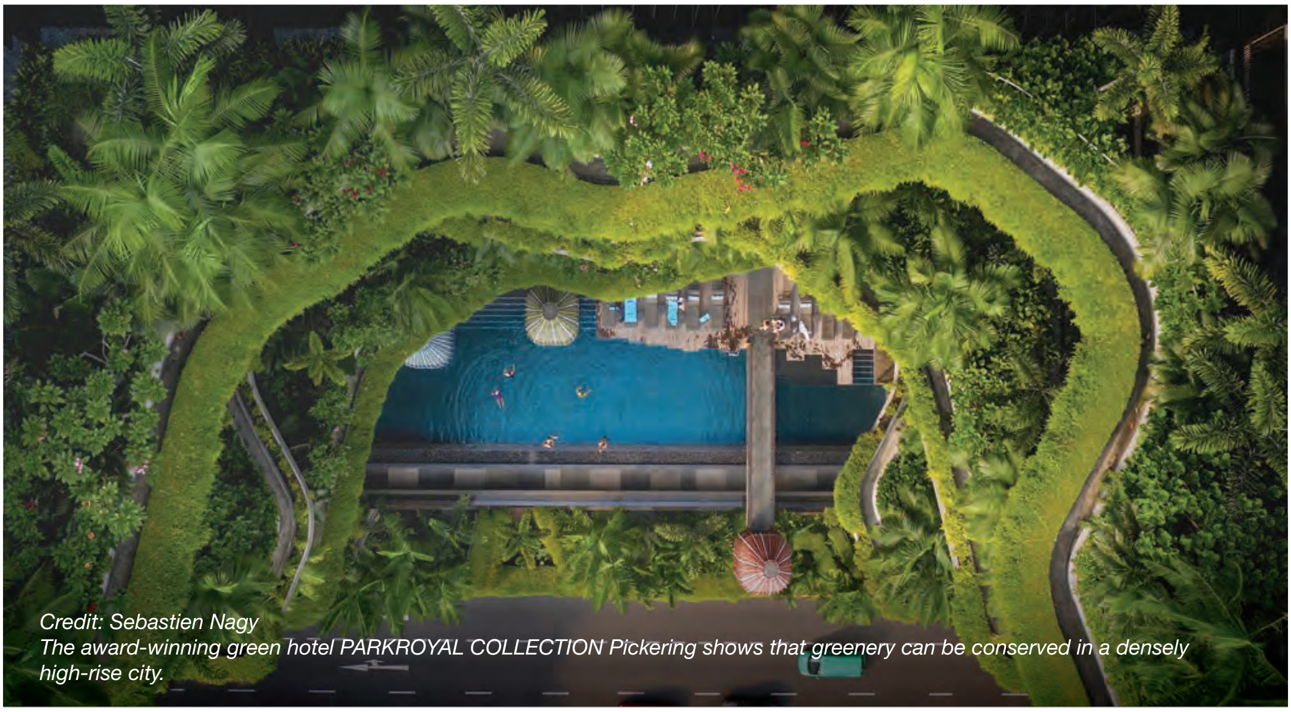
Hotels and resorts under UOL, as well as those under UIC. Through PPHG, UOL owns the "Pan Pacific", PARKROYAL COLLECTION and PARKROYAL brands.

Key Facts

- Pan Pacific's portfolio comprises 26 hotels and resorts, including those under development
- PARKROYAL COLLECTION's portfolio comprises two hotels
- PARKROYAL's portfolio comprises 21 hotels and resorts, including those under development
- Has interests in four other hotels – Mandarin Oriental, Sofitel Saigon Plaza, The Westin Tianjin and Tianjin Yanyuan International Grand Hotel

Two-Year Financial Highlights

	2019 $'000	2018 (restated) $'000	Increase/ (Decrease) %
For the financial year			
Revenue	2,283,341	2,397,343	(5)
Profit before income tax	784,545	686,702	14
Profit after income tax and non-controlling interests	478,817	418,304	14
Return on equity (%)	4.87	4.39	11
At 31 December			
Share capital	1,560,918	1,556,201	0
Reserves	893,862	814,629	10
Retained earnings	7,592,700	7,250,221	5
Shareholders' funds	10,047,480	9,621,051	4
Total assets	20,653,774	20,620,359	0
Per ordinary share			
Basic earnings before fair value and other gains/(losses) (cents)	37.2	39.5	(6)
Basic earnings (cents)	56.8	49.7	14
Gross dividend declared (cents)	17.5	17.5	-
Dividend cover (times)	3.2	2.8	14
Net tangible asset backing ($)	11.86	11.27	5



Credit: Sebastien Nagy
The award-winning green hotel PARKROYAL COLLECTION Pickering shows that greenery can be conserved in a densely high-rise city.

Corporate Information

BOARD OF DIRECTORS

Wee Cho Yaw
Chairman

Wee Ee Lim
Deputy Chairman

Liam Wee Sin

Low Weng Keong

Wee Sin Tho*

Tan Tiong Cheng

Poon Hon Thang Samuel

Wee Ee-chao

Sim Hwee Cher

Lee Chin Yong Francis

EXECUTIVE COMMITTEE

Wee Cho Yaw
Chairman

Wee Ee Lim
Deputy Chairman

Liam Wee Sin

Low Weng Keong

AUDIT AND RISK COMMITTEE

Low Weng Keong
Chairman

Wee Ee Lim

Tan Tiong Cheng

NOMINATING COMMITTEE

Low Weng Keong
Chairman

Wee Cho Yaw

Poon Hon Thang Samuel

REMUNERATION COMMITTEE

Wee Sin Tho
Chairman

Wee Cho Yaw

Low Weng Keong

MANAGEMENT

Liam Wee Sin
Group Chief Executive

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

Foo Thiam Fong Wellington
Chief Financial Officer

Goh Hwee Peng Jesline
Chief Investment and Asset Officer

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

COMPANY SECRETARIES

Foo Thiam Fong Wellington

Yeong Sien Seu

AUDITORS

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

PRINCIPAL BANKERS

United Overseas Bank Limited

DBS Bank Ltd

Oversea-Chinese Banking Corporation Limited

Sumitomo Mitsui Banking Corporation

BNP Paribas

REGISTERED OFFICE

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

SHARE REGISTRAR

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

* *Wee Sin Tho ceased to be a Director upon his demise on 29 February 2020*

Highlights

Marina Square shopping mall is a five-storey retail mall flanked by three hotels: Pan Pacific Singapore, PARKROYAL COLLECTION Marina Bay and Mandarin Oriental.

MARCH

The Clement Canopy, a 505-unit development at Clementi Avenue 1, achieved TOP almost one and a half years ahead of schedule.

APRIL

Botanique at Bartley, a 797-unit development at Upper Paya Lebar Road, received TOP.

UOL and UIC attained full control of Marina Square shopping mall and PARKROYAL COLLECTION Marina Bay (the former Marina Mandarin Singapore), following UIC's acquisition of minority stakes in Marina Centre Holdings Private Limited (MCH) and Aquamarina Hotel Private Limited (AHPL).

MAY

UOL won five property awards for MEYER HOUSE, Avenue South Residence, Amber45 and The Tre Ver at the International Property Awards (Asia Pacific).

JUNE

UOL established the UOL Group - SUTD Scholarship with the Singapore University of Technology and Design (SUTD) to support the Architecture and Sustainable Design degree programme.

JULY

UOL, through an 80:20 joint venture with UIC, was awarded a 16,543 sqm residential site at Clementi Avenue 1 for $491.3 million.

UOL won the Corporate Excellence Award at the Asia Pacific Entrepreneurship Awards (APEA) Singapore organised by Enterprise Asia.

UOL was awarded the Friend of the Arts Award by the National Arts Council for its support of Singapore's arts scene.

MEYER HOUSE (artist's impression) is an award-winning 56-unit luxury freehold development.

PPHG was recognised at the 5th Enabling Employers Awards organised by SG Enable for its inclusive hiring practices.

AUGUST

PPHG signed two hotel management agreements to operate the 216-key PARKROYAL Dalian and the 126-suite PARKROYAL Serviced Suites Hanoi. Both developments are slated to open by the end of 2020.

Avenue South Residence (artist's impression) is located at the doorstep of the Greater Southern Waterfront.

SEPTEMBER

Avenue South Residence, a 1,074-unit residential development at Silat Avenue, was launched. It was the month's top-selling project with 361 units sold.

PARKROYAL COLLECTION Pickering won the Leadership in Sustainable Design & Performance (Commercial) Award at the Sustainability Leadership Awards 2019, organised by the Building and Construction Authority (BCA) and the Singapore Green Building Council (SGBC).

OCTOBER

UOL clinched the Top Developer award at the Singapore Excellence Awards 2019 organised by EdgeProp.

The second phase of sales for Park Eleven in Shanghai was launched. The 398-unit residential project is a 40:30:30 joint venture with UOL, UIC and Kheng Leong.

PPHG, together with United Overseas Bank and SG Enable, organised the second Inclusion Seminar after a successful inaugural seminar in 2017, to discuss the overall impact of inclusive hiring on corporate culture and performance. Minister for Trade and Industry, Chan Chun Sing was the guest-of-honour.

NOVEMBER

UOL won Best Developer (Asia) while Avenue South Residence, MEYER HOUSE and The Clement Canopy won individual property awards at the PropertyGuru Asia Property Awards Grand Final.

UOL was the venue sponsor for a special exhibition on Chinese ink painting organised by ACM at Velocity@Novena Square.

UOL partnered the Asian Civilisations Museum (ACM) to bring Chinese art to Velocity@Novena Square. The inaugural fringe event was part of a three-year partnership with ACM to connect people more closely to culture through educational programmes.

DECEMBER

UOL acquired 333 North Bridge Road (the former KH KEA Building) for $79.3 million. The 999-year leasehold property is adjacent to UOL's Odeon Towers and has a gross floor area of approximately 2,998 sqm.

UOL completed the disposal of indirect wholly-owned subsidiary Suzhou Wugong Hotel Co., Ltd which owns Pan Pacific Suzhou for a total net cash consideration of RMB408 million ($80 million). The 480-room Pan Pacific Suzhou continues to be operated by PPHG.

PPHG signed a hotel management agreement to operate a 409-room hotel under the "Pan Pacific" brand in Toronto as Pan Pacific Toronto, which opened during the month.

Velocity@Novena Square completed an asset enhancement initiative to reconfigure part of the mall's level one retail space to a new food wing.

The new food wing at Velocity@Novena Square has been drawing healthy footfall since it opened.

Chairman's Statement

DR WEE CHO YAW
Chairman

2019 REVIEW

The Singapore economy grew by 0.7 per cent in 2019, the slowest pace in a decade and below the 3.1% growth in 2018. Prices of new residential homes rose 2.7% in 2019 compared to the 7.9% increase in 2018, much of which came before the government's implementation of new property cooling measures in July 2018. A total of 9,912 new homes were sold in 2019 compared to 8,795 units sold in 2018. With softer economic growth, office rents decreased by 3.1% compared to the growth of 7.4% in 2018. Retail rents increased by 2.9% compared with the 1.0% decline in 2018.

Total visitor arrivals in Singapore increased by 3.3% to 19.1 million visitors from 18.5 million visitors in 2018. Average occupancy for the hotel industry in Singapore for 2019 increased by 1.1 percentage points to 87.1% while average room rate increased marginally by 1.4% to $221 from $218 in 2018. Consequently, revenue per available room increased by 2.6% to $193 from $188 in 2018.

PROFIT AND DIVIDEND

For the year ended 31 December 2019, pre-tax profit before fair value and other gains/losses was $536.1 million, a decrease of $35.7 million from the restated 2018 profit of $571.8 million. The decrease was due mainly to higher finance expenses incurred for the Avenue South Residence project and the accounting reversal of development property backlog arising from the consolidation of United Industrial Corporation Limited ("UIC") as a subsidiary. Profit after tax and non-controlling interest was $478.8 million, an increase of 14.5% from the 2018 restated profit of $418.3 million in 2018 due mainly to the recognition in 2019 of attributable fair value and other gains of $165.1 million compared to $85.3 million in 2018.

The Group shareholders' funds increased to $10.0 billion as at 31 December 2019 from $9.6 billion as at 31 December 2018. Net tangible asset per ordinary share of the Group increased to $11.86 as at 31 December 2019 from $11.27 as at 31 December 2018.

The Board is recommending a first and final dividend of 17.5 cents per share (unchanged from 2018). Total dividend payout amounts to approximately $147.6 million (2018: $147.5 million) or about 47.0% of attributable profit excluding fair value and other gains and losses.

CORPORATE DEVELOPMENTS

ACQUISITION OF SHAREHOLDING INTEREST IN MARINA CENTRE HOLDINGS PRIVATE LIMITED AND AQUAMARINA HOTEL PRIVATE LIMITED

In April 2019, S.L. Development Pte. Limited, an indirect subsidiary held through UIC completed the acquisition of an aggregate shareholding interest of 24.27% in the capital of Marina Centre Holdings Private Limited ("MCH") from three unrelated shareholders for an aggregate consideration of $485.3 million ("MCH Acquisition"). Concurrently and in connection with the MCH Acquisition, MCH also completed the acquisition of a 25.0% shareholding interest in the capital of Aquamarina Hotel Private Limited ("AHPL") for a consideration of $190.0 million ("AHPL Acquisition"). Arising from the acquisitions, the UOL Group's direct and deemed interest in MCH and AHPL has increased to 100%.

In connection with the AHPL Acquisition, the 575-room Marina Mandarin hotel owned by AHPL was re-branded as PARKROYAL COLLECTION Marina Bay Singapore effective from 1 January 2020 and will be operated by a wholly-owned subsidiary, Pan Pacific Hospitality Pte. Ltd.

ACQUISITION OF RESIDENTIAL SITE AT CLEMENTI AVENUE 1

In July 2019, the Group's wholly-owned subsidiary, UOL Venture Investments Pte. Ltd. together with UIC Homes Pte. Ltd., a wholly-owned subsidiary of UIC on a 80:20 basis, successfully tendered for the Urban Redevelopment Authority's residential site at Clementi

Avenue 1 for a sum of $491.3 million. The 99-year leasehold site with an area of 16,542.7 sqm will be developed into a 640-unit residential project. United Venture Development (Clementi 1) Pte. Ltd. has been incorporated to undertake the development.

ACQUISITION OF 333 NORTH BRIDGE ROAD (FORMERLY KH KEA BUILDING), SINGAPORE

In December 2019, the Company completed the acquisition of KH KEA Building, a 999-year leasehold nine-storey commercial building at 333 North Bridge Road, Singapore for $79.3 million. The property which has a gross floor area of approximately 2,998 sqm is located adjacent to the Company's Odeon Towers and has frontages along North Bridge Road and Cashin Street. The Company is exploring the possible amalgamation of KH KEA Building with Odeon Towers and potential asset enhancement works.

DISPOSAL OF WHOLLY-OWNED SUBSIDIARY SUZHOU WUGONG HOTEL CO., LTD.

In December 2019, the Company through its indirect wholly-owned subsidiary, Hotel Investments (Suzhou) Pte. Ltd., completed the disposal of its entire interest in the registered capital of Suzhou Wugong Hotel Co., Ltd. ("SWHC") for a total net cash consideration of RMB408 million ($80 million). SWHC, an indirect wholly-owned subsidiary incorporated in The People's Republic of China, owns the 480-room Pan Pacific Suzhou at Xin Shi Road, Suzhou and eight apartments in Suzhou used as staff quarters. The disposal resulted in SWHC ceasing to be a subsidiary and a gain of $39.3 million being recognised in the Income Statement for the year ended 31 December 2019.

ISSUE OF $200.0 MILLION FIXED RATE NOTES

On 23 May 2019, UOL Treasury Services Pte. Ltd. ("UTS"), a wholly-owned subsidiary, issued $200.0 million in principal amount of 3.0% notes due 2024 ("Notes"). The Notes were issued as the third series of notes under the $1 billion multicurrency medium term notes programme established by UTS which limit was increased to $2 billion in 2018 and are unconditionally and irrevocably guaranteed by the Company. The net proceeds from the issue were used for refinancing borrowings of the Group.

OUTLOOK FOR 2020

The global economic outlook remains uncertain as trade and geopolitical tensions as well as the outcome of a Brexit deal will remain as sources of risk. The outlook has been further clouded by the recent outbreak of COVID-19, which is escalating and fast evolving.

The Group's hospitality business is adversely affected as visitor arrivals to Singapore and the rest of the Asia Pacific region are set to fall significantly due to travel restrictions and virus-related concerns. The retail sector in Singapore is likewise affected by lower footfall, which could in turn, have negative impact on retail rents. Businesses within China including its property sector have already been impacted and disrupted.

The Ministry of Trade and Industry has downgraded the Singapore GDP growth forecast to between -0.5% and 1.5% for 2020. Office rents in Singapore are likely to be weighed down by the mixed global economic outlook and the challenging environment which is causing businesses to hold off expansion and relocation plans. Buying sentiment for new homes has also been dampened by the virus outbreak.

As the outcome of a Brexit deal remains unclear, it continues to weigh on the London residential property market. Nonetheless, leasing activities should remain resilient in Midtown where the Group owns two commercial properties.

ACKNOWLEDGEMENT

I am pleased to welcome Mr Sim Hwee Cher and Mr Liam Wee Sin who joined the Board on 25 April 2019 and Mr Francis Lee Chin Yong who joined on 2 January 2020. I would also like to welcome Mr Choe Peng Sum who was appointed Chief Executive Officer, Pan Pacific Hotels Group Limited with effect from 1 September 2019.

It is with regret and sadness that the Board learnt of the passing of Mr Wee Sin Tho on 29 February 2020. The Board is deeply grateful to Sin Tho, who was also the Chairman of the Remuneration Committee, for his invaluable contributions and dedicated service to the Company these past years.

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

DR WEE CHO YAW
Chairman
February 2020

Board Of Directors

WEE CHO YAW

Chairman
Non-Executive and Non-Independent Director

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

Dr Wee, aged 91, is the Chairman of UOL. A distinguished banker with more than 60 years' experience and a veteran in the banking, insurance, real estate and hospitality industries, Dr Wee has received national and regional awards and industry accolades for his business achievements and support of education, community welfare and the business community.

Length of service as a Director (as at 31 December 2019):
46 years 8 months

Board Committee(s) served on:
- Executive Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Present Directorships in other listed companies (as at 31 December 2019):
- United Overseas Insurance Limited (Chairman)
- Haw Par Corporation Limited (Chairman)
- United Industrial Corporation Limited (Chairman)

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

Past Directorships in listed companies and Principal Commitments held over the preceding five years:
- Far Eastern Bank (till May 2018)
- United Overseas Bank Limited (till April 2018)

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

WEE EE LIM

Deputy Chairman
Non-Executive and
Non-Independent
Director

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

Mr Wee, aged 58, is the Deputy Chairman of UOL. He was appointed as Deputy Chairman on 12 August 2015.

Length of service as a Director (as at 31 December 2019):
13 years 7 months

Board Committee(s) served on:

- Executive Committee (Deputy Chairman)
- Audit and Risk Committee (Member)

Present Directorships in other listed companies (as at 31 December 2019):

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

Major Appointments/Principal Commitments:

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

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

- Hua Han Health Industry Holdings Limited (formerly known as Hua Han Bio-Pharmaceutical Holdings Limited) (listed on the Hong Kong Stock Exchange) (till July 2015)

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

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

LIAM WEE SIN

Group Chief Executive
Executive and
Non-Independent
Director

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

Mr Liam, aged 61, was appointed as the Group Chief Executive on 2 January 2019. Prior to this, he was the Deputy Group Chief Executive Officer. He is also a Board Member of several UOL subsidiaries. Before joining UOL in 1993, Mr Liam was in the public sector for eight years, overseeing architectural works and facilities management. He also worked with Jones Lang Wootton for project management and consultancy work.

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

Length of service as a Director (as at 31 December 2019):
8 months

Board Committee(s) served on:

- Executive Committee (Member)

Present Directorships in other listed companies (as at 31 December 2019):

- United Industrial Corporation Limited

Major Appointments/Principal Commitments:

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

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

- Nil

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

- Bachelor of Architecture, University of Singapore
- Personality of the Year, Singapore Excellence Awards (2019)

Board Of Directors

LOW WENG KEONG

Non-Executive and Independent Director

First appointed as a Director: 23 November 2005
Last appointed as a Director: 26 April 2017

Mr Low, aged 67, was formerly the country managing partner of Ernst & Young, Singapore, and a past global chairman and president of CPA Australia.

Length of service as a Director (as at 31 December 2019):
14 years 1 month

Board Committee(s) served on:
- Audit and Risk Committee (Chairman)
- Nominating Committee (Chairman)
- Executive Committee (Member)
- Remuneration Committee (Member)

Present Directorships in other listed companies (as at 31 December 2019):
- Riverstone Holdings Limited
- iX Biopharma Limited (listed on Catalist)

Major Appointments/Principal Commitments:
- Singapore Institute of Accredited Tax Professionals Limited (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:
- NTUC Education and Training Fund (Member of Board of Trustees) (till October 2019)
- Confederation of Asian and Pacific Accountants Limited (Board member) (till May 2019)
- Bracell Limited (formerly known as Sateri Holdings Limited, listed on the Hong Kong Stock Exchange) (till November 2016)

Academic, Professional Qualification(s) & Achievement(s):
- Fellow and Life member of CPA Australia
- Fellow of the Institute of Chartered Accountants in England & Wales
- Fellow of the Institute of Singapore Chartered Accountants
- Associate of the Chartered Institute of Taxation (United Kingdom)
- Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals

WEE SIN THO*

Non-Executive and Independent Director

First appointed as a Director: 13 May 2011
Last appointed as a Director: 26 April 2017

Mr Wee, aged 71, has extensive experience in the financial services industry where he held various senior positions during his past career. Early in his career, he was involved in corporate strategy, portfolio management policy and economic research with United Overseas Bank Limited. Mr Wee later served as chief executive officer of HLG Capital Bhd, managing director of United Industrial Corporation Limited, president of Vickers Capital Limited and chief executive officer of Vickers Ballas Holdings Limited.

Length of service as a Director (as at 31 December 2019):
8 years 7 months

Board Committee(s) served on:
- Remuneration Committee (Chairman)

Present Directorships in other listed companies (as at 31 December 2019):
- Nil

Major Appointments/Principal Commitments:
- Farrer Way Pte Ltd (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:
- National Gallery Singapore (till June 2019)
- Leap Philanthropy Ltd (till February 2019)
- Raffles Institution (Member of the Board of Governors) (till December 2017)
- Senior adviser, Office of President, National University of Singapore (till September 2017)
- Keppel Telecommunications & Transportation Ltd (till April 2016)

Academic, Professional Qualification(s) & Achievement(s):
- Bachelor of Social Sciences (Honours), University of Singapore

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

TAN TIONG CHENG

Non-Executive and Independent Director

First appointed as a Director: 29 May 2013
Last appointed as a Director: 25 April 2018

Mr Tan, aged 69, has amassed an extensive and in-depth knowledge of real estate, both in the public and private sectors over the last four decades. Mr Tan stepped down as President of Knight Frank Asia Pacific on 31 March 2019. Upon his retirement, Mr Tan assumed the role of senior adviser to Knight Frank Asia Pacific.

Length of service as a Director (as at 31 December 2019):
6 years 7 months

Board Committee(s) served on:
- Audit and Risk Committee (Member)

Present Directorships in other listed companies (as at 31 December 2019):
- Heeton Holdings Limited
- The Straits Trading Company Limited
- Amara Holdings Limited

Major Appointments/Principal Commitments:
- Knight Frank Asia Pacific (Senior Adviser)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:
- Knight Frank Asia Pacific (President) (till March 2019)
- Knight Frank Pte Ltd (Chairman) (till March 2017)
- Knight Frank group of companies (till March 2017)
- Valuation Review Board (Member) (till April 2016)

Academic, Professional Qualification(s) & Achievement(s):
- Diploma in Urban Valuation, University of Auckland, New Zealand
- Fellow of the Singapore Institute of Surveyors and Valuers
- Fellow of the Association of Property and Facility Managers
- Associate of the New Zealand Institute of Valuers

POON HON THANG SAMUEL

Non-Executive and Independent Director

First appointed as a Director: 12 May 2016
Last appointed as a Director: 26 April 2017

Mr Poon, aged 70, has more than three decades of experience in the financial industry. From 1979 to 1988, Mr Poon served at Citibank N.A. (Singapore) where he was responsible for credit, marketing, remedial management and structured finance. From 1988 to 2006, before he retired as senior executive vice president from United Overseas Bank Limited ("UOB"), Mr Poon was responsible for consumer banking, corporate banking, commercial banking, corporate finance and international banking at UOB.

Length of service as a Director (as at 31 December 2019):
3 years 7 months

Board Committee(s) served on:
- Nominating Committee (Member)

Present Directorships in other listed companies (as at 31 December 2019):
- Enviro-Hub Holdings Ltd
- Soilbuild Construction Group Ltd

Major Appointments/Principal Commitments:
- Irodori Japanese Restaurant Pte Ltd (Director)
- Ping An Fund Management Company Limited (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:
- Raffles Town Club Pte Ltd (till September 2019)
- J.P. Nelson Holdings Ltd (listed on Taiwan Gretai Securities Market) (till June 2016)

Academic, Professional Qualification(s) & Achievement(s):
- Bachelor of Commerce (Honours), Nanyang University of Singapore

Board Of Directors

WEE EE-CHAO

Non-Executive and Non-Independent Director

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

Mr Wee, aged 65, was appointed chairman of the Singapore Tourism Board from January 2002 to December 2004. He was also the first vice-president of the Real Estate Developers' Association of Singapore ("REDAS") from 2005 to 2006 and continued to serve on the committee of REDAS from 2007 to 2010.

Length of service as a Director (as at 31 December 2019):
13 years 7 months

Board Committee(s) served on:
- Nil

Present Directorships in other listed companies (as at 31 December 2019):
- UOB-Kay Hian Holdings Limited
- Haw Par Corporation Limited

Major Appointments/Principal Commitments:
- UOB Kay Hian group of companies (Chairman and Managing Director)
- Kheng Leong Company (Private) Limited (Director)
- Wee Foundation (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:
- UOB Kay Hian Securities (Thailand) Public Co Limited (listed on the Stock Exchange of Thailand) (till July 2016)

Academic, Professional Qualification(s) & Achievement(s):
- Bachelor of Business Administration, American University Washington D.C., USA

SIM HWEE CHER

Non-Executive and Independent Director

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

Mr Sim, aged 62, has over 30 years of audit experience and has been actively involved in managing audits of companies including real estate, construction and insurance industries. Mr Sim was vice chairman (operations), assurance leader and member of the leadership team at PricewaterhouseCoopers LLP Singapore ("PwC") and executive committee member of PwC China, Taiwan, Singapore and Hong Kong before his retirement in July 2018.

Length of service as a Director (as at 31 December 2019):
8 months

Board Committee(s) served on:
- Nil

Present Directorships in other listed companies (as at 31 December 2019):
- Nil

Major Appointments/Principal Commitments:
- Mandai Park Holdings Pte Ltd (Director)
- Duke-NUS Medical School: Centre for Aging Research & Education (Advisory Board Member)
- NTUC Income Insurance Co-operative Limited (Director)
- The Esplanade Company Ltd (Director)
- National Youth Achievement Award Association (Council Member)
- Asia Capital Reinsurance group of companies (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:
- National Council of Social Service (Honorary General Secretary and Council Member) (2010-2018)

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

LEE CHIN YONG FRANCIS

Non-Executive and Independent Director

First appointed as a Director: 2 January 2020
Last appointed as a Director: –

Mr Lee, aged 65, joined United Overseas Bank Limited ("UOB") in 1980 and has more than 40 years' experience in the financial industry. He was the adviser to UOB Group Retail before retiring in April 2019. Mr Lee was the Country CEO of UOB (Malaysia) before he was appointed in 2003 as Head of International Division, UOB. Mr Lee was also concurrently the then Group Retail Head (Personal Financial Services and Business Banking). Mr Lee was also a non-executive director of UOB-Kay Hian Holdings Limited from 2006 to 2017 and a member of its audit committee.

Length of service as a Director (as at 31 December 2019):
Not applicable. Appointed as a Director on 2 January 2020.

Board Committee(s) served on:
- Nil

Present Directorships in other listed companies (as at 31 December 2019):
- Nil

Major Appointments/Principal Commitments:
- Kemaris group of companies (Director)

Past Directorships in listed companies and Principal Commitments held over the preceding five years:
- PT Bank UOB Indonesia (Commissioner) (till May 2019)
- United Overseas Bank (China) Limited (till April 2019)
- United Overseas Bank (Thai) Public Company Limited (till April 2019)
- UOB-Kay Hian Holdings Limited (till June 2017)
- United Overseas Bank (Malaysia) Bhd (till January 2016)

Academic, Professional Qualification(s) & Achievement(s):
- Malaysia Certificate of Education

Key Management Executives

Neo Soon Hup | Choe Peng Sum | Foo Thiam Fong Wellington | Goh Hwee Peng Jesline | Liam Wee Sin

Liam Wee Sin
Group Chief Executive
UOL Group Limited

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

Choe Peng Sum
Chief Executive Officer
Pan Pacific Hotels Group Limited

Mr Choe was appointed Chief Executive Officer of PPHG on 1 September 2019. He is responsible for PPHG's day-to-day operations and existing hotel management business, as well as business development and expansion of PPHG's management business. Mr Choe has over 30 years of hospitality experience gained from managing and developing hotels and serviced apartments worldwide.

Prior to joining PPHG, Mr Choe was senior adviser to Frasers Property Limited. He was previously the chief executive officer of Frasers Hospitality International Ltd, where he was instrumental in growing its global hospitality portfolio.

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

Mr Foo began his career with UOL in 1977 and is currently the Chief Financial Officer/Group Company Secretary. He helms the Group's finance, tax, legal and secretariat, information technology, and corporate communications and investor relations departments. He is a Director of several UOL subsidiaries.

Mr Foo graduated from the University of Singapore with a Bachelor of Accountancy (Honours) degree. He is a fellow of the Institute of Singapore Chartered Accountants and CPA Australia, and an associate of both the Chartered Institute of Management Accountants and the Chartered Secretaries Institute of Singapore.

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

Ms Goh was appointed as Chief Investment and Asset Officer on 1 January 2019. She is responsible for all investment management, asset management and marketing strategies of the Group. Previously, she was the Senior General Manager, Asset Management and Marketing. Ms Goh has more than 20 years of extensive experience in real estate investment and asset management, and REIT management.

Before joining UOL in 2017, she was the chief executive officer of Keppel REIT Management Limited. Ms Goh was previously the deputy chief executive officer (Singapore) of Perennial Real Estate Holdings Limited. She had also held various senior positions at CapitaLand Group, where her last appointment was deputy chief executive officer of CapitaLand Mall Trust Management Limited and concurrently deputy country head (Singapore) of CapitaLand Mall Asia Limited.

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

Neo Soon Hup
Chief Operating Officer
Pan Pacific Hotels Group Limited

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

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

LISTING OF SENIOR MANAGEMENT

UOL GROUP LIMITED

Kwa Bing Seng
Deputy Chief Financial Officer

Chan Weng Khoon
Senior General Manager
Property & Engineering

Yeong Sien Seu
Senior General Manager
Legal & Secretariat

Yeo Bin Hong
Deputy General Manager
Internal Audit

PAN PACIFIC HOTELS GROUP LIMITED

Wee Wei Ling
Executive Director
Asset, Lifestyle & Corporate Social Responsibility

Kevin Croley
Senior Vice President
Business Development

Neil Dalgliesh
Senior Vice President
Finance

David Ling
Chief Investment Officer

Andreas Sungaimin
Senior Vice President
Human Capital & Development

Tan Sze Ling Cinn
Chief Sales & Marketing Officer

Awards & Accolades

CORPORATE

UOL Group Limited
PropertyGuru Asia Property Awards Grand Final 2019
- Best Developer (Asia)

Singapore Excellence Awards 2019
- Top Developer

Asia Pacific Entrepreneurship Awards 2019
- Corporate Excellence

IR Magazine Awards South East Asia 2019
- Certificate for Excellence in Investor Relations

Asia Sustainability Reporting Rating 2019
- Silver Rank

Patron of the Arts Awards 2019
- Friend of the Arts

Brand Finance
- Top 100 Singapore Brands 2019 (#32)

Pan Pacific Hotels Group Limited
Travel Weekly Asia Readers' Choice Awards 2019
- Best Regional Hotel Chain

TTG Travel Awards 2019
- Best Regional Hotel Chain

Singapore Business Review Management Excellence Awards 2019
- Team of the Year for Hospitality and Leisure

PRODUCT, DESIGN AND ARCHITECTURAL EXCELLENCE

Principal Garden, Singapore
FIABCI Singapore Property Awards 2019
- Winner - Residential (Mid-rise)

PropertyGuru Asia Property Awards (Singapore) 2019
- Winner - Best Completed Private Condo Development

Singapore Excellence Awards 2019
- Top Development Award (Completed - Residential)

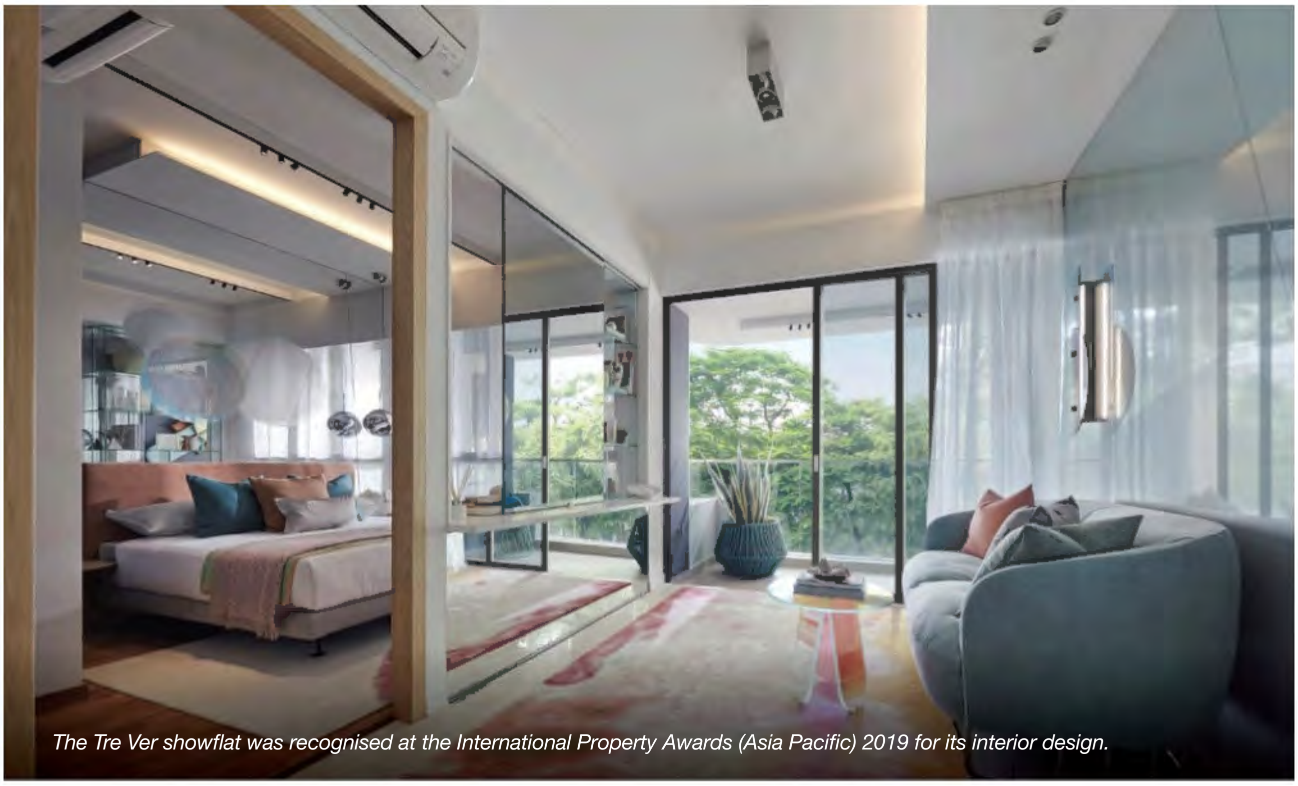
Avenue South Residence, Singapore
PropertyGuru Asia Property Awards Grand Final 2019
- Country Winner - Best High Rise Condo Interior Design (Asia)

International Property Awards (Asia Pacific) 2019
- Winner - Residential High-rise Architecture Singapore

MEYER HOUSE, Singapore
PropertyGuru Asia Property Awards Grand Final 2019
- Regional Winner - Best Low Rise Condo Interior Design (Asia)
- Regional Winner - Best Condo Landscape Architectural Design (Asia)
- Country Winner - Best Luxury Condo Development (Asia)

International Property Awards (Asia Pacific) 2019
- 5-star - Best Architecture Multiple Residence Singapore
- 5-star - Best Residential Development Singapore

Credit: Timothy Nolan
The 663-unit Principal Garden has won several awards for its 80:20 greenery to built-up space.



The Tre Ver showflat was recognised at the International Property Awards (Asia Pacific) 2019 for its interior design.

The Clement Canopy, Singapore
PropertyGuru Asia Property Awards
Grand Final 2019

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

Singapore Excellence Awards 2019

- Innovation Excellence Award (Completed - Residential)
- Landscape Excellence Award - Developer & Architect (Completed - Residential)

Amber45, Singapore
International Property Awards (Asia Pacific) 2019

- 5-star - Best Residential High-rise Development Singapore

The Tre Ver, Singapore
International Property Awards (Asia Pacific) 2019

- 5-star - Best Interior Design Show Home Singapore

PARKROYAL COLLECTION Pickering, Singapore
SGBC-BCA Sustainability Leadership Awards 2019

- Leadership in Sustainable Design & Performance (Commercial Category)

Council on Tall Buildings and Urban Habitat (CTBUH) 2019

- 50 Most Influential Buildings of the Last 50 Years

SERVICE EXCELLENCE

Pan Pacific Serviced Suites
DestinAsian Readers' Choice Awards 2019

- Top 5 Best Serviced Residence Brands

PARKROYAL COLLECTION Pickering, Singapore
World Travel Awards 2019

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

Pan Pacific Singapore, Singapore
Forbes Travel Guide Awards 2019

- Four-Star Rating

Pan Pacific Perth, Australia
DestinAsian Readers' Choice Awards 2019

- Top 10 Best Hotels and Resorts (Australia)

PARKROYAL Melbourne Airport, Australia
World Travel Awards 2019

- Winner - Leading Airport Hotel (Oceania)

PARKROYAL Saigon, Vietnam
World Luxury Hotel Awards 2019

- Winner - Luxury Airport Hotel (Vietnam)

Operation Highlights

PROPERTY INVESTMENTS

COMMERCIAL PROPERTIES

United Square

United Square is a 33-storey mixed-use development with a total lettable office area of 26,856 sqm and a retail area of 19,520 sqm. Located in the Novena precinct, the office component achieved an average occupancy rate of 94% while the retail mall achieved an average occupancy rate of 97% in 2019.

During the year, the mall welcomed new dining concepts such as Duckland by Tung Lok Group and Crystal Jade GO, as well as new stores such as Chocolate Origin, Three Squirrels, and Aspire Hub Education. To enhance the dining and shopping experience for shoppers and their children, a garden plaza with seating areas and glow-in-the-dark neon seesaws were added to the mall. The space also hosts music performances.

During the year, United Square continued to bring in popular character shows and educational activities catered for children, further reinforcing its position as “The Kids Learning Mall”.

Novena Square

Novena Square is a mixed-use development located above the Novena MRT station. It consists of two blocks of 18- and 25-storey offices with a total lettable area of 41,627 sqm and Velocity@Novena Square, a three-storey retail mall with a total lettable area of 15,856 sqm. In 2019, the office towers achieved an average occupancy rate of 96% while the retail mall had an average occupancy rate of 95%.

During the year, Velocity@Novena Square completed an asset enhancement initiative to reconfigure part of the mall’s level one retail space to a new food wing. Opened in December 2019, the food wing is fully leased and features eateries such as Tamago-En, Huluruk and Aburi-EN. The sports-themed mall also welcomed Fight Zone, a homegrown fitness brand, and Liv Activ, a multi-sport lifestyle retailer. Michelin’s Bib Gourmand restaurant Song Fa Bak Kut Teh also opened at the mall.

Signature events such as Urban Attack continued to drive shopper traffic. The number of overseas participants of the obstacle challenge more than doubled in 2019. The mall continued to be a preferred venue for race kit collections for major races, and it partnered with the Health Promotion Board to host complimentary workouts for shoppers and office workers.

KINEX

KINEX is a four-storey mall located near the Paya Lebar MRT station with a total lettable retail area of 18,811 sqm. In 2019, the retail mall achieved an average occupancy rate of 83%.

During the year, new schools such as Distinct Creative Arts, Yan Ballet Academy, Tree Art and Drum Tutor opened at the mall. The lifestyle and community-centric mall also welcomed new tenants such as Mr.DIY and Eccellente by HAO Mart. There were also many activities to engage shoppers and they included an indoor neon all-terrain vehicle circuit and a dove painting art competition with artwork contribution from the Association for Persons with Special Needs. Song and dance performances by some of the tenants were also organised to inject more vibrancy to the mall.

Urban Attack, an obstacle race in a mall setting at Velocity@Novena Square, attracted high calibre participants from around the world.

Marina Square shopping mall

Located at Raffles Boulevard, Marina Square shopping mall has an approximate net floor area of 73,089 sqm. In 2019, the five-storey mall achieved an average occupancy rate of 87%. During the year, the mall expanded its experiential retail offerings with new tenants such as Kiztopia, Nerf Action Xperience and Timezone. Popular steamboat restaurant Haidilao Hot Pot as well as enrichment provider Mindchamps Global HQ & Enrichment Academy also opened at the mall.

West Mall

Located adjacent to Bukit Batok MRT station, West Mall continued to be a popular retail destination for residents in the area. The mall has an approximate net floor area of 17,042 sqm. The average occupancy rate for 2019 was 99%.

The Gateway

Located at Beach Road, The Gateway has an approximate net floor area of 69,803 sqm. The average occupancy rate for 2019 was 93%.

Singapore Land Tower

Located along Battery Road, Singapore Land Tower has an approximate net floor area of 57,500 sqm. The average occupancy rate for 2019 was 96%.

UIC Building

Located at 5 Shenton Way, UIC Building has an approximate net floor area of 26,373 sqm. The average occupancy rate for 2019 was 100%.

SGX Centre 2

Located at 4 Shenton Way, SGX Centre 2 has an approximate net floor area of 25,800 sqm. The average occupancy rate for 2019 was 99%.

Clifford Centre

Facing Raffles Place and Collyer Quay, Clifford Centre has an approximate net floor area of 25,470 sqm. The average occupancy rate for 2019 was 94%.

Odeon Towers

Located at North Bridge Road, Odeon Towers has a total lettable office space of 18,355 sqm. The average occupancy rate for 2019 was 82%.

Abacus Plaza and Tampines Plaza

Located at Tampines Finance Park, Abacus Plaza and Tampines Plaza have an approximate net floor area of 8,397 sqm each. Their average occupancy rates for 2019 were 83% and 93% respectively.

One Upper Pickering

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

Stamford Court

Situated at the junction of Stamford Road and Hill Street, Stamford Court has an approximate net floor area of 5,990 sqm. The average occupancy rate for 2019 was 94%.

Faber House

Located along Orchard Road, Faber House has a total lettable office space of 3,956 sqm. The average occupancy rate for 2019 was 98%.

Credit: Distinct Creative Arts
Distinct Creative Arts at KINEX offers dance classes for all age groups.

Marina Square shopping mall's popular balloon exhibition continued to be a signature event during the year.

Operation Highlights

NEW ACQUISITION

333 North Bridge Road, Singapore

333 North Bridge Road (the former KH KEA Building) was acquired in December 2019. It has a gross floor area of approximately 2,998 sqm and is located adjacent to Odeon Towers. The Group is exploring potential asset enhancement works to utilise the available gross floor area for both sites to create a superior product with larger and more efficient floor plates.

OVERSEAS

72 Christie Street, Australia

Located in Sydney, 72 Christie Street is an eight-storey office building with a total lettable area of 11,259 sqm. It is fully leased to a single tenant with the lease tenure extending till 2028.

110 High Holborn, United Kingdom

Located in Midtown London, 110 High Holborn has a total lettable area of 10,722 sqm, comprising 7,930 sqm of office and 2,792 sqm of retail. It achieved an average occupancy rate of 100% for the retail component and 78% for the office component in 2019 with the latter due to downtime for refurbishment works for an incoming office tenant.

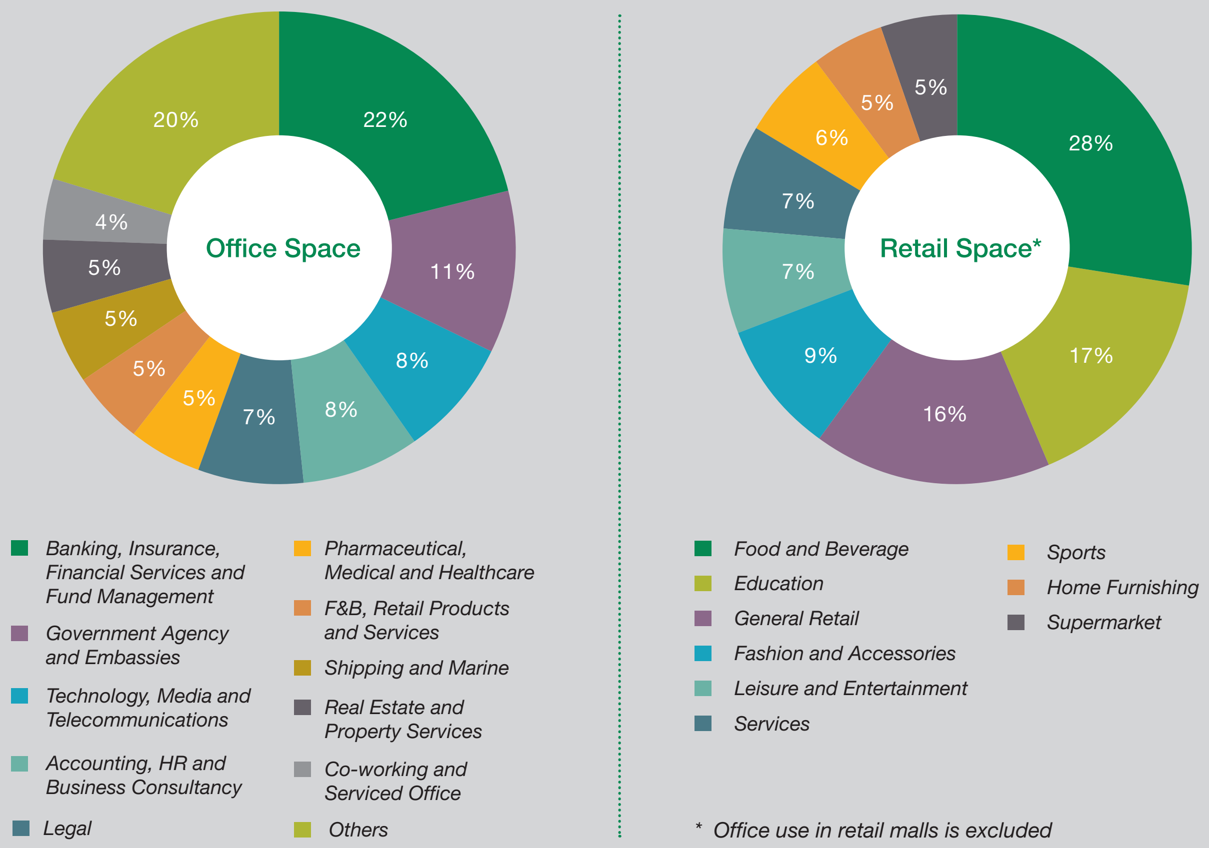
120 Holborn Island, United Kingdom

Located in Midtown London, 120 Holborn Island is a 50:50 joint venture with UIC. The nine-storey building has a total lettable area of 32,143 sqm, comprising 19,226 sqm of office and 12,917 sqm of retail. The building achieved an average occupancy rate of 99% for the retail component and 98% for the office component in 2019.

The Esplanade, The People's Republic of China

The Esplanade (海河华鼎) is a three-storey retail mall in Tianjin and has a total lettable retail area of 7,115 sqm. It had an average occupancy rate of 73% for 2019.

COMMERCIAL TENANT MIX FOR SINGAPORE PROPERTY INVESTMENTS

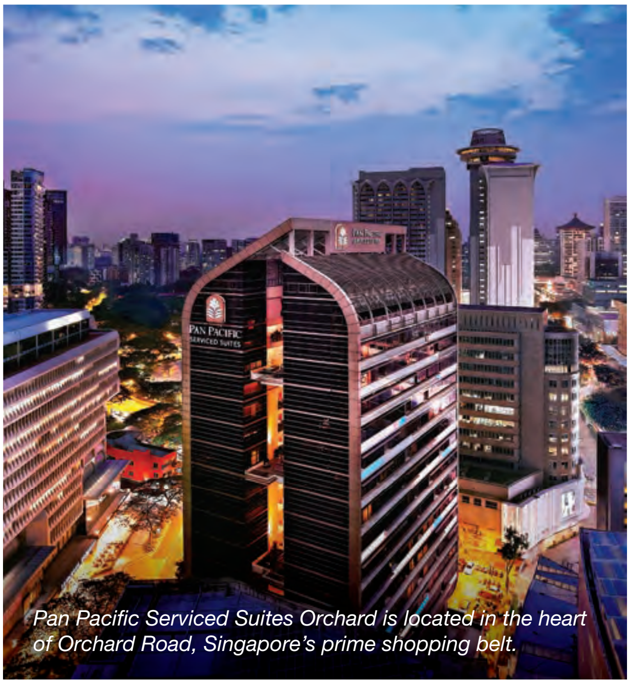


* Office use in retail malls is excluded

SERVICED SUITES

Pan Pacific Serviced Suites Orchard, Singapore

Located next to the Somerset MRT station, the 126-suite Pan Pacific Serviced Suites Orchard is easily accessible to the wide variety of shopping and dining options in Orchard Road. Due to increased supply of serviced suites in the vicinity, average daily rate declined by 2% but the occupancy rate increased slightly by 1% as compared with the previous year.



Pan Pacific Serviced Suites Orchard is located in the heart of Orchard Road, Singapore's prime shopping belt.

Pan Pacific Serviced Suites Beach Road, Singapore

Located close to Haji Lane and Arab Street, as well as the Marina Bay Central Business District, the 180-suite Pan Pacific Serviced Suites Beach Road caters to both leisure and business travellers. During the year, strong demand from business travellers led to a 3% and a 1% increase in occupancy rate and average daily rate respectively.

PARKROYAL Serviced Suites, Singapore

The 90-suite PARKROYAL Serviced Suites is within walking distance to the historically rich Arab Street and the Central Business District. In 2019, the property saw a 1% increase in both the occupancy rate and average daily rate against 2018.

PARKROYAL Serviced Suites Kuala Lumpur, Malaysia

The 287-suite PARKROYAL Serviced Suites Kuala Lumpur is situated in the heart of Kuala Lumpur and close to the shopping and entertainment district of Bukit Bintang. Due to ongoing refurbishment works, the property's occupancy rate and average daily rate declined by 5% and 3% respectively against 2018.

PIPELINE PROJECTS

Owned

Pan Pacific Serviced Suites Kuala Lumpur, Malaysia

The 210-suite Pan Pacific Serviced Suites Kuala Lumpur is a redevelopment of the multi-storey car park at PARKROYAL Kuala Lumpur. Located in Bukit Bintang, it is slated to open in the second quarter of 2021.

PARKROYAL Serviced Suites Jakarta, Indonesia

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

Managed

Pan Pacific Serviced Suites Puteri Harbour, Malaysia

The 205-suite Pan Pacific Serviced Suites Puteri Harbour is part of Puteri Cove Residences and Quayside. Located in the Iskandar region of Johor, the property is expected to open in the second half of 2020.

Pan Pacific Serviced Suites Jakarta, Indonesia

Pan Pacific Serviced Suites Jakarta is a 181-suite property in the North Tower of Indonesia 1, a mixed-use development in central Jakarta. The property is slated to open in the first quarter of 2021.

PARKROYAL Suites Bangkok, Thailand

PARKROYAL Suites Bangkok is located close to the Nana BTS skytrain station and several shopping malls. The 194-suite property is targeted to open in the first half of 2020.

PARKROYAL Serviced Suites Hanoi, Vietnam

The 126-suite PARKROYAL Serviced Suites Hanoi offers scenic views of local attractions such as West Lake and Tran Quoc Pagoda. The property is scheduled to open by the fourth quarter of 2020.

Operation Highlights

PROPERTY DEVELOPMENT

REPLENISHMENT OF LANDBANK AND UPCOMING PROJECT

Through an 80:20 joint venture with UIC, the Group was awarded a 16,543 sqm residential site at Clementi Avenue 1 for $491.3 million in July 2019.

Located along the same road as The Clement Canopy, which was launched in 2017 and fully sold, the site will be developed into a 37-storey development comprising 640 units. The Group is expected to launch the residential project in the third quarter of 2020.

COMPLETION OF PROJECTS

During the year, the Group completed two residential projects. The 505-unit The Clement Canopy, a 50:50 joint venture with UIC and located along Clementi Avenue 1, was completed in March. The following month, Botanique at Bartley, a 797-unit condominium along Upper Paya Lebar Road, received TOP.

LAUNCH OF PROJECTS

In September 2019, Avenue South Residence was launched through a 50:30:20 joint venture with UIC and Kheng Leong. The 56-storey development is connected to the Rail Corridor and located at the doorstep of Greater Southern Waterfront. It offers 1,074 units spread across three collections – Heritage Collection, Horizon Collection and Peak Collection.

Earlier in May 2019, MEYER HOUSE, a 50:50 joint venture with Kheng Leong, was launched. Located along Meyer Road, the 56-unit luxury freehold development is a collaboration with award-winning WOHA Architects, German landscape architectural firm Ramboll Studio Dreiseitl and international design firm Yabu Pushelberg.

Artist's impression of the 37-storey residential development at Clementi Avenue 1.

SALES AND COMPLETION STATUS OF LAUNCHED PROJECTS

PROJECTS	No. of Units	% Sold (as at 31 December 2019)	% Complete (as at 31 December 2019)	Actual/ Expected TOP Date
SINGAPORE				
The Clement Canopy	505	100.0	100	Obtained
V on Shenton	510	89.4	100	Obtained
Mon Jervois	109	90.8	100	Obtained
Amber45	139	79.9	80.1	3Q2020
The Tre Ver	729	77.8	19.8	4Q2021
MEYER HOUSE	56	8.9	28.9	3Q2021
Avenue South Residence	1,074	21.7	15.0	2Q2022
THE PEOPLE'S REPUBLIC OF CHINA				
Park Eleven, Shanghai	398	41.2	100	Obtained

Botanique at Bartley is a resort-themed condominium with comprehensive amenities.

Operation Highlights

HOTEL OPERATIONS

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

NEW BRAND AND NEW HOTEL AGREEMENTS

In January 2020, PPHG launched PARKROYAL COLLECTION, a new brand where its hotels are characterised by iconic design, eco-friendly practices and a focus on well-being. Offering upper upscale accommodation, the portfolio comprises award-winning PARKROYAL COLLECTION Pickering (the former PARKROYAL on Pickering) and PARKROYAL COLLECTION Marina Bay (the former Marina Mandarin Singapore) in Singapore.

The Group continued to grow its brand presence globally with the signing of hotel management agreements. Besides rebranding the former Marina Mandarin Singapore to PARKROYAL COLLECTION Marina Bay, PPHG will operate the 216-key PARKROYAL Dalian and 126-suite PARKROYAL Serviced Suites Hanoi, where both properties are targeted to open by the end of 2020. The former Westin Prince Toronto was also rebranded to Pan Pacific Toronto in December 2019, bringing PPHG’s presence to five managed hotels in North America.

During the year, the Group expanded its presence into Japan to market the Cerulean Tower Tokyu Hotel in Tokyo’s Shibuya district as a Pan Pacific Partner Hotel through PPHG’s various distribution channels and loyalty programme.

MARKETING STRATEGY

PPHG continued to build up its customer base through making enhancements to its digital marketing platforms, hosting networking events in key markets such as Singapore, Australia, China, Japan and London, as well as participating in leading travel trade shows. Media familiarisation trips to PPHG’s hotels such as Pan Pacific Perth and Pan Pacific Beijing were also organised during the year.

SINGAPORE

Pan Pacific Singapore

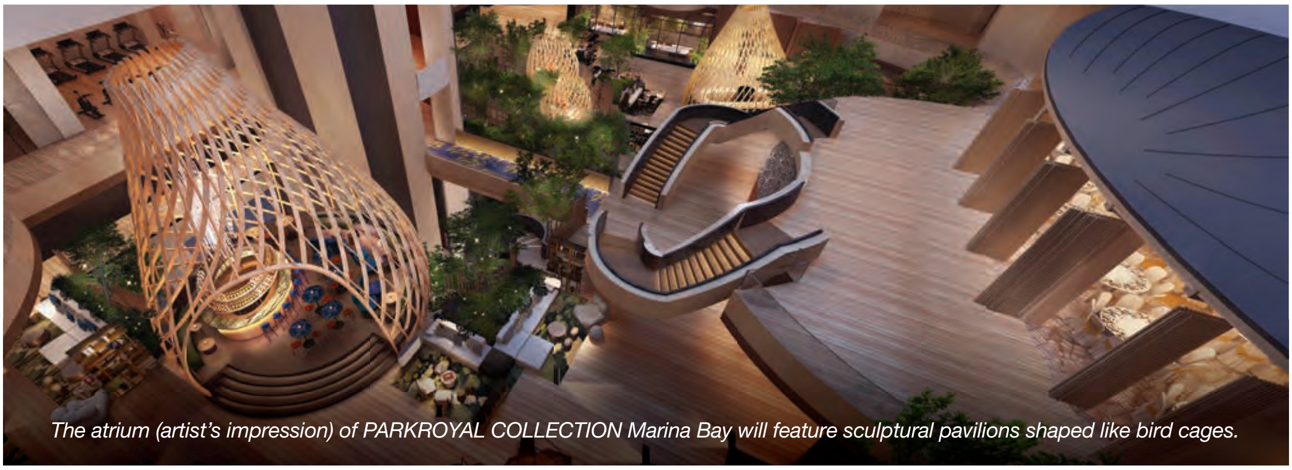
Pan Pacific Singapore is a 790-room hotel located in the Marina Bay area. It is close to the Central Business District and accessible to a wide array of retail and entertainment options. The hotel’s revenue per available room remained unchanged due to a 1% decline in occupancy and a 1% increase in average room rate.

PARKROYAL COLLECTION Pickering

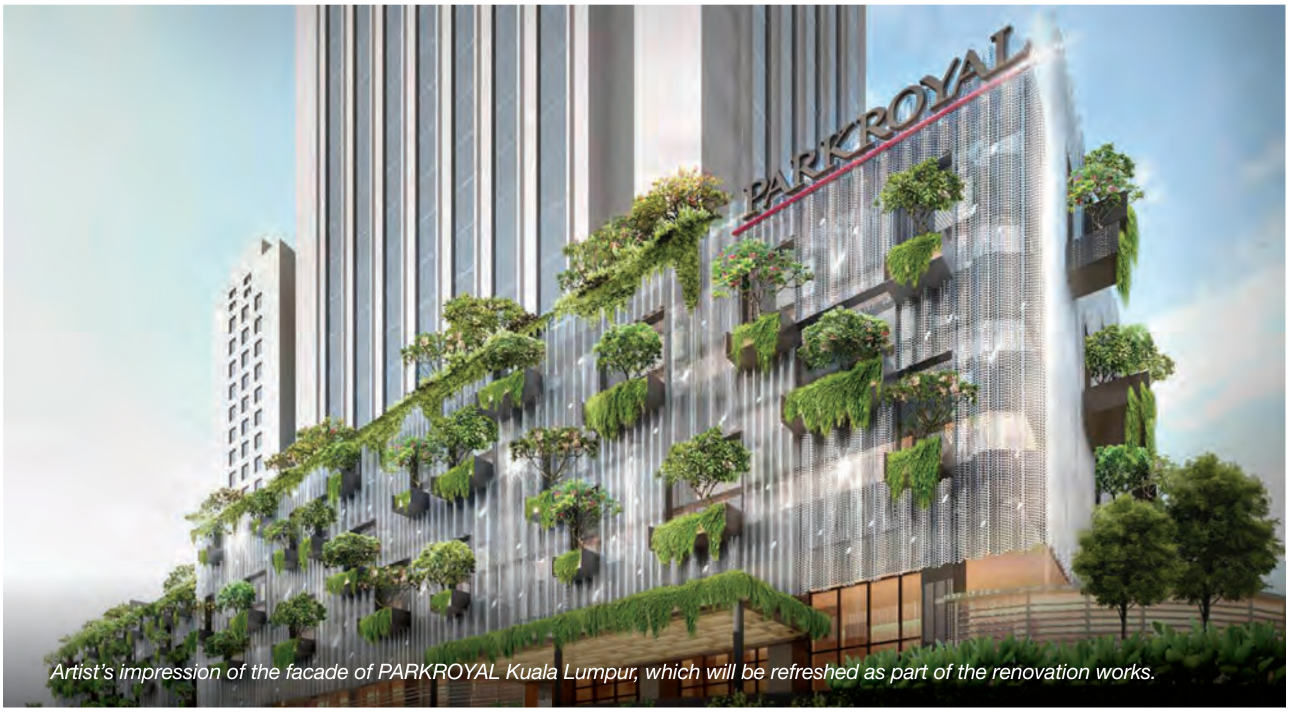
The 367-room PARKROYAL COLLECTION Pickering was awarded The World’s Leading Green City Hotel for the second consecutive year at the annual World Travel Awards. Strategically located in the enclave of Chinatown and close to Singapore’s Central Business District, the hotel’s revenue per available room increased by 3% against 2018 due to a 3% increase in occupancy while the average room rate held firm.

PARKROYAL COLLECTION Marina Bay

PARKROYAL COLLECTION Marina Bay is a 575-room hotel in the Marina Bay area and connected directly to Marina Square shopping mall. Renovation works to the public areas and guestrooms are expected to commence in the first half of 2020, to transform it into a “garden in the hotel” with curated lush landscapes and stylish interiors. The works, which are carried out in phases, are scheduled to complete by the first half of 2021.



The atrium (artist’s impression) of PARKROYAL COLLECTION Marina Bay will feature sculptural pavilions shaped like bird cages.



Artist's impression of the facade of PARKROYAL Kuala Lumpur, which will be refreshed as part of the renovation works.

PARKROYAL on Kitchener Road

PARKROYAL on Kitchener Road is located in the heart of Little India. The 532-room hotel offers guests the experience of living in a vibrant ethnic enclave as well as the convenience of a wide variety of food and shopping options within walking distance. Due to renovation works to its guestrooms and lobby areas which started in 2019, revenue per available room declined by 14% against 2018 due to a 12% and 2% decrease in occupancy and average room rate respectively. Scheduled to complete by the first half of 2020, the refurbishment will see the addition of eight more guestrooms, bringing total room count to 540. At the same time, to improve guest experience, the hotel will introduce smart radio frequency identification luggage tagging and self check-in kiosks.

PARKROYAL on Beach Road

PARKROYAL on Beach Road is located at the fringe of the Central Business District and close to Singapore's downtown attractions, business hubs and convention facilities. Following the completion of the renovation of its guestrooms the year before, the 346-room hotel refreshed its façade and surrounding landscaping in 2019. The hotel's revenue per available room increased by 10% against 2018, contributed by a 7% increase in occupancy and a 3% increase in average room rate.

Mandarin Oriental

The 527-room Mandarin Oriental is located in the Marina Bay area. In 2019, the property's revenue per available room increased by 1% over the previous year, due to a 2% increase in occupancy and a 1% decrease in average room rate.

SINGAPORE	2019	2018
Hotel Occupancy	83%	84%
Average Room Rate	$276	$273
Revenue Per Available Room	$228	$228

Note:
Excludes Pan Pacific Orchard which was closed on 1 April 2018 for redevelopment.

MALAYSIA

PARKROYAL Kuala Lumpur

Located in Bukit Bintang, the 426-room PARKROYAL Kuala Lumpur is easily accessible to a variety of shopping and entertainment choices. The hotel's operations were affected due to ongoing demolition works to convert the multi-storey car park into a 210-suite Pan Pacific Serviced Suites Kuala Lumpur, as well as the conversion of office units at its annex building President House to rooms. The hotel's revenue per available room dropped by 6% against the previous year. On completion of these works which are scheduled to complete in 2021, the total number of rooms will increase to 536.

PARKROYAL Penang Resort

The 310-room PARKROYAL Penang Resort is situated along Batu Ferringhi beach and overlooks the Andaman Sea. Supported by strong international tourist arrivals to Penang, the hotel's revenue per available room improved by 19% from the previous year, contributed by a 20% increase in occupancy, which was partially offset by a decline of 1% in average room rate.

Operation Highlights

VIETNAM

Pan Pacific Hanoi

Located in the city centre and offering scenic views of West Lake and Red River, Pan Pacific Hanoi comprises 270 rooms and 54 serviced suites. The completion of construction works on the main road leading to the hotel as well as an increase in international visitor arrivals to Hanoi contributed to the increase in revenue per available room by 16% from the previous year, where occupancy rate increased by 17% and partially offset by a 1% decline in average room rate.

PARKROYAL Saigon

A short drive away from Ho Chi Minh City's international airport and Tan Binh Exhibition and Convention Centre, the 186-room PARKROYAL Saigon is also accessible to popular places of interest such as Mekong Delta and Cu Chi Tunnels. The oversupply of hotel rooms in Ho Chi Minh City contributed to a slight drop in revenue per available room, which decreased by 1% from the previous year as a result of a 5% drop in occupancy rate and 4% increase in average room rate.

Sofitel Saigon Plaza

The 286-room Sofitel Saigon Plaza is located on the historic Le Duan Boulevard and within walking distance to the city's commercial centre. During the year, the hotel's revenue per available room increased by 1% due to a 4% drop in occupancy rate, and an increase in average room rate of 5%.

MYANMAR

Pan Pacific Yangon

Pan Pacific Yangon is a 331-room hotel located close to popular tourist attractions such as Shwedagon Pagoda and Bogyoke Aung San Market. During the year, the hotel converted 15 hotel rooms to 10 serviced suites. In its second year of operations, the hotel's revenue per available room increased by 41% as compared with the previous year due to a 56% increase in occupancy, which was partially offset by a 10% decrease in average room rate.

PARKROYAL Yangon

PARKROYAL Yangon is located in the heart of Yangon and a short walk away from iconic and historic attractions such as Shwedagon Pagoda and Bogyoke Aung San Market. The hotel has 342 rooms including nine SOHO (small office home office) serviced suites. In 2019, the hotel achieved a 27% increase in occupancy. However, strong competition posed by new hotel supply in Yangon resulted in a 5% fall in revenue per available room due to a drop in average room rate by 26%.

SOUTH EAST ASIA (excluding Singapore)	2019	2018
Hotel Occupancy	70%	63%
Average Room Rate	$125	$130
Revenue Per Available Room	$87	$81

OCEANIA

Pan Pacific Perth

The 486-room Pan Pacific Perth is located within walking distance from the city's major landmarks such as Swan River and the iconic Kings Park Botanic Gardens. With the significant increase in the city's hotel supply in 2018 and 2019, revenue per available room remained flat against 2018 due to a 5% decline in average room rate, which was offset by a 5% increase in occupancy.

Pan Pacific Melbourne

The 396-room Pan Pacific Melbourne is located near the scenic Yarra River. The hotel completed the renovation of its guestrooms in September 2018, which contributed to the increase in revenue per available room by 9%, due to a 3% increase in occupancy and a 6% improvement in average room rate.

PARKROYAL Darling Harbour

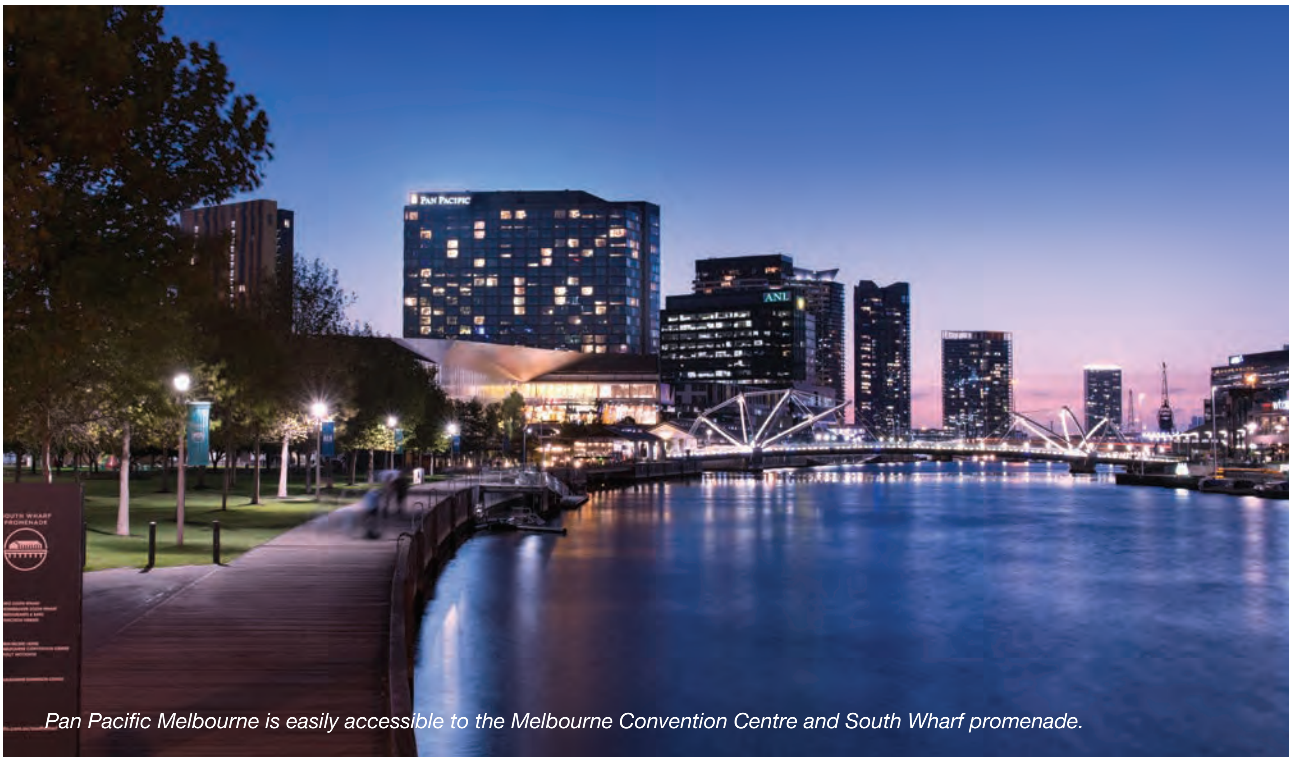
Located in central Sydney, PARKROYAL Darling Harbour is easily accessible to the Central Business District and popular destinations such as the Darling Harbour precinct, International Convention Centre Sydney and Chinatown. Due to new hotel supply in Sydney, the 340-room hotel's revenue per available room fell 5%.

PARKROYAL Parramatta

The 286-room PARKROYAL Parramatta is located near the bank of Parramatta River and within the Central Business District. The riverside hotel is a short drive away from signature landmarks such as Sydney Opera House and Rosehill Gardens Racecourse. In 2019, revenue per available room decreased by 4% due to a drop of 3% in occupancy and a 1% decrease in average room rate.

PARKROYAL Melbourne Airport

The 276-room PARKROYAL Melbourne Airport enjoys direct connectivity to Melbourne Tullamarine Airport and is a choice location for meetings, conferences as well as airport layovers. In 2019, the hotel's revenue per available room rose by 1% as compared with 2018, contributed mainly by a 1% higher average room rate.



Pan Pacific Melbourne is easily accessible to the Melbourne Convention Centre and South Wharf promenade.

OCEANIA	2019	2018
Hotel Occupancy	84%	83%
Average Room Rate	$199	$201
Revenue Per Available Room	$167	$167

THE PEOPLE'S REPUBLIC OF CHINA

Pan Pacific Suzhou

Located close to tourist attractions such as Suzhou Museum and the Panmen scenic area, the 480-room Pan Pacific Suzhou fuses Chinese architecture with modern amenities. As a result of subdued economic conditions in Suzhou, revenue per available room decreased by 9% in 2019, contributed by a drop of 8% in occupancy and a decline of 1% in average room rate. The hotel was sold in December 2019 but continues to be operated by PPHG.

Pan Pacific Xiamen

Pan Pacific Xiamen comprises 329 hotel rooms and 25 serviced suites. Offering views of the city's coastline, the hotel is located close to the financial district and major tourist attractions such as Nan Putuo Temple and Overseas Chinese Museum. In 2019, an oversupply of hotels in Xiamen resulted in a drop in revenue per available room by 5% as average room rate dropped by 8%, offset by a 3% increase in occupancy.

Pan Pacific Tianjin

Pan Pacific Tianjin is situated along Haihe River and is part of mixed-use development The Esplanade. The property comprises 289 hotel rooms and 30 serviced suites and is a short drive away from Tianjin Railway Station and close to places of interest such as Tianjin Ancient Cultural Street. In 2019, revenue per available room remained the same as the previous year.

The Westin Tianjin

The Westin Tianjin is a 275-room hotel in Tianjin's Heping district. During the year, the hotel's revenue per available room was 5% higher due to an increase of 3% in average room rate while occupancy increased 2%.

Tianjin Yanyuan International Grand Hotel

Tianjin Yanyuan International Grand Hotel offers 240 hotel rooms with 56 serviced suites and is located in Tianjin's Hexi district. In 2019, the property's revenue per available room decreased by 21%, due to a 7% decrease in occupancy and a 15% decrease in average room rate.

THE PEOPLE'S REPUBLIC OF CHINA	2019	2018
Hotel Occupancy	64%	66%
Average Room Rate	$100	$103
Revenue Per Available Room	$64	$68

Operation Highlights

PIPELINE PROJECTS

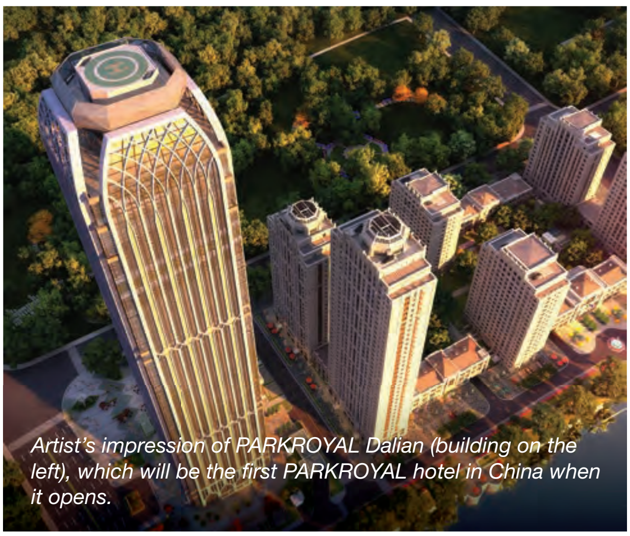
OWNED

Pan Pacific London, United Kingdom
Located in Bishopsgate, London's central financial district, the 237-room Pan Pacific London is part of the 41-storey luxury mixed-use development One Bishopsgate Plaza. Offering meeting and wellness facilities including a pool and spa, the hotel is within walking distance to Liverpool Street Station and expected to open in the fourth quarter of 2020.

Pan Pacific Orchard, Singapore
Pan Pacific Orchard is located within walking distance to the prime Orchard Road shopping belt and close to the Central Business District. The hotel had ceased operations in 2018 for redevelopment into a 347-room iconic and green hotel. Scheduled to re-open in the fourth quarter of 2021, the hotel will feature three levels of experiential sky gardens that will redefine the vertical sky-rise typology.

MANAGED

PARKROYAL Dalian, The People's Republic of China
Located in Youting Road, the 216-room PARKROYAL Dalian offers panoramic views of both the sea and surrounding hills at a height of 52 storeys. Targeted to open in the fourth quarter of 2020, the hotel is a short drive from Dalian Airport and within walking distance to the city landmarks such as Xinghai Square and Dalian World Expo Centre.



Artist's impression of PARKROYAL Dalian (building on the left), which will be the first PARKROYAL hotel in China when it opens.

Artist's impression of PARKROYAL Jakarta, which is located in Tower 2 (building on the right) of the Thamrin Nine development.

PARKROYAL Rainbow Hills Bogor Resort, Indonesia
Located in Bogor, the 320-room PARKROYAL Rainbow Hills Bogor Resort is close to the Rainbow Hills golf course. The resort is slated to open in the fourth quarter of 2020.

PARKROYAL Langkawi Resort, Malaysia
Located along Pantai Tengah beach, PARKROYAL Langkawi Resort offers 301 guestrooms and is expected to open in the third quarter of 2021. The resort is a short drive away from Langkawi's international airport.

PARKROYAL A'Famosa Melaka Resort, Malaysia
The 418-room PARKROYAL A'Famosa Resort is an extension of the existing A'Famosa Resort. The resort is scheduled to open in the fourth quarter of 2021.

PARKROYAL Jakarta, Indonesia
The 185-room PARKROYAL Jakarta is located in Tower 2 of the mixed-use development Thamrin Nine. The hotel in central Jakarta is accessible to the city's financial district and expected to open in the first quarter of 2023.

PORTFOLIO OVERVIEW

	EXISTING		PIPELINE		TOTAL	
BY BRAND	**No. of hotels**	**No. of rooms**	**No. of hotels**	**No. of rooms**	**No. of hotels**	**No. of rooms**
Pan Pacific	20	6,571	6	1,334	26	7,905
PARKROYAL COLLECTION	2	942	–	–	2	942
PARKROYAL	12	3,511	9	2,090	21	5,601
Others	4	1,384	–	–	4	1,384
Total	**38**	**12,408**	**15**	**3,424**	**53**	**15,832**
BY OWNERSHIP TYPE						
Owned	26	9,053	5	1,128	31	10,181
Managed	11	2,947	10	2,296	21	5,243
Marketing Partnership	1	408	–	–	1	408
Total	**38**	**12,408**	**15**	**3,424**	**53**	**15,832**

	NO. OF HOTELS	REVENUE PER AVAILABLE ROOM	
		2019	**2018**
SINGAPORE[1]			
Owned	9	$229	$229
Total	**9**	**$229**	**$229**
SOUTH EAST ASIA[2] (EXCLUDING SINGAPORE)			
Owned	8	$86	$82
Managed	3	$86	$97
Total	**11**	**$86**	**$85**
OCEANIA			
Owned	5	$167	$167
Total	**5**	**$167**	**$167**
THE PEOPLE'S REPUBLIC OF CHINA[3]			
Owned	5	$64	$68
Managed	3	$78	$72
Total	**8**	**$68**	**$69**
NORTH AMERICA[4]			
Managed	4	$264	$259
Total	**4**	**$264**	**$259**
PORTFOLIO REVENUE PER AVAILABLE ROOM			
Owned	27	$150	$150
Managed	10	$151	$148
Total	**37**	**$150**	**$149**

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

1 *Excludes revenue per available room figures for Pan Pacific Orchard which was closed on 1 April 2018 for redevelopment.*

2 *Includes revenue per available room figures for Pan Pacific Manila which was deflagged on 30 September 2019.*

3 *Includes revenue per available room figures for Pan Pacific Suzhou which was sold on 16 December 2019 and continues to be operated by the Group after the sale.*

4 *Excludes revenue per available room figures for Pan Pacific Toronto which was rebranded from the Westin Prince Toronto on 18 December 2019.*

Operation Highlights

OVERSEAS DEVELOPMENT PROJECTS

SHANGHAI

Located within Shanghai's Changfeng Ecological Park and close to Hongqiao Transportation Hub and The Bund, the mixed-use development comprises Park Eleven (沁和园), a 398-unit residential development and Park Eleven Mall, a retail mall with a net lettable area of 3,837 sqm. The project, completed in 2018, is a 40:30:30 joint venture between UOL, UIC and Kheng Leong. The second phase of Park Eleven was launched in October 2019.

Park Eleven Mall will offer a wide variety of everyday essentials, retail and lifestyle options to the residents of Park Eleven as well as those living and working in the vicinity.

LONDON

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

The Group held marketing campaigns for The Sky Residences in cities in China in the fourth quarter of 2019. The residential development is expected to be ready for occupation in 2021.

The commercial component of One Bishopsgate Plaza (artist's impression) is projected to be operational in the second half of 2020.

INVESTMENTS IN SECURITIES

	Percentage holdings in investee		Fair value		Gross dividend received	
	2019 %	2018 %	**2019 $'m**	2018 $'m	**2019 $'m**	2018 $'m
Listed Securities						
United Overseas Bank Limited	**2.4**	2.3	**1,050.1**	978.8	**41.8**	37.5
Others			**37.8**	35.6	**11.4**	8.5
			1,087.9	1,014.4	**53.2**	46.0
Unlisted Securities			**101.9**	61.1	**2.0**	2.2
Total			**1,189.8**	1,075.5	**55.2**	48.2

The fair value of the Group's listed securities increased from $1,075.5 million as at 31 December 2018 to $1,189.8 million as at 31 December 2019 due mainly to the increase in the share price of United Overseas Bank Limited and higher net asset values of certain unlisted securities. Overall, an unrealised gain of $114.2 million arising from changes in the fair value of investments has been recognised in the fair value reserve account in 2019.

Dividend yield from investment in securities was 4.6% in 2019 (2018: 4.5%).

MANAGEMENT SERVICES AND TECHNOLOGIES

MANAGEMENT SERVICES

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

TECHNOLOGIES

UIC Technologies Group focuses on three main IT offerings namely systems integrations, IT services and payroll software, and human resource outsourcing services. Its customers are from the education, financial services, healthcare and public sectors.

SPA/LIFESTYLE-RELATED OPERATIONS

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

"Si Chuan Dou Hua"
Known for its authentic Sichuan cuisine, "Si Chuan Dou Hua" operates five restaurants in Singapore, Japan and Myanmar. It also operates Chuan @ The Sixtieth, a craft cocktail bar adjoined to its Singapore flagship outlet at UOB Plaza.

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

Corporate Governance Report

For the Financial Year Ended 31 December 2019

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

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

STATEMENT OF COMPLIANCE

The Board of Directors (the "Board") of the Company confirms that for the financial year ended 31 December 2019 ("FY2019"), the Company has complied with the principles under the Code and substantially all the provisions set out thereunder, save for Provision 3.3 (lead independent director) and Provision 11.4 (absentia voting at general meetings of shareholders), deviation from which are explained in this Report.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS
Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Responsibilities of the Board
The principal responsibilities of the Board are to:

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

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

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

Board Committees
There are four standing Board Committees appointed by the Board, namely:

- Executive Committee ("EXCO")
- Nominating Committee ("NC")
- Remuneration Committee ("RC")
- Audit and Risk Committee ("ARC")

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

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

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

The EXCO comprises four members, namely:

- Wee Cho Yaw, Chairman
- Wee Ee Lim, Deputy Chairman
- Liam Wee Sin
- Low Weng Keong

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

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

The Board conducts regular scheduled meetings on a quarterly basis. Additional ad-hoc meetings are convened when circumstances require. The Board may also meet informally where necessary. The Company's Constitution ("Constitution") allows a board meeting to be conducted by way of telephonic and video conferencing. The attendance of Directors at Board and Board Committee meetings, as well as the frequency of such meetings in FY2019, are disclosed on page 57. Directors receive meeting materials ahead of meetings. Directors who are unable to attend Board meetings may convey their views to another Director or to either of the Company Secretaries.

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

Corporate Governance Report

For the Financial Year Ended 31 December 2019

Directors' Induction and Training

All Directors appointed to the Board are provided with a formal letter of appointment which sets out the Director's role and key responsibilities. The NC ensures that new Directors are made aware of their duties and obligations. In particular, new Directors receive comprehensive induction on joining the Board. They are provided with information on the corporate background, key personnel, core businesses, group structure, financial statements of the Group and their scope of duties and responsibilities. They are also briefed on the Group's businesses and operations. Site visits are conducted as necessary to familiarise them with the Group's properties. Guidance is also given to all Directors on regulatory requirements concerning disclosure of interests and restrictions on dealings in securities.

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

From time to time, the Company keeps the Directors apprised of any new laws, regulations, any latest changes to the SGX-ST listing requirements or changes to legislation which may impact the Group's business or business outlook, or may change the risks affecting the Group. The external auditors also brief and update ARC Members on developments in accounting and governance standards and issues which have a direct impact on financial statements. The Directors are also kept updated on the outlook and trends in the property and hospitality markets during the quarterly Board meetings. With effect from 1 January 2019, a new Director appointed who has no prior experience as a director of an issuer listed on SGX-ST will also be required to undergo mandatory training in his roles and responsibilities as prescribed by the SGX-ST, unless the NC is of the view that training is not required because he has other relevant experience. In this regard, Liam Wee Sin and Sim Hwee Cher attended and completed the prescribed mandatory training in FY2019.

During FY2019, the Directors were briefed on, among others, the updates to the Code of Corporate Governance and the accompanying Practice Guidance, the amendments to the SGX-ST Listing Manual and changes to the accounting standards.

Access to Information

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

Company Secretaries

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

At least one of the Company Secretaries attends all Board and Board Committee meetings and ensures that all meeting procedures are followed. The Company Secretaries, together with Management, ensure that the Company complies with all applicable statutory and regulatory rules. The minutes of all Board and Board Committee meetings are circulated to the Board. The appointment and removal of any Company Secretary is subject to the approval of the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

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

Board Independence and Number of Independent Directors on the Board

As at 31 December 2019, the Board comprised nine members of whom five were independent and four were non-independent. Except for the GCE, all the other Directors were Non-Executive Directors. On 2 January 2020, Lee Chin Yong Francis was appointed to the Board as a Non-Executive and Independent Director. On 29 February 2020, Wee Sin Tho, a Non-Executive and Independent Director, passed away. The review of independence of the Directors is set out in the "Board Membership" section on pages 44 to 46.

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

Size and Composition of Board and Board Committees

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

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

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

CHAIRMAN AND GCE

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

Separation of the Roles of Chairman and GCE

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

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Responsibilities of Chairman and GCE

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

Lead Independent Director

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

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

BOARD MEMBERSHIP

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

NC Composition and Role

The NC comprises three Non-Executive Directors of whom two are independent (including the NC Chairman). The NC Members are:

- Low Weng Keong, Chairman
- Wee Cho Yaw
- Poon Hon Thang Samuel

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

Director Independence

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

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

For FY2019, the effectiveness and independence of Low Weng Keong who has served on the Board beyond nine years was subject to particularly rigorous scrutiny. Despite his long period of service, the NC found and recommended to the Board that Low Weng Keong has, at all times, expressed his individual viewpoints, objectively debated issues brought up at meetings of the Board and/or Board Committees and closely scrutinised Board matters and Board Committee matters. He had sought clarification and advice, as and when he considered necessary, from Management, other employees and external advisors, and exercised strong independence in character and impartial judgment whilst discharging his duties as a member of the Board and Board Committees. Both the Board and NC noted that Low Weng Keong has made decisions objectively in the best interests of the Group and its stakeholders. The Board, having considered the NC's recommendation and weighing the need for the Board's refreshment against tenure and familiarity with the Group's business and operations, deems Low Weng Keong as independent and agrees that his years of service has not compromised his independence or ability to discharge his duties as a member to the Board and Board Committees.

Tan Tiong Cheng is Senior Adviser to Knight Frank Asia Pacific. The Group engages the Knight Frank group of companies to provide the independent valuations of its investment properties and various real estate-related services, in respect of which the fees payable exceeded $200,000 in FY2019. Tan Tiong Cheng has no financial interest in the Knight Frank group of companies, and had stepped down as President of Knight Frank Asia Pacific on 31 March 2019 and became Senior Adviser to Knight Frank Asia Pacific on 1 April 2019. The NC regards Tan Tiong Cheng as an Independent Director because he is able to maintain his objectivity and independence at all times in the discharge of his duties as Director of the Company and the NC's views were endorsed by the Board. Tan Tiong Cheng has no influence or control over the Company or Management in the selection and appointment processes leading to the Knight Frank group of companies being appointed to provide the said services.

Lee Chin Yong Francis was Adviser to Group Retail of United Overseas Bank Limited until April 2019. The bank provides banking services to the Group, in respect of which the fees payable exceeded $200,000 in FY2019. The NC regards Lee Chin Yong Francis as an Independent Director because he is able to maintain his objectivity and independence at all times in the discharge of his duties as Director of the Company and the NC's views were endorsed by the Board. In his role as Adviser to Group Retail of the bank, in particular from January 2019 to April 2019, Lee Chin Yong Francis was not involved in the bank's executive decision making process in relation to matters concerning the Company. Further, Lee Chin Yong Francis has retired since April 2019 and no longer has any relationship with the bank.

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

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

Selection, Appointment and Re-election of Directors
In conjunction with succession planning, the Board regularly reviews the composition of the Board. The NC makes recommendations to the Board on all board appointments and re-appointments. For new Director appointments, suitable candidates are identified through personal and professional networks and recommendations, and are nominated for appointment through an objective and comprehensive selection process. Where necessary, external consultants may be engaged to assist in the search and selection process. In determining the suitability of a candidate,

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the NC and the Board consider whether the candidate would complement and enhance the existing Board taking into consideration the current Board composition together with other factors such as core competencies, skills, experience, diversity, independence and time commitments. In recommending to the Board any re-nomination and re-election of existing Directors, in addition to the above-mentioned factors, the NC also takes into consideration the Directors' contribution and performance at Board meetings, including attendance, preparedness, participation and candour.

The Constitution requires one-third of the Directors, or the number nearest to (but not less than) one-third, to retire from office by rotation at every Annual General Meeting ("AGM"). The Directors to retire in the relevant year by rotation shall be those who have been longest in office since their last re-election or appointment and as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. This effectively results in all Directors having to retire at least once every three years, or earlier. A retiring Director shall be eligible for re-election. A Director appointed by the Board to fill a casual vacancy or as an additional Director may only hold office until the next AGM, and will be eligible for re-election at such AGM. The NC, with each member abstaining in respect of his own re-election and in accordance with the Constitution, has recommended that Low Weng Keong, Tan Tiong Cheng and Poon Hon Thang Samuel, who retire by rotation pursuant to the Constitution, be nominated for re-election. The NC had recommended and the Board had approved the appointment of Lee Chin Yong Francis as a Director, with effect from 2 January 2020. The NC has also recommended that Lee Chin Yong Francis, who ceases to hold office at the AGM on 23 April 2020 pursuant to the Constitution, be nominated for re-election.

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

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

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

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

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

In evaluating the performance of the Board as a whole, the NC has adopted certain quantitative indicators which include return on equity, return on assets, the Company's share price performance and total shareholders' return. The quantitative performance criteria allow the Company to make comparisons with its industry peers and are linked to long-term shareholder value. The NC has also adopted certain qualitative criteria which include the Board's composition (including the balance of skills, experience, independence, knowledge of the Company and diversity), Board practices and conduct and how the Board as a whole adds value to the Company. For consistency in assessment, the performance criteria are not changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the NC, in consultation with the Board, will justify such changes.

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

The Board and the NC are satisfied that for FY2019, all Directors have discharged their duties adequately and the performance of the Board as a whole and the Board Committees have been satisfactory.

NC's Access to External Expert Advice
The NC has access to appropriate expert advice to facilitate the evaluation process where necessary, and did not consider it necessary to engage a consultant for FY2019.

REMUNERATION MATTERS

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

RC Composition and Role
The RC comprises three Non-Executive Directors of whom two are independent (including the RC Chairman). The RC Members are:

- Wee Sin Tho, Chairman
- Wee Cho Yaw
- Low Weng Keong

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

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

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

RC's Access to External Expert Advice
The RC Members are familiar with executive remuneration/compensation matters as they manage their own businesses and/or are serving on the boards of other listed companies. The RC has access to appropriate expert advice where necessary, and did not consider it necessary to engage a remuneration consultant for FY2019.

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LEVEL AND MIX OF REMUNERATION

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

Remuneration Framework

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

Remuneration for the Executive Director and the Other Key Management Personnel

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

Remuneration of Non-Executive Directors

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

The fee structure for Non-Executive Directors for FY2019 is as follows:

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

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

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

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

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

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

Excluding the GCE, the Group has four key management personnel. The remuneration of each individual Director (including the GCE) and the key management personnel of the Group is disclosed in the Remuneration Report on pages 58 to 59. The report covers the total remuneration as well as the breakdown of remuneration, which includes details of the share options granted during FY2019.

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

Save as disclosed on page 59, there were no employees of the Group who are substantial shareholders of the Company, or are immediate family members of a Director, the GCE or a substantial shareholder of the Company, and whose remuneration exceeded $100,000 for FY2019.

ACCOUNTABILITY AND AUDIT

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

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

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

Enterprise Risk Management Framework

The Group has established an Enterprise Risk Management ("ERM") framework since 2009, and is continuously reinforcing it across all levels of the Group's businesses and operations. The ERM framework aims to increase the confidence in the Group's strategies, businesses and operations, through assurance that key risks are properly and systematically addressed. The ERM framework enables Management to have a formal structure to:

1. define the risk appetite of the Group;
2. identify and assess the key risks which the Group faces and the current controls and strategies for the Group to respond to these risks;
3. evaluate the effectiveness of the current controls and strategies and determine if further risk treatment plans are needed;
4. set up key risk indicators to monitor risks that may have a material impact on the Group's businesses and operations as and when they arise and take mitigating steps as necessary; and
5. report and review the Group's overall risk profile.

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

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

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

As at 31 December 2019, the Board has received assurances from:

(a) the GCE and the CFO, that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the GCE and the other key management personnel who are responsible, that the Group's risk management and internal control systems were adequate and effective to address the risks (including financial, operational, compliance and information technology risks) which the Group considers material to its current business environment.

Based on the internal controls currently in place, the work undertaken by the internal and external auditors, the assurances from the GCE, the CFO and the other key management personnel as well as reviews by the ARC and the Board, the Board, with the concurrence of the ARC, has commented that the Group's risk management and internal control systems are adequate and effective as at 31 December 2019. In commenting on the risk management and internal control systems, the Board has noted the ERM framework and processes as set out in the preceding paragraphs under "Enterprise Risk Management Framework".

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

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

- Strategic/Investment Risks
  The Group closely monitors developments and trends in the property and hospitality industries, and calibrates its strategies to achieve the Group's business objectives. In particular, risks associated with the Group's acquisitions, market conditions and competition are continually being monitored, analysed and managed.

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

- Financial Risks
  The Group is exposed to a variety of financial risks, including interest rate, foreign currency, credit and liquidity risks. The management of financial risks is outlined under Note 37 of the Notes to the Financial Statements.

- Operational Risks
  The Group's development projects as well as investment and hotel properties are subject to operational risks that are common to the respective industries, and to the business environment of the countries in which the Group has a presence in. The Group's operational risk framework, which is implemented at each operating unit, is designed to ensure that operational risks are continuously identified, addressed and mitigated. With regard to development projects, it is recognised that risks can never be entirely eliminated and the Group must always weigh the cost and benefit in managing risks. The Group uses insurance as a tool to transfer and/or mitigate certain portions of risks, and maintains insurance covers at appropriate levels after taking into account the cost of cover and risk profiles of the businesses. The insurance covers are reviewed regularly to ensure that they are adequate. Complementing Management's role is the Internal Audit function which provides an independent perspective on the controls that helps to mitigate major operational risks. Management reviews and implements further improvements to the current measures as and when any concern is identified.

- Compliance Risks
  The Group ensures compliance risks are adequately addressed as part of the ERM framework. The relevant policies and procedures are put in place to ensure compliance with the relevant laws and regulations in Singapore, including the SGX-ST listing requirements, as well as the laws and regulations of the jurisdictions where the Group operates in. Management is kept apprised of relevant changes to the laws and regulations and takes adequate steps to ensure continuing compliance which is embedded in the day-to-day operations. In addition, the Company has in place a Code of Business Conduct which all employees are required to comply with. Amongst other provisions, the Code of Business Conduct specifies compliance with all relevant anti-bribery and corruption laws by all employees.

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- Information Technology ("IT") Risks
  IT being a business enabler is essential to the Group's operations and processes. Given the potential disruption to the Group's businesses during system down times, as well as the potential reputational and financial impact from the loss of critical data, the Group conducts regular reviews on the management and maintenance of the Group's IT systems and software. With the evolving cyber risk landscape, the Group partners with cyber security vendors to implement adequate measures including policies, information security controls, cyber security training and equipment to safeguard against any malicious and deliberate hacking of its IT systems.

AUDIT AND RISK COMMITTEE

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

ARC Composition and Role

The ARC comprises three members who have recent and relevant accounting and financial management expertise and experience. All the ARC Members are Non-Executive Directors, and a majority of them (including the ARC Chairman) are independent. None of the ARC Members were previous partners or directors of, or had any financial interest in, the Company's external auditor, PricewaterhouseCoopers LLP, within the past 24 months. The ARC Members are:

- Low Weng Keong, Chairman
- Wee Ee Lim
- Tan Tiong Cheng

The ARC carries out the functions set out in the Code and the Companies Act. The ARC's written terms of reference include:
- reviewing and reporting to the Board on the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements and any announcements relating to the Company's financial performance;
- reviewing and reporting to the Board on the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function at least annually, including reviewing the internal and external audit plans and audit reports, the external auditors' evaluation of the system of internal accounting controls, the scope and results of the internal audit procedures, the cost-effectiveness, independence and objectivity of the external auditors;
- considering and recommending to the Board the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors;
- reviewing and reporting to the Board on interested person transactions in compliance with the SGX-ST Listing Manual;
- reviewing and reporting to the Board the adequacy and effectiveness of the Company's internal controls and risk management systems at least annually;
- reviewing the assurances from the GCE and the CFO on the financial records and financial statements; and
- reviewing the procedures for detecting fraud and for concerns about possible improprieties in financial reporting or other matters to be safely raised, and ensuring that these arrangements allow proportionate and independent investigation of such matters and are appropriately followed up on.

In performing the functions, the ARC has reviewed the Group's audited consolidated financial statements and discussed with Management and the external auditor the significant matters which involved judgment by the Management. The ARC reviewed, amongst other matters, the following key audit matters as reported by the external auditors for FY2019:

Significant matters	How the ARC reviewed these matters
Valuation of investment properties	The ARC reviewed the outcomes of the valuation process with Management, focusing on the methodologies and key underlying assumptions applied to the valuation models in assessing the fair value of the investment properties of the Group. The ARC also considered the findings of the external auditors and was satisfied that the valuation approaches were appropriate.
Valuation of development properties and revenue and cost of sales recognition from the sales of development properties	The ARC reviewed the approach taken by the Management in determining whether any impairment charge should be recognised in the respective development properties, particularly how Management intended to sell the properties under prevailing market conditions and how total development costs were estimated. In addition, the ARC considered the use of the percentage of completion method in recognising revenue and profit for the sale of development properties in Singapore and discussed with Management the justifications for adopting the various revenue and cost of sales assumptions for each project. The ARC also discussed with the external auditors the adequacy of any provision for foreseeable losses required and the bases in determining the profit recognised in respect of each project in the current year. The ARC was satisfied that the valuation of development properties and the bases for revenue and cost of sales recognition from the sales of development properties were appropriate.

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

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

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

The ARC has reviewed and is satisfied with the independence and objectivity of the external auditor and has approved the remuneration and terms of engagement of PricewaterhouseCoopers LLP. In its review, the ARC has taken into account the non-audit services provided by the external auditor and is of the opinion that these services do not affect the auditor's independence. The ARC has reviewed the Audit Quality Indicators and the performance of PricewaterhouseCoopers LLP and has recommended to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment by the Shareholders at the AGM on 23 April 2020.

Code of Business Conduct

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

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Whistle-Blowing Policy

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

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

Internal Audit

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

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

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Shareholder Rights and Participation at General Meetings

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

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

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

Separate Resolutions at General Meetings

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

Voting by Poll at General Meetings

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

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

Minutes and Results of General Meetings

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

Dividend Policy

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

The payment of dividends is communicated to Shareholders in announcements released through SGXNET. The Board is recommending the declaration and payment of a first and final tax exempt (one-tier) dividend of 17.5 cents per ordinary share for FY2019 at the AGM on 23 April 2020.

Corporate Governance Report

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ENGAGEMENT WITH SHAREHOLDERS

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

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

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

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

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

The Company's approach towards its engagement with stakeholders, including arrangements to identify and engage with its material stakeholder groups and to manage its relationship with such groups, and its strategy and key areas of focus in relation to the management of stakeholder relationships, is set out under the "Commitment to Stakeholders" heading in the "Sustainability" section of the Annual Report. The Company's full sustainability report for FY2019 will be issued within five months from the end of FY2019 in compliance with the SGX-ST Listing Manual.

OTHER MATTERS

Dealings in Securities

Pursuant to Rule 1207(19) of the SGX-ST Listing Manual on Dealings in Securities, during FY2019, the Company issued circulars, memorandums, notifications and updates, on a regular basis and as-and-when required, to its Directors and employees to prohibit the dealing in listed securities of the Company in the following periods:

1. from two weeks to one month, as the case may be, before the announcement of the Group's quarterly and full-year financial results and ending on the date of announcement of the results; and

2. at any time when they are in possession of unpublished material price sensitive information.

During FY2019, the Company also issued announcements at least two weeks and one month before announcing the Group's quarterly and full-year financial results respectively to provide notice of when such financial results will be released.

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

Interested Person Transactions and Material Contracts

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

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

ATTENDANCE AT AGM, BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

	Number of meetings attended in 2019					
NAME OF DIRECTOR	**AGM**	**BOARD**	**EXCO**	**ARC**	**RC**	**NC**
Wee Cho Yaw	1	4	3	NA	2	3
Wee Ee Lim	1	4	2	6	NA	NA
Liam Wee Sin[1]	NA	3	2	NA	NA	NA
Low Weng Keong	1	4	3	6	2	3
Wee Sin Tho[2]	1	2	NA	NA	1	NA
Tan Tiong Cheng	1	4	NA	6	NA	NA
Poon Hon Thang Samuel[3]	1	4	NA	NA	NA	2
Wee Ee-chao	1	4	NA	NA	NA	NA
Sim Hwee Cher[1]	NA	3	NA	NA	NA	NA
Gwee Lian Kheng[4]	1	1	0	NA	NA	NA
Pongsak Hoontrakul[4]	1	1	NA	NA	NA	1
Lee Chin Yong Francis[5]	NA	NA	NA	NA	NA	NA
Number of meetings held in 2019	**1**	**4**	**3**	**6**	**2**	**3**

Notes:
NA : Not Applicable
1 *Mr Liam Wee Sin was appointed as a Director at the AGM, and as a Member of the EXCO, on 25 April 2019. Mr Sim Hwee Cher was appointed as a Director at the AGM on 25 April 2019.*
2 *Mr Wee Sin Tho ceased to be a Director upon his demise on 29 February 2020.*
3 *Mr Poon Hon Thang Samuel was appointed as a Member of the NC on 25 April 2019.*
4 *Mr Gwee Lian Kheng retired from his position as GCE with effect from 31 January 2019, and retired as Director at the AGM on 25 April 2019. Dr Pongsak Hoontrakul retired as Director at the AGM on 25 April 2019.*
5 *Mr Lee Chin Yong Francis was appointed as a Director on 2 January 2020.*

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REMUNERATION REPORT

The following table shows a breakdown (in percentage terms) of the remuneration of and details of share options granted to Directors and key management personnel for FY2019:

Name	Total remuneration $'000	Salary %	Bonuses %	Directors' fees[1] %	Share option grants[2] %	Defined contribution plans %	Others %	Total remuneration %	Share options granted[3] number
REMUNERATION OF DIRECTORS									
Wee Cho Yaw	154	–	–	100	–	–	–	100	–
Wee Ee Lim	107	–	–	100	–	–	–	100	–
Liam Wee Sin[4]	2,132	30	56	4	2	1	7	100	60,000
Low Weng Keong	142	–	–	100	–	–	–	100	–
Wee Sin Tho[5]	75	–	–	100	–	–	–	100	–
Tan Tiong Cheng	75	–	–	100	–	–	–	100	–
Poon Hon Thang Samuel	63	–	–	100	–	–	–	100	–
Wee Ee-chao	50	–	–	100	–	–	–	100	–
Sim Hwee Cher[4]	50	–	–	100	–	–	–	100	–
Gwee Lian Kheng[6]	148	72	–	17	–	5	6	100	–
Pongsak Hoontrakul[7]	31	–	–	100	–	–	–	100	–

Name	Salary %	Bonuses %	Directors' fees[1] %	Share option grants[2] %	Defined contribution plans %	Others %	Total remuneration %	Share options granted[3] number
REMUNERATION OF KEY MANAGEMENT PERSONNEL								
$500,000 to $750,000								
Lothar Wilhelm Nessmann[8] *Chief Executive Officer (Hotels), PPHG*	70	–	1	–	7	22	100	–
Foo Thiam Fong Wellington *Chief Financial Officer/Group Company Secretary, UOL*	59	24	3	6	1	7	100	54,000
Neo Soon Hup *Chief Operating Officer, PPHG*	70	16	3	4	3	4	100	32,000
Goh Hwee Peng Jesline *Chief Investment and Asset Officer, UOL*	62	24	1	5	3	5	100	42,000
$250,000 to $500,000								
Choe Peng Sum[9] *Chief Executive Officer, PPHG*	70	–	1	–	7	22	100	–

Notes:

1. *Directors' fees are subject to approval by the Shareholders at the relevant AGMs and include fees payable by subsidiaries.*
2. *Fair value of share options is estimated using the Trinomial Tree model at date of grant.*
3. *Refers to options granted on 8 March 2019 under the UOL 2012 Share Option Scheme to subscribe for ordinary shares in the capital of the Company. The options may be exercised at any time during the option period from 8 March 2020 to 7 March 2029 at the offer price of $6.59 per ordinary share.*
4. *Mr Liam Wee Sin and Mr Sim Hwee Cher were appointed as Directors at the AGM on 25 April 2019.*
5. *Mr Wee Sin Tho ceased to be a Director upon his demise on 29 February 2020.*
6. *Mr Gwee Lian Kheng retired as GCE on 31 January 2019 upon which he was paid a retirement benefit of $1,205,000. The value of the retirement benefit attributable to each financial year has been included in the total remuneration for that year. He retired as Director at the AGM on 25 April 2019 after 45 years of service.*
7. *Dr Pongsak Hoontrakul retired as Director at the AGM on 25 April 2019.*
8. *Mr Lothar Wilhelm Nessmann resigned with effect from 30 June 2019.*
9. *Mr Choe Peng Sum joined on 1 September 2019.*

Excluding the GCE, the Group has four key management personnel. Total remuneration paid to the key management personnel set out in the foregoing "Remuneration of Key Management Personnel" table amounted to $2,878,000 for FY2019.

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

Details of the UOL 2012 Share Option Scheme can be found under the "Directors' Statement" section of the Annual Report.

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

The remuneration of employees who are immediate family members of a Director, the GCE or a substantial shareholder of the Company for FY2019 are as follows:

(a) Remuneration band of $400,000 to $500,000
- Wee Wei Ling (Executive Director (Asset, Lifestyle and Corporate Social Responsibility), PPHG, daughter of Dr Wee Cho Yaw and sister of Mr Wee Ee-chao, Mr Wee Ee Lim and Mr Wee Ee Cheong)

(b) Remuneration band of $300,000 to $400,000
- Eu Zai Jie Jonathan (General Manager (Investment and Asset Management), UOL, grandson of Dr Wee Cho Yaw)[#]

(c) Remuneration band of $100,000 to $200,000
- Gwee Lian Chok (Senior SAP Data Administrator, UOL, brother of Mr Gwee Lian Kheng)

Except as disclosed above, there were no employees of the Company and its subsidiaries who are substantial shareholders of the Company, or are immediate family members of a Director, the GCE or a substantial shareholder of the Company, and whose remuneration exceeded $100,000 for FY2019.

The above remuneration report excludes those relating to the key management personnel of subsidiary United Industrial Corporation ("UIC") as UIC is separately listed and the relevant information can be found in UIC's annual report for the financial year ended 31 December 2019.

[#] *Mr Eu Zai Jie Jonathan ceased to be an employee of the Company with effect from 31 December 2019 and was appointed the Chief Operating Officer of UIC with effect from 1 January 2020.*

Investor Relations

UOL strives to build strong and long-term relationships with its stakeholders, which include shareholders, investors and the media. The Group's Investor Relations Policy, found on its corporate website (www.uol.com.sg), articulates the principles and channels used to communicate and engage with shareholders and the investment community.

OPEN COMMUNICATION CHANNELS

The UOL corporate website is a key resource for investors' information needs. It has a dedicated "Investors and Media" section, which contains all disclosures submitted to the Singapore Exchange Securities Trading Limited through SGXNET. They include the Group's financial results, investor presentations, annual and sustainability reports, media releases and other material announcements. Useful information such as UOL's shareholding statistics are also found in this section. In addition, investors can subscribe to email alerts on the corporate website. The Group's quarterly newsletter, UOL Channel (www.uol.com.sg/about-uol/uol-channel), is another platform to provide updates on its latest business developments and achievements.

ACTIVE ENGAGEMENT WITH THE INVESTMENT COMMUNITY

UOL maintains strong links with its shareholders and the investment community through regular two-way communication and active engagements, which include the Annual General Meeting (AGM), earnings calls, post-results luncheons, meetings and site visits to its showflats and commercial properties.

During the year, the Group's Management met with over 160 institutional shareholders and investors from various institutions such as banks, pension funds, insurance companies and asset managers, through various avenues such as meetings and investor conferences. Conferences which UOL participated in included SGX CGS-CIMB Real Estate Corporate Day, Macquarie ASEAN conference and ASEAN C-Suite conference hosted by Citibank.

UOL maintains a close relationship with 14 sell-side analysts that cover its stock.

RECOGNITION FOR BEST INDUSTRY PRACTICES

UOL is committed to best practices in corporate governance and investor relations, and for its efforts, the Group received the Corporate Excellence Award at the Asia Pacific Entrepreneurship Awards (APEA) Singapore and the Certificate for Excellence in Investor Relations by IR Magazine Awards South East Asia in 2019.

Institutional investors can learn about UOL's new residential projects through visits to its showflats.

SUSTAINED RETURNS TO SHAREHOLDERS

UOL's share price closed the year at $8.32, an increase of 34% from $6.19 in 2018, supported by the resilient performance of Singapore's residential sector despite the various property cooling measures implemented. In comparison, benchmark indices such as FTSE ST Real Estate Holding & Development Index and Straits Times Index recorded a smaller increase of 12% and 5% respectively.

UOL's share price traded at an average of $7.27, with the highest share price at $8.32 on 24, 26 and 31 December 2019 and the lowest share price at $6.00 on 3 January 2019.

Average daily turnover was around 1,201,369 and market capitalisation closed at $7.0 billion, an increase from $5.2 billion in 2018. Shareholders' funds increased to $10.0 billion, bringing net tangible asset per ordinary share to $11.86, a 5% increase from $11.27 in 2018.

As at 31 December 2019, UOL's issued share capital comprised 843.4 million ordinary shares of the Company, where the majority of the Group's shareholders were Singapore-based, with the remaining from North America, Asia (excluding Singapore), Europe and the rest of the world. UOL was ranked 101th out of a total 578 SGX-listed companies in the annual Singapore Governance and Transparency Index (SGTI) for 2019. The Group continued to remain a constituent of STI, as well as other indices such as iEdge SG ESG Indices, FTSE EPRA/NAREIT Developed Index, FTSE EPRA/NAREIT Developed Pure Asia Index and FTSE EPRA/NAREIT Singapore Index.

FINANCIAL CALENDAR	2019	2018
Announcement of first quarter results	10 May 2019	11 May 2018
Announcement of second quarter results	8 August 2019	3 August 2018
Announcement of third quarter results	12 November 2019	13 November 2018
Announcement of unaudited full year results	28 February 2020	26 February 2019
AGM	23 April 2020	25 April 2019
Record date	4 May 2020	6 May 2019
First & final dividend payment date	14 May 2020	15 May 2019

2019 SHARE PRICE PERFORMANCE (BASED ON CLOSING)

Sustainability

Sustainability is an integral part of UOL's business strategy to create sustainable growth and long-term value to its stakeholders. The Group was one of the first companies in Singapore to report on its environmental, social and governance (ESG) practices voluntarily. The annual sustainability report, which is available on its corporate website, covers UOL's core businesses of property development, property investments and hotel operations in Singapore, excluding those of listed UIC but including the common associated and joint venture companies of UOL Group and UIC.

As one of the leading organisations in ESG practices in Singapore, UOL has been a constituent member of iEdge SG ESG Leaders Index and iEdge SG ESG Transparency Index since 2016.

BOARD AND MANAGEMENT ROLES

The principal responsibilities of the Board include reviewing UOL's strategic business plans, taking into account ESG issues which could impact the business. The Board oversees the management of material sustainability issues and their performance indicators. The Board also approves the annual sustainability report.

The Sustainability Steering Committee comprises the Group Chief Executive, Chief Executive Officer (PPHG) and other members of the Senior Management team. It makes key decisions, including materiality assessment. The Sustainability Steering Committee is supported by the Sustainability Working Committee, which comprises representatives across departments including Corporate Communications & Investor Relations, Finance, Human Resource, Investment, Legal & Secretariat, Marketing, Project Development, Property & Engineering and the Group's hotel subsidiary PPHG.

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

MATERIALITY

The Group identifies issues that are pertinent to its businesses and significant to its stakeholders by reviewing its peers and the Global Reporting Initiative (GRI) framework, including the Construction and Real Estate Sector Supplement. The issues are prioritised according to the level of stakeholder concern and their impact on the Group's business. There are 12 key material issues that are considered in its business operations.

UOL'S MATERIAL ISSUES

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

● *Property* ● *Hospitality*

COMMITMENT TO STAKEHOLDERS

UOL's sustainability strategy is built upon its commitment to its key stakeholders. UOL regularly engages them through conversations and feedback, as understanding their expectations and needs is fundamental to the sustainability of the Group's business. Stakeholders are also kept updated on the Group's sustainability initiatives through the annual sustainability reports and corporate website. During the year, an external consultant was appointed to engage key stakeholders including guests, tenants, business partners, regulators and investors to review and determine the ESG issues that were most material to the Group. The survey results revealed that UOL's 12 material issues remained important and

UOL'S COMMITMENT TO STAKEHOLDERS

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

relevant. The Board and Management also reviewed the survey results and agreed that the 12 material issues continued to be the Group's key issues of interest.

HUMAN CAPITAL

In 2019, the Group had close to 1,900 employees in Singapore, with about 86% employed in PPHG, its hotel subsidiary.

People are at the heart of the Group's success. It is important for the Group to keep its employees engaged and motivated. There are planned training and development opportunities, as well as competitive remuneration and benefits packages to attract, develop and retain talent. Core managerial skills are being refreshed through training, and the current and future leadership teams of UOL are being coached to develop a high-performance team. UOL is also active in the selective recruitment of talents to bolster their professional and managerial ranks. In addition, UOL partners tertiary institutions and provides internship opportunities for students, so that they can see the Company as the employer of choice.

The Group is committed to a fair and inclusive work environment, especially for its diverse employees within the hospitality group. It advocates gender diversity with men and women making up about 52% and 48% respectively of its workforce. PPHG is a pioneer of inclusive hiring in Singapore's hospitality sector, where it collaborates with community partners such as SG Enable to offer students with special needs internships and employment at its hotels. In 2019, PPHG hosted its second biennial inclusion seminar, co-organised with UOB and SG Enable, and supported by the Ministry of Social & Family Development and Ministry of Manpower. Close to 250 senior executives from the private and non-profit sectors attended the event. PPHG also engaged the University of Washington to conduct a study to find out the impact of inclusive hiring on its workforce and performance. For its inclusive hiring practices, its hotel subsidiary PPHG was recognised at the 5th Enabling Employers Awards 2019 and PPHG's Executive Director (Asset, Lifestyle & Corporate Social Responsibility) Wee Wei Ling was named Enabling Champion.

Beyond work, the Group supports work-life balance and maintains a family-friendly work environment. Health checks, physical fitness activities and lunch time health talks are organised for employees to promote their well-being.

Sustainability

PRODUCT AND SERVICE QUALITY

UOL's strong track record in quality design and green architecture is recognised through the years with the numerous awards and accolades received.

In 2019, UOL was recognised as the best developer at the PropertyGuru Asia Property Awards Grand Final and Singapore Excellence Awards by EdgeProp. At the PropertyGuru Asia Property Awards Grand Final, MEYER HOUSE was the Regional Winner for both Best Low Rise Condo Interior Design (Asia) and Best Condo Landscape Architectural Design (Asia) categories. At the Singapore Excellence Awards, The Clement Canopy clinched Innovation Excellence Award, Residential (Completed) and Landscape Excellence Award (Developer & Architect), Residential (Completed), while Principal Garden won Top Development Award, Residential (Completed). The latter also clinched an accolade at the FIABCI Singapore Property Awards 2019 in the Residential (Mid-Rise) Category.

On the hospitality front, PPHG is widely recognised for its service excellence. It was named Best Regional Hotel Chain by TTG Travel Awards 2019 and Travel Weekly Asia Readers' Choice Awards 2019. PARKROYAL Saigon was Country Winner in the Luxury Airport Hotel category at the World Luxury Hotel Awards 2019 and was recognised as Vietnam's Top 10 4-Star Hotel Award by the Ministry of Tourism in Vietnam. For the third consecutive year, PARKROYAL Darling Harbour in Sydney won Best Upscale Hotel at the 2019 HM Awards for Hotel and Accommodation Excellence.

ENVIRONMENT

As a leading developer in Singapore, UOL recognises the impact of the property and building sector on the environment. Managing carbon footprint is part of the Group's environmental responsibility in response to climate change concerns. There are environmental policies, management systems and targets developed for its property and hospitality businesses. Its property business is also ISO 14001 certified for its environmental management system.

In 2019, UOL reviewed and revised its 2020 environmental targets for commercial properties as they exceeded the energy and water intensities reduction targets of 16% and 10% respectively (with 2010 as the base year) by nearly two years in advance. New targets were set to achieve 25% reduction for energy intensity and 30% reduction for water intensity by 2030 (with 2010 as the base year). The hospitality business also met its 2020 water intensity reduction target of 25% almost two years in advance (with 2013 as the base year), and it has been on track to meet its long-term energy intensity reduction target of 27% by 2020 (with 2013 as the base year). As such, new targets were set for the hospitality business to achieve 28% reduction for water intensity and 30% reduction for energy intensity by 2030 (with 2013 as the base year). Retrofitting works have started at United Square and Odeon Towers to achieve Green Mark certification for existing buildings by the Building and Construction Authority.

The Group is committed to incorporating green design into its development projects, which not only improves the aesthetics of properties and well-being of the users, but also reduces environmental impact. Since it opened in 2013, PARKROYAL COLLECTION Pickering has been winning prestigious accolades across the globe, placing it as a leading green hotel. In Singapore, it won the Leadership in Sustainable Design & Performance (Commercial) Award at the SGBC-BCA Sustainability Leadership Awards 2019. Internationally, the hotel was recognised as one of the 50 Most Influential Buildings of the Last 50 Years by the Council on Tall Buildings and Urban Habitat. PARKROYAL COLLECTION Marina Bay will also be transformed into a "garden in a hotel" with eco-friendly practices and a focus on well-being. The new-built Pan Pacific Orchard along Orchard Road will be another iconic green hotel when it opens in 2021.

Artist's impression of Pan Pacific Orchard, which will feature three levels of experiential sky gardens.

HEALTH AND SAFETY

UOL strives to provide a healthy and safe environment for its employees, customers, tenants, suppliers and contractors. All main contractors engaged for its development projects are to be OHSAS 18001 certified or equivalent. Incidents on the Group's premises are reported to the property or hotel management, and the priority is to assist the injured, investigate these incidents and come up with remedial actions.

COMMUNITY

UOL's community efforts are focused on children, youth, education, sports and the arts. Its initiatives include cash donations, in-kind donations and staff volunteerism.

In 2019, UOL established the UOL Group - SUTD Scholarship with the Singapore University of Technology and Design (SUTD) to support the Architecture and Sustainable Design degree programme. The Group also supported needy SUTD students through bursaries.

UOL has been sponsoring a therapy horse at Riding for the Disabled Association of Singapore since 2017 to help people with physical and mental disabilities. In 2019, it extended support by sponsoring a group of children with special needs for their riding therapy.

Besides helping the disadvantaged, the culture of volunteerism is encouraged among employees. During the year, three staff volunteering activities were organised for the beneficiaries from Care Corner Student Care Centre, National Library Board's kidsREAD programme and AWWA Senior Community Home.

For its support of the local arts scene, UOL received the Friend of the Arts Award at the Patron of the Arts Awards 2019 presented by the National Arts Council. UOL sponsored a marble sculpture at Gardens by the Bay for five years, and has been a long-term supporter of Very Special Arts (VSA), which seeks to create and provide access and opportunities for people with disabilities through the arts. Apart from its residential showflats, the Group also displays artworks in its hotels, and in 2019, an art book was published by PPHG to feature some of these artworks. The book showcases 170 artworks by 85 artists, including works from Singapore's Cultural Medallion recipients. PPHG was also a venue sponsor for a series of art exhibitions held by VSA at Pan Pacific Singapore.

UOL also forged new partnership with the Asian Civilisations Museum (ACM) to support its Saturdays@ACM and Weekends with ACM, a family-friendly programme held at ACM and UOL premises, for three years. For this, UOL would be receiving the Patron of Heritage Awards 2019 by the National Heritage Board in May 2020.

Various artists including Cultural Medallion recipient Iskandar Jalil (foreground, left) attended the launch of the art book The Art of the Journey, which was graced by Dr Mohamad Maliki Osman (right), Senior Minister of State and Minister of Defence and Foreign Affairs and accompanied by PPHG Executive Director (Asset, Lifestyle & Corporate Social Responsibility) Wee Wei Ling (fourth from right).

Geographical Presence

REGIONAL

MIXED DEVELOPMENTS

CHINA
The Esplanade (海河华鼎), Tianjin[1]
Park Eleven (沁和园), Shanghai[2]

UNITED KINGDOM
One Bishopsgate Plaza, London[3]
110 High Holborn, London[4]
120 Holborn Island, London[5]

OFFICE

AUSTRALIA
72 Christie Street, Sydney

HOTELS/SERVICED SUITES

AUSTRALIA
Pan Pacific Perth
Pan Pacific Melbourne
PARKROYAL Darling Harbour
PARKROYAL Melbourne Airport
PARKROYAL Parramatta

MALAYSIA
Pan Pacific Serviced Suites Kuala Lumpur[6]
PARKROYAL Kuala Lumpur
PARKROYAL Serviced Suites Kuala Lumpur
PARKROYAL Penang
Pan Pacific Serviced Suites Puteri Harbour[7]
PARKROYAL A'Famosa Melaka Resort[6]
PARKROYAL Langkawi Resort[6]

CHINA
Pan Pacific Tianjin
Pan Pacific Xiamen
Pan Pacific Suzhou
Pan Pacific Beijing
Pan Pacific Ningbo
Pan Pacific Serviced Suites Ningbo
The Westin Tianjin[8]
Tianjin Yanyuan International Grand Hotel[9]
PARKROYAL Dalian[7]

VIETNAM
Pan Pacific Hanoi[10]
PARKROYAL Saigon
PARKROYAL Serviced Suites Hanoi[7]
Sofitel Saigon Plaza[8]

MYANMAR
PARKROYAL Yangon
Pan Pacific Yangon[11]
PARKROYAL Nay Pyi Taw

UNITED KINGDOM
Pan Pacific London[7]

INDONESIA
Pan Pacific Serviced Suites Jakarta[6]
Pan Pacific Jakarta[12]
PARKROYAL Serviced Suites Jakarta[12]
PARKROYAL Jakarta[12]
PARKROYAL Rainbow Hills Bogor Resort[7]

THAILAND
PARKROYAL Suites Bangkok[7]

BANGLADESH
Pan Pacific Sonargaon Dhaka

CAMBODIA
PARKROYAL Siem Reap[12]

JAPAN
Pan Pacific Partner Hotel - Cerulean Tower Tokyu Hotel

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

SINGAPORE

RESIDENTIAL

1. The Clement Canopy[10]
2. Amber45
3. The Tre Ver[10]
4. V on Shenton[13]
5. Mon Jervois[13]
6. Avenue South Residence[14]
7. MEYER HOUSE[13]
8. Clementi Avenue 1 site[15]

RETAIL MALLS

9. United Square
10. Velocity@Novena Square[16]
11. KINEX
12. West Mall[13]
13. Marina Square shopping mall[17]

OFFICES

14. United Square
15. Novena Square[16]
16. Odeon Towers
17. Faber House
18. One Upper Pickering
19. UIC Building[13]
20. Stamford Court[13]
21. Clifford Centre[13]
22. The Gateway[13]
23. Singapore Land Tower[13]
24. SGX Centre 2[13]
25. Abacus Plaza and Tampines Plaza[13]
26. 333 North Bridge Road

HOTELS/SERVICED SUITES

27. Pan Pacific Orchard[6]
28. Pan Pacific Singapore[17]
29. Pan Pacific Serviced Suites Beach Road
30. Pan Pacific Serviced Suites Orchard
31. PARKROYAL on Beach Road
32. PARKROYAL on Kitchener Road
33. PARKROYAL Serviced Suites, Singapore
34. PARKROYAL COLLECTION Marina Bay[18]
35. PARKROYAL COLLECTION Pickering
36. Mandarin Oriental[19]

LEGEND

- Owned by the Group
- Partially owned by the Group
- Managed hotels
- Marketing Partnership

1. Comprises residential units, offices, retail space and Pan Pacific Tianjin.
2. 55% stake, comprises Park Eleven and Park Eleven Mall.
3. Comprises The Sky Residences, Pan Pacific London and a commercial component.
4. Comprises offices and retail space.
5. 75% stake, comprises offices and retail space.
6. Opening in 2021.
7. Opening in 2020.
8. 26% stake.
9. 18% stake.
10. 75% stake.
11. 40% stake.
12. Opening in 2023.
13. 50% stake.
14. 65% stake.
15. 90% stake.
16. 70% stake.
17. 61% stake.
18. 71% stake.
19. 31% stake.

Property Summary

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)	Car Park Facilities	2019 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP								
FABER HOUSE 230 Orchard Road, Singapore 12-storey office building (excluding first storey which was sold)	1973	–	Freehold	3,956	48	98	106.0	100
ODEON TOWERS 331 North Bridge Road, Singapore 23-storey commercial building with 3 basement levels and a 2-storey podium block	1992 & 2003	–	999-year lease from 1827	18,355	167	82	484.0	100
333 NORTH BRIDGE ROAD (formerly KH KEA Building) 333 North Bridge Road, Singapore a 9-storey commercial building with basement	–	2019	999-year lease from 1827	2,051	6	89	82.0	100
UNITED SQUARE 101 Thomson Road, Singapore Retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks								
Shops	1982 & 2002	1987	Freehold	19,520	658	97	1,116.0	100
Offices	1982			26,856		94		
NOVENA SQUARE 238/A/B Thomson Road, Singapore A commercial building above the Novena MRT station, comprising 2 blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks (excluding #01-38 which was sold)								
Shops	2000 & 2006	–	99-year lease from 1997	15,856	491	95	1,421.0	70
Offices	2000			41,627		96		
KINEX 11 Tanjong Katong Road, Singapore 3-storey commercial podium with a basement located within a commercial/residential development	2014	2011	Freehold	18,811	278	83	392.0	100
STAMFORD COURT 61 Stamford Road, Singapore A 4-storey commercial building of shops and offices	1996	–	99-year lease from 1994	5,990 #	36	94	97.5	50

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)	Car Park Facilities	2019 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP (continued)								
WEST MALL 1 Bukit Batok Central Link, Singapore A 5-storey retail and entertainment complex with three basements of car parking space	1998	–	99-year lease from 1995	17,042 #	314	99	401.0	50
SINGAPORE LAND TOWER 50 Raffles Place, Singapore A 47-storey complex of banks and offices and three basements of car parking space	1982	–	999-year lease from 1826	57,500 #	288	96	1,630.0	50
SGX CENTRE 2 4 Shenton Way, Singapore A 29-storey office building with two basements of car parking space	2001	–	99-year lease from 1995	25,800 # inclusive of 3,336 sqm in SGX Centre 1	136	99	542.0 (UIC Group's interest in SGX Centre 1 & 2)	50
CLIFFORD CENTRE 24 Raffles Place, Singapore A 29-storey complex of shops and offices	1977	–	999-year lease from 1826	25,470 #	268	94	577.0	50
THE GATEWAY 152 Beach Rd, Singapore A pair of 37-storey towers with two basements of car parking space	1990	–	99-year lease from 1982	69,803 #	689	93	1,150.0	50
ABACUS PLAZA AND TAMPINES PLAZA 3 Tampines Central 1 and 5 Tampines Central 1, Singapore A pair of 8-storey office buildings with two basements of car parking space								
Abacus Plaza	1998	–	99-year lease from 1996	8,397 #	87	83	100.0	50
Tampines Plaza				8,397 #	79	93	98.0	
MARINA SQUARE SHOPPING MALL 6 Raffles Boulevard, Singapore The 5-storey retail mall (including basement) is part of a mixed development that includes 3 hotels	1986	–	99-year lease from 1980	73,089 #	1,990 (shared with 3 hotels)	87	1,070.0	61
UIC BUILDING 5 Shenton Way, Singapore Part of a mixed development (residential and commercial) with the residential component, V on Shenton	2017	–	99-year lease from 2011	26,373 #	591 (for the whole development)	100	688.0	50

Property Summary

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/# Net Floor* Gross Floor Area (sqm)	Car Park Facilities	2019 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP (continued)								
THE PLAZA 7500 Beach Road, Singapore Retained interests in a 32-storey tower block comprising restaurants, function rooms, shops, offices and serviced suites, and a 15-storey Pan Pacific Serviced Suites Beach Road above the existing carpark block								
Shops & Offices	1974 & 1979	–		4,311		96	72.9	100
PARKROYAL SERVICED SUITES, SINGAPORE 90 serviced suites and 1 owner-occupied apartment	1979	–	99-year lease from 1968	6,125 & 165 respectively	449	86	81.0	100
PAN PACIFIC SERVICED SUITES BEACH ROAD, SINGAPORE 180 serviced suites	2013	–		8,260		89	136.0	100
ONE UPPER PICKERING 1 Upper Pickering Street, Singapore 15-storey office building with a roof terrace within a hotel and office development	2012	–	99-year lease from 2008	8,089	51	100	215.0	100
THE ESPLANADE (海河华鼎) No. 1, Zhang Zi Zhong Road, Hong Qiao District, Tianjin, The People's Republic of China 3-storey retail mall with basement carparks within a commercial/residential development	2014	2007	40-year lease from 2007	7,115	513	73	59.3	100
110 HIGH HOLBORN Midtown, London, WC1V 6JS, United Kingdom A retail-cum-office building comprising basement and 1st storey retail space and a 9-storey office block with basement carpark								
Shops	–	2016	Part freehold and part 999-leasehold from 1999	2,792	10	100	193.9	100
Offices				7,930		78		

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)	Car Park Facilities	2019 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP (continued)								
120 HOLBORN ISLAND Midtown, London, EC1N 2TD, United Kingdom Comprises 120 Holborn, an office building with retail units, a gym and club/restaurant on part basement, ground floor and mezzanine level with nine upper floors of office, and 100 Hatton Garden, which has retail units and two floors of offices								
Shops	–	2016	Freehold	12,917	34	99	472.0	75
Offices				19,226		98		
72 CHRISTIE STREET 72 Christie Street, St Leonards Sydney, New South Wales 2065, Australia 8-storey office building with 4 floors of basement parking	–	2018	Freehold	11,259	222	85	152.1	100
PARK ELEVEN (沁和园) No. 382, Danba Road, Putuo District, Shanghai The People's Republic of China 3 storey retail podium with basement carpark	2018	2011	70-year lease from 2011	3,837	77	67^	51.7	55
PAN PACIFIC SERVICED SUITES ORCHARD, SINGAPORE 96 Somerset Road, Singapore 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark	2008 (redeveloped)	1979	Freehold	8,821	40	82	159.0	100
PARKROYAL SERVICED SUITES KUALA LUMPUR No. 1 Jalan Nagasari, Off Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia 31-storey serviced suite with 287 units and a carpark	2010	2005	Freehold	19,005	290	73	70.3	100

^ Committed occupancy as at 31 December 2019.

Property Summary

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)	Car Park Facilities	2019 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
HOTELS OWNED AND MANAGED BY THE GROUP								
PARKROYAL ON BEACH ROAD 7500C Beach Road, Singapore 7-storey hotel building with 346 rooms	1971 & 1979	–	99-year lease from 1968	22,047 *	35	84	238.0	100
PARKROYAL ON KITCHENER ROAD 181 Kitchener Road, Singapore Comprising a 5-storey podium with a basement and a 16-storey Y-shaped tower with 532 rooms	1976 & 1981	1989	Freehold	37,800	263	79	441.0	100
PARKROYAL COLLECTION PICKERING (formerly PARKROYAL on Pickering) 3 Upper Pickering Street, Singapore 16-storey hotel building with 367 rooms	2012	–	99-year lease from 2008	21,175 *	53	86	508.0	100
PAN PACIFIC SINGAPORE 7 Raffles Boulevard, Singapore 790 rooms in a 38-storey hotel building with a basement level	1986	–	99-year lease from 1980	83,384 *	–	83	871.0	61
PAN PACIFIC XIAMEN 19 Hubin Bei Road, Xiamen The People's Republic of China Comprising two towers of 19-storey and 29-storey with 329 hotel rooms and 25 serviced apartments, including a two-storey basement carpark	2005 (redeveloped)	2001	70-year lease from 1991	39,004 *	76	70	44.6	100
PAN PACIFIC TIANJIN No.1 Zhang Zi Zhong Road, Hong Qiao District, Tianjin, The People's Republic of China Hotel with 289 rooms and 30 serviced apartments	2014	2007	40-year lease from 2007	40,132 *	176	75	81.2	100
PARKROYAL SAIGON 309B-311 Nguyen Van Troi Street, Tan Binh District, Ho Chi Minh City, Vietnam Comprising 186 rooms in a 10-storey hotel building with a 9-storey extension wing and a 6-storey annex office building	1997	–	49-year lease from 1994	12,165 *	25	74	26.4	100
PARKROYAL YANGON 33 Alan Pya Phaya Road, Dagon Township, Yangon, Myanmar 8-storey V-shaped tower with 319 hotel rooms and 23 serviced suites	1997	2001	50-year lease from 1998 (with an option to extend for 2 consecutive terms of 10 years each with the approval of Myanmar Investment Commission)	17,700 *	81	52	36.6	100

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)		Car Park Facilities	2019 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
HOTELS OWNED AND MANAGED BY THE GROUP (continued)									
PARKROYAL KUALA LUMPUR AND PRESIDENT HOUSE Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia Comprising a 23-storey tower with a 6-storey podium, the 426-room hotel occupies the tower and part of the podium and a parcel of commercial land under development into a 24-storey serviced suites building									
Hotel and President House	1974 & 2008	1999	Freehold	56,707	*	104	83	77.2	100
24-storey 210 serviced suites under development to be operated as Pan Pacific Serviced Suites Kuala Lumpur			Leasehold, expiring in 2080	18,901	*	–	–	21.4	
PARKROYAL PENANG RESORT Batu Ferringhi Beach, 11100 Penang, Malaysia 310-room 8-storey beachfront resort hotel	1990	1999	Freehold	31,502	*	149	73	63.3	100
PARKROYAL DARLING HARBOUR, SYDNEY 150 Day Street, Sydney, Australia 13-level hotel with 340 rooms	1991	1993	Freehold	24,126	*	58	86	168.0	100
PARKROYAL MELBOURNE AIRPORT Arrival Drive, Melbourne Airport, Tullamarine, Victoria, Australia 6-level hotel with 276 rooms	2001	2011	Leasehold, expiring in 2047 (with an option to extend for a further 49 years subject to renewal of head lease	20,584	*	–	91	112.2	100
PAN PACIFIC MELBOURNE 2 Convention Centre Place, South Wharf, Victoria, Australia 20-level hotel with 396 rooms	2009	2017	99-year lease from 2009	30,668	*	–	84	223.4	100
PARKROYAL PARRAMATTA 30 Phillip Street, Parramatta, New South Wales, Australia A 286-room hotel in a 15-level hotel building with a 8-storey extension wing	1986	1994	Freehold	19,798	*	150	76	77.5	100
PAN PACIFIC PERTH 207 Adelaide Terrace Perth, Australia Comprising 486 rooms in a 23-storey hotel tower and a 4-level extension wing	1973	1995	Freehold	31,513	*	220	84	92.0	100

Property Summary

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Net Floor# Gross Floor* Area (sqm)		Car Park Facilities	2019 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
HOTELS OWNED AND MANAGED BY THE GROUP (continued)									
PAN PACIFIC HANOI 1 Thanh Nien Road, Ba Dinh District, Hanoi, Vietnam 10000 20-storey hotel with 270 rooms and 54 serviced apartments	1998	2001	48-year lease from 1993	39,250	*	45	83	86.0	75
PARKROYAL COLLECTION MARINA BAY (formerly Marina Mandarin Singapore) 6 Raffles Boulevard, Singapore 575 rooms in a 22-storey hotel building with a basement level	1986	-	99-year lease from 1980	56,801	*	-	82	725.0	71
HOTELS OWNED BY THE GROUP AND MANAGED BY THIRD PARTIES									
THE WESTIN TIANJIN 101 Nanjing Road, Heping District, Tianjin The People's Republic of China 275 rooms located in B3 to 20th floor of a 41-storey building	2009	–	50-year lease from 2005	39,495	*	–	77	153.6	26
OTHER PROPERTIES OWNED BY THE GROUP									
EUNOS WAREHOUSE COMPLEX 1 Kaki Bukit Road 2, Singapore Retained interests in 3 units of a 4-storey flatted warehouse	1983	–	60-year lease from 1982	1,295		–	–	3.0	100
THE PLAZA 7500A Beach Road, Singapore Owner-occupied corporate office and lobby	1979	–	99-year lease from 1968	1,824		–	–	22.5	100
CHINATOWN POINT 133 New Bridge Road, Singapore Owner-occupied back office for PARKROYAL on Pickering	1980	2008	99-year lease from 1980	223		–	–	4.6	100

	Purchased	Tenure of Land	Approximate Gross Floor Area (sqm)	Stage of Completion as at 31.12.2019 %	Expected Completion	Effective Percentage of Interest %
PROPERTIES UNDER CONSTRUCTION						
ONE BISHOPSGATE PLAZA London, EC2M 4HX, United Kingdom Hotel with proposed 237 rooms Proposed 160 units of residential apartments Commercial component	2014	Freehold	29,071 20,745 3,586	74	4th Quarter 2020	100
PAN PACIFIC ORCHARD 10 Claymore Road, Singapore New 23-storey Hotel with proposed 347 rooms	2006	Freehold	19,625	19	4th Quarter 2021	100
PARKROYAL Serviced Suites Jakarta Situated within Tower 2 of Thamrin Nine, an integrated development located on Jalan MH Thamrin, Jakarta Pusat, Indonesia Serviced Suites with proposed 180 rooms	2018	30-year lease from 2014	16,667	40	1st Quarter 2023	100

	Type of Development	Tenure of Land	Approximate Gross Floor Area (sqm)	Site Area (sqm)	Sales Status as at 31.12.2019 %	Stage of Completion as at 31.12.2019 %	Expected Completion	Effective Percentage of Interest %
PROPERTIES FOR SALE UNDER DEVELOPMENT								
AMBER45 Amber Road 139 units of condominium apartments	Residential	Freehold	14,992	6,490	80	80	3rd Quarter 2020	100
THE TRE VER Potong Pasir Avenue 1 729 units of condominium apartments	Residential	99-year leasehold commencing 27.3.2018	52,391	18,711	78	20	4th Quarter 2021	75
AVENUE SOUTH RESIDENCE Silat Avenue 1,074 units of condominium apartments	Residential	99-year leasehold commencing 14.8.2018	92,876	22,852	22	15	2nd Quarter 2022	65
CLEMENTI AVENUE 1 Clementi Avenue 1 640 units of condominium apartments	Residential	99-year leasehold commencing 7.10.2019	57,900	16,543	–	–	4th Quarter 2023	90

Simplified Group Financial Position

TOTAL ASSETS OWNED

	2019 $m	2018 (restated) $m	2019 %	2018 (restated) %
Property, plant and equipment	**2,870**	2,808	**14**	14
Investment properties	**11,594**	11,264	**56**	55
Financial assets, at fair value through other comprehensive income	**1,190**	1,076	**6**	5
Associated and joint venture companies	**385**	373	**2**	2
Development properties	**3,305**	3,626	**16**	17
Other assets and cash	**1,310**	1,473	**6**	7
	20,654	20,620	**100**	100

TOTAL LIABILITIES OWED AND CAPITAL INVESTED

	2019 $m	2018 (restated) $m	2019 %	2018 (restated) %
Shareholders' funds	**10,047**	9,621	**48**	46
Non-controlling interests	**4,287**	4,813	**21**	23
Borrowings	**4,952**	4,710	**24**	23
Trade and other payables	**886**	1,003	**4**	5
Deferred income tax liabilities	**332**	357	**2**	2
Other liabilities	**150**	116	**1**	1
	20,654	20,620	**100**	100

Five-Year Financial Summary

	2019 $'000	2018 (restated) $'000	2017 $'000	2016 $'000	2015 $'000
Group Revenue					
Property development	**847,057**	989,344	1,166,729	733,934	577,496
Hotel operations	**653,703**	678,655	526,221	429,613	419,417
Property investments	**551,734**	541,012	338,284	225,038	219,391
Investments	**55,240**	48,213	29,768	30,181	42,289
Management services and technologies	**175,607**	140,119	53,369	21,973	20,156
	2,283,341	2,397,343	2,114,371	1,440,739	1,278,749
Group Income Statement					
Property development	**132,105**	156,356	129,078	52,256	54,486
Property investments	**385,226**	377,970	218,001	151,242	144,717
Hotel operations	**73,662**	78,623	40,540	50,774	51,935
Investments	**55,265**	47,677	29,542	30,152	42,254
Management services and technologies	**17,139**	13,050	13,512	9,966	13,181
	663,397	673,676	430,673	294,390	306,573
Unallocated costs	**(25,156)**	(25,279)	(18,086)	(14,549)	(15,111)
Profit from operations	**638,241**	648,397	412,587	279,841	291,462
Finance income	**12,128**	13,936	11,666	5,406	6,039
Finance expense	**(116,528)**	(93,097)	(37,942)	(30,292)	(41,664)
Share of profit of associated companies excluding fair value gains/(losses) of associated companies' investment properties	**6,019**	5,442	107,099	131,993	126,633
Share of (loss)/profit of joint venture companies excluding other losses and fair value gains on a joint venture company's investment property	**(3,770)**	(2,837)	11,605	4,256	29,117
Profit before fair value and other gains/(losses) and income tax	**536,090**	571,841	505,015	391,204	411,587
Other losses of a joint venture company	**-**	-	-	(3,169)	-
Other gains/(losses) of the Group	**28,124**	(34,418)	518,149	(23,275)	(22,036)
Fair value (losses)/gains on associated and joint venture companies' investment properties	**-**	**-**	(1,094)	(1,144)	9,920
Fair value gains/(losses) on the Group's investment properties	**220,331**	149,279	15,593	(9,700)	60,902
Profit before income tax	**784,545**	686,702	1,037,663	353,916	460,373
Profit attributable to equity holders of the Company	**478,817**	418,304	880,239	287,040	391,389

Five-Year Financial Summary

	2019 $'000	2018 (restated) $'000	2017 $'000	2016 $'000	2015 $'000
Group Statement of Financial Position					
Property, plant and equipment	**2,869,771**	2,807,688	2,856,164	1,165,536	1,178,534
Investment properties	**11,593,671**	11,264,120	10,917,340	4,299,597	4,134,897
Associated companies, joint venture companies, receivables and other assets (non-current)	**441,797**	411,718	380,943	3,616,561	3,379,329
Financial assets, at fair value through other comprehensive income	**1,189,755**	1,075,536	1,131,702	855,051	804,872
Intangibles	**43,969**	122,691	180,951	24,361	23,336
Deferred tax assets	**33,334**	1,931	1,005	3,904	4,702
Net current assets (excluding borrowings)	**3,663,450**	4,026,483	3,127,239	1,339,306	1,695,501
Non-current liabilities (excluding borrowings)	**(549,874)**	(566,703)	(594,553)	(259,509)	(250,018)
	19,285,873	19,143,464	18,000,791	11,044,807	10,971,153
Share capital	**1,560,918**	1,556,201	1,549,744	1,269,853	1,216,099
Reserves	**8,486,562**	8,064,850	7,901,389	6,857,301	6,678,076
Interests of the shareholders	**10,047,480**	9,621,051	9,451,133	8,127,154	7,894,175
Non-controlling interests	**4,286,809**	4,812,597	4,702,674	508,210	506,941
Borrowings	**4,951,584**	4,709,816	3,846,984	2,409,443	2,570,037
	19,285,873	19,143,464	18,000,791	11,044,807	10,971,153

FINANCIAL RATIOS					
Basic earnings per ordinary share* (cents)	**56.79**	49.66	107.50	35.82	49.39
Gross dividend declared ($'000)	**147,598**	147,543	147,418	120,716	119,416
Gross dividend declared					
First and final (cents)	**17.5**	17.5	17.5	15.0	15.0
Cover (times)	**3.2**	2.8	6.0	2.4	3.3
Net tangible asset backing per ordinary share ($)					
Before accounting for surplus on revaluation of hotel properties	**11.86**	11.27	11.01	10.07	9.89
After accounting for surplus on revaluation of hotel properties	**13.74**	12.83	12.34	11.30	11.05
Gearing ratio	**0.30**	0.28	0.21	0.24	0.27

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

Segmental Performance Analysis

TOTAL REVENUE BY BUSINESS SEGMENTS

	2019		2018	
	$'000	%	$'000	%
Property development	**847,057**	**37.1**	989,344	41.3
Hotel operations	**653,703**	**28.6**	678,655	28.3
Property investments	**551,734**	**24.2**	541,012	22.6
Investments	**55,240**	**2.4**	48,213	2.0
Management services & technologies	**175,607**	**7.7**	140,119	5.8
	2,283,341	**100.0**	2,397,343	100.0

ADJUSTED EBITDA* BY BUSINESS SEGMENTS

	2019		2018 (restated)	
	$'000	%	$'000	%
Property development	**204,830**	**23.9**	209,730	24.6
Property investments	**390,127**	**45.6**	381,906	44.8
Hotel operations	**185,616**	**21.7**	197,341	23.1
Investments	**55,331**	**6.4**	47,951	5.6
Management services & technologies	**20,395**	**2.4**	15,758	1.9
	856,299	**100.0**	852,686	100.0

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

TOTAL ASSETS BY BUSINESS SEGMENTS

	2019		2018 (restated)	
	$'000	%	$'000	%
Property development	**4,209,021**	**20.4**	4,957,699	24.0
Property investments	**11,636,942**	**56.3**	11,136,140	54.0
Hotel operations	**3,418,587**	**16.5**	3,349,357	16.2
Investments	**1,178,455**	**5.7**	1,074,006	5.2
Management services & technologies	**115,490**	**0.6**	88,055	0.5
	20,558,495	**99.5**	20,605,257	99.9
Unallocated assets	**95,279**	**0.5**	15,102	0.1
	20,653,774	**100.0**	20,620,359	100.0

Segmental Performance Analysis

TOTAL REVENUE BY GEOGRAPHICAL SEGMENTS

	2019		2018	
	$'000	**%**	$'000	%
Singapore	**1,586,542**	**69.5**	1,925,900	80.3
Australia	**156,615**	**6.9**	158,800	6.6
The People's Republic of China	**413,686**	**18.1**	187,969	7.8
Malaysia	**45,039**	**2.0**	44,684	1.9
Vietnam	**32,811**	**1.4**	30,006	1.3
United Kingdom	**32,337**	**1.4**	33,795	1.4
Myanmar	**13,254**	**0.6**	13,103	0.6
Others	**3,057**	**0.1**	3,086	0.1
	2,283,341	**100.0**	2,397,343	100.0

ADJUSTED EBITDA* BY GEOGRAPHICAL SEGMENTS

	2019		2018 (restated)	
	$'000	**%**	$'000	%
Singapore	**635,823**	**74.3**	721,332	84.6
The People's Republic of China	**126,895**	**14.8**	41,282	4.8
Australia	**41,498**	**4.9**	37,876	4.5
United Kingdom	**28,650**	**3.3**	29,937	3.5
Vietnam	**12,402**	**1.5**	11,357	1.3
Malaysia	**9,781**	**1.1**	10,172	1.2
Myanmar	**(441)**	**(0.1)**	(812)	(0.1)
Others	**1,691**	**0.2**	1,542	0.2
	856,299	**100.0**	852,686	100.0

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

TOTAL ASSETS BY GEOGRAPHICAL SEGMENTS

	2019		2018 (restated)	
	$'000	**%**	$'000	%
Singapore	**17,333,433**	**83.9**	17,302,233	83.9
The People's Republic of China	**1,093,661**	**5.3**	1,378,752	6.7
United Kingdom	**1,270,646**	**6.2**	977,487	4.7
Australia	**634,652**	**3.1**	638,308	3.1
Malaysia	**171,235**	**0.8**	169,506	0.8
Vietnam	**42,081**	**0.2**	44,339	0.2
Myanmar	**62,374**	**0.3**	73,454	0.4
Others	**45,692**	**0.2**	36,280	0.2
	20,653,774	**100.0**	20,620,359	100.0

Value-Added Statement

	2019 $'000	2018 (restated) $'000
Sales of goods and services	**2,228,101**	2,349,130
Purchase of materials and services	**(1,324,164)**	(1,413,798)
Gross value added	**903,937**	935,332
Share of profit of associated companies	**6,019**	5,442
Share of loss of joint venture companies	**(3,770)**	(2,837)
Income from investments and interest	**67,368**	62,149
Other gains/(losses)	**28,124**	(34,418)
Fair value gains on investment properties	**220,331**	149,279
Currency exchange differences	**(4,561)**	(699)
Total Value Added	**1,217,448**	1,114,248
Distribution of Value Added:		
To employees and directors		
Employees' salaries, wages and benefits	**288,949**	291,427
Directors' remuneration	**3,023**	3,364
	291,972	294,791
To government		
Corporate and property taxes	**161,896**	151,853
To providers of capital		
Interest expense	**123,769**	97,890
Dividend attributable to non-controlling interests	**42,122**	27,378
Dividend attributable to equity holders of the Company	**147,543**	147,418
	313,434	272,686
Total Value Added Distributed	**767,302**	719,330
Retained in the business		
Depreciation	**112,227**	118,458
Retained earnings	**27,075**	100,223
	139,302	218,681
Non-production cost and income		
Bad debts	**(418)**	(74)
Income from investments and interest	**67,368**	62,149
Other gains/(losses)	**28,124**	(34,418)
Fair value gains on investment properties	**220,331**	149,279
Currency exchange differences	**(4,561)**	(699)
	310,844	176,237
	1,217,448	1,114,248
Productivity Ratios:	**$**	$
Value added per employee	**150,933**	145,647
Value added per $ employment costs	**3.10**	3.17
Value added per $ investment in property, plant and equipment and investment properties (before depreciation)		
– at cost	**0.07**	0.08
– at valuation	**0.06**	0.06
Value added per $ net sales	**0.41**	0.40

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Financial Contents

Directors' Statement

For the Financial Year Ended 31 December 2019

The directors have pleasure in submitting this statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2019 and the statement of financial position of the Company as at 31 December 2019.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 94 to 202 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Wee Cho Yaw	–	Chairman
Wee Ee Lim	–	Deputy Chairman
Liam Wee Sin	–	Group Chief Executive (appointed as director on 25 April 2019)
Low Weng Keong		
Wee Sin Tho		
Tan Tiong Cheng		
Poon Hon Thang Samuel		
Wee Ee-chao		
Sim Hwee Cher	–	(appointed on 25 April 2019)
Lee Chin Yong Francis	–	(appointed on 2 January 2020)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" on pages 85 to 87 of this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) The directors holding office at 31 December 2019 are also the directors holding office at the date of this statement, save for Lee Chin Yong Francis who was appointed on 2 January 2020. Their interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings, were as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2019	**At 1.1.2019 or date of appointment, if later**	**At 31.12.2019**	**At 1.1.2019 or date of appointment, if later**
UOL Group Limited ("UOL")				
– Ordinary Shares				
Wee Cho Yaw	**3,661,566**	3,661,566	**307,235,597**	305,715,597
Wee Ee Lim	**260,975**	260,975	**119,755,315**	118,235,315
Liam Wee Sin	**288,777**	288,777	**–**	–
Low Weng Keong	**37,694**	37,694	**–**	–
Wee Sin Tho	**105,950**	105,950	**–**	–
Tan Tiong Cheng	**120,528***	120,528*	**–**	–
Wee Ee-chao	**31,735***	31,735*	**120,030,885***	118,510,885*

Directors' Statement

For the Financial Year Ended 31 December 2019

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2019	At 1.1.2019 or date of appointment, if later	At 31.12.2019	At 1.1.2019 or date of appointment, if later
UOL Group Limited ("UOL")				
– Executives' Share Options				
Liam Wee Sin	**440,000**	440,000	**–**	–
United Industrial Corporation Limited ("UIC")				
– Ordinary Shares				
Wee Cho Yaw	**–**	–	**718,230,418***	717,644,450*
Tan Tiong Cheng	**21,626**	21,626	**–**	–

* Includes shares registered in the name of nominees.

(b) The directors' interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings at 21 January 2020, were the same as those at 31 December 2019.

(c) Pursuant to Section 7 of the Companies Act (Cap. 50), Wee Cho Yaw is deemed to be interested in the shares of the subsidiaries of the Company.

(d) Save as disclosed above, none of the other directors holding office at 31 December 2019 has any interest in the ordinary shares and Executives' Share Options of the Company and any other related corporations of the Company, as recorded in the register of directors' shareholdings.

SHARE OPTIONS

UOL Group Executives' Share Option Scheme

(a) The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

(b) Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

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

Directors' Statement

For the Financial Year Ended 31 December 2019

SHARE OPTIONS (continued)

UOL Group Executives' Share Option Scheme (continued)

(c) On 8 March 2019, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,447,000 ordinary shares in the Company (known as "the 2019 Options") at the exercise price of $6.59 per ordinary share. 1,402,000 options granted were accepted by the executives, including Liam Wee Sin. The total fair value of the options granted was estimated to be $1,108,000 using the Trinomial Tree Model.

The details of the options accepted are as follows:

	No. of employees	**At exercise price of $6.59 per share**
Executive Director	1	60,000
Other Executives	62	1,342,000
	63	1,402,000

(d) Statutory information regarding the 2019 Options is as follows:

(i) The option period begins on 8 March 2020 and expires on 7 March 2029 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

(ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

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

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

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

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

Wee Sin Tho	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
Low Weng Keong	Member	(Independent)

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

Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2018	**Options granted during the financial year**	**Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2019**	**Aggregate options exercised since commencement of the 2000 and 2012 Scheme to 31.12.2019**	**Aggregate options outstanding at 31.12.2019**
1,198,000	60,000	1,258,000	818,000	440,000

Directors' Statement

For the Financial Year Ended 31 December 2019

SHARE OPTIONS (continued)

UOL Group Executives' Share Option Scheme (continued)

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

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

Outstanding Share Options

At 31 December 2019, the holders of the Executives' Share Options include a director of the Company as disclosed under "Directors' interests in shares or debentures".

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

During the financial year, 739,000 ordinary shares of the Company were issued upon the exercise of options by:

Holders of	Number of ordinary shares	Exercise price per share $
2011 Options	42,000	4.62
2012 Options	12,000	5.40
2013 Options	163,000	6.55
2014 Options	175,000	6.10
2015 Options	78,000	7.67
2016 Options	72,000	5.87
2017 Options	197,000	6.61
	739,000	

Unissued ordinary shares under options at 31 December 2019 comprise:

	At 1.1.2019	Options granted in 2019	Options exercised	Options forfeited	At 31.12.2019	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2011 Options	100,000	–	42,000	–	58,000	4.62	04.03.2012 to 03.03.2021
2012 Options	100,000	–	12,000	–	88,000	5.40	23.08.2013 to 22.08.2022
2013 Options	469,000	–	163,000	–	306,000	6.55	08.03.2014 to 07.03.2023
2014 Options	444,000	–	175,000	–	269,000	6.10	12.03.2015 to 11.03.2024
2015 Options	704,000	–	78,000	150,000	476,000	7.67	11.03.2016 to 10.03.2025
2016 Options	315,000	–	72,000	–	243,000	5.87	11.03.2017 to 10.03.2026
2017 Options	956,000	–	197,000	18,000	741,000	6.61	10.03.2018 to 09.03.2027
2018 Options	1,436,000	–	–	319,000	1,117,000	8.49	09.03.2019 to 08.03.2028
2019 Options	–	1,402,000	–	68,000	1,334,000	6.59	08.03.2020 to 07.03.2029
	4,524,000	1,402,000	739,000	555,000	4,632,000		

Directors' Statement

For the Financial Year Ended 31 December 2019

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises three members as follows:

Independent and non-executive directors
Low Weng Keong - Chairman
Tan Tiong Cheng

Non-independent and non-executive director
Wee Ee Lim

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

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

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

INDEPENDENT AUDITOR

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

On behalf of the directors

WEE CHO YAW
Chairman

LIAM WEE SIN
Director

28 February 2020

Independent Auditor's Report

To The Members Of UOL Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of UOL Group Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:
- the consolidated income statement of the Group for the financial year ended 31 December 2019;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the statements of financial position of the Group and of the Company as at 31 December 2019;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Independent Auditor's Report

To The Members Of UOL Group Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Valuation of investment properties Refer to Note 3(b) (Key accounting estimates, assumptions and judgements) and Note 20 (Investment properties) to the financial statements. As at 31 December 2019, the carrying value of the Group's investment properties stated at fair value based on independent external valuation of $11.6 billion accounted for 56% of the Group's total assets. The valuation of the investment properties is significant to our audit due to the use of estimates in the valuation techniques based on certain key assumptions. The key assumptions include adopted value per square foot, discount rates, capitalisation rates and growth rates. These assumptions are dependent on the prevailing market conditions.	Our audit procedures focused on the valuation process and included the following: • assessed the competency and independence of the professional valuers engaged by the Group; • discussed the key assumptions and critical judgemental areas with the professional valuers and understood the approaches taken by them in determining the valuation of each investment property; • checked, on a sample basis, the accuracy of underlying lease and financial information provided to the valuers; and • assessed the reasonableness of the adopted value per square foot, discount rates, capitalisation rates and growth rates assumptions by benchmarking the rates against specific property data, comparables and prior year's inputs. We also assessed the appropriateness of the disclosures relating to the valuation techniques and key inputs applied by the professional valuers. The external valuers are members of recognised bodies for professional valuers. We found that the valuation methodologies used were in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be appropriate.

Independent Auditor's Report

To The Members Of UOL Group Limited

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of development properties and revenue and cost of sales recognition from sales of development properties	
Refer to Note 13 (Development properties) to the financial statements. As at 31 December 2019, the carrying value of the Group's development properties of $3.3 billion accounted for 16% of the Group's total assets. The Group recognised a net reversal of allowance for foreseeable losses of $1 million for development properties for the financial year then ended. For the year ended 31 December 2019, revenue from sales of development properties of $847 million accounted for 37% of the Group's total revenue and the corresponding cost of sales of $558 million accounted for 45% of the Group's total cost of sales. The determination of the carrying value and whether to recognise any foreseeable losses for development properties is highly dependent on the estimated cost to complete each development and the estimated selling price as disclosed in Note 2.7. Significant estimation uncertainty is involved in estimating the costs of each development. Management also utilised a number of different assumptions which were highly subjective to determine the estimated selling prices which are impacted by market demand for properties and local government policies. These estimates and assumptions impact the carrying value of development properties, and the revenue and cost of sales recognised from sales of development properties.	In assessing the valuation of development properties, we focused on development projects with slower than expected sales or low margins. Our audit procedures to assess the adequacy of management's estimated development costs and the reasonableness of the assumptions used included the following: • compared actual cost incurred against underlying contracts with vendors and supporting documents; • assessed the reasonableness of cost to complete by substantiating costs that have been committed to quotations from and contracts with suppliers; • discussed with the project managers the basis for the estimated cost to complete and challenged the underlying assumptions by benchmarking against the Group's past projects; and • evaluated the competency and capabilities of the quantity surveyors used by management for the certification of proportion of construction cost to date. We have also challenged management's key assumptions relating to the estimated selling prices by comparing against comparable market data and market price trends, taking into consideration the economic conditions in the respective countries where the Group has development properties. We have evaluated the sensitivity of the margins to changes in sales prices. We have also recomputed the percentage of completion as at the reporting date to assess the appropriateness of the revenue and cost of sales recognised. The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable.

Independent Auditor's Report

To The Members Of UOL Group Limited

Other Information

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report

To The Members Of UOL Group Limited

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 28 February 2020

Consolidated Income Statement

For the Financial Year Ended 31 December 2019

	Note	The Group 2019 $'000	2018 $'000 (Restated)
Revenue	4	**2,283,341**	2,397,343
Cost of sales		**(1,237,716)**	(1,365,711)
Gross profit		**1,045,625**	1,031,632
Other income			
– Finance income	4	**12,128**	13,936
– Miscellaneous income	4	**18,916**	13,660
Expenses			
– Marketing and distribution		**(94,316)**	(92,997)
– Administrative		**(120,041)**	(123,167)
– Finance	7	**(116,528)**	(93,097)
– Other operating		**(211,525)**	(180,657)
Share of profit of associated companies		**6,019**	5,442
Share of loss of a joint venture company		**(3,770)**	(2,837)
		536,508	571,915
Other (losses)/gains			
– Impairment loss on financial assets		**(418)**	(74)
– Others	8	**28,124**	(34,418)
Fair value gains on investment properties	20	**220,331**	149,279
Profit before income tax		**784,545**	686,702
Income tax expense	9(a)	**(105,776)**	(94,745)
Net profit		**678,769**	591,957
Attributable to:			
Equity holders of the Company		**478,817**	418,304
Non-controlling interests		**199,952**	173,653
		678,769	591,957
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	10		
– Basic		**56.79**	49.66
– Diluted		**56.77**	49.64

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

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2019

	Note	The Group 2019 $'000	The Group 2018 $'000 (Restated)
Net profit		**678,769**	591,957
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	33(e)	**(6,173)**	(172)
Currency translation differences arising from consolidation of foreign operations	33(d)	**(15,391)**	(21,240)
		(21,564)	(21,412)
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)	33(b)	**114,219**	(82,941)
Actuarial gains on defined benefit plans, net of tax		**309**	–
Currency translation differences arising from consolidation of foreign operations	33(d)	**(9,545)**	(10,759)
Other comprehensive income/(loss), net of tax		**83,419**	(115,112)
Total comprehensive income		**762,188**	476,845
Total comprehensive income attributable to:			
Equity holders of the Company		**556,770**	314,003
Non-controlling interests		**205,418**	162,842
		762,188	476,845

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

Statements of Financial Position – Group and Company

As at 31 December 2019

	Note	The Group 31 December 2019 $'000	The Group 31 December 2018 $'000 (Restated)	The Group 1 January 2018 $'000 (Restated)	The Company 31 December 2019 $'000	The Company 31 December 2018 $'000
ASSETS						
Current assets						
Cash and bank balances	11	**717,377**	677,172	816,446	**36,684**	2,490
Trade and other receivables	12	**401,448**	575,648	395,299	**8,892**	4,269
Derivative financial instrument	28	**–**	1,958	14	**–**	–
Development properties	13	**3,304,630**	3,626,401	2,852,222	**–**	–
Inventories	14	**4,289**	4,248	4,991	**–**	–
Other assets	16	**53,523**	51,123	75,238	**584**	775
Current income tax assets	9(b)	**210**	125	220	**–**	–
		4,481,477	4,936,675	4,144,430	**46,160**	7,534
Non-current assets						
Trade and other receivables	12	**122,286**	106,787	92,924	**874,955**	1,096,239
Other assets	16	**38,950**	23,451	–	**–**	–
Derivative financial instrument	28	**180**	–	1,538	**–**	–
Financial assets, at FVOCI	15	**1,189,755**	1,075,536	1,131,702	**884,562**	820,642
Investments in associated companies	17	**280,381**	281,480	285,511	**–**	–
Investment in a joint venture company	18	**–**	–	970	**–**	–
Investments in subsidiaries	19	**–**	–	–	**1,983,934**	1,971,775
Investment properties	20	**11,593,671**	11,264,120	10,917,340	**567,146**	477,250
Property, plant and equipment	21	**2,869,771**	2,807,688	2,856,164	**2,083**	1,665
Intangibles	24	**43,969**	122,691	180,951	**584**	758
Deferred income tax assets	31	**33,334**	1,931	1,005	**–**	–
		16,172,297	15,683,684	15,468,105	**4,313,264**	4,368,329
Total assets		**20,653,774**	20,620,359	19,612,535	**4,359,424**	4,375,863
LIABILITIES						
Current liabilities						
Trade and other payables	25	**679,534**	802,588	927,594	**452,992**	920,417
Current income tax liabilities	9(b)	**135,830**	107,282	108,581	**3,679**	1,845
Borrowings	26	**1,692,937**	1,762,971	972,814	**86,300**	319,269
Derivative financial instrument	28	**2,663**	322	377	**–**	322
Loan from non-controlling shareholder of a subsidiary (unsecured)	29	**–**	80,168	–	**–**	–
		2,510,964	2,753,331	2,009,366	**542,971**	1,241,853
Non-current liabilities						
Trade and other payables	25	**206,087**	200,633	214,879	**3,864**	2,430
Borrowings	26	**3,151,286**	2,765,116	2,811,161	**62,691**	–
Derivative financial instrument	28	**5,745**	2,419	1,708	**1,005**	–
Loan from non-controlling shareholder of a subsidiary (unsecured)	29	**107,361**	101,561	63,009	**–**	–
Provision for retirement benefits	30	**6,375**	6,203	5,621	**–**	–
Deferred income tax liabilities	31	**331,667**	357,448	369,622	**3,746**	3,717
		3,808,521	3,433,380	3,466,000	**71,306**	6,147
Total liabilities		**6,319,485**	6,186,711	5,475,366	**614,277**	1,248,000
NET ASSETS		**14,334,289**	14,433,648	14,137,169	**3,745,147**	3,127,863
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	32	**1,560,918**	1,556,201	1,549,744	**1,560,918**	1,556,201
Reserves	33	**893,862**	814,629	916,889	**707,088**	642,560
Retained earnings		**7,592,700**	7,250,221	6,973,061	**1,477,141**	929,102
		10,047,480	9,621,051	9,439,694	**3,745,147**	3,127,863
Non-controlling interests		**4,286,809**	4,812,597	4,697,475	**–**	–
Total equity		**14,334,289**	14,433,648	14,137,169	**3,745,147**	3,127,863

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December 2019

	Note	Attributable to equity holders of the Company					
		Share capital $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2019							
Beginning of financial year							
As previously reported		1,556,201	814,629	7,277,078	9,647,908	4,822,230	14,470,138
Change in accounting policy	2.3	–	–	(26,857)	(26,857)	(9,633)	(36,490)
As restated		1,556,201	814,629	7,250,221	9,621,051	4,812,597	14,433,648
Profit for the year		–	–	478,817	478,817	199,952	678,769
Other comprehensive income for the year		–	77,953	–	77,953	5,466	83,419
Total comprehensive income for the year		–	77,953	478,817	556,770	205,418	762,188
Employee share option scheme							
– Value of employee services	33(a)	–	1,280	–	1,280	105	1,385
– Proceeds from shares issued	32	4,717	–	–	4,717	–	4,717
Dividends	34	–	–	(147,543)	(147,543)	(42,122)	(189,665)
Acquisition of interests from non-controlling shareholders		–	–	11,205	11,205	(689,294)	(678,089)
Issue of shares to non-controlling shareholders		–	–	–	–	105	105
Total transactions with owners, recognised directly in equity		4,717	1,280	(136,338)	(130,341)	(731,206)	(861,547)
End of financial year		1,560,918	893,862	7,592,700	10,047,480	4,286,809	14,334,289
2018							
Beginning of financial year							
As previously reported		1,549,744	916,889	6,984,500	9,451,133	4,702,674	14,153,807
Change in accounting policy	2.3	–	–	(11,439)	(11,439)	(5,199)	(16,638)
As restated		1,549,744	916,889	6,973,061	9,439,694	4,697,475	14,137,169
Profit for the year (restated)		–	–	418,304	418,304	173,653	591,957
Other comprehensive loss for the year		–	(104,301)	–	(104,301)	(10,811)	(115,112)
Total comprehensive (loss)/income for the year		–	(104,301)	418,304	314,003	162,842	476,845
Employee share option scheme							
– Value of employee services	33(a)	–	2,041	–	2,041	126	2,167
– Proceeds from shares issued	32	6,457	–	–	6,457	–	6,457
Dividends	34	–	–	(147,418)	(147,418)	(27,378)	(174,796)
Acquisition of interests from non-controlling shareholders		–	–	6,274	6,274	(20,178)	(13,904)
Issue of shares to non-controlling shareholders		–	–	–	–	1,898	1,898
Liquidation of a subsidiary		–	–	–	–	(2,188)	(2,188)
Total transactions with owners, recognised directly in equity		6,457	2,041	(141,144)	(132,646)	(47,720)	(180,366)
End of financial year		1,556,201	814,629	7,250,221	9,621,051	4,812,597	14,433,648

An analysis of movements in each category within “Reserves” is presented in Note 33.

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2019

	2019 $'000	2018 $'000 (Restated)
Cash flows from operating activities		
Net profit	**678,769**	591,957
Adjustments for		
– Income tax expense	**105,776**	94,745
– Depreciation and amortisation	**190,653**	176,405
– (Write-back)/allowance for foreseeable losses on development properties	**(1,088)**	6,238
– Allowance for impairment of financial assets - net	**418**	74
– Share of profit of associated companies	**(6,019)**	(5,442)
– Share of loss of a joint venture company	**3,770**	2,837
– Unrealised translation losses	**44,912**	12,832
– Net provision for retirement benefits	**683**	669
– Employee share option expense	**1,385**	2,167
– Dividend income and interest income	**(67,368)**	(62,149)
– Interest expense	**111,967**	92,398
– Fair value gains on the Group's investment properties	**(220,331)**	(149,279)
– Property, plant and equipment written off and net loss on disposals	**2,234**	1,838
– Gain on disposal of a subsidiary	**(39,318)**	–
– Impairment of investment in an associated company	**–**	2,932
– Write-back of impairment charge on property, plant and equipment	**(3,586)**	(5,977)
– Impairment charge on property, plant and equipment	**14,780**	36,928
	817,637	799,173
Change in working capital		
– Receivables	**(31,963)**	20,919
– Development properties	**511,290**	(1,039,870)
– Inventories	**(69)**	743
– Payables	**(121,024)**	(151,842)
	358,234	(1,170,050)
Cash generated from/(used in) operations	**1,175,871**	(370,877)
Income tax paid	**(131,730)**	(106,271)
Retirement benefits paid	**(95)**	(57)
Net cash from/(used in) operating activities	**1,044,046**	(477,205)
Cash flows from investing activities		
Acquisition of a financial asset at fair value through other comprehensive income	**–**	(4,418)
Payment to non-controlling shareholders on liquidation of subsidiaries	**–**	(2,188)
Disposal of a subsidiary, net of cash disposed of	**74,456**	–
Payments for intangibles	**(363)**	(1,332)
Loans to an associated company and a joint venture company	**(14,304)**	(14,441)
Net proceeds from disposal of property, plant and equipment	**126**	492
Purchase of property, plant and equipment and investment properties	**(330,113)**	(310,076)
Interest received	**9,223**	13,936
Dividends received	**62,106**	32,529
Net cash used in investing activities	**(198,869)**	(285,498)

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2019

	Note	2019 $'000	2018 $'000
Cash flows from financing activities			
Proceeds from shares issued		**4,717**	6,457
Payment to non-controlling shareholders for purchase of shares in subsidiaries		**(678,089)**	(13,904)
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		**105**	1,898
Loan from a non-controlling shareholder of a subsidiary		**5,800**	125,620
Repayment of loan from non-controlling shareholder of a subsidiary		**(80,168)**	(6,900)
Proceeds from 3.0% unsecured fixed rate notes due 2024		**200,000**	–
Repayment of 2.5% unsecured fixed rate notes due 2018		**–**	(175,000)
Proceeds from borrowings		**2,887,128**	3,234,805
Repayment of borrowings		**(2,826,543)**	(2,276,904)
Expenditure relating to bank borrowings		**(5,621)**	(4,172)
Interest paid		**(117,314)**	(91,937)
Principal payment of lease liabilities and finance lease liabilities		**(3,389)**	(263)
Bank deposits pledged as security		**754**	(754)
Dividends paid to equity holders of the Company		**(147,543)**	(147,418)
Dividends paid to non-controlling interests		**(42,122)**	(27,378)
Net cash (used in)/from financing activities		**(802,285)**	624,150
Net increase/(decrease) in cash and cash equivalents		**42,892**	(138,553)
Cash and cash equivalents at the beginning of the financial year		**673,418**	813,446
Effects of currency translation on cash and cash equivalents		**(1,933)**	(1,475)
Cash and cash equivalents at the end of the financial year	11(c)	**714,377**	673,418

Reconciliation of liabilities arising from financing activities

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

	1 January 2018 $'000	Principal, interest and facility fees payments $'000	Non-cash changes $'000 Interest expense	Foreign exchange movement	31 December 2018 $'000
Medium term notes	416,741	(183,182)	7,586	–	241,145
Bank borrowings	3,372,557	877,369	87,295	(42,834)	4,294,387
Loan from non-controlling shareholder	68,174	111,324	3,818	–	183,316
Finance lease liabilities	3,884	(263)	262	(264)	3,619

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

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

1. GENERAL INFORMATION

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

101 Thomson Road
#33-00 United Square
Singapore 307591

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

Certain comparatives were restated to conform with the current year's presentation.

2.2 Interpretations and amendments to published standards effective 2019

On 1 January 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 *Leases*:

Adoption of SFRS(I) 16 Leases

(a) *When the Group is the lessee*

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.19.

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

(i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under SFRS(I) 1-17 Leases and SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Interpretations and amendments to published standards effective 2019 (continued)

Adoption of SFRS(I) 16 Leases (continued)

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

(ii) On a lease-by-lease basis, the Group has:

(a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
(b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
(c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
(d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
(e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 January 2019.

For leases previously classified as operating leases on 1 January 2019, the Group has applied the following transition provisions:

(i) On a lease-by-lease basis, the Group chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of transition. For ROU assets which meet the definition of an investment property, the Group had measured the ROU assets at their fair values at 1 January 2019.

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

(iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 January 2019 is adjusted directly to opening retained profits. Comparative information is not restated.

(iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 January 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

(b) When the Group is a lessor

There are no material changes to accounting by the Group as a lessor.

The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 January 2019 are as follows:

	Increance $'000
Property, plant and equipment	16,488
Borrowings	16,488

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Interpretations and amendments to published standards effective 2019 (continued)

Adoption of SFRS(I) 16 Leases (continued)

An explanation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 December 2018 and the lease liabilities recognised in the balance sheet as at 1 January 2019 are as follows:

	$'000
Operating lease commitment disclosed as at 31 December 2018 (restated)	31,608
Less: Short-term leases	(606)
Less: Low-value leases	(387)
Less: Discounting effect using incremental borrowing rates of 2.5% to 8.0%	(15,742)
Add: Finance lease liabilities recognised as at 31 December 2018	3,619
Add: Extension options which are reasonably certain to be exercised	1,615
Lease liabilities recognised as at 1 January 2019	20,107

2.3 Change in accounting policy

Borrowing costs on development projects where revenue is recognised over time

In 2018, the International Financial Reporting Standards Interpretations Committee ("Interpretations Committee"), which works with the International Accounting Standards Board in supporting the application of IFRS Standards, received a submission on whether a real estate developer capitalises borrowing costs as part of the costs of units for a residential multi-unit real estate development, for which the developer recognises revenue over time for the sale of individual units in the development based on IFRS 15 *Revenue from Contracts with Customers*.

In November 2018, the Committee issued a Tentative Agenda Decision containing explanatory material for the decision and how the applicable principles and requirements in IAS 23 Borrowing Costs apply to the fact pattern in the submission. The Interpretations Committee tentatively concluded that such an entity should not capitalise borrowing costs. This tentative agenda decision was finalised in its original form on 20 March 2019.

As SFRS(I) 1-23 and SFRS(I) 15 *Revenue from Contracts with Customers* (the accounting standards applicable to the Group) are aligned to IAS 23 and IFRS 15 respectively, the above Agenda Decision has relevant impact to the Group's activities as a property developer. Following this Agenda Decision, borrowing costs which were previously capitalised for development projects over the period of development are now expensed as incurred to the income statement.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Change in accounting policy (continued)

Borrowing costs on development projects where revenue is recognised over time (continued)

The effects of the change in accounting policy on capitalisation of borrowings costs on the results and financial position of the Group are as follows:

	For the year ended 31 December 2018		
	As previously reported $'000	**Effects of adoption $'000**	**As restated $'000**
Effect on Consolidated Income Statement			
Cost of sales	(1,409,800)	32,044	(1,377,756)
Finance expenses	(40,632)	(52,465)	(93,097)
Share of profit/(loss) of a joint venture company	125	(2,962)	(2,837)
Income tax expense	(98,276)	3,531	(94,745)
Net profit	611,809	(19,852)	591,957
Net profit attributable to:			
– Equity holders of the Company	433,722	(15,418)	418,304
– Non-controlling interests	178,087	(4,434)	173,653
Basic earnings per share (cents)	51.49	(1.83)	49.66
Diluted earnings per share (cents)	51.47	(1.83)	49.64

	31 December 2018			1 January 2018		
	As previously reported $'000	**Effects of adoption $'000**	**As restated $'000**	**As previously reported $'000**	**Effects of adoption $'000**	**As restated $'000**
Effect on Statement of Financial Position						
Development properties	3,666,788	(40,387)	3,626,401	2,872,188	(19,966)	2,852,222
Trade and other receivables (non-current)	108,654	(1,867)	106,787	92,924	–	92,924
Investment in a joint venture company	1,095	(1,095)	–	970	–	970
Current Income tax liabilities	107,758	(476)	107,282	109,186	(605)	108,581
Deferred income tax liabilities	363,831	(6,383)	357,448	372,345	(2,723)	369,622
Retained earnings	7,277,078	(26,857)	7,250,221	6,984,500	(11,439)	6,973,061
Non-controlling interest	4,822,230	(9,633)	4,812,597	4,702,674	(5,199)	4,697,475

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 <u>Revenue recognition</u>

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue recognition (continued)

(b) Revenue from hotel ownership and operations

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

(c) Revenue from hotel and other management services

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

(i) Property and project management fees

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

(ii) Hotel management fees

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

(iii) Franchise fees

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

(iv) Other related fees

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

(d) Interest income

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

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

(f) Revenue from property investments - rental income

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue recognition (continued)

(g) Revenue from information technology operations

Revenue from the sale of computer hardware and software is recognised at a point in time when the computer hardware and software are delivered to the customer. Payment for the transaction price is due immediately when the customer purchases the goods. All goods sold are non-refundable and non-returnable unless faulty. The vendor will swap the goods with no additional cost to the Group.

Revenue from the rendering of information technology services, such as system migration, security and application services, is recognised based on the timing of satisfaction of a performance obligation in the period which the services are rendered. The Group also outsources manpower services to their customers. Customers are billed on a monthly basis based on the work performed and revenue is recognised over time as the service is being performed.

Revenue from computer hardware maintenance services is recognised over time on a straight-line basis over the period of the maintenance contract. Customers are invoiced in advance on a quarterly, half-yearly or yearly basis, in accordance with the sales contract.

2.5 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions* (continued)

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

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

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

(iii) *Disposals*

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

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

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

(b) *Transactions with non-controlling interests*

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

(c) *Associated companies and joint venture companies*

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Group accounting (continued)

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

(i) *Acquisitions*

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

(ii) *Equity method of accounting*

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

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

(iii) *Disposals*

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

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

(ii) *Properties under development*

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

(iii) *Other property, plant and equipment*

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

(iv) *Component of costs*

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

(b) *Depreciation*

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

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

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

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

(c) *Subsequent expenditure*

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

(d) *Disposals*

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Development properties

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

2.8 Intangibles

(a) Goodwill on acquisitions

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

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

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

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

(b) Acquired trademarks

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

(c) Acquired computer software costs

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

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

(d) Contract acquisition costs

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Intangibles (continued)

(d) *Contract acquisition costs* (continued)

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

2.9 Borrowing costs

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

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

2.10 Investment properties

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

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

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

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

2.11 Investments in subsidiaries, associated companies and joint venture companies

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

(b) Intangibles
Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, associated companies and joint venture companies

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

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets

(a) Classification and measurement

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

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

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

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

At initial recognition

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

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and loans to related parties.

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

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss.

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 <u>Financial assets</u> (continued)

(a) *Classification and measurement* (continued)

<u>At subsequent measurement</u> (continued)

(ii) *Equity instruments*

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

(b) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Group determines whether there has been a significant increase in credit risk.

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

(c) *Recognition and derecognition*

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

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

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

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

(d) *Offsetting financial instruments*

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial guarantees

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

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

Intra-group transactions are eliminated on consolidation.

2.15 Borrowings

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

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

2.16 Trade and other payables

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

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

2.17 Derivative financial instruments and hedging activities

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

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

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

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 28. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

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

The following hedges in placed qualified as cash flow hedges under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Derivative financial instruments and hedging activities (continued)

Cash flow hedge - Interest rate swaps

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

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

Fair value hedge

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

2.18 Fair value estimation of financial assets and liabilities

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

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Leases

(a) The accounting policy for leases before 1 January 2019 are as follows:

(i) When the Group is the lessee:

The Group leases certain property, plant and equipment under finance leases and operating leases from non-related parties.

- *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

- *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

(ii) When the Group is the lessor:

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

- *Lessor – Operating leases*

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Leases (continued)

(b) The accounting policy for leases from 1 January 2019 are as follows:

(i) When the Group is the lessee:

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

- *Right-of-use assets*

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

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

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

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

- *Lease liabilities*

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

  Lease payments include the following:

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Leases (continued)

(b) The accounting policy for leases from 1 January 2019 are as follows: (continued)

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

- *Lease liabilities* (continued)

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

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

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

- *Short term and low value leases*

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

(ii) When the Group is the lessor:

The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16.

2.20 Inventories

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

2.21 Income taxes

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

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

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Income taxes (continued)

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

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for deductible temporary differences and tax losses where deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.22 Provisions

Provisions for legal claims, asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the income statement as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise, except for changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs, which are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the income statement immediately.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 <u>Employee compensation</u>

(a) *Post-employment benefits*

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the country in which it operates. These benefit plans are either defined contribution or defined benefit plans.

<u>Defined contribution plans</u>

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

<u>Defined benefit plans</u>

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to the length of service and earnings over the employees' period of employment; that benefit is discounted to determine the present value. The discount rate is the market yield at the end of reporting period on high quality corporate bonds or government bonds. Provision for employee retirement benefits is made in the financial statements so as to provide for the accrued liability at year end. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision for the defined benefit plan is not likely to be significant.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan under the 2012 Share Option Scheme. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated currency translation differences is reclassified to income statement, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented net in the income statement within "finance income" or "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "miscellaneous income".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to the income statement on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash and bank balances, highly liquid short-term deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts and exclude bank deposits pledged as security. Bank overdrafts are presented as current borrowings on the statement of financial position.

2.27 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company purchases its own ordinary shares and cancels them upon purchase, the consideration paid including any directly attributable incremental cost is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

2.28 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Classification of the Group's serviced suites as investment property or property, plant and equipment

Management applies judgement in determining the classification of the serviced suites owned by the Group. The key criteria used to distinguish the Group's serviced suites which are classified as investment properties and its other properties classified as property, plant and equipment, is the level of services provided to tenants of the serviced suites.

The Group's serviced suites have been classified as investment properties and the carrying amount at the end of the reporting period was $439,320,000.

(b) Fair values of investment properties

The Group carries its investment properties at fair value with changes in fair value being recognised in the income statement. In determining fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, growth rate and discount rate. In relying on the valuation reports, management has assessed that the valuation methods and estimates are reflective of current market conditions. The carrying amount of investment properties and the key assumptions used to determine the fair value of the investment properties are disclosed in Note 20.

(c) Revenue and cost of sales recognition from sales of development properties

The Group recognises revenue and cost of sales from the sale of certain development properties over time by reference to the Group's progress towards completion of the properties. The stage of completion is measured in accordance with the accounting policy stated in Note 2.4(a). Significant estimation uncertainty is involved in determining the estimated total construction costs of each development. In making these estimates, management has relied on quotations from and contracts with suppliers, past experience as well as the work of third party experts.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

3. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

(d) Valuation of development properties

The Group assesses the carrying value of development properties in accordance with the accounting policy stated in Note 2.7, which is highly dependent on the estimated cost to complete each development and the estimated selling prices. Estimation uncertainty involved in determining the costs of each development is as disclosed in Note 3(c). In determining the estimated selling prices, management has utilised a number of assumptions which are highly subjective and are impacted by market demand for properties and local government policies.

(e) Other estimates and judgements applied

The Group, on its own or in reliance on third party experts, also applies estimates, assumptions and judgements in the following areas:

(i) the level of impairment of value of hotel properties;
(ii) the determination of the fair values of unquoted financial assets, at FVOCI.

These estimates, assumptions and judgements are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements.

4. REVENUE, FINANCE INCOME AND MISCELLANEOUS INCOME

	The Group	
	2019	2018
	$'000	$'000
Revenue from contracts with customers under SFRS(I) 15		
Revenue from property development		
– recognised at a point in time	**443,506**	195,857
– recognised over time	**403,551**	793,487
Revenue from hotel ownership and operations		
– recognised at a point in time	**232,109**	232,655
– recognised over time	**421,594**	446,000
Revenue from management services and technologies		
– recognised at a point in time	**152,974**	121,626
– recognised over time	**22,633**	18,493
	1,676,367	1,808,118
Other revenue		
Revenue from property investments	**551,734**	541,012
Dividend income from equity investments designated at FVOCI	**55,240**	48,213
Total revenue	**2,283,341**	2,397,343
Interest income from financial assets measured at amortised cost		
Fixed deposits with financial institutions	**8,761**	11,238
Loans to a joint venture company	**2,905**	2,191
Others	**462**	507
Finance income	**12,128**	13,936
Miscellaneous income	**18,916**	13,660
	2,314,385	2,424,939

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

4. REVENUE, FINANCE INCOME AND MISCELLANEOUS INCOME (continued)

(a) Contract assets and liabilities

	The Group		
	31 December		1 January
	2019	2018	2018
	$'000	$'000	$'000
Contract assets: Unbilled revenue (Note 13)	**69,063**	581,222	519,477
Contract liabilities for development properties (Note 25)	**(197,428)**	(362,837)	(431,119)

Unbilled revenue primarily relates to the Group's rights to consideration for work completed but not billed at the reporting date on sale of development properties. Unbilled revenue is transferred to receivables when the rights to consideration become unconditional. Total unbilled revenue decreased as the Group provided less services and transferred less goods ahead of the agreed payment schedules compared to the previous financial year.

Contract liabilities primarily relates to advance consideration received from customers for sale of development properties. Contract liabilities have decreased due mainly to revenue recognised on the Group's development property project in The People's Republic of China in the current financial year where control of the properties have been transferred to the customer.

(i) Revenue recognised in relation to contract liabilities

	The Group	
	2019	2018
	$'000	$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period – sale of development properties	**351,331**	130,498

(ii) Transaction price allocated to unsatisfied performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

	The Group				
	2019	2020	2021	2022	Total
	$'000	$'000	$'000	$'000	$'000
Revenue from property development					
31 December 2019	**–**	**705,532**	**328,392**	**4,592**	**1,038,516**
31 December 2018	611,078	140,331	1,584	–	752,993

There is no variable consideration that is subject to significant risk of reversal.

As permitted under SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

4. REVENUE, FINANCE INCOME AND MISCELLANEOUS INCOME (continued)

(b) Assets recognised from costs to obtain contracts

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. The Group has applied the practical expedient and recognised the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

	The Group	
	2019	**2018**
	$'000	**$'000**
Assets recognised from costs to obtain contracts	**26,534**	8,500

	The Group	
	2019	**2018**
	$'000	**$'000**
Amortisation recognised to marketing and distribution expense during the period	**9,831**	13,076

(c) Trade receivables from contracts with customers

	The Group		
	31 December		**1 January**
	2019	**2018**	**2018**
	$'000	**$'000**	**$'000**
Trade receivables from contracts with customers	**348,510**	411,938	155,936
Less: Allowance for impairment of trade receivables from contracts with customers	**(471)**	(582)	(429)
	348,039	411,356	155,507

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

5. EXPENSES BY NATURE

	The Group	
	2019 $'000	2018 $'000 (Restated)
Cost of inventories sold	203,366	176,676
Depreciation of property, plant and equipment (Note 21)	112,227	118,458
Amortisation of intangibles [Note 22(a),(b),(c),(d)]	78,426	57,947
Total depreciation and amortisation	190,653	176,405
Property, plant and equipment written off and net loss on disposals	2,234	1,838
Auditors' remuneration paid/payable to:		
– auditor of the Company	1,507	1,513
– other auditors	726	736
Other fees paid/payable to:		
– auditor of the Company	318	305
– other auditors	248	221
Employees compensation (Note 6)	291,230	294,078
Rent paid to other parties	1,158	4,234
Heat, light and power	36,644	42,036
Property tax	56,120	57,108
Development cost included in cost of sales	557,507	718,928
Advertising and promotion	51,788	55,016
Management fees	9,812	5,528
IT related expenses	8,262	6,791
Repairs and maintenance	53,395	52,298
Commission	33,881	30,758
Reservation expenses	3,927	3,923
Sub-contractor charges	30,047	28,733
Guest supplies and cleaning expenses	9,081	9,222
Linen, uniform and laundry	9,932	10,697
Other expenses	111,762	85,488
Total cost of sales, marketing and distribution, administrative and other operating expenses	1,663,598	1,762,532

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

6. EMPLOYEES COMPENSATION

	The Group	
	2019	**2018**
	$'000	**$'000**
Wages and salaries	**266,713**	267,851
Employer's contribution to defined contribution plans including Central Provident Fund	**22,459**	23,421
Retirement benefits	**673**	639
Share options granted to directors and employees	**1,385**	2,167
	291,230	294,078

7. FINANCE EXPENSE

	The Group	
	2019	**2018**
	$'000	**$'000**
		(Restated)
Interest expense:		
– bank loans, notes and overdrafts	**112,750**	88,735
– loans from non-controlling shareholders of subsidiaries	**4,115**	3,818
– trade financing	**79**	–
– lease liabilities/finance lease liabilities	**1,203**	262
– bank facility fees	**5,622**	5,075
	123,769	97,890
Cash flow hedges, transfer from hedging reserve [Note 33(e)]	**749**	1,071
Less:		
Borrowing costs capitalised in development properties [Note 13(a)]	**(9,523)**	(4,895)
Borrowing costs capitalised in property, plant and equipment [Note 21(b)]	**(3,028)**	(1,668)
	111,967	92,398
Currency exchange losses – net	**4,561**	699
	116,528	93,097

8. OTHER GAINS/(LOSSES)

	The Group	
	2019	**2018**
	$'000	**$'000**
Gain on liquidation of a subsidiary	**–**	31
Gain on disposal of a subsidiary	**39,318**	–
Acquisition costs of a business	**–**	(566)
Write-back of impairment charge on property, plant and equipment	**3,586**	5,977
Impairment charge on property, plant and equipment	**(14,780)**	(36,928)
Impairment of investment in an associated company	**–**	(2,932)
	28,124	(34,418)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

9. INCOME TAXES

(a) Income tax expense

	The Group 2019 $'000	2018 $'000 (Restated)
Tax expense attributable to profit is made up of:		
– Profit for the financial year:		
Current income tax [Note (b) below]		
– Singapore	**117,690**	94,745
– Foreign	**45,925**	15,559
– Withholding tax paid	**508**	758
	164,123	111,062
Deferred income tax (Note 31)	**(54,870)**	(9,547)
	109,253	101,515
– (Over)/under provision in prior financial years:		
Current income tax [Note (b) below]		
– Singapore	**(2,155)**	(4,712)
– Foreign	**74**	5
	(2,081)	(4,707)
Deferred income tax (Note 31)	**(1,396)**	(2,063)
	(3,477)	(6,770)
	105,776	94,745

The tax expense on profit for the financial year differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group 2019 $'000	2018 $'000 (Restated)
Profit before income tax	**784,545**	686,702
Share of profit of associated companies, net of tax	**(6,019)**	(5,442)
Share of loss of a joint venture company, net of tax	**3,770**	2,837
Profit before tax and share of profit of associated companies and loss of a joint venture company	**782,296**	684,097
Tax calculated at a tax rate of 17% (2018: 17%)	**132,990**	116,296
Effects of:		
– Singapore statutory stepped income exemption	**(755)**	(1,100)
– Tax rebates	**(1,233)**	(383)
– Different tax rates in other countries	**8,200**	1,091
– Income not subject to tax	**(53,343)**	(42,029)
– Expenses not deductible for tax purposes	**26,496**	28,972
– Utilisation of previously unrecognised tax losses	**(3,895)**	(2,818)
– Deferred tax assets not recognised in the current financial year	**793**	1,486
– Over provision in prior financial years	**(3,477)**	(6,770)
Tax charge	**105,776**	94,745

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

9. INCOME TAXES (continued)

(b) Movements in current income tax (assets)/liabilities

	The Group 2019 $'000	The Group 2018 $'000 (Restated)
At the beginning of the financial year	**107,157**	108,361
Currency translation differences	**(765)**	(785)
Income tax paid	**(131,730)**	(106,271)
Tax expense on profit [Note (a) above]		
– current financial year	**164,123**	111,062
– Group tax relief	**(1,084)**	(503)
– over provision in prior financial years	**(2,081)**	(4,707)
At the end of the financial year	**135,620**	107,157
Comprise:		
Current income tax assets	**(210)**	(125)
Current income tax liabilities	**135,830**	107,282
	135,620	107,157

10. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2019	2018 (Restated)
Net profit attributable to equity holders of the Company ($'000)	**478,817**	418,304
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**843,150**	842,378
Basic earnings per share (cents per share)	**56.79**	49.66

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2019, the Company's dilutive potential ordinary shares are its share options.

The weighted average number of shares in issue is adjusted as if all share options that are dilutive were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares was issued for no consideration. No adjustment is made to the net profit.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

10. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

Diluted earnings per share attributable to equity holders of the Company are calculated as follows:

	2019	2018 (Restated)
Net profit attributable to equity holders of the Company ($'000)	**478,817**	418,304
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**843,150**	842,378
Adjustments for share options ('000)	**305**	371
Weighted average number of ordinary shares for diluted earnings per share ('000)	**843,455**	842,749
Diluted earnings per share (cents per share)	**56.77**	49.64

11. CASH AND BANK BALANCES

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash at bank and on hand	**327,244**	277,168	**4,382**	2,477
Fixed deposits with financial institutions	**390,133**	400,004	**32,302**	13
	717,377	677,172	**36,684**	2,490

(a) Included in cash and bank balances of the Group is an amount of $162,334,000 (2018: $118,991,000) maintained in Project accounts. The funds in the Project Accounts can only be applied in accordance with Housing Developers (Project Account) Rules (1997 Ed.).

(b) Included in cash and bank balances of the Group is an amount of $4,650,000 (2018: $5,837,000) maintained in maintenance fund accounts for completed development properties. The funds in the maintenance fund accounts can only be applied for the upkeep of the completed development properties.

(c) For the purposes of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised the following:

	The Group	
	2019 $'000	2018 $'000
Cash and bank balances (as above)	**717,377**	677,172
Less: Bank deposits pledged as security [Note 26(b)]	**(3,000)**	(3,754)
Cash and cash equivalents per consolidated statement of cash flows	**714,377**	673,418

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

11. CASH AND BANK BALANCES (continued)

(d) The fixed deposits with financial institutions for the Group and the Company mature on varying dates within 19 months (2018: 17 months) from the end of the financial year and have the following weighted average effective interest rates as at the end of the reporting period:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	%	**%**	**%**	**%**
Singapore Dollar	**1.6**	1.6	**0.2**	0.3
United States Dollar	**1.0**	2.3	**–**	–
Pound Sterling	**0.3**	0.3	**–**	–
Australian Dollar	**0.5**	1.2	**–**	–
Malaysian Ringgit	**2.9**	2.9	**–**	–
Vietnamese Dong	**3.6**	3.4	**–**	–
Chinese Renminbi	**1.8**	1.4	**–**	–
Indonesian Rupiah	**–**	5.0	**–**	–

(e) Disposal of a subsidiary

On 16 December 2019, the Group disposed of its wholly-owned subsidiary, Suzhou Wugong Hotel Co., Ltd. The effects of the disposal on the cash flows of the Group were:

	Group At 16 December 2019 $'000
Carrying amounts of assets and liabilities as at the date of disposal:	
Cash and cash equivalents	**3,111**
Property, plant and equipment	**38,098**
Inventory	**29**
Trade and other receivables	**805**
Total assets	**42,043**
Trade and other payables	**1,664**
Other current liabilities	**2,066**
Provisions	**64**
Total liabilities	**3,794**
Net assets disposed of	**38,249**
Cash inflows arising from disposal:	
Net assets disposed of (as above)	**38,249**
Gain on disposal	**39,318**
Cash proceeds on disposal	**77,567**
Less: Cash and cash equivalents in subsidiary disposed of	**(3,111)**
Net cash inflow on disposal	**74,456**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Current				
Trade receivables:				
– non-related parties	**384,937**	560,614	**5,399**	79
– subsidiaries	**–**	–	**250**	476
– associated companies	**1,134**	528	**–**	–
Less: Allowance for impairment of receivables - non-related parties	**(1,000)**	(1,007)	**–**	–
Trade receivables - net	**385,071**	560,135	**5,649**	555
Other receivables:				
– subsidiaries (non-trade)	**–**	–	**2,974**	3,552
– a joint venture company (non-trade)	**703**	369	**73**	56
– sundry debtors	**15,674**	15,144	**196**	106
	401,448	575,648	**8,892**	4,269
Non-current				
Trade receivables:				
– non-related parties	**19,605**	16,661	**143**	159
Other receivables:				
– a joint venture company (non-trade)	**4,180**	1,833	**–**	–
Loans to:				
– subsidiaries (unsecured)	**–**	–	**874,812**	1,096,080
– associated companies (unsecured)	**29,643**	26,665	**–**	–
– a joint venture company (unsecured)	**74,495**	63,495	**–**	–
Less: Share of loss of a joint venture company taken against loans to the joint venture company	**(5,637)**	(1,867)	**–**	–
	122,286	106,787	**874,955**	1,096,239
Total trade and other receivables	**523,734**	682,435	**883,848**	1,100,508

(a) An impairment of receivables of $418,000 (2018: $74,000) has been included in the income statement.

(b) Included within trade receivables are the balance of sales consideration to be billed for properties held for sale that has obtained temporary occupation permit.

(c) The non-trade amounts due from subsidiaries and a joint venture company are unsecured, interest-free and repayable on demand. The non-current loans to subsidiaries, associated companies and a joint venture company are unsecured, have no fixed terms of repayment and are not expected to be repaid within twelve months from the end of the reporting period.

(d) The loans to a joint venture company that are subordinated to the secured bank loans of the joint venture company is as follows:

	The Group	
	2019 $'000	2018 $'000
Loans subordinated to secured bank loans:		
– Loans to a joint venture company	**74,495**	63,495

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

12. TRADE AND OTHER RECEIVABLES (continued)

(e) The fair values of non-current trade and other receivables are computed based on cash flows discounted using market borrowing rates. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Fair value				
Loans to subsidiaries:				
– Interest-free	**–**	–	**854,328**	1,064,050
Loans to associated companies:				
– Interest-free	**18,665**	18,700	**–**	–
Loans to a joint venture company:				
– Floating rate	**68,858**	61,628	**–**	–
	87,523	80,328	**854,328**	1,064,050

	The Group and The Company	
	2019	**2018**
	%	**%**
Market borrowing rate		
Loans to subsidiaries:		
– Interest-free	**2.4**	3.0
Loans to associated companies:		
– Interest-free	**3.0**	4.0
Loans to a joint venture company:		
– Floating rate	**3.0**	3.5

13. DEVELOPMENT PROPERTIES

	The Group	
	2019	**2018**
	$'000	**$'000**
		(Restated)
Completed properties	**697,681**	992,856
Allowance for foreseeable losses	**(6,392)**	(7,480)
Development properties in progress	**2,544,278**	2,059,803
Unbilled revenue	**69,063**	581,222
	3,304,630	3,626,401

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

13. DEVELOPMENT PROPERTIES (continued)

(a) Borrowing costs of $9,523,000 (2018 (restated): $4,895,000) (Note 7) arising on financing specifically entered into for the development of properties for which revenue is recognised at a point in time were capitalised during the financial year.

(b) Bank borrowings and other banking facilities are secured on certain development properties of the Group amounting to $2,181,584,000 (2018 (restated): $2,046,260,000) [Note 26(b)].

(c) Details of the Group's development properties in progress as at 31 December 2019 are as follows:

Property	Tenure of land	Stage of completion	Expected completion date	Site area/ gross floor area (sq m)	Effective interest in property
The Sky Residences at One Bishopsgate Plaza A residential development with proposed 160 units of apartments within a mixed development in London, The United Kingdom	Freehold	73.9%	4th Quarter 2020	3,200/53,528	100%
Amber45 A residential development comprising 139 units of condominium apartments	Freehold	80.1%	3rd Quarter 2020	6,490/14,992	100%
The Tre Ver A residential development comprising 729 units of condominium apartments	99-year leasehold	19.8%	4th Quarter 2021	18,711/52,391	75.0%
Avenue South Residence A residential development comprising 1,074 units of condominium apartments	99-year leasehold	15.0%	2nd Quarter 2022	22,852/92,876	65.0%
Site at Clementi Avenue 1 A residential development comprising 640 units of condominium apartments	99-year leasehold	–	4th Quarter 2023	16,543/57,900	90.0%

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

13. DEVELOPMENT PROPERTIES (continued)

(d) Details of the Group's completed properties as at 31 December 2019 are as follows:

Property	Tenure of land	Net saleable area (sq m)	Effective interest in property
The Esplanade (Hai He Hua Ding)			
25 unsold office units within a mixed development in Tianjin, The People's Republic of China	40-year leasehold	8,807	100%
Mon Jervois			
10 unsold units in a 109-unit condominium development at Jervois Road	99-year leasehold	2,110	50.2%
Pollen & Bleu			
2 unsold units in a 106-unit condominium development at Farrer Drive	99-year leasehold	371	50.2%
V on Shenton			
54 unsold units in a 510-unit condominium development at Shenton Way, part of a mixed residential and commercial development at Shenton Way	99-year leasehold	9,210	50.2%
Park Eleven			
50 sold units awaiting handover and 184 unsold units in a mixed-use development comprising 398 residential apartments, with a retail component in Shanghai	70-year leasehold	41,772	55.1%

14. INVENTORIES

	The Group	
	2019 $'000	**2018 $'000**
Food and beverages	**937**	1,024
Other supplies	**3,352**	3,224
	4,289	4,248

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $203,366,000 (2018: $176,676,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

15. FINANCIAL ASSETS, AT FVOCI

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
At the beginning of the financial year	**1,075,536**	1,131,702	**820,642**	865,966
Scrip dividends from a financial asset, at FVOCI	**–**	25,339	**–**	19,046
Acquisition	**–**	4,418	**–**	–
Dividends paid by an investee	**–**	(2,982)	**–**	–
Fair value gains/(losses) recognised in other comprehensive income [Note 33 (b)]	**114,219**	(82,941)	**63,920**	(64,370)
At the end of the financial year	**1,189,755**	1,075,536	**884,562**	820,642

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Non-current assets				
Listed equity securities:				
– United Overseas Bank Limited	**1,050,111**	978,802	**789,334**	735,734
– Haw Par Corporation Limited	**37,752**	35,591	**33,485**	31,567
	1,087,863	1,014,393	**822,819**	767,301
Unlisted equity securities:				
– OUB Centre Pte Ltd	**61,744**	53,341	**61,743**	53,341
– Others	**40,148**	7,802	**–**	–
	101,892	61,143	**61,743**	53,341
	1,189,755	1,075,536	**884,562**	820,642

16. OTHER ASSETS

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Deposits	**18,153**	6,190	**39**	22
Prepayments	**35,370**	44,933	**545**	753
	53,523	51,123	**584**	775
Non-current				
Deposits	**2,081**	–	**–**	–
Prepayments	**36,869**	23,451	**–**	–
	38,950	23,451	**–**	–
Total other assets	**92,473**	74,574	**584**	775

Included in non-current prepayments is an amount of $27,262,000 (2018: $20,881,000) relating to the acquisition of 180 serviced suites at Thamrin Nine Tower 2, Jakarta, Indonesia currently under development and will be operated as PARKROYAL Serviced Suites Jakarta.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

17. INVESTMENTS IN ASSOCIATED COMPANIES

(a) The associated companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2019 %	2018 %
Marina Bay Hotel Private Limited	Hotelier	Singapore	**50 by MCH**	50 by MCH
Avenue Park Development Pte. Ltd.	Property development	Singapore	**48 by SLD**	48 by SLD
Tianjin Yanyuan International Grand Hotel	Hotel investment	The People's Republic of China	**20 by ABCC 16 by NW**	20 by ABCC 16 by NW
City Square Hotel Co. Ltd.**	Hotelier	Myanmar	**40 by PPHH**	40 by PPHH
Pilkon Development Company Limited*	Investment holding	The British Virgin Islands	**39.35 by PPHG**	39.35 by PPHG
PPHR (Thailand) Company Limited**	Marketing agent	Thailand	**48.97 by PPH**	48.97 by PPH
Marina Promenade Limited^	Place management	Singapore	**25 by MCH**	–

PricewaterhouseCoopers LLP Singapore is the auditor of all associated companies of the Group unless otherwise indicated.

* Not required to be audited under the laws of the country of incorporation.

** Audited by other auditors. The associated companies not audited by PricewaterhouseCoopers LLP Singapore or PricewaterhouseCoopers firms outside Singapore are not significant associated companies as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

^ Newly incorporated during the financial year.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2019.

(b) The associated companies are, in the opinion of the directors, not material to the Group as at 31 December 2019 and 2018.

(c) There is no share of an associated company's contingent liabilities incurred jointly with other investors. Contingent liabilities relating to borrowings of an associated company in which the Group is severally liable (Note 35) amounted to $586,000 (2018: $1,083,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

18. INVESTMENTS IN A JOINT VENTURE COMPANY

(a) The joint venture company is:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 31 December 2019 %	2018 %
Secure Venture Development (No. 1) Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI

PricewaterhouseCoopers LLP Singapore is the auditor of the joint venture company.

(b) The joint venture company is, in the opinion of the directors, not material to the Group as at 31 December 2019 and 2018. There is no share of joint venture companies' contingent liabilities incurred jointly with other investors.

19. INVESTMENTS IN SUBSIDIARIES

	The Company 2019 $'000	2018 $'000
Listed investments at cost	**52,940**	52,940
Unlisted investments at cost	**1,934,506**	1,920,079
	1,987,447	1,973,019
Less accumulated impairment charge:		
At the beginning of the financial year	**(1,244)**	(30,094)
Impairment charge for the financial year	**(2,269)**	–
Write-back of impairment charge for the financial year	**–**	28,850
	(3,513)	(1,244)
At the end of the financial year	**1,983,934**	1,971,775

(a) Impairment charge

Impairment charges and write-back of impairment charges were made to adjust the carrying values of certain of the Company's unlisted investments in subsidiaries to their recoverable amounts, taking into account the general economic and operating environments in which the relevant subsidiaries operate in.

The recoverable amount for the relevant subsidiaries was mainly estimated based on the fair value less cost to sell of the net assets as at the end of the reporting period. The carrying amounts of the net assets of the relevant subsidiaries approximate their fair values.

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19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are:

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2019 $'000	Cost of investment 2018 $'000	Proportion of ordinary shares held by the Group 2019 %	Proportion of ordinary shares held by the Group 2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	Proportion of ordinary shares held by non-controlling interests 2018 %
Held by the Company								
Pan Pacific Hotels Group Limited ("PPHG")	Hotelier, property owner, rental of serviced suites and investment holding	Singapore	**690,038**	690,038	**100**	100	**–**	–
United Industrial Corporation Limited ("UIC")	Property investment, development and management and information technology related products and services	Singapore	**52,940**	52,940	**2.35 by UOL and 47.79 by UEI**	2.35 by UOL and 47.75 by UEI	**49.86**	49.90
Marina Centre Holdings Pte Ltd	Hotelier and property investment	Singapore	**111,484**	111,484	**22.67 by UOL 18.67 by SKR 10.00 by PSPL 5.33 by SLP and 43.34 by SLD**	22.67 by UOL 18.67 by SKR 10.00 by PSPL 5.33 by SLP and 19.07 by SLD	**27.13**	50.79
UOL Claymore Investment Pte. Ltd.	Hotelier	Singapore	**50,000**	50,000	**100**	100	**–**	–
UOL Somerset Investments Pte. Ltd.	Rental of serviced suites	Singapore	**75,000**	75,000	**100**	100	**–**	–
UOL Property Investments Pte Ltd	Property investment	Singapore	**76,006**	76,006	**100**	100	**–**	–
Novena Square Investments Ltd	Property investment	Singapore	**162,000**	162,000	**60 by UOL 20 by SLP**	60 by UOL 20 by SLP	**29.95**	29.99
Novena Square Development Ltd	Property investment	Singapore	**42,000**	42,000	**60 by UOL 20 by SLP**	60 by UOL 20 by SLP	**29.95**	29.99
UOL Development Pte Ltd	Property development	Singapore	**20,000**	20,000	**100**	100	**–**	–
UOL Development (Dakota) Pte. Ltd.	Property development	Singapore	**41,436**	41,436	**100**	100	**–**	–

Notes to the Financial Statements

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19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2019 $'000	Cost of investment 2018 $'000	Proportion of ordinary shares held by the Group 2019 %	Proportion of ordinary shares held by the Group 2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	Proportion of ordinary shares held by non-controlling interests 2018 %
Held by the Company (continued)								
Secure Venture Development (Simei) Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60	**40**	40
UOL Residential Development Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**–**	–
UOL Development (St Patrick) Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**–**	–
UOL Development (Sengkang) Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100	**–**	–
UOL Development (Bartley) Pte. Ltd.	Property development	Singapore	**30,500**	30,500	**100**	100	**–**	–
UOL Management Services Pte Ltd	Property management services and property investment	Singapore	**2,041**	2,041	**100**	100	**–**	–
UOL Project Management Services Pte. Ltd.	Project management services	Singapore	**115**	115	**100**	100	**–**	–
UOL Treasury Services Pte. Ltd.	Treasury services	Singapore	**1,000**	1,000	**100**	100	**–**	–
UOL Equity Investments Pte Ltd ("UEI")	Investment holding	Singapore	**480,000**	480,000	**100**	100	**–**	–
UOL Overseas Development Pte. Ltd. ("UOD")	Investment holding	Singapore	**50,000**	50,000	**100**	100	**–**	–
UOL Capital Investments Pte. Ltd. ("UCI")	Investment holding	Singapore	**52,000**	52,000	**100**	100	**–**	–
UOL Venture Investments Pte. Ltd. ("UVI")	Investment holding	Singapore	**2,651**	2,651	**100**	100	**–**	–
Secure Venture Investments Limited ("SVIL")**	Investment holding	Hong Kong	**28,208**	28,208	**100**	100	**–**	–
UOL Development (Amber) Pte. Ltd.	Property development	Singapore	**2,000**	2,000	**100**	100	**–**	–
UOL Ventures Holdings Pte. Ltd.	Investment holding	Singapore	**~**	~	**100**	100	**–**	–
UOL Retail Management Pte. Ltd.	Retail management consultancy services	Singapore	**~**	~	**100**	100	**–**	–
UOL Investments (Australia) Pte. Ltd. ("UIA")	Investment holding	Singapore	**14,428**	~	**100**	100	**–**	–
			1,987,447	1,973,019				

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2019 %	Proportion of ordinary shares held by the Group 2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	Proportion of ordinary shares held by non-controlling interests 2018 %
Held by subsidiaries						
UIC Development (Private) Limited ("UICD")	Investment holding	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Enterprise Pte Ltd ("UICE")	Investment holding	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Investment Pte Ltd ("UICI")	Property development	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Investments (Properties) Pte Ltd	Property investment	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Management Services Pte. Ltd.	Property management agents	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
Active Building & Civil Construction (1985) Pte. Ltd. ("ABCC")	Investment holding	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
Networld Pte Ltd ("NW")	Investment holding	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC China Realty Pte. Ltd. ("UICCR")	Investment holding	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Overseas Investments Pte. Ltd. ("UICOI")	Investment holding	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Homes Pte. Ltd. ("UICH")	Investment holding	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Commodities Pte Ltd[@]	Dormant	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Printedcircuits Pte Ltd[@]	Dormant	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Commercial Properties Pte. Ltd. ("UCP")[@]	Dormant	Singapore	**100 by UIC**	100 by UIC	**49.86**	49.90
UIC Land Pte Ltd	Property investment	Singapore	**100 by UICD**	100 by UICD	**49.86**	49.90
Singapore Land Limited ("SLL")	Investment holding	Singapore	**78.88 by UICE 20.76 by UICD 0.037 by UICI**	78.88 by UICE 20.76 by UICD 0.037 by UICI	**49.93**	49.97
Gateway Land Limited	Property investment	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97
Realty Management Services (Pte) Ltd.	Property management agents	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97
RMA-Land Development Private Ltd	Investment holding	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97
Shing Kwan Realty (Pte.) Limited ("SKR")	Property investment and investment holding	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97
S.L. Home Loans Pte. Ltd.	Investment holding	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97
S.L. Development Pte. Limited ("SLD")	Property investment and investment holding	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97
Singland China Holdings Pte. Ltd. ("SCH")	Investment holding	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97
Singland Homes Pte. Ltd. ("SLH")	Investment holding	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2019 %	2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	2018 %
Held by subsidiaries (continued)						
S.L. Properties Limited ("SLP")	Property investment and investment holding	Singapore	**100 by SLL**	100 by SLL	**49.93**	49.97
Interpex Services Private Limited@	Dormant	Singapore	**100 by SKR**	100 by SKR	**49.93**	49.97
Alprop Pte Ltd	Property investment	Singapore	**50 by SLD 50 by UICD**	50 by SLD 50 by UICD	**49.93**	49.97
Ideal Homes Pte. Limited	Property development	Singapore	**100 by SLD**	100 by SLD	**49.93**	49.97
Singland Development (Farrer Drive) Pte. Ltd.	Property development	Singapore	**100 by SLD**	100 by SLD	**49.93**	49.97
Singland Development (Jervois) Pte. Ltd.	Property development	Singapore	**100 by SLD**	100 by SLD	**49.93**	49.97
Singland (Chengdu) Development Co., Ltd.*	Property development	The People's Republic of China	**100 by SCH**	100 by SCH	**49.93**	49.97
Singland Homes (Alexandra) Pte. Ltd.	Property development	Singapore	**100 by SLH**	100 by SLH	**49.93**	49.97
Singland Homes (London 90) Pte. Ltd.@	Dormant	Singapore	**100 by SLH**	100 by SLH	**49.93**	49.97
Pothonier Singapore Pte Ltd ("PSPL")	Investment holding	Singapore	**100 by SLP**	100 by SLP	**49.93**	49.97
Shenton Holdings Private Limited ("SH")	Investment holding	Singapore	**100 by SLP**	100 by SLP	**49.93**	49.97
S L Prime Properties Pte Ltd	Property investment	Singapore	**100 by SH**	100 by SH	**49.93**	49.97
S L Prime Realty Pte Ltd	Property investment	Singapore	**100 by SH**	100 by SH	**49.93**	49.97
UIC Technologies Pte Ltd ("UICT")	Investment holding	Singapore	**60 by UIC**	60 by UIC	**69.92**	69.94
UIC Asian Computer Services Pte Ltd	Retailing of computer hardware and software	Singapore	**100 by UICT**	100 by UICT	**69.92**	69.94
UIC Investments (Equities) Pte Ltd@	Dormant	Singapore	**100 by UICT**	100 by UICT	**69.92**	69.94
Marina Management Services Pte Ltd	Property management agents	Singapore	**100 by MCH**	100 by MCH	**38.61**	50.79
Hotel Marina City Private Limited	Hotelier	Singapore	**100 by MCH**	100 by MCH	**38.61**	50.79
UIC JinTravel (Tianjin) Co., Ltd*	Property investment and trading	The People's Republic of China	**51 by UICCR**	51 by UICCR	**74.43**	74.45
Aquamarina Hotel Private Limited ("AHPL")	Hotelier	Singapore	**25 by UEI 75 by MCH**	25 by UEI 50 by MCH	**28.96**	50.39
Shanghai Jin Peng Realty Co. Ltd*("SJP")	Property development	The People's Republic of China	**40 by UCI 30 by SCH**	40 by UCI 30 by SCH	**44.98**	44.99
United Venture Development (Bedok) Pte. Ltd.	Property development	Singapore	**50 by UVI 50 by SLD**	50 by UVI 50 by SLD	**24.97**	24.99

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2019 %	Proportion of ordinary shares held by the Group 2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	Proportion of ordinary shares held by non-controlling interests 2018 %
Held by subsidiaries (continued)						
United Venture Development (Thomson) Pte. Ltd.	Property development	Singapore	**50 by UVI 50 by SLH**	50 by UVI 50 by SLH	**24.97**	24.99
United Venture Development (Clementi) Pte. Ltd.	Property development	Singapore	**50 by UVI 50 by SLH**	50 by UVI 50 by SLH	**24.97**	24.99
United Venture Development (Clementi 1) Pte. Ltd.^	Property development	Singapore	**80 by UVI 20 by UICH**	–	**10**	–
UVD (Projects) Pte. Ltd.	Property development	Singapore	**50 by UVI 50 by SLH**	50 by UVI 50 by SLH	**24.97**	24.99
United Venture Development (Silat) Pte. Ltd.	Property development	Singapore	**50 by UVI 30 by UICH**	50 by UVI 30 by UICH	**34.96**	34.97
United Venture Development (No. 1) Pte. Ltd.	Dormant	Singapore	**42.5 by UVI 42.5 by SLH**	42.5 by UVI 42.5 by SLH	**36.22**	36.24
United Venture Investments (No. 2) Pte. Ltd. (formerly known as United Venture Development (No. 2) Pte. Ltd.)	Dormant	Singapore	**70 by UVI 30 by UCP**	70 by UVI 30 by SLH	**14.98**	14.99
United Venture Development (No. 3) Pte. Ltd.	Dormant	Singapore	**70 by UVI 30 by UICH**	70 by UVI 30 by UICH	**14.96**	14.97
United Venture Investments (No.1) Pte. Ltd.	Dormant	Singapore	**50 by UVI 50 by UCP**	70 by UVI 30 by UCP	**24.93**	14.97
United Venture Investments (HI) Pte. Ltd. ("UVIHI")	Property investment	United Kingdom/ Singapore	**50 by UVI 50 by UICOI**	50 by UVI 50 by UICOI	**24.93**	24.95
United Venture Investment (Thomson) Pte. Ltd.	Dormant	Singapore	**60 by UVI 40 by SLD**	60 by UVI 40 by SLD	**19.97**	19.99
Secure Venture Development (Alexandra) Pte. Ltd.	Property development	Singapore	**70 by UVI**	70 by UVI	**30**	30
Promatik Emas Sdn. Bhd.*	Property development	Malaysia	**55 by UOD**	55 by UOD	**45**	45
UOL Serviced Residences Sdn. Bhd.*	Rental of serviced suites	Malaysia	**100 by UOD**	100 by UOD	**–**	–
Tianjin UOL Xiwang Real Estate Development Co., Ltd.*	Property development, hotelier and property investment	The People's Republic of China	**100 by UCI**	100 by UCI	**–**	–
Hua Ye Xiamen Hotel Limited*	Hotelier	The People's Republic of China	**100 by SVIL**	100 by SVIL	**–**	–
Success Venture Investments (Jersey) Limited ("SVIJ")#	Investment holding	Jersey	**100 by UOD**	100 by UOD	**–**	–
One Bishopsgate Plaza Limited^#	Management of real estate	United Kingdom	**100 by SVIJ**	–	**–**	–
Success Venture Development (Jersey) Limited ("SVDJ")#	Dormant	Jersey	**100 by UOD**	100 by UOD	**–**	–
Success Venture Nominees (No. 1) Limited #	Dormant	United Kingdom	**100 by SVIJ**	100 by SVIJ	**–**	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2019 %	Proportion of ordinary shares held by the Group 2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	Proportion of ordinary shares held by non-controlling interests 2018 %
Held by subsidiaries (continued)						
Pan Pacific London Hotel Limited#	Dormant	United Kingdom	**100 by ULH**	100 by ULH	**–**	–
UOL Development (UK) Limited*	Property development	United Kingdom	**100 by UVI**	100 by UVI	**–**	–
Success Venture Property Investments Limited	Property investment	United Kingdom/ Hong Kong	**100 by UOD**	100 by UOD	**–**	–
Peak Venture Pte. Ltd.**	Dormant	Singapore	**40 by UCI 30 by SCH**	40 by UCI 30 by SCH	**44.98**	44.99
Success Venture (CS) Pty Ltd*	Property investment	Australia	**100 by UIA**	100 by UIA	**–**	–
Parkroyal Kitchener Hotel Pte. Ltd.	Hotelier	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Parkroyal Pickering Hotel Pte. Ltd.	Hotelier and property investment	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Parkroyal Serviced Residences Pte. Ltd.	Management of serviced suites	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
United Lifestyle Holdings Pte Ltd ("ULH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
St Gregory Spa Pte Ltd	Management and operator of health and beauty retreats and facilities	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Dou Hua Restaurants Pte Ltd	Operator of restaurants	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Pan Pacific Shared Services Centre Pte. Ltd.	Provision of accounting services to hotels and serviced suites within the Group	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Parkroyal International Pte. Ltd.	Managing and licensing of trademark	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Pan Pacific International Pte. Ltd.	Managing and licensing of trademark	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
PPHG Ventures Pte. Ltd.	Dormant	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Garden Plaza Company Limited*	Hotelier	Vietnam	**100 by PPHG**	100 by PPHG	**–**	–
Success City Pty Limited*	Hotelier	Australia	**100 by PPHG**	100 by PPHG	**–**	–
Success Venture Investments (Australia) Ltd ("SVIA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG	**–**	–
Success Venture Pty Limited*	Trustee company	Australia	**100 by SVIA**	100 by SVIA	**–**	–
Success Venture Investments (WA) Limited ("SVIWA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG	**–**	–
HPL Properties (Malaysia) Sdn. Bhd. ("HPM")*	Investment holding	Malaysia	**100 by PPHG**	100 by PPHG	**–**	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2019 %	2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	2018 %
Held by subsidiaries (continued)						
President Hotel Sdn Berhad ("PHSB")*	Hotelier	Malaysia	**66.67 by HPM and 33.33 by PPHG**	66.67 by HPM and 33.33 by PPHG	**–**	–
Grand Elite Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB	**–**	–
Grand Elite (Penang) Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB	**–**	–
Hotel Investments (Suzhou) Pte. Ltd. ("HIS")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Suzhou Wugong Hotel Co., Ltd*	Hotelier	The People's Republic of China	**–**	100 by HIS	**–**	–
Hotel Investments (Hanoi) Pte. Ltd. ("HIH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Westlake International Company*	Hotelier	Vietnam	**75 by HIH**	75 by HIH	**25**	25
YIPL Investment Pte. Ltd. ("YIPL")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Yangon Hotel Limited**	Hotelier	Myanmar	**100 by YIPL**	100 by YIPL	**–**	–
Pan Pacific Hospitality Holdings Pte. Ltd. ("PPHH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG	**–**	–
Pan Pacific Hospitality Pte. Ltd. ("PPH")	Manage and operate serviced suites and investment holding	Singapore	**100 by PPHH**	100 by PPHH	**–**	–
Pan Pacific Technical Services Pte. Ltd.	Provision of technical services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH	**–**	–
Pan Pacific Marketing Services Pte. Ltd.	Provision of marketing and related services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH	**–**	–
Pan Pacific Hotels and Resorts Pte. Ltd. ("PPHR")	Hotel manager and operator	Singapore	**100 by PPHH**	100 by PPHH	**–**	–
Pan Pacific Hotels and Resorts Japan Co., Ltd#	Hotel manager and operator	Japan	**100 by PPHR**	100 by PPHR	**–**	–
Pan Pacific (Shanghai) Hotels Management Co., Ltd.**	Hotel manager and operator	The People's Republic of China	**100 by PPHR**	100 by PPHR	**–**	–
Pan Pacific Hotels and Resorts America, Inc. ("PPHRA")#	Hotel manager and operator	United States of America	**100 by PPHR**	100 by PPHR	**–**	–
Pan Pacific Hotels and Resorts Seattle Limited Liability Co#	Hotel manager and operator	United States of America	**100 by PPHRA**	100 by PPHRA	**–**	–
PT. Pan Pacific Hotels & Resorts Indonesia**	Hotel manager and operator	Indonesia	**99 by PPHR and 1 by PPHRA**	99 by PPHR and 1 by PPHRA	**–**	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group 2019 %	2018 %	Proportion of ordinary shares held by non-controlling interests 2019 %	2018 %
Held by subsidiaries (continued)						
PT Success Venture Serviced Suites Investments*	Business development	Indonesia	**99 by PPHH and 1 by PPHR**	99 by PPHH and 1 by PPHR	**–**	–
Success Venture Investments (Jakarta) Pte. Ltd. (“SVI(Jkt)”)^	Investment holding	Singapore	**100 by PPHG**	–	**–**	–
PT Success Venture Hotel Investments^*	Hotelier/Investment holding	Indonesia	**99 by SVI(Jkt) and 1 by PPHR**	–	**–**	–

(c) The following unit trusts are held by:

Name of unit trusts	Principal activities	Country of business/ constitution	Proportion of units held by the Group 2019 %	2018 %	Proportion of units held by non-controlling interests 2019 %	2018 %
Success Venture (Darling Harbour) Unit Trust*	Hotelier	Australia	**100 by SVIA**	100 by SVIA	**–**	–
Success Venture (Parramatta) Unit Trust*	Hotelier	Australia	**100 by SVIA**	100 by SVIA	**–**	–
Success Venture (WA) Unit Trust*	Hotelier	Australia	**100 by SVIWA**	100 by SVIWA	**–**	–
Success Venture (Melbourne) Unit Trust*	Hotelier	Australia	**100 by SVIWA**	100 by SVIWA	**–**	–
Heron Plaza Property Unit Trust (“HPPUT”) #	Liquidated	Jersey	**–**	60 by SVIJ and 40 by SVDJ	**–**	–

PricewaterhouseCoopers LLP Singapore is the auditor of all subsidiaries of the Group unless otherwise indicated.

~ Less than $1,000.
* Audited by PricewaterhouseCoopers firms outside Singapore.
** Audited by other auditors. The subsidiaries not audited by PricewaterhouseCoopers LLP Singapore or PricewaterhouseCoopers firms outside Singapore are not significant subsidiaries as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.
# Not required to be audited under the laws of the country of incorporation.
^ Newly incorporated during the financial year.
@ Not required to be audited as these companies are considered dormant and exempted from audit under the Companies’ Act.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2019.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(d) Carrying value of non-controlling interests

The non-controlling interests for subsidiaries are, in the opinion of the directors, not material to the Group except for UIC and its subsidiary companies.

	2019 $'000	2018 $'000 (Restated)
UIC and its subsidiary companies ("UIC Group")	**3,666,911**	4,152,124
Other subsidiaries with immaterial non-controlling interests	**619,898**	660,473

(e) Summarised aggregate financial information of subsidiaries with material non-controlling interests, presented before inter-company eliminations:

	UIC Group	
	2019 $'000	**2018 $'000 (Restated)**
Current		
Assets	**430,567**	692,497
Liabilities	**(678,520)**	(362,009)
Total current net (liabilities)/assets	**(247,953)**	330,488
Non-current		
Assets	**8,594,061**	7,723,355
Liabilities	**(373,284)**	(425,405)
Total non-current net assets	**8,220,777**	7,297,950
Net assets	**7,972,824**	7,628,438

	UIC Group	
	2019 $'000	**2018 $'000 (Restated)**
Revenue	**789,451**	656,967
Profit before income tax	**736,786**	384,266
Income tax expense	**(47,439)**	(41,409)
Profit after tax	**689,347**	342,857
Total comprehensive income	**715,320**	334,263
Total comprehensive income allocated to non-controlling interests	**322,535**	167,592
Dividends paid to non-controlling interests	**17,856**	21,555

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(e) Summarised aggregate financial information of subsidiaries with material non-controlling interests, presented before inter-company eliminations: (continued)

	UIC Group	
	2019 $'000	2018 $'000 (Restated)
<u>Cash flows from operating activities</u>		
Cash generated from operations	**505,060**	417,468
Interest paid	**(17,504)**	(10,565)
Income tax paid	**(53,305)**	(37,762)
Net cash generated from operating activities	**434,251**	369,141
Net cash used in investing activities	**(83,647)**	(174,572)
Net cash used in financing activities	**(416,135)**	(124,813)
Net (decrease)/increase in cash and cash equivalents	**(65,531)**	69,756
Cash and cash equivalents at beginning of year	**244,137**	174,381
Cash and cash equivalents at end of year	**178,606**	244,137

(f) Acquisition of additional interest in subsidiaries

In 2019, the Group acquired the following additional interests in subsidiaries:

	Number of shares acquired in subsidiary	Purchase consideration $'000	Effective equity interest of the Group after acquisition %
<u>2019</u>			
UIC (acquired by UOL)	585,968	1,791	50.14
MCH (acquired by SLD)	72,800,000	485,333	61.39
AHPL (acquired by MCH)	34,250,000	190,000	71.04
<u>2018</u>			
UIC	3,894,000	12,558	50.10

The carrying amount of the non-controlling interests in these subsidiaries prior to the acquisitions was $4,553,625,000 (2018: $4,416,347,000). The Group derecognised non-controlling interests of $689,294,000 (2018: $17,802,000) and recorded an increase in equity attributable to owners of the parent of $11,205,000 (2018: $5,244,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

19. INVESTMENTS IN SUBSIDIARIES (continued)

(f) Acquisition of additional interest in subsidiaries (continued)

The effect of changes in the ownership interest of UIC, MCH and AHPL on the equity attributable to owners of the Company during the year is summarised as follows:

	2019 $'000	2018 $'000
Carrying amount of non-controlling interests acquired	**689,294**	17,802
Consideration, including acquisition-related costs, paid to non-controlling interests	**(678,089)**	(12,558)
Excess of carrying amount over consideration paid recognised in parent's equity	**11,205**	5,244

20. INVESTMENT PROPERTIES

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
At the beginning of the financial year	**11,264,120**	10,917,340	**477,250**	431,100
Currency translation differences	**(1,186)**	(21,065)	**–**	–
Additions	**110,498**	168,933	**86,554**	195
Disposals/write-offs	**(92)**	–	**–**	–
Transfer from development properties	**–**	49,633	**–**	–
Net fair value gains recognised in income statement	**220,331**	149,279	**3,342**	45,955
At the end of the financial year	**11,593,671**	11,264,120	**567,146**	477,250

(a) Bank borrowings are secured on certain investment properties of the Group amounting to $1,411,450,000 (2018: $1,441,192,000) [Note 26(b)].

(b) The following amounts are recognised in the income statements:

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Rental income (Note 4)	**551,734**	541,012	**17,588**	19,809
Direct operating expenses arising from investment properties that generated rental income	**84,544**	89,257	**3,067**	2,716

The Group and the Company do not have any investment properties that do not generate rental income.

(c) The movement in accrued receivables relating to lease incentives of the Group and the Company of $16,287,000 and $144,000 respectively has been recognised against fair value gains on investment properties during the year.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

20. INVESTMENT PROPERTIES (continued)

(d) The details of the Group's investment properties at 31 December 2019 were:

		Tenure of land
United Square	– a retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks at Thomson Road, Singapore	Freehold
Faber House	– retained interests in a 12-storey office building and a 48-lot carpark at Orchard Road, Singapore	Freehold
KINEX	– a 3-storey commercial podium with a basement located within a commercial/residential development at Tanjong Katong Road, Singapore	Freehold
Pan Pacific Serviced Suites Orchard	– a 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark at Somerset Road, Singapore	Freehold
Odeon Towers	– a 23-storey commercial building with 3 basement levels and a 2-storey podium block at North Bridge Road, Singapore	999-year leasehold from 1827
333 North Bridge Road site	– a 9-storey commercial building, formerly KH KEA Building, with basement carpark located adjacent to Odeon Towers with dual frontages along North Bridge Road and Cashin Street, Singapore	999-year leasehold from 1827
Novena Square	– retained interests in a commercial building comprising two blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks at Thomson Road, Singapore	99-year lease from 1997
The Plaza	– retained interests in a 32-storey tower block comprising restaurants, a function room, shops, offices and 90 units of serviced suites (PARKROYAL Serviced Suites) at Beach Road, Singapore	99-year lease from 1968
	– a 15-storey building comprising 180 units of serviced suites (Pan Pacific Serviced Suites Beach Road) above the existing carpark block at Beach Road, Singapore	99-year lease from 1968
One Upper Pickering	– a 15-storey office building with a roof terrace within a hotel and office development at Upper Pickering Street, Singapore	99-year lease from 2008
Singapore Land Tower	– a 47-storey complex of banks and offices and three basements of car parking space at Raffles Place, Singapore	999-year lease from 1826
Clifford Centre	– a 29-storey complex of shops and offices at Raffles Place, Singapore	999-year lease from 1826
Stamford Court	– a 4-storey commercial building of shops and offices at Stamford Road, Singapore	99-year lease from 1994
West Mall	– a 5-storey retail and entertainment complex with three basements of car parking space at Bukit Batok Central Link, Singapore	99-year lease from 1995
The Gateway	– a pair of 37-storey towers with two basements of car parking space at Beach Road, Singapore	99-year lease from 1982
SGX Centre 2	– a 29-storey office building with two basements of car parking space at Shenton Way, Singapore	99-year lease from 1995
ABACUS Plaza and Tampines Plaza	– a pair of 8-storey office buildings with two basements of car parking space at Tampines Central 1, Singapore	99-year lease from 1996

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

20. INVESTMENT PROPERTIES (continued)

(d) The details of the Group's investment properties at 31 December 2019 were: (continued)

		Tenure of land
Marina Square Shopping Mall	– a 5-storey retail mal (including basement)l that is part of a mixed development that includes three hotels at Raffles Boulevard, Singapore	99-year lease from 1980
UIC Building	– part of a mixed development (residential and commercial) at Shenton Way, Singapore, with the residential component, V on Shenton, classified under development properties	99-year lease from 2011
120 Holborn Island	– comprises 120 Holborn, an office building with retail units, a gym and club/restaurant on part basement, ground floor and mezzanine level with nine upper floors of office, and 100 Hatton Garden, which has retail units and two floors of office at Midtown, London, United Kingdom	Freehold
110 High Holborn	– a retail-cum-office building comprising basement and 1st storey retail space and a 9 storey office block with basement carpark at Midtown, London, United Kingdom	Part freehold and part 999-leasehold from 1999
72 Christie Street	– an 8-storey office building with four floors of basement parking at Christie Street, St Leonards, Sydney, New South Wales, Australia	Freehold
PARKROYAL Serviced Suites Kuala Lumpur	– a 31-storey serviced suite with 287 units and a carpark at Jalan Nagasari, Kuala Lumpur, Malaysia	Freehold
The Esplanade (Hai He Hua Ding)	– a 3-storey retail mall with basement carparks located within a commercial/residential development in Hong Qiao District, Tianjin, The People's Republic of China	40-year lease from 2007
Park Eleven	– a 3-storey retail podium with basement carpark within a commercial/residential development at Danba Road, Putuo District, The People's Republic of China	70-year lease from 2011

The 333 North Bridge Road site was acquired during the financial year with a view to redevelop and amalgamate the acquired investment property as an extension of the existing floor plate of the adjacent Odeon Towers, an existing investment property of the Group, subject to government approval. The fair value of the site as of 31 December 2019 was valued by independent valuers on this basis of redevelopment and amalgamation.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

20. INVESTMENT PROPERTIES (continued)

(e) Fair value hierarchy – Recurring fair value measurements

	The Group Fair value measurements using significant unobservable inputs (Level 3)	
	2019 $'000	2018 $'000
Description		
Singapore:		
– Shops	**2,839,290**	2,804,890
– Offices	**7,388,749**	7,150,560
– Serviced Suites	**370,952**	363,395
Malaysia:		
– Serviced Suites	**69,103**	72,415
The People's Republic of China:		
– Shops	**85,200**	90,957
– Carpark	**24,407**	26,566
United Kingdom:		
– Shops	**179,127**	170,454
– Offices	**485,630**	435,449
Australia:		
– Offices	**151,213**	149,434

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties semi-annually based on the properties' highest and best use.

Changes in Level 3 fair values as assessed by the external valuers are reviewed by the Group Chief Executive and the Chief Financial Officer and are presented at the relevant Board meetings for approval.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's completed investment properties have been generally derived using one or more of the following valuation approach:

(i) the Direct Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant input to the valuation approach would be the adopted value per square foot.

(ii) the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value. Significant inputs to the valuation approach would be the growth rate, capitalisation rate and discount rate.

(iii) the Income Method approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth and over the unexpired lease term. The most significant input to the valuation approach would be the capitalisation rate.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

20. INVESTMENT PROPERTIES (continued)

(e) Fair value hierarchy – Recurring fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The valuations are estimated by independent professional valuers based on market conditions as at 31 December 2019. The estimates are largely consistent with the budgets and other financial projections developed internally by the Group based on management's experience and knowledge of market conditions.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 31 December 2019 $'000	Fair value as at 31 December 2018 $'000	Valuation technique(s)	Unobservable inputs@	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Singapore						
Shops	**2,839,290**	2,804,890	Direct Comparison Method	– Adopted value per square foot	$1,470 to $2,994 ($2,227) [2018: $1,464 to $2,392 ($2,178)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	4% to 5% (5%) [2018: 5% (5%)]	The lower the capitalisation rate, the higher the fair value.
Offices	**7,388,749**	7,150,560	Direct Comparison Method	– Adopted value per square foot	$1,017 to $2,613 ($2,078) [2018: $989 to $2,740 ($2,156)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	3% to 4% (3%) [2018: 3% to 4% (4%)]	The lower the capitalisation rate, the higher the fair value.
Serviced Suites	**370,952**	363,395	Discounted Cash Flow Method	– Growth rate	3% to 8% (5%) [2018: 4% (4%)]	The higher the growth rate, the higher the fair value.
				– Discount rate	6% to 7% (6%) [2018: 6% to 8% (7%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				– Capitalisation rate	4% to 5% (4%) [2018: 4% to 5% (5%)]	
			#Income Method	– Capitalisation rate	4% (4%) [2018: 4% (4%)]	The lower the capitalisation rate, the higher the fair value.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

20. INVESTMENT PROPERTIES (continued)

(e) Fair value hierarchy – Recurring fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value as at 31 December 2019 $'000	Fair value as at 31 December 2018 $'000	Valuation technique(s)	Unobservable inputs@	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Malaysia						
Serviced Suites	**69,103**	72,415	Discounted Cash Flow Method	– Growth rate	5% (5%) [2018: 5% (5%)]	The higher the growth rate, the higher the fair value.
				– Discount rate	9% (9%) [2018: 9% (9%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				– Capitalisation rate	7% (7%) [2018: 7% (7%)]	
			Direct Comparison Method	– Adopted value per square foot	$369 ($369) [2018: $369 ($369)]	The higher the adopted value, the higher the fair value.
The People's Republic of China						
Shops	**85,200**	90,957	Direct Comparison Method	– Adopted value per square foot	$367 to $1,093 ($542) [2018: $404 to $1,142 ($581)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	5% to 6% (6%) [2018: 6% (6%)]	The lower the capitalisation rate, the higher the fair value.
Carpark	**24,407**	26,566	Direct Comparison Method	– Adopted value per square foot	$100 to $111 ($102) [2018: $107 to $121 ($110)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	4% [2018: 4%]	The lower the capitalisation rate, the higher the fair value.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

20. INVESTMENT PROPERTIES (continued)

(e) Fair value hierarchy – Recurring fair value measurements (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value as at 31 December 2019 $'000	Fair value as at 31 December 2018 $'000	Valuation technique(s)	Unobservable inputs@	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
United Kingdom						
Shops	**179,127**	170,454	Income Method	– Capitalisation rate	5% to 6% (5%) [2018: 5% to 6% (5%)]	The lower the capitalisation rate, the higher the fair value.
Offices	**485,630**	435,449	Income Method	– Capitalisation rate	5% to 7% (6%) [2018: 5% to 7% (6%)]	The lower the capitalisation rate, the higher the fair value.
Australia						
Offices	**151,213**	149,434	Income Method	– Capitalisation rate	5% [2018: 5%]	The lower the capitalisation rate, the higher the fair value.
			Discounted Cash Flow Method	– Growth rate	4% [2018: 4%]	The higher the growth rate, the higher the fair value.
				– Discount rate	7% [2018: 7%]	The higher the discount rate or capitalisation rate, the lower the fair value.
				– Capitalisation rate	5% [2018: 5%]	

Only applicable for PARKROYAL Serviced Suites which is situated inside The Plaza (Block A).

@ There were no significant inter-relationships between unobservable inputs except that under the Discounted Cash Flow Method, the discount rate should conceptually approximate the summation of the capitalisation rate and the growth rate.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

21. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Properties under development $'000	Renovation in progress $'000	Total $'000
The Group								
Cost								
At 1 January 2019	173,800	189,141	2,217,011	749,356	2,575	250,812	2,559	3,585,254
Adoption of SFRS(I) 16	–	–	16,488	–	–	–	–	16,488
Currency translation differences	(627)	(2,763)	(16,358)	(10,634)	(38)	2,159	(37)	(28,298)
Additions	–	460	959	39,562	244	171,870	9,962	223,057
Disposals/write-offs	–	(88)	(1,693)	(20,657)	(435)	–	(3)	(22,876)
Transfer from development properties	–	–	–	4,793	–	–	–	4,793
Reclassification	–	–	2,267	5,484	–	–	(7,751)	–
Disposal of a subsidiary (Note 11)	–	–	(64,863)	(42,005)	(385)	–	–	(107,253)
At 31 December 2019	173,173	186,750	2,153,811	725,899	1,961	424,841	4,730	3,671,165
Accumulated depreciation and impairment								
At 1 January 2019	–	77,133	195,388	400,945	1,998	102,102	–	777,566
Currency translation differences	–	(957)	(2,959)	(7,171)	(29)	1,194	–	(9,922)
Charge for the financial year	–	3,830	40,334	67,703	360	–	–	112,227
Disposals/write-offs	–	(55)	(742)	(19,284)	(435)	–	–	(20,516)
Disposal of a subsidiary (Note 11)	–	–	(32,257)	(36,557)	(341)	–	–	(69,155)
Write-back of impairment charge (Note 8)	–	–	(3,586)	–	–	–	–	(3,586)
Impairment charge (Note 8)	–	–	–	–	–	14,780	–	14,780
At 31 December 2019	–	79,951	196,178	405,636	1,553	118,076	–	801,394
Net book value at 31 December 2019	**173,173**	**106,799**	**1,957,633**	**320,263**	**408**	**306,765**	**4,730**	**2,869,771**
Cost								
At 1 January 2018	175,382	231,103	2,242,990	749,701	2,754	159,565	9,492	3,570,987
Currency translation differences	(1,582)	(7,001)	(29,461)	(15,157)	(34)	(4,203)	(353)	(57,791)
Additions	–	–	1,535	32,417	270	95,450	13,139	142,811
Disposals/write-offs	–	(34,961)	(223)	(35,053)	(415)	–	(101)	(70,753)
Reclassification	–	–	2,170	17,448	–	–	(19,618)	–
At 31 December 2018	173,800	189,141	2,217,011	749,356	2,575	250,812	2,559	3,585,254
Accumulated depreciation and impairment								
At 1 January 2018	–	103,803	161,192	374,881	2,100	72,847	–	714,823
Currency translation differences	–	(2,332)	(2,791)	(9,706)	(29)	(3,385)	–	(18,243)
Charge for the financial year	–	9,942	38,599	69,590	327	–	–	118,458
Disposals/write-offs	–	(34,321)	(128)	(33,574)	(400)	–	–	(68,423)
Write-back of impairment charge (Note 8)	–	–	(5,977)	–	–	–	–	(5,977)
Impairment charge (Note 8)	–	–	4,288	–	–	32,640	–	36,928
Reclassification	–	41	205	(246)	–	–	–	–
At 31 December 2018	–	77,133	195,388	400,945	1,998	102,102	–	777,566
Net book value at 31 December 2018	173,800	112,008	2,021,623	348,411	577	148,710	2,559	2,807,688

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

21. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company			
Cost			
At 1 January 2019	6,198	100	6,298
Additions	957	–	957
Disposals/write-offs	(63)	(100)	(163)
At 31 December 2019	7,092	–	7,092
Accumulated depreciation			
At 1 January 2019	4,533	100	4,633
Charge for the financial year	532	–	532
Disposals/write-offs	(56)	(100)	(156)
At 31 December 2019	5,009	–	5,009
Net book value at 31 December 2019	**2,083**	**–**	**2,083**
Cost			
At 1 January 2018	5,765	100	5,865
Additions	545	–	545
Disposals/write-offs	(112)	–	(112)
At 31 December 2018	6,198	100	6,298
Accumulated depreciation			
At 1 January 2018	4,200	95	4,295
Charge for the financial year	445	5	450
Disposals/write-offs	(112)	–	(112)
At 31 December 2018	4,533	100	4,633
Net book value at 31 December 2018	1,665	–	1,665

(a) At 31 December 2019, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was $4,568,184,000 (2018: $4,216,092,000) and the net book value was $2,684,971,000 (2018: $2,635,927,000). The valuations were carried out by firms of independent professional valuers on an open market existing use basis. The surplus on valuation of these hotel properties amounting to $1,883,213,000 (2018: $1,580,165,000) has not been incorporated in the financial statements.

The fair values derived using the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value are within Level 3 of the fair values hierarchy. The key assumptions to determine the fair value include capitalisation rate, growth rate and discount rate.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Borrowing costs of $3,028,000 (2018: $1,668,000) (Note 7) arising on financing incurred for the property under development were capitalised during the financial year.

(c) Bank borrowings and other banking facilities are secured on certain hotel properties of the Group [Note 26(b)] amounting to $561,118,000 (2018: $675,029,000).

(d) The carrying amount of leasehold land and building held under finance leases in 2018 was $3,619,000 (Note 27).

(e) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 22(a).

(f) The details of the Group's properties in property, plant and equipment at 31 December 2019 were:

		Tenure of land	Remaining lease term
PARKROYAL on Beach Road	– a 346-room hotel at Beach Road, Singapore	99-year lease from 1968	48 years
PARKROYAL on Kitchener Road	– a 532-room hotel at Kitchener Road, Singapore	Freehold	–
PARKROYAL COLLECTION Pickering (formerly known as PARKROYAL on Pickering)	– a 367-room hotel at Upper Pickering Street, Singapore	99-year lease from 2008	88 years
Pan Pacific Orchard	– a new 23-storey hotel with proposed 347 rooms under development	Freehold	–
Eunos Warehouse Complex	– retained interests in 3 units of a 4-storey flatted warehouse at Kaki Bukit Road, Singapore	60-year lease from 1982	23 years
PARKROYAL Darling Harbour, Sydney	– a 340-room hotel at Darling Harbour, Sydney, Australia	Freehold	–
PARKROYAL Parramatta	– a 286-room hotel at Parramatta, Phillip Street, New South Wales, Australia	Freehold	–
Pan Pacific Perth	– a 486-room hotel at Adelaide Terrace, Perth, Australia	Freehold	–
PARKROYAL Kuala Lumpur and President House	– a 426-room hotel and a 6-storey podium office block at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Freehold	–
	– a 320-lot carpark at Jalan Sultan Ismail, Kuala Lumpur, Malaysia, under development into a 24-storey building with proposed 210 serviced suites to be operated as Pan Pacific Serviced Suites Kuala Lumpur	Leasehold expiring in 2080	61 years

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(f) The details of the Group's properties in property, plant and equipment at 31 December 2019 were: (continued)

		Tenure of land	Remaining lease term
PARKROYAL Penang Resort	– a 310-room resort hotel at Batu Ferringhi Beach, Penang, Malaysia	Freehold	–
PARKROYAL Saigon	– a 186-room hotel and a 6-storey annex office building at Nguyen Van Troi Street, Tan Binh District, Ho Chi Minh City, Vietnam	49-year lease from 1994	24 years
Pan Pacific Hanoi	– a 270-room hotel and 54 serviced suites at Thanh Nien Road, Hanoi, Vietnam	48-year lease from 1993	22 years
Pan Pacific Xiamen	– a 329-room hotel and 25 serviced apartments at Hubin Bei Road, Xiamen, The People's Republic of China	70-year lease from 1991	42 years
Pan Pacific Tianjin	– a 289-room hotel and 30 serviced apartments in Hong Qiao District, Tianjin, The People's Republic of China	40-year lease from 2007	28 years
PARKROYAL Yangon	– a 319-room hotel and 23 serviced suites at Alan Pya Phaya Road, Dagon Township, Yangon, Myanmar	50-year lease from 1998 with an option to extend for 2 consecutive terms of 10 years each with approval of Myanmar Investment Commission	29+10+10 years
PARKROYAL Melbourne Airport	– a 276-room hotel opposite Melbourne Airport, Victoria, Australia	50-year lease from 1997 with an option to extend for a further 49 years subject to renewal of head lease	28+49 years
Pan Pacific Melbourne	– a 396-room hotel at South Wharf, Victoria, Australia	99-year lease from 2009	89 years
Pan Pacific London	– a proposed hotel with an estimated 237 rooms with a commercial component at Bishopsgate, London, United Kingdom	Freehold	–
Pan Pacific Singapore	– a 790-room hotel at Raffles Boulevard, Singapore	99-year lease from 1980	60 years

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

21. PROPERTY, PLANT AND EQUIPMENT (continued)

(f) The details of the Group's properties in property, plant and equipment at 31 December 2019 were: (continued)

		Tenure of land	Remaining lease term
PARKROYAL COLLECTION Marina Bay (formerly known as Marina Mandarin)	– a 575-room hotel at Raffles Boulevard, Singapore	99-year lease from 1980	60 years
The Westin Tianjin	– a 275-room hotel in Heping District, Tianjin, The People's Republic of China	50-year lease from 2005	35 years

(g) The reversal of impairment charge for the financial year of $3,586,000 (2018: $5,977,000) was in respect of Pan Pacific Melbourne (2018: Pan Pacific Tianjin). The impairment charge of $14,780,000 for the financial year was in respect of the hotel property under development at Bishopsgate, London (2018: $32,640,000). In 2018, there was also an impairment charge of $4,288,000 for Pan Pacific Melbourne. The reversal of impairment charges and impairment charges for Pan Pacific Melbourne and Pan Pacific Tianjin were due to the fair values of the properties as appraised by professional valuers exceeding/below their carrying amounts respectively.

The impairment charge for the hotel property under development at Bishopsgate, London arose from difference between the recoverable amount and the estimated total development cost of the hotel. The recoverable amount represents the valuation of the hotel upon completion as appraised by professional valuers on the basis of value-in-use using the discounted cash flow approach. Certain assumptions and judgement were applied to estimate the gross development value of the hotel as if it is completed and operational. The terminal capitalisation rate and discount rate used were 5.5% (2018: 5.5%) and 7.5% (2018: 7.5%) respectively.

Management has estimated the total development costs in consultation with quantity surveyors and other professional consultants. Certain judgement was exercised as there are costs to complete and to be contracted for as at 31 December 2019.

Impairment charges and write-back of impairment charge were included within "other gains/(losses)" in the consolidated income statement.

22. LEASES – THE GROUP AND THE COMPANY AS A LESSEE

Nature of the Group and the Company's leasing activities

Property

The Group leases various premises from non-related parties for the purpose of back office operations and sale of goods to customers.

Leasehold land and building

The Group and the Company has made upfront payments to secure the right-of-use of various leasehold land and buildings. The leasehold land and buildings are recognised within Property, plant and equipment (Note 21) when they are used in the production or supply of goods or services, such as for the Group's hotel operations. Otherwise, these are classified within Investment properties (Note 20) when they are held for long-term rental yields and/or for capital appreciation.

The Group also makes annual lease payments for leasehold land and buildings. The right-of-use of the land and buildings are classified as Property, plant and equipment (Note 21).

Bank borrowings and other banking facilities are secured on certain right-of-use assets of the Group amounting to $217,361,000.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

22. LEASES – THE GROUP AND THE COMPANY AS A LESSEE (continued)

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	The Group	
	31 December 2019 $'000	**1 January 2019 $'000**
Leasehold land and buildings	**1,365,443**	1,397,839

	The Group 2019 $'000
(b) Depreciation charge during the year	
Leasehold land and buildings	**25,504**
(c) Interest expense	
Interest expense on lease liabilities	**1,282**
(d) Lease expense not capitalised in lease liabilities	
Lease expense – short-term leases	**628**
Lease expense – low-value leases	**530**
Total (Note 5)	**1,158**

(e) Total cash outflow for all the leases in 2019 was $3,389,000.

(f) Addition of ROU assets during the financial year 2019 was $759,000.

(g) Future cash outflow which are not capitalised in lease liabilities

Extension options

The leases for certain leasehold land and buildings contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

23. LEASES – THE GROUP AND THE COMPANY AS A LESSOR

Nature of the Group and the Company's leasing activities – Group and Company as a lessor

The Group and the Company lease out retail and office space to non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group and the Company may obtain deposits or banker's guarantees amounting to three to five months of the monthly lease rental. These leases are classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 20(b). Income recognised during the financial year 2019 of $2,969,000 for the Group and $10,000 for the Company relates to variable lease payments that do not depend on an index or rate.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

23. LEASES – THE GROUP AND THE COMPANY AS A LESSOR (continued)

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	The Group		The Company	
	31 December 2019 $'000	1 January 2019 $'000	31 December 2019 $'000	1 January 2019 $'000
Less than one year	**371,774**	377,976	**14,093**	13,353
One to two years	**293,356**	277,690	**11,811**	6,863
Two to three years	**194,424**	218,088	**8,872**	4,387
Three to four years	**115,164**	120,222	**3,235**	2,028
Four to five years	**76,877**	87,144	**1,418**	–
Later than five years	**149,604**	136,768	**–**	–
Total undiscounted lease payment	**1,201,199**	1,217,888	**39,429**	26,631

24. INTANGIBLES

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trademarks [Note (a) below]	**5,815**	6,542	**–**	–
Computer software costs [Note (b) below]	**1,182**	1,163	**584**	758
Contract acquisition costs [Note (c) below]	**3,899**	4,861	**–**	–
Development property backlog [Note (d) below]	**–**	76,397	**–**	–
Goodwill arising on consolidation [Note (e) below]	**33,073**	33,728	**–**	–
	43,969	122,691	**584**	758

(a) Trademarks

	The Group	
	2019 $'000	2018 $'000
Cost		
At the beginning and end of the financial year	**14,806**	14,806
Accumulated amortisation		
At the beginning of the financial year	**8,264**	7,538
Amortisation for the financial year	**727**	726
At the end of the financial year	**8,991**	8,264
Net book value	**5,815**	6,542

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

24. INTANGIBLES (continued)

(b) Computer software costs

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Cost				
At the beginning of the financial year	**8,508**	7,819	**1,999**	1,445
Currency translation differences	**(58)**	(68)	**–**	–
Additions	**363**	772	**9**	554
Disposal of a subsidiary	**(470)**	–	**–**	–
Disposals	**(19)**	(15)	**–**	–
At the end of the financial year	**8,324**	8,508	**2,008**	1,999
Accumulated amortisation				
At the beginning of the financial year	**7,345**	7,250	**1,241**	1,161
Currency translation differences	**(55)**	(62)	**–**	–
Amortisation for the financial year	**340**	172	**183**	80
Disposal of a subsidiary	**(470)**	–	**–**	–
Disposals	**(18)**	(15)	**–**	–
At the end of the financial year	**7,142**	7,345	**1,424**	1,241
Net book value	**1,182**	1,163	**584**	758

(c) Contract acquisition costs

	The Group	
	2019	**2018**
	$'000	**$'000**
Cost		
At the beginning of the financial year	**8,300**	7,758
Currency translation differences	**(24)**	(18)
Additions	**–**	560
At the end of the financial year	**8,276**	8,300
Accumulated amortisation		
At the beginning of the financial year	**3,439**	2,583
Currency translation differences	**(24)**	(18)
Amortisation for the financial year	**962**	874
At the end of the financial year	**4,377**	3,439
Net book value	**3,899**	4,861

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

24. INTANGIBLES (continued)

(d) Development property backlog

	The Group 2019 $'000	The Group 2018 $'000
Cost		
At the beginning and end of the financial year	**156,578**	156,578
Accumulated amortisation		
At the beginning of the financial year	**80,181**	24,006
Amortisation for the financial year	**76,397**	56,175
At the end of the financial year	**156,578**	80,181
Net book value	**–**	76,397

Development property backlog relates to the recognition of fair value on sold development properties of acquired subsidiaries in accordance with SFRS(I) 3 *Business Combinations* and will be amortised as and when such profits are recorded by the acquired subsidiaries.

(e) Goodwill arising on consolidation

	The Group 2019 $'000	The Group 2018 $'000
At the beginning of the financial year	**33,728**	35,367
Currency translation differences	**(655)**	(1,639)
At the end of the financial year	**33,073**	33,728

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units ("CGUs") identified according to countries of operation and business segment. A segment-level summary of the goodwill allocation is analysed as follows:

	Hotel operations 2019 $'000	Hotel operations 2018 $'000
Singapore	**10,371**	10,371
Malaysia	**831**	831
Australia	**21,871**	22,526
	33,073	33,728

The recoverable amount of the above CGUs were determined based on fair value less cost to sell calculations. The fair value less cost to sell reflects the best estimate of the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The fair values were determined by independent professional valuers using the cash flows projections of 5 to 10 years (2018: 5 to 10 years) which were prepared based on the expected future market trend. The key assumptions include the revenue growth rate for the next 5 to 10 years and the discount rate.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

24. INTANGIBLES (continued)

(e) Goodwill arising on consolidation (continued)

Key assumptions used for fair value less cost to sell calculations:

	Australia %	Malaysia %	Singapore %
31 December 2019			
Growth rate	**4.1**	**2.9**	**5.4**
Discount rate	**7.0**	**9.0**	**6.8**
31 December 2018			
Growth rate	3.1	2.9	4.0
Discount rate	7.0	9.0	7.4

25. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Current				
Trade payables:				
– non-related parties	**150,306**	163,198	**846**	2,249
Other payables:				
– rental and other deposits	**71,555**	59,952	**1,014**	2,557
– accrued interest payable	**11,443**	11,064	**103**	709
– retention monies	**31,326**	38,735	**229**	28
– accrued development expenditure	**24,907**	5,717	**–**	–
– accruals for completed projects	**37,315**	37,072	**–**	–
– accrued operating expenses	**138,735**	100,981	**9,138**	10,450
– sundry creditors	**11,021**	17,957	**3,553**	3,244
– deferred revenue	**5,491**	4,837	**–**	–
– contract liabilities for development properties	**197,428**	362,837	**–**	–
– subsidiaries (non-trade)	**–**	–	**970**	792
– associated company (non-trade)	**7**	3	**–**	–
– non-controlling shareholder (non-trade)	**–**	235	**–**	–
	529,228	639,390	**15,007**	17,780
Loans from subsidiaries	**–**	–	**437,139**	900,388
	679,534	802,588	**452,992**	920,417
Non-current				
Deferred revenue	**94,126**	98,998	**–**	–
Rental deposits	**94,495**	85,389	**3,864**	2,430
Retention monies	**10,773**	14,658	**–**	–
Accrued interest payable to non-controlling shareholder	**5,069**	1,588	**–**	–
Due to an associated company	**1,624**	–	**–**	–
	206,087	200,633	**3,864**	2,430
Total trade and other payables	**885,621**	1,003,221	**456,856**	922,847

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

25. TRADE AND OTHER PAYABLES (continued)

(a) The loans from subsidiaries and non-trade amounts due to subsidiaries, an associated company and a non-controlling shareholder are unsecured, interest-free and repayable on demand.

(b) The carrying amounts of rental and other deposits, retention monies and amount due to an associated company approximate their fair values.

(c) Deferred revenue includes advance rental in respect of operating leases where amounts are recognised in the income statement on a straight-line basis over the lease term.

26. BORROWINGS

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Current				
Bank loans (secured)	**185,537**	99,996	**–**	–
Bank loans (unsecured)	**1,261,883**	1,662,723	**86,300**	319,269
2.50% unsecured fixed rate notes due 2020 [Note (a) (ii) below]	**239,840**	–	**–**	–
Trade financing	**3,301**	–	**–**	–
Finance lease liabilities (Note 27)	**–**	252	**–**	–
Lease liabilities	**2,376**	–	**–**	–
	1,692,937	1,762,971	**86,300**	319,269
Non-current				
Bank loans (secured)	**1,266,819**	1,213,294	**–**	–
Bank loans (unsecured)	**1,663,843**	1,308,855	**62,691**	–
2.50% unsecured fixed rate notes due 2020 [Note (a) (ii) below]	**–**	239,600	**–**	–
3.00% unsecured fixed rate notes due 2024 [Note (a) (ii) below]	**199,133**	–	**–**	–
Trade financing	**5,250**	–	**–**	–
Finance lease liabilities (Note 27)	**–**	3,367	**–**	–
Lease liabilities	**16,241**	–	**–**	–
	3,151,286	2,765,116	**62,691**	–
Total borrowings	**4,844,223**	4,528,087	**148,991**	319,269

(a) Medium term notes

(i) On 1 July 2010, the Company established a S$1 billion Multicurrency Medium Term Note Programme (the "2010 Programme"). Under the 2010 Programme, the Company may issue Notes (the "Notes") denominated in Singapore Dollars and/or any other currencies agreed with the dealers. The Notes may be issued on a syndicated or non-syndicated basis and will rank pari passu with all other unsecured obligations. Each series of Notes may be issued in one or more tranches, on the same or different terms such as issue dates, interest rates, maturities, etc. as agreed between the Company and the relevant dealers.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

26. BORROWINGS (continued)

(a) Medium term notes (continued)

(ii) On 3 November 2014, a wholly-owned subsidiary of the Group established a S$1 billion Multicurrency Medium Term Note Programme (the "2014 Programme") with similar terms as the 2010 Programme. The 2014 Programme was updated on 22 November 2018 and increased to a S$2 billion Multicurrency Medium Term Note Programme (the "2018 Programme") with similar terms as the earlier 2014 Programme. The 2018 Programme is unconditionally and irrevocably guaranteed by the Company.

(b) Securities granted

The bank loans are secured by mortgages on certain subsidiaries' bank deposits, hotel properties, investment properties and development properties; and/or assignment of all rights and benefits with respect to the properties. The carrying amounts of bank deposits, hotel properties, investment properties and development properties which have been pledged as securities are as follows:

	The Group	
	2019	**2018**
	$'000	**$'000**
		(Restated)
Bank deposits	**3,000**	3,754
Hotel properties	**561,118**	675,029
Investment properties	**1,411,450**	1,441,192
Development properties	**2,181,584**	2,046,260
	4,157,152	4,166,235

(c) Included within unsecured non-current bank loans are revolving credit loans drawn under various committed floating rate revolving credit facilities. The amounts advanced under the revolving credit facilities were included as non-current liabilities as the Group has the discretion to rollover the facilities for at least 12 months after the statement of financial position date. For the purposes of liquidity risk disclosure (Note 37(c)), the revolving credit facilities had been classified as current as the disclosures was based on actual contractual drawdowns to be repaid within a year.

(d) Effective interest rates

The weighted average effective interest rates of floating rate borrowings at the end of the reporting period were as follows:

The Group

	SGD	**USD**	**RMB**	**GBP**	**EUR**	**AUD**
	%	**%**	**%**	**%**	**%**	**%**
31 December 2019						
Bank loans (secured)	**2.4**	**–**	**5.3**	**–**	**–**	**2.7**
Bank loans (unsecured)	**2.3**	**–**	**4.6**	**1.5**	**1.1**	**2.2**
31 December 2018						
Bank loans (secured)	2.6	–	5.1	–	–	3.3
Bank loans (unsecured)	2.4	3.5	–	1.9	1.0	3.0

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

26. **BORROWINGS** (continued)

(d) Effective interest rates (continued)

The Company

	GBP %	SGD %	EUR %	AUD %
31 December 2019				
Bank loans (unsecured)	**–**	**2.3**	**–**	**2.6**
31 December 2018				
Bank loans (unsecured)	2.5	2.2	1.0	3.0

(e) The fair values of secured and unsecured bank loans approximate their carrying values except for the unsecured fixed rate notes. The fair values of the unsecured fixed rate notes are computed based on cash flows discounted using market borrowing rates at the end of the reporting period. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group			
	Fair value		Market borrowing rate	
	2019 $'000	2018 $'000	2019 %	2018 %
2.50% unsecured fixed rate notes due 2020	**240,178**	239,094	**2.4**	2.7
3.00% unsecured fixed rate notes due 2024	**202,663**	–	**2.7**	–
	442,841	239,094		

27. **FINANCE LEASE LIABILITIES**

The Group leases certain leasehold land and building from non-related parties under finance leases. The lease approximates the useful life of the building and the lease agreement has renewal clauses at the end of the lease term.

Finance lease liabilities were reclassified to lease liabilities on 1 January 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.2.

	The Group 2018 $'000
Minimum lease payments due	
– Not later than one year	253
– Between one and five years	1,012
– Later than five years	18,343
	19,608
Less: Future finance charges	(15,989)
Present value of finance lease liabilities	3,619

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

27. FINANCE LEASE LIABILITIES (continued)

The present values of finance lease liabilities are analysed as follows:

	The Group 2018 $'000
Not later than one year (Note 26)	252
Later than one year (Note 26)	
– Between one and five years	1,006
– Later than five years	2,361
	3,367
Total	3,619

28. DERIVATIVE FINANCIAL INSTRUMENTS

	The Group			The Company		
	Contract notional amount $'000	Fair value Asset $'000	Fair value Liability $'000	Contract notional amount $'000	Fair value Asset $'000	Fair value Liability $'000
31 December 2019						
Cash flow hedges – interest rate risk						
– Interest rate swaps	1,121,226	180	(8,244)	69,471	–	(1,005)
Fair value hedges – Currency risk				–	–	–
– Currency forwards	1,530	–	(19)	–	–	–
Derivatives not held for hedging						
– Currency forwards	9,484	–	(145)	–	–	–
	1,132,240	180	(8,408)	69,471	–	(1,005)
Less: Current portion	(295,510)	–	2,663	–	–	–
Non-current portion	**836,730**	**180**	**(5,745)**	**69,471**	**–**	**(1,005)**
31 December 2018						
Cash flow hedges – interest rate risk						
– Interest rate swaps	1,253,586	1,958	(2,741)	174,110	–	(322)
Less: Current portion	(719,741)	(1,958)	322	(174,110)	–	322
Non-current portion	533,845	–	(2,419)	–	–	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

28. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The interest rate swaps of the Group and the Company mature on varying dates within 28 months (2018: 36 months) from the end of the financial year and have a weighted average effective interest rates of 1.12% (2018: 1.34%) for the Group and 1.61% (2018: 1.35%) for the Company as at the end of the reporting period. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings.

29. LOANS FROM NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY (UNSECURED)

The loans from non-controlling shareholders of subsidiaries of $107,361,000 (2018: $181,729,000) bears interest at 1.5% (2018: 1.5%) per annum over the bank quoted three-month swap rate on the first business day of each quarter of the calendar year and the effective interest rate as at the end of the reporting period was 3.04% (2018: 3.45%) per annum. The loan, including accrued interest payable, is subordinated to the bank loan of the subsidiary, has no fixed terms of repayment and except for an amount of $80,168,000 in 2018, is not expected to be repaid within the next twelve months from the end of the reporting period. The fair value of the loan from non-controlling shareholder approximates its carrying value.

30. PROVISION FOR RETIREMENT BENEFITS

	The Group	
	2019 **$'000**	**2018** **$'000**
Non-current	**6,375**	6,203

(a) A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to length of service and earnings over the employees' year of employment. Provision for post-employment benefit obligations is made in the financial statements so as to provide for the accrued liability at the end of the reporting period. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision are not likely to be significant. The most recent valuation was in December 2019.

(b) The movements during the financial year recognised in the statement of financial position were as follows:

	The Group	
	2019 **$'000**	**2018** **$'000**
At the beginning of the financial year	**6,203**	5,621
Benefits paid	**(95)**	(57)
Current service cost	**351**	363
Interest on obligation	**332**	306
Actuarial gain	**(406)**	–
Currency translation differences	**(10)**	(30)
At the end of the financial year	**6,375**	6,203

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

30. PROVISION FOR RETIREMENT BENEFITS (continued)

(c) The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	The Group	
	2019	**2018**
	%	**%**
Discount rate	**4.4**	5.4
Future salary increase	**4.0 – 7.0**	6.0 – 8.5
Inflation rate	**2.5**	3.5
Normal retirement age (years)		
– Male	**60**	60
– Female	**60**	60

31. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
		(Restated)		
Deferred income tax assets	**(33,334)**	(1,931)	**–**	–
Deferred income tax liabilities	**331,667**	357,448	**3,746**	3,717
Net deferred tax liabilities	**298,333**	355,517	**3,746**	3,717

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
		(Restated)		
At the beginning of the financial year	**355,517**	368,617	**3,717**	3,381
Currency translation differences	**(943)**	(1,954)	**–**	–
Tax (credit)/charge to:				
– income statement [Note 9(a)]	**(54,870)**	(9,547)	**145**	100
– other comprehensive income [Note 33]	**(1,059)**	(39)	**(116)**	236
Group tax relief	**1,084**	503	**–**	–
Over provision in prior financial year [Note 9(a)]	**(1,396)**	(2,063)	**–**	–
At the end of the financial year	**298,333**	355,517	**3,746**	3,717

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

31. DEFERRED INCOME TAXES (continued)

Deferred income tax credited/(charged) against other comprehensive income (Note 33) during the financial year are as follows:

	The Group		The Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Hedging reserve [Note 33(e)]	**(1,156)**	(39)	**(116)**	236
Employee benefit reserve [Note 33(f)]	**97**	–	**–**	–
	(1,059)	(39)	**(116)**	236

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $71,600,000 (2018: $97,739,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to those subsidiary companies meeting certain statutory requirements in their respective countries of incorporation. Tax losses incurred by subsidiaries of $71,600,000 (2018: $97,739,000) can be carried forward for a period of up to five years subsequent to the year of the loss.

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

The Group

Deferred income tax liabilities

	Fair value gains on derivative financial instruments $'000	Accelerated tax depreciation $'000	Fair value gains on hotel properties, investment properties and development property backlog $'000	Unremitted foreign income, interest and dividends $'000	Development profit $'000	Other temporary differences $'000	Total $'000
2019							
At the beginning of the financial year (restated)	313	104,349	206,072	1,417	62,254	1,723	376,128
Currency translation differences	(2)	(1,045)	(124)	–	–	–	(1,171)
Tax charge/(credit) to income statement	–	6,452	(16,696)	12	(34,364)	(346)	(44,942)
Tax (credit)/charge to other comprehensive income	(298)	–	–	–	–	97	(201)
At the end of the financial year	**13**	**109,756**	**189,252**	**1,429**	**27,890**	**1,474**	**329,814**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

31. DEFERRED INCOME TAXES (continued)

The Group (continued)

Deferred income tax liabilities (continued)

	Fair value gains on derivative financial instruments $'000	Accelerated tax depreciation $'000	Fair value gains on hotel properties, investment properties and development property backlog $'000	Unremitted foreign income, interest and dividends $'000	Development profit $'000	Other temporary differences $'000	Total $'000
2018							
At the beginning of the financial year (restated)	254	109,823	222,427	1,213	48,036	355	382,108
Currency translation differences	(8)	(2,322)	(127)	–	–	–	(2,457)
Tax (credit)/charge to income statement (restated)	–	(3,152)	(16,228)	204	14,218	1,368	(3,590)
Tax charge to other comprehensive income	67	–	–	–	–	–	67
At the end of the financial year	313	104,349	206,072	1,417	62,254	1,723	376,128

Deferred income tax assets

	Fair value losses on derivative financial instruments $'000	Excess of depreciation over capital allowances $'000	Tax losses $'000	Provisions and other temporary differences $'000	Total $'000
2019					
At the beginning of the financial year	(467)	–	(18,321)	(1,823)	(20,611)
Currency translation differences	11	–	191	26	228
Tax charge/(credit) to income statement	–	–	2,383	(13,707)	(11,324)
Tax credit to other comprehensive income	(858)	–	–	–	(858)
Group tax relief	–	–	1,084	–	1,084
At the end of the financial year	**(1,314)**	**–**	**(14,663)**	**(15,504)***	**(31,481)**
2018					
At the beginning of the financial year	(361)	(1,991)	(9,434)	(1,705)	(13,491)
Currency translation differences	–	–	471	32	503
Tax charge/(credit) to income statement	–	1,991	(9,861)	(150)	(8,020)
Tax credit to other comprehensive income	(106)	–	–	–	(106)
Group tax relief	–	–	503	–	503
At the end of the financial year	(467)	–	(18,321)	(1,823)	(20,611)

* Includes deferred income tax asset of $6,672,000 relating to land value appreciation tax of the Group's development property in The People's Republic of China.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

31. DEFERRED INCOME TAXES (continued)

The Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Total $'000
2019		
At the beginning of the financial year	3,771	3,771
Tax charge to income statement	145	145
At the end of the financial year	**3,916**	**3,916**
2018		
At the beginning of the financial year	3,671	3,671
Tax charge to income statement	100	100
At the end of the financial year	3,771	3,771

Deferred income tax assets

	Fair value loss on derivative financial instruments $'000	Total $'000
2019		
At the beginning of the financial year	(54)	(54)
Tax credit to other comprehensive income	(116)	(116)
At the end of the financial year	**(170)**	**(170)**
2018		
At the beginning of the financial year	(290)	(290)
Tax charge to other comprehensive income	236	236
At the end of the financial year	(54)	(54)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

32. SHARE CAPITAL OF UOL GROUP LIMITED

	Number of shares '000	Amount $'000
2019		
At the beginning of the financial year	842,679	1,556,201
Proceeds from shares issued:		
– to holders of share options	739	4,717
At the end of the financial year	**843,418**	**1,560,918**
2018		
At the beginning of the financial year	841,643	1,549,744
Proceeds from shares issued:		
– to holders of share options	1,036	6,457
At the end of the financial year	842,679	1,556,201

(a) All issued ordinary shares have no par value and are fully paid.

(b) During the financial year, the Company issued 739,000 (2018: 1,036,000) ordinary shares pursuant to the options under the UOL 2000 and 2012 Share Option Scheme. The newly issued shares rank pari passu in all respects with the previously issued shares.

UOL Group Executives' Share Option Scheme

The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

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

On 8 March 2019, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,447,000 ordinary shares in the Company (known as "the 2019 Options") at the exercise price of $6.59 per ordinary share. 1,402,000 options granted were accepted.

Statutory information regarding the 2019 Options is as follows:

(i) The option period begins on 8 March 2019 and expires on 7 March 2029 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

(ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

Notes to the Financial Statements

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32. SHARE CAPITAL OF UOL GROUP LIMITED (continued)

UOL Group Executives' Share Option Scheme (continued)

Statutory information regarding the 2019 Options is as follows: (continued)

(iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

Movements in the number of ordinary shares outstanding under options at the end of the financial year and their exercise prices were as follows:

The Group and the Company	At the beginning of the financial year	Options granted during the financial year	Options exercised during the financial year	Options forfeited during the financial year	At the end of the financial year	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2019							
2011 Options	100,000	–	42,000	–	58,000	4.62	04.03.2012 to 03.03.2021
2012 Options	100,000	–	12,000	–	88,000	5.40	23.08.2013 to 22.08.2022
2013 Options	469,000	–	163,000	–	306,000	6.55	08.03.2014 to 07.03.2023
2014 Options	444,000	–	175,000	–	269,000	6.10	12.03.2015 to 11.03.2024
2015 Options	704,000	–	78,000	150,000	476,000	7.67	11.03.2016 to 10.03.2025
2016 Options	315,000	–	72,000	–	243,000	5.87	11.03.2017 to 10.03.2026
2017 Options	956,000	–	197,000	18,000	741,000	6.61	10.03.2018 to 09.03.2027
2018 Options	1,436,000	–	–	319,000	1,117,000	8.49	09.03.2019 to 08.03.2028
2019 Options	–	1,402,000	–	68,000	1,334,000	6.59	08.03.2020 to 07.03.2029
	4,524,000	**1,402,000**	**739,000**	**555,000**	**4,632,000**		
2018							
2009 Options	10,000	–	(10,000)	–	–	1.65	06.03.2010 to 05.03.2019
2010 Options	24,000	–	(24,000)	–	–	3.95	05.03.2011 to 04.03.2020
2011 Options	121,000	–	(21,000)	–	100,000	4.62	04.03.2012 to 03.03.2021
2012 Options	238,000	–	(138,000)	–	100,000	5.40	23.08.2013 to 22.08.2022
2013 Options	569,000	–	(100,000)	–	469,000	6.55	08.03.2014 to 07.03.2023
2014 Options	484,000	–	(40,000)	–	444,000	6.10	12.03.2015 to 11.03.2024
2015 Options	831,000	–	(127,000)	–	704,000	7.67	11.03.2016 to 10.03.2025
2016 Options	555,000	–	(240,000)	–	315,000	5.87	11.03.2017 to 10.03.2026
2017 Options	1,292,000	–	(336,000)	–	956,000	6.61	10.03.2018 to 09.03.2027
2018 Options	–	1,499,000	–	(63,000)	1,436,000	8.49	09.03.2019 to 08.03.2028
	4,124,000	1,499,000	(1,036,000)	(63,000)	4,524,000		

Out of the outstanding options for 4,632,000 (2018: 4,524,000) shares, options for 3,298,000 (2018: 3,088,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise was $7.05 (2018: $8.36) per share.

The fair value of options granted on 8 March 2019 (2018: 9 March 2018), determined using the Trinomial Tree Model was $1,143,000 (2018: $2,099,000). The significant inputs into the model were share price of $6.44 (2018: $8.75) at the grant date, exercise price of $6.59 (2018: $8.49), standard deviation of expected share price returns of 17.83% (2018: 17.44%), option life from 8 March 2020 to 7 March 2029 (2018: 9 March 2019 to 8 March 2028), annual risk-free interest rate of 2.04% (2018: 2.25%) and dividend yield of 3.00% (2018: 2.12%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last three years.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

33. RESERVES

	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
Composition:				
Share option reserve [Note (a) below]	**20,041**	18,761	**19,777**	18,602
Fair value reserve [Note (b) below]	**859,568**	761,503	**687,547**	623,627
Capital reserves [Note (c) below]	**70,203**	70,203	**–**	–
Currency translation reserve [Note (d) below]	**(49,666)**	(34,275)	**–**	–
Hedging reserve [Note (e) below]	**(6,593)**	(1,563)	**(834)**	(267)
Employee benefits reserve [Note (f) below]	**309**	–	**–**	–
Others	**–**	–	**598**	598
	893,862	814,629	**707,088**	642,560

Revaluation and capital reserves are non-distributable.

(a) Share option reserve

	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
At the beginning of the financial year	**18,761**	16,720	**18,602**	16,687
Employee share option scheme of the Company:				
– Value of employee services	**1,385**	2,167	**1,175**	1,915
Less: Amount attributable to non-controlling interests	**(105)**	(126)	**–**	–
	1,280	2,041	**1,175**	1,915
At the end of the financial year	**20,041**	18,761	**19,777**	18,602

(b) Fair value reserve

	The Group 2019 $'000	The Group 2018 $'000	The Company 2019 $'000	The Company 2018 $'000
At the beginning of the financial year	**761,503**	844,444	**623,627**	687,997
Fair value gains/(losses) on financial assets, at FVOCI (Note 15)	**114,219**	(82,941)	**63,920**	(64,370)
Less: Amount attributable to non-controlling interests	**(16,154)**	–	**–**	–
	98,065	(82,941)	**63,920**	(64,370)
At the end of the financial year	**859,568**	761,503	**687,547**	623,627

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

33. RESERVES (continued)

(c) Capital reserves

Composition of capital reserves is as follows:

	The Group	
	2019 $'000	**2018 $'000**
Transfer from asset revaluation reserve for bonus issue of shares by a subsidiary	**55,846**	55,846
Share premium in a subsidiary attributable to the Group	**13,360**	13,360
Goodwill on consolidation	**997**	997
	70,203	70,203

(d) Currency translation reserve

	The Group	
	2019 $'000	**2018 $'000**
At the beginning of the financial year	**(34,275)**	(13,035)
Net currency translation differences of financial statements of foreign subsidiaries and an associated company	**(27,977)**	(31,999)
Disposal of a subsidiary	**3,041**	–
Less: Amount attributable to non-controlling interests	**9,545**	10,759
	(15,391)	(21,240)
At the end of the financial year	**(49,666)**	(34,275)

(e) Hedging reserve

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Interest rate risk				
At the beginning of the financial year	**(1,563)**	(1,443)	**(267)**	(1,417)
Fair value (losses)/gains	**(8,192)**	(1,322)	**(1,089)**	139
Currency translation differences	**114**	40	**–**	–
Deferred tax on fair value (Note 31)	**1,156**	39	**116**	(236)
	(6,922)	(1,243)	**(973)**	(97)
Transfer to income statement				
- Finance expense (Note 7)	**749**	1,071	**406**	1,247
Less: Amount attributable to non-controlling interests	**1,143**	52	**–**	–
	(5,030)	(120)	**(567)**	1,150
At the end of the financial year	**(6,593)**	(1,563)	**(834)**	(267)

The hedging reserve comprised the effective portion of the accumulated net change in the fair value of interest rate swaps for hedged transactions that had not occurred.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

33. RESERVES (continued)

(f) Employee benefits reserve

	The Group	
	2019 **$'000**	**2018** **$'000**
At the beginning of the financial year	**–**	–
Actuarial gains on defined benefit plans	**406**	–
Deferred tax on actuarial gains (Note 31)	**(97)**	–
	309	–
At the end of the financial year	**309**	–

34. DIVIDENDS

	The Group and the Company	
	2019 **$'000**	**2018** **$'000**
Final one-tier dividend paid in respect of the previous financial year of 17.5 cents (2018: 17.5 cents) per share	**147,543**	147,418

At the forthcoming Annual General Meeting on 23 April 2020, a final one-tier dividend of 17.5 cents per share amounting to a total of $147,598,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2020.

35. CONTINGENT LIABILITIES

The Company has guaranteed the borrowings of subsidiaries in the following currencies:

	2019 **$'000**	**2018** **$'000**
Singapore Dollar	**1,517,400**	1,721,700
United States Dollar	**–**	6,757
Pound Sterling	**1,018,846**	618,858
Australian Dollar	**270,093**	283,302
Euro	**11,051**	19,824
Renminbi	**22,315**	–
	2,839,705	2,650,441

The Company has also given undertakings to provide financial support to certain subsidiaries. At the end of the reporting period, the Group has given a guarantee of $586,000 (2018: $1,083,000) in respect of banking facilities granted to an associated company. The directors are of the view that no material losses will arise from these contingent liabilities.

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For the Financial Year Ended 31 December 2019

36. COMMITMENTS

(a) Capital and other commitments

Expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	The Group 2019 $'000	The Group 2018 $'000
Expenditure contracted for:		
– property, plant and equipment	**205,330**	349,328
– development properties	**624,264**	625,679
– investment properties	**9,986**	3,515
	839,580	978,522

(b) Operating lease commitments – where the Group is a lessee

The Group leases various premises from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

As at 31 December 2018, the future aggregate minimum lease payable under non-cancellable operating leases contracted for but not recognised as liabilities, are analysed as follows:

	The Group 2018 $'000
Not later than one year	4,400
Later than one year but not later than five years	6,155
Later than five years	21,053
	31,608

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 December 2019, except for short-term and low value leases.

(c) Operating lease commitments – where the Group and the Company is a lessor

The Group and the Company lease out retail and office space to non-related parties under non-cancellable operating agreements. The leases have varying terms, escalation clauses and renewal rights.

As at 31 December 2018, the future minimum lease receivable under non-cancellable operating leases contracted for but not recognised as receivables, are analysed as follows:

	The Group 2018 $'000	The Company 2018 $'000
Not later than one year	377,976	13,353
Later than one year but not later than five years	703,144	13,278
Later than five years	136,768	–
	1,217,888	26,631

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

36. COMMITMENTS (continued)

(c) Operating lease commitments – where the Group and the Company is a lessor (continued)

As at 31 December 2018, the future minimum lease payments receivable under non-cancellable operating leases exclude the portion of lease payments receivable which are computed based on a percentage of the revenue of some of the lessees. The contingent lease payments received in 2018 and recognised in the Group's and the Company's revenue from property investments were $3,058,000 and $145,000 respectively.

On 1 January 2019, the Group has adopted SFRS(I) 16 and the undiscounted lease payments from the operating leases to be received after 31 December 2019 is disclosed in Note 23.

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Board of Directors provides guidance for overall risk management. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. When necessary, the Group uses financial instruments such as interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

The Group operates in the Asia Pacific region and in the United Kingdom. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB"), United States Dollar ("USD") and Pound Sterling ("GBP").

The Group has a number of investments in foreign subsidiaries and associated companies whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's subsidiaries and associated companies in Australia, Malaysia, Myanmar, The People's Republic of China ("PRC"), Vietnam and the United Kingdom are managed through borrowings, as far as is reasonably practical, in foreign currencies which broadly match those in which the net assets are denominated or in currencies that are freely convertible.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	GBP $'000	Others $'000	Total $'000
The Group								
31 December 2019								
Financial assets								
Cash and bank balances	598,960	27,584	7,409	8,539	52,559	17,247	5,079	717,377
Trade and other receivables	416,361	37,856	7,168	1,316	10,209	46,674	4,150	523,734
Receivables from subsidiaries	726,474	14,780	51,353	–	–	85,427	–	878,034
Derivative financial instrument	180	–	–	–	–	–	–	180
Other assets - deposits	13,129	–	1	439	691	4,055	1,919	20,234
	1,755,104	80,220	65,931	10,294	63,459	153,403	11,148	2,139,559
Financial liabilities								
Borrowings	(3,356,174)	–	(371,340)	–	(36,141)	(1,069,519)	(11,049)	(4,844,223)
Trade and other payables	(455,553)	(15,422)	(30,515)	(10,866)	(59,035)	(11,737)	(5,448)	(588,576)
Payables to subsidiaries	(726,474)	(14,780)	(51,353)	–	–	(85,427)	–	(878,034)
Derivative financial instrument	(8,408)	–	–	–	–	–	–	(8,408)
Loans from non-controlling shareholders of subsidiaries	(107,361)	–	–	–	–	–	–	(107,361)
	(4,653,970)	(30,202)	(453,208)	(10,866)	(95,176)	(1,166,683)	(16,497)	(6,426,602)
Net financial (liabilities)/ assets	(2,898,866)	50,018	(387,277)	(572)	(31,717)	(1,013,280)	(5,349)	(4,287,043)
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	2,899,440	(8,570)	387,861	467	31,670	1,013,280	(5,703)	4,318,445
Add: Firm commitments and highly probable forecast transactions in foreign currencies	(720,721)	(1,515)	(1,664)	(44,384)	–	(70,249)	(2,562)	(841,095)
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	720,721	–	1,664	44,384	–	70,249	2,562	839,580
Add: Currency forwards	–	10,937	–	–	–	–	–	10,937
Currency exposure	**574**	**50,870**	**584**	**(105)**	**(47)**	**–**	**(11,052)**	**40,824**

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	GBP $'000	Others $'000	Total $'000
The Group								
31 December 2018								
Financial assets								
Cash and bank balances	566,300	19,456	6,463	10,139	52,093	5,985	16,736	677,172
Trade and other receivables	585,827	35,859	7,408	4,312	10,350	36,366	2,313	682,435
Receivables from subsidiaries	886,755	1,121	–	–	–	212,231	–	1,100,107
Derivative financial instrument	1,958	–	–	–	–	–	–	1,958
Other assets - deposits	3,102	18	–	239	57	2,774	–	6,190
	2,043,942	56,454	13,871	14,690	62,500	257,356	19,049	2,467,862
Financial liabilities								
Borrowings	(3,168,580)	(6,757)	(405,141)	–	(37,855)	(882,572)	(27,182)	(4,528,087)
Trade and other payables	(102,209)	(15,432)	(18,823)	(9,706)	(373,035)	(10,834)	(6,510)	(536,549)
Payables to subsidiaries	(886,755)	(1,121)	–	–	–	(212,231)	–	(1,100,107)
Derivative financial instrument	(2,741)	–	–	–	–	–	–	(2,741)
Loans from non-controlling shareholders of subsidiaries	(181,729)	–	–	–	–	–	–	(181,729)
	(4,342,014)	(23,310)	(423,964)	(9,706)	(410,890)	(1,105,637)	(33,692)	(6,349,213)
Net financial (liabilities)/ assets	(2,298,072)	33,144	(410,093)	4,984	(348,390)	(848,281)	(14,643)	(3,881,351)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	2,258,388	(8,231)	410,493	(4,984)	348,351	848,281	(3,935)	3,848,363
Add: Firm commitments and highly probable forecast transactions in foreign currencies	(637,780)	–	(1,514)	(46,276)	–	(292,171)	(781)	(978,522)
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	637,780	–	1,514	46,276	–	292,171	781	978,522
Currency exposure	(39,684)	24,913	400	–	(39)	–	(18,578)	(32,988)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group does not have significant exposure to currency risk other than USD. Assuming that the USD changes against SGD by 5% (2018: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax will be as follows:

	The Group Increase/(Decrease)	
	2019	**2018**
	$'000	**$'000**
USD against SGD		
– strengthens	**2,111**	1,034
– weakens	**(2,111)**	(1,034)

The Company's revenue, purchases, receivables and borrowings were contracted or denominated in Singapore Dollar which is the functional and presentation currency of the Company, except for the following:

	USD	**GBP**	**EUR**	**AUD**
	$'000	**$'000**	**$'000**	**$'000**
The Company				
31 December 2019				
Financial assets				
Loans to subsidiaries	14,781	85,427	–	51,352
Financial liabilities				
Bank borrowings	–	–	–	(62,900)
Currency exposure	**14,781**	**85,427**	**–**	**(11,548)**
31 December 2018				
Financial assets				
Loans to subsidiaries	14,954	244,066	–	68,166
Financial liabilities				
Bank borrowings	–	(213,891)	(7,358)	(68,166)
Currency exposure	14,954	30,175	(7,358)	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Assuming that the USD, GBP and EUR changes against SGD by 5% (2018: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax of the Company will be as follows:

	The Company Increase/(Decrease)	
	2019 $'000	**2018 $'000**
USD against SGD		
– strengthens	**613**	621
– weakens	**(613)**	(621)
GBP against SGD		
– strengthens	**3,545**	1,252
– weakens	**(3,545)**	(1,252)
AUD against SGD		
– strengthens	**(479)**	–
– weakens	**479**	–
EUR against SGD		
– strengthens	**–**	(305)
– weakens	**–**	305

(ii) Price risk

The Group and the Company are exposed to equity securities price risk due to their investments in quoted securities listed in Singapore, which have been classified in the consolidated statement of financial position as financial assets, at FVOCI.

Based on the portfolio of quoted equity securities held by the Group and the Company as at 31 December 2019, if prices for equity securities listed in Singapore change by 10% (2018: 10%) with all other variables being held constant, the fair value reserve will be higher/lower by $108,786,000 (2018: $101,439,000) and $82,282,000 (2018: $76,730,000) for the Group and the Company respectively.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Group and the Company monitor closely the changes in interest rates on borrowings and when appropriate, manage their exposure to changes in interest rates by entering into borrowings on a fixed rate basis over a longer term.

The Group enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the year, the economic relationship was 100% effective.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

There was no ineffectiveness during 2019 and 2018 in relation to the cash flow hedge and fair value hedge.

The Group's and the Company's variable-rate financial assets and liabilities for which effective hedges have not been entered into, are denominated mainly in SGD, USD, GBP, EUR and AUD. If the SGD, USD, GBP, EUR and AUD interest rates increase/decrease by 1% (2018: 1%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower/higher by $23,829,000 (2018: $21,229,000) and $505,000 (2018: $1,320,067) respectively as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets subject to credit risks are loans and receivables which include cash and bank balances. For trade and other receivables, the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history, and obtaining sufficient security such as deposits and bankers' guarantees where appropriate to mitigate credit risk. Bank deposits were mainly placed with financial institutions which have high credit ratings.

Credit exposure to individual customers or counterparties for the revenue streams mentioned above are also generally restricted by credit limits that are approved by the respective management at the entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and by Group management.

For trade receivables and unbilled revenue from sale of development properties, the Group has policies in place to ensure that sales are made to purchasers with appropriate financial strength and after obtaining sufficient security such as deposits. If a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may resume possession of the units, retain a portion of the purchaser's deposits from payments made to date, and resell the property. Unless the selling price falls by more than the portion of purchaser's deposits retained, which is remote, the Group would not be in a loss position in selling those properties.

For trade receivables from property investments, the Group typically collects deposits or banker's guarantees amounting to three to five months of the monthly lease rental. All late payments are monitored closely and followed up with active chasing or legal action if necessary. The Group also regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group's revenue from hotel ownership and operations do not give rise to significant trade receivables as the value of transactions are low and transactions are mainly settled through cash or credit card which have a short collection period. For all other trade receivables from hotel ownership and operations, management makes periodic collective assessments as well as individual assessment on the recoverability of trade receivables based on historical settlement records and past experience.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

For trade receivables from management services and technologies, the Group has monitoring procedures in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

There is no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except for corporate guarantees provided by the Company to banks on subsidiaries' loans as disclosed in Note 35.

The movements in credit loss allowance are as follows:

	Trade receivables and unbilled revenue[(a)]	
	2019 $'000	**2018 $'000**
The Group		
Balance at 1 January	**1,007**	1,056
Currency translation difference	**11**	–
Loss allowance recognised in profit or loss during the year on:		
– Reversal of unutilised amounts	**(97)**	(53)
– Assets acquired/originated	**515**	127
	418	74
Receivables written off as uncollectible	**(436)**	(123)
Balance at 31 December	**1,000**	1,007

(a) Loss allowance measured at lifetime ECL

The Group's cash and cash equivalents are subject to immaterial credit loss.

(i) *Trade receivables and unbilled revenue*

In measuring the expected credit losses, the trade receivables and unbilled revenue are grouped based on shared credit risk characteristics and days past due. The unbilled revenue relate to unbilled work in progress, which has substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled revenue.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) *Trade receivables and unbilled revenue* (continued)

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, including property development, property investment, hotel ownership and operations and management services and technology, and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables, and accordingly adjusts the historical loss rates based on expected changes in these factors. Management has considered, among other factors (including forward-looking information), the Group's and Company's historical loss pattern over the last three financial years, its ability to resume possession of units for the property development business, the existence of deposits and banker's guarantees for the property investment business, as well as the relatively low value of transactions and manner in which these are settled i.e. by cash and credit card for the Group's hotel ownership and operation business. Based on the above, management concluded that the expected credit loss rate for trade receivables and unbilled revenue is close to zero. The loss allowance provision for trade receivables and unbilled revenue was assessed as not material.

Trade receivables and unbilled revenue are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(ii) *Other trade and other receivables and loans to subsidiaries, associated companies and joint venture companies*

For other trade and other receivables and loans to subsidiaries, associated companies and a joint venture company, management has considered, among other factors (including forward-looking information), the Group's and Company's historical loss pattern over the last three financial years to assess the expected credit loss.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about events, including but not limited to significant financial difficulty of the borrower or a breach of contract, such as a default or past due event.

(iii) *Financial guarantee contracts*

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

The Group and the Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities and the ability to close market positions at a short notice.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year $'000	Between 1 to 2 years $'000	Between 2 to 5 years $'000	Over 5 years $'000
The Group				
31 December 2019				
Trade and other payables	476,615	36,745	65,698	9,518
Derivative financial instruments	2,288	1,575	134	–
Borrowings (excluding lease liabilities)	1,962,512	336,527	2,721,421	–
Lease liabilities	2,192	3,037	589	12,799
Loans from non-controlling shareholders of subsidiaries	–	–	115,914	–
Financial guarantees for borrowings of associated companies	–	–	586	–
	2,443,607	**377,884**	**2,904,342**	**22,317**
31 December 2018				
Trade and other payables	434,914	44,212	44,624	12,799
Derivative financial instruments	1,006	709	185	–
Borrowings	2,133,608	1,586,927	961,091	–
Loans from non-controlling shareholders of subsidiaries	80,168	–	114,267	–
Financial guarantees for borrowings of associated companies	–	–	1,083	–
	2,649,696	1,631,848	1,121,250	12,799
The Company				
31 December 2019				
Trade and other payables	452,992	1,200	2,664	–
Derivative financial instrument	2,011	–	–	–
Borrowings	88,246	1,626	63,279	–
Financial guarantees for borrowings of subsidiaries and associated companies	1,182,266	633,431	1,024,007	–
	1,725,515	**636,257**	**1,089,950**	**–**
31 December 2018				
Trade and other payables	920,417	1,060	1,370	–
Derivative financial instrument	231	–	–	–
Borrowings	321,227	–	–	–
Financial guarantees for borrowings of subsidiaries and associated companies	1,204,323	838,380	607,738	–
	2,446,198	839,440	609,108	–

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and aim to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may, subject to the necessary approvals from the shareholders, the lending bank, other creditors and/or the regulatory authorities, adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required under their note issuance programmes to maintain a gearing ratio of not exceeding 200% (2018: 200%). The Group's and the Company's strategies, which were unchanged from 2018, are to maintain a gearing ratio below 150%.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings (including loans from non-controlling shareholders of subsidiaries) less cash and bank balances.

	The Group		**The Company**	
	2019	**2018 (Restated)**	**2019**	**2018**
Net debt ($'000)	**4,234,207**	4,032,644	**112,307**	316,779
Total equity ($'000) (restated)	**14,334,289**	14,433,648	**3,745,147**	3,127,863
Gearing ratio	**30%**	28%	**3%**	10%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2019 and 2018.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

See Note 20 for disclosure of the investment properties that are measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
The Group				
31 December 2019				
Assets				
Financial assets, at FVOCI	1,087,863	–	101,892	1,189,755
Derivative financial instruments	–	180	–	180
Liabilities				
Derivative financial instruments	–	(8,408)	–	(8,408)
31 December 2018				
Assets				
Financial assets, at FVOCI	1,014,393	–	61,143	1,075,536
Derivative financial instruments	–	1,958	–	1,958
Liabilities				
Derivative financial instruments	–	(2,741)	–	(2,741)
The Company				
31 December 2019				
Assets				
Financial assets, at FVOCI	822,819	–	61,743	884,562
Liabilities				
Derivative financial instruments	–	(1,005)	–	(1,005)
31 December 2018				
Assets				
Financial assets, at FVOCI	767,301	–	53,341	820,642
Liabilities				
Derivative financial instruments	–	(322)	–	(322)

The fair value of financial instruments traded in active markets (such as financial assets, at FVOCI) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at the end of each reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. These investments are classified as Level 2. The fair value of forwards foreign exchange contracts is determined using quoted forward currency rates at the balance sheet date. These investments are classified as Level 2.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

37. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

Other financial assets, at FVOCI of the Group and the Company where the fair value is calculated using a significant unobservable input is classified as Level 3. In the valuation model, the net asset value of the financial assets, at FVOCI is multiplied by a discount factor for lack of liquidity and marketability, where applicable. The discount factor applied for 2019 was 11% to 40% (2018: 21%). If the discount factor increases/decreases by 5% points (2018: 5% points), the fair value of the Level 3 unquoted financial assets, at FVOCI will decrease/increase by $5,567,000 (31 December 2018: $3,372,000).

The following table presents the changes in Level 3 instruments:

	The Group and the Company	
	2019 $'000	**2018 $'000**
At the beginning of the financial year	**61,143**	68,944
Acquisition	**–**	4,418
Capital reduction by an investee	**–**	(2,981)
Fair value gains/(losses) recognised in other comprehensive income	**40,749**	(9,238)
At the end of the financial year	**101,892**	61,143

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of current borrowings approximates their carrying amount except for unsecured fixed rate notes as disclosed in Note 26(e).

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the financial years ended 31 December 2019 and 2018.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 15 and Note 28 to the financial statements, except for the following:

	The Group $'000	**The Company $'000**
31 December 2019		
Financial assets, at amortised cost	1,259,264	920,570
Financial liabilities, at amortised cost	5,540,160	605,847
31 December 2018		
Financial assets, at amortised cost	1,365,797	1,103,020
Financial liabilities, at amortised cost	5,246,365	1,242,116

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

38. RELATED PARTY TRANSACTIONS

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

	The Group		The Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Transactions with directors and their associates				
Proceeds from sale of development properties	**1,534**	1,140	**–**	–
Rental received	**484**	488	**384**	390
Interest paid/payable on shareholder's loan	**5,703**	3,818	**–**	–
Commission paid for sale of development properties	**463**	460	**–**	–
Project handover costs payable	**–**	15	**–**	–
Transactions with associated companies and a joint venture company				
Fees received for management of development properties	**192**	243	**–**	–
Fees received for finance sourcing services	**–**	60	**–**	–
Commissions received for sale of development properties	**131**	–	**–**	–
Interest receivable on loans to a joint venture company	**2,347**	1,833	**–**	–

(b) Key management personnel compensation is analysed as follows:

	The Group	
	2019 $'000	**2018 $'000**
Salaries and other short-term employee benefits	**4,747**	6,715
Directors' fees	**904**	860
Post-employment benefits – contribution to CPF	**106**	139
Share options granted	**148**	373
	5,905	8,087

Total compensation to directors of the Company included in above amounted to $3,026,000 (2018: $3,364,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

39. GROUP SEGMENTAL INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Chairman, the Group Chief Executive and two other Board members of the Company.

For management purposes, the Group is organised into business segments based on their products and services as follows:

- Property development – development of properties for sale.
- Property investments – leasing of commercial properties and serviced suites.
- Hotel operations – operation of owned hotels.
- Investments – investment in quoted and unquoted financial assets, at FVOCI.
- Management services and technologies – provision of hotel management services under the "Pan Pacific", "PARKROYAL" and "PARKROYAL COLLECTION" brands, project management and related services and the distribution of computers and related products including the provision of systems integration and networking infrastructure services.

The property development activities of the Group are concentrated in Singapore, PRC and the United Kingdom while the property investment activities are concentrated in Singapore.

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

The Group's quoted and unquoted financial assets, at FVOCI relates to equity shares with country exposures in Singapore, PRC and United Arab Emirates.

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

39. GROUP SEGMENTAL INFORMATION (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2019 is as follows:

	Property development			
	Singapore $'000	Malaysia $'000	PRC $'000	United Kingdom $'000
2019				
Revenue				
Total segment sales				
– recognised at a point in time	110,986	–	332,520	–
– recognised over time	403,551	–	–	–
– others	–	–	–	–
Inter-segment sales	–	–	–	–
Sales to external parties	514,537	–	332,520	–
Adjusted EBITDA	90,763	(21)	115,020	(932)
Depreciation and amortisation	(2,816)	–	(73,679)	–
Other gains	–	–	–	–
Fair value gains on investment properties	–	–	–	–
Share of profit/(loss) of associated companies	–	–	–	–
Share of loss of a joint venture company	(3,770)	–	–	–
Segment assets	3,129,034	1,908	721,261	356,818
Unallocated assets				
Total assets				
Total assets include:				
Investment in associated companies	388	–	–	–
Additions during the financial year to:				
– property, plant and equipment	80	–	–	–
– investment properties	–	–	–	–
– intangibles	–	–	–	–
Segment liabilities	1,766,776	105	114,024	253,963
Unallocated liabilities				
Total liabilities				

* Included within are Malaysia, PRC, United Kingdom, Australia and Indonesia operating segments which are not reportable segments individually.

^ Included within are Vietnam, Malaysia, PRC and Myanmar operating segments which are not reportable segments individually.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

Property investments*	Hotel operations			Investments	Others	Total
	Singapore	Australia	Others^			
$'000	$'000	$'000	$'000	$'000	$'000	$'000
–	127,216	40,334	64,734	–	152,974	828,764
–	235,290	108,936	77,368	–	70,578	895,723
557,179	–	–	–	99,013	–	656,192
(5,445)	(175)	–	–	(43,773)	(47,945)	(97,338)
551,734	362,331	149,270	142,102	55,240	175,607	2,283,341
390,127	120,387	34,594	30,635	55,331	20,395	856,299
(4,901)	(55,736)	(19,067)	(31,130)	(66)	(3,258)	(190,653)
–	–	–	28,124	–	–	28,124
220,331	–	–	–	–	–	220,331
–	8,726	–	(2,705)	–	(2)	6,019
–	–	–	–	–	–	(3,770)
11,636,942	2,279,500	465,295	673,792	1,178,455	115,490	20,558,495
						95,279
						20,653,774
–	243,155	–	33,347	–	3,491	280,381
3,290	62,301	7,630	162,959	457	2,827	239,545
110,498	–	–	–	–	–	110,498
30	–	–	72	–	261	363
435,433	119,787	244,756	403,822	5,562	65,584	3,409,812
						2,909,673
						6,319,485

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

39. GROUP SEGMENTAL INFORMATION (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2018 is as follows:

	Property development			
	Singapore $'000	**Malaysia $'000**	**PRC $'000**	**United Kingdom $'000**
2018				
Revenue				
Total segment sales				
– recognised at a point in time	74,984	–	120,873	–
– recognised over time	793,487	–	–	–
– others	–	–	–	–
Inter-segment sales	–	–	–	–
Sales to external parties	868,471	–	120,873	–
Adjusted EBITDA (restated)	176,786	(22)	34,011	(1,045)
Depreciation and amortisation	(21,240)	–	(34,971)	–
Other gains/(losses)	–	31	–	–
Fair value gains on investment properties	–	–	–	–
Share of profit/(loss) of associated companies	–	–	–	–
Share of loss of a joint venture company (restated)	(2,837)	–	–	–
Segment assets (restated)	3,742,264	1,889	962,258	251,288
Unallocated assets				
Total assets (restated)				
Total assets include:				
Investment in associated companies	388	–	–	–
Additions during the financial year to:				
– property, plant and equipment	–	–	1	–
– investment properties	–	–	–	–
– intangibles	–	–	–	–
Segment liabilities	1,420,634	106	340,113	283,666
Unallocated liabilities				
Total liabilities				

* Included within are Malaysia, PRC and United Kingdom operating segments which are not reportable segments individually.

^ Included within are Vietnam, Malaysia, PRC and Myanmar operating segments which are not reportable segments individually.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

Property investments*	Hotel operations			Investments	Others	Total
	Singapore	Australia	Others^			
$'000	$'000	$'000	$'000	$'000	$'000	$'000
–	134,622	43,242	54,961	–	121,626	550,308
–	242,724	115,396	87,880	–	62,131	1,301,618
546,332	–	–	–	94,280	–	640,612
(5,320)	(170)	–	–	(46,067)	(43,638)	(95,195)
541,012	377,176	158,638	142,841	48,213	140,119	2,397,343
381,906	135,240	37,712	24,389	47,951	15,758	852,686
(3,936)	(61,210)	(19,483)	(32,581)	(274)	(2,710)	(176,405)
–	–	(4,854)	(29,595)	–	–	(34,418)
149,279	–	–	–	–	–	149,279
–	8,227	–	(2,783)	–	(2)	5,442
–	–	–	–	–	–	(2,837)
11,136,140	2,251,691	486,342	611,324	1,074,006	88,055	20,605,257
						15,102
						20,620,359
–	239,833	–	40,733	–	526	281,480
2,280	32,266	11,202	96,567	37	458	142,811
168,933	–	–	–	–	–	168,933
697	–	–	75	–	560	1,332
507,531	157,630	266,989	226,681	4,878	34,833	3,243,061
						2,943,650
						6,186,711

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

39. GROUP SEGMENTAL INFORMATION (continued)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the income statements.

The Exco assesses the performance of the operating segments based on a measure of Earnings before interest, tax, depreciation and amortisation excluding the effects of fair value and other gains and losses which are not operational in nature ("adjusted EBITDA"). Finance income and finance expenses are not allocated to segments, as these types of activities are driven by the Group's treasury function, which manages the cash position of the Group.

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	2019 $'000	2018 $'000 (Restated)
Adjusted EBITDA for reportable segments	**856,299**	852,686
Depreciation and amortisation	**(190,653)**	(176,405)
Other gains/(losses)	**28,124**	(34,418)
Fair value gains on investment properties	**220,331**	149,279
Unallocated costs	**(25,156)**	(25,279)
Finance income	**12,128**	13,936
Finance expense	**(116,528)**	(93,097)
Profit before income tax	**784,545**	686,702

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of these financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Exco monitors the development properties, property, plant and equipment, intangible assets, inventories, receivables, operating cash and investment properties attributable to each segment. All assets are allocated to reportable segments other than tangible and intangible assets at corporate level and current and deferred income tax assets.

	2019 $'000	2018 $'000 (Restated)
Segment assets for reportable segments	**20,558,495**	20,605,257
Unallocated:		
Cash and bank balances	**57,840**	10,331
Derivative financial instruments	**180**	420
Receivables and other assets	**1,298**	210
Current income tax assets	**210**	125
Property, plant and equipment	**1,833**	1,327
Intangibles	**584**	758
Deferred income tax assets	**33,334**	1,931
	20,653,774	20,620,359

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

39. GROUP SEGMENTAL INFORMATION (continued)

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of these financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than accruals for expenses and borrowings at corporate level, current and deferred income tax liabilities and derivative financial instruments.

	2019 $'000	2018 $'000
Segment liabilities for reportable segments	**3,409,812**	3,243,061
Unallocated:		
Other payables	**63,005**	24,744
Current income tax liabilities	**135,830**	107,282
Borrowings	**2,370,763**	2,451,435
Derivative financial instruments	**8,408**	2,741
Deferred income tax liabilities	**331,667**	357,448
	6,319,485	6,186,711

Revenue from major products and services

Revenue from external customers are derived mainly from the Group's property development, property investments, hotel operations, investment holdings, management services and technologies. A breakdown of the revenues from external customers for each of these categories is shown in Note 4.

Geographical information

The Group's six business segments operate in seven main geographical areas. In Singapore, where the Company is located, the areas of operation of the Group are principally hotel operations, property development, property investments and investment holdings. The Group also engages in the provision of management services in Singapore and in various overseas locations.

The main activities in Australia, Vietnam, Malaysia, PRC, Myanmar and the United Kingdom consist of hotel operations, operation of serviced suites and investment holdings. The Group also engages in property development in PRC and the United Kingdom.

Revenue and non-current assets (excluding financial instruments and deferred income tax assets) are shown by the geographical areas where the assets are located.

	Revenue	
	2019 $'000	2018 $'000
Singapore	**1,586,542**	1,925,900
Australia	**156,615**	158,800
Malaysia	**45,039**	44,684
PRC	**413,686**	187,969
Vietnam	**32,811**	30,006
Myanmar	**13,254**	13,103
United Kingdom	**32,337**	33,795
Others	**3,057**	3,086
	2,283,341	2,397,343

Notes to the Financial Statements

For the Financial Year Ended 31 December 2019

39. GROUP SEGMENTAL INFORMATION (continued)

Geographical information (continued)

	Non-current assets	
	2019	**2018**
	$'000	**$'000**
Singapore	**12,708,587**	12,422,223
Australia	**602,539**	621,756
Vietnam	**35,229**	36,983
Malaysia	**160,493**	157,427
PRC	**373,594**	489,250
Myanmar	**27,530**	38,320
United Kingdom	**892,116**	711,783
Others	**26,654**	21,688
	14,826,742	14,499,430

There is no single external customer who contributes 10 per cent or more of the Group's revenue during the financial years ended 31 December 2019 and 2018.

40. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Amendments to SFRS(I) 3 *Business Combination* (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

41. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of UOL Group Limited on 28 February 2020.

Interested Person Transactions

For the Financial Year Ended 31 December 2019

Name of interested person		Nature of relationship	**Aggregate value of all interested person transactions during the financial year under review** (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) $'000
Directors and their associates			
1	For The Love of Laundry Pte. Ltd. Units #01-18A & #01-40A at United Square Unit #01-13 at KINEX – receipt of rental and service income	Associates of a director	367
2	Liam Yuexin Jolene – purchase of property - Unit #03-13 at Avenue South Residence	Associate of a director	923
Kheng Leong Co (Pte) Ltd and/or its subsidaries ("KLC")			
3	Secure Venture Development (Alexandra) Pte. Ltd. ("SVDA")[1], a joint venture with an associate of certain directors for the development of Principal Garden – charging of project management fee and accounting fee income – receipt of shareholders' loans and charging of interest income on shareholders' loans	Associate of certain directors	1,722
4	Secure Venture Development (No. 1) Pte. Ltd. ("SVD1")[1], a joint venture with an associate of certain directors for the development of MEYER HOUSE – charging of project management fee and accounting fee income – receipt of shareholders' loans and charging of interest income on shareholders' loans	Associate of certain directors	13,692
5	United Venture Development (Silat) Pte. Ltd. ("UVDS")[1], a joint venture with an associate of certain directors for the development of Avenue South Residence – charging of project management fee, marketing fee and accounting fee income – receipt of shareholders' loans and charging of interest income on shareholders' loans	Associate of certain directors	24,700
6	Jin Qing (Shanghai) Investment Consultancy Co., Ltd[1] – payment of shared payroll costs of project management team by Shanghai JinPeng Realty Co., Ltd ("SJRCL"), a joint venture with an associate of certain directors for the development of Park Eleven[2]	Associate of certain directors	491

Footnotes

(1) The amounts disclosed do not include amounts paid to KLC by UIC, a subsidiary of the Company listed on the SGX-ST, and the relevant joint venture entity (i.e. SVDA, SVD1, UVDS and SJRCL) for services provided by KLC to SVDA, SVD1, UVDS and SJRCL.

(2) Based on the average rate of RMB1: SGD0.19767 for 2019. The amount disclosed is the amount at risk for the Group based on the proportion of the Group's investment in SJRCL, namely its 40% stake in SJRCL's equity held through the Group's wholly-owned subsidiary UOL Capital Investments Pte. Ltd.

Interested Person Transactions

For the Financial Year Ended 31 December 2019

MATERIAL CONTRACTS

Except as disclosed under the section on Interested Person Transactions above and in Note 38 (Related Party Transactions) of the Notes to the Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the Group Chief Executive (as defined in the SGX-ST Listing Manual), each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting entered into since the end of the previous financial year.

Shareholding Statistics

As at 3 March 2020

Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
No. of Treasury Shares	:	Nil
No. of Subsidiary Holdings#	:	Nil

SIZE OF SHAREHOLDERS

RANGE	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	5,726	22.95	159,536	0.02
100 – 1,000	8,911	35.72	3,725,312	0.44
1,001 – 10,000	8,278	33.18	29,067,970	3.45
10,001 – 1,000,000	2,006	8.04	89,042,108	10.55
1,000,001 AND ABOVE	28	0.11	721,517,306	85.54
TOTAL	**24,949**	**100.00**	**843,512,232**	**100.00**

LOCATION OF SHAREHOLDERS

COUNTRY	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
SINGAPORE	21,581	86.50	834,584,765	98.94
MALAYSIA	2,881	11.55	7,666,466	0.91
OTHERS	487	1.95	1,261,001	0.15
TOTAL	**24,949**	**100.00**	**843,512,232**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	CITIBANK NOMINEES SINGAPORE PTE LTD	123,340,674	14.62
2.	WEE INVESTMENTS (PTE) LIMITED	119,735,836	14.19
3.	C. Y. WEE & COMPANY PRIVATE LIMITED	115,162,017	13.65
4.	DBS NOMINEES (PRIVATE) LIMITED	109,964,536	13.04
5.	TYE HUA NOMINEES (PTE) LTD	59,258,209	7.03
6.	HAW PAR CAPITAL PTE LTD	38,649,505	4.58
7.	DBSN SERVICES PTE. LTD.	38,454,333	4.56
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	29,963,932	3.55
9.	HAW PAR INVESTMENT HOLDINGS PRIVATE LIMITED	28,705,436	3.40
10.	RAFFLES NOMINEES (PTE) LIMITED	19,998,250	2.37
11.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,677,252	0.67
12.	WEE CHO YAW	3,661,566	0.43
13.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,540,286	0.42
14.	KAH MOTOR CO SDN BHD	3,477,010	0.41
15.	HO HAN LEONG CALVIN	2,765,000	0.33
16.	NGEE ANN DEVELOPMENT PTE LTD	2,154,334	0.26
17.	UOB KAY HIAN PRIVATE LIMITED	1,969,786	0.23
18.	PICKWICK SECURITIES PRIVATE LIMITED	1,888,037	0.22
19.	PHILLIP SECURITIES PTE LTD	1,569,815	0.19
20.	STRAITS MARITIME LEASING PRIVATE LIMITED	1,539,974	0.18
	TOTAL	**711,475,788**	**84.33**

Based on information available to the Company as at 3 March 2020, approximately 55.59% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual is complied with.

“Subsidiary Holdings” is defined in the SGX-ST Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore

Shareholding Statistics

As at 3 March 2020

SUBSTANTIAL SHAREHOLDERS OF UOL GROUP LIMITED

as shown in the Register of Substantial Shareholders

NO.	NAME	NO. OF SHARES FULLY PAID DIRECT INTEREST	DEEMED INTEREST	TOTAL	%[1]
1.	Wee Cho Yaw	3,661,566	306,960,739 [2]	310,622,305	36.82
2.	Wee Ee Cheong	318,417	234,995,947 [3]	235,314,364	27.90
3.	Wee Ee-chao	31,735	120,028,057 [4]	120,059,792	14.23
4.	Wee Ee Lim	260,975	119,753,954 [5]	120,014,929	14.23
5.	Wee Investments (Pte) Limited	119,735,836	–	119,735,836	14.19
6.	C. Y. Wee & Company Private Limited	115,162,017	–	115,162,017	13.65
7.	Haw Par Corporation Limited	–	72,044,768 [6]	72,044,768	8.54
8.	United Overseas Bank Limited ("UOB")	–	59,840,998 [7]	59,840,998	7.09

Notes:

1 As a percentage of the issued share capital of the Company, comprising 843,512,232 shares.

2 Dr Wee Cho Yaw's deemed interest in the shares arises as follows:
(a) 115,162,017 shares held by C. Y. Wee & Company Private Limited
(b) 119,735,836 shares held by Wee Investments (Pte) Limited
(c) 72,044,768 shares which Haw Par Corporation Limited is deemed to be interested in
(d) 18,118 shares held by Kheng Leong Company (Private) Limited

3 Mr Wee Ee Cheong's deemed interest in the shares arises as follows:
(a) 115,162,017 shares held by C. Y. Wee & Company Private Limited
(b) 119,735,836 shares held by Wee Investments (Pte) Limited
(c) 79,976 shares held by E. C. Wee Pte Ltd
(d) 18,118 shares held by Kheng Leong Company (Private) Limited

4 Mr Wee Ee-chao's deemed interest in the shares arises as follows:
(a) 119,735,836 shares held by Wee Investments (Pte) Limited
(b) 274,103 shares held by Protheus Investment Holdings Pte Ltd
(c) 18,118 shares held by Kheng Leong Company (Private) Limited

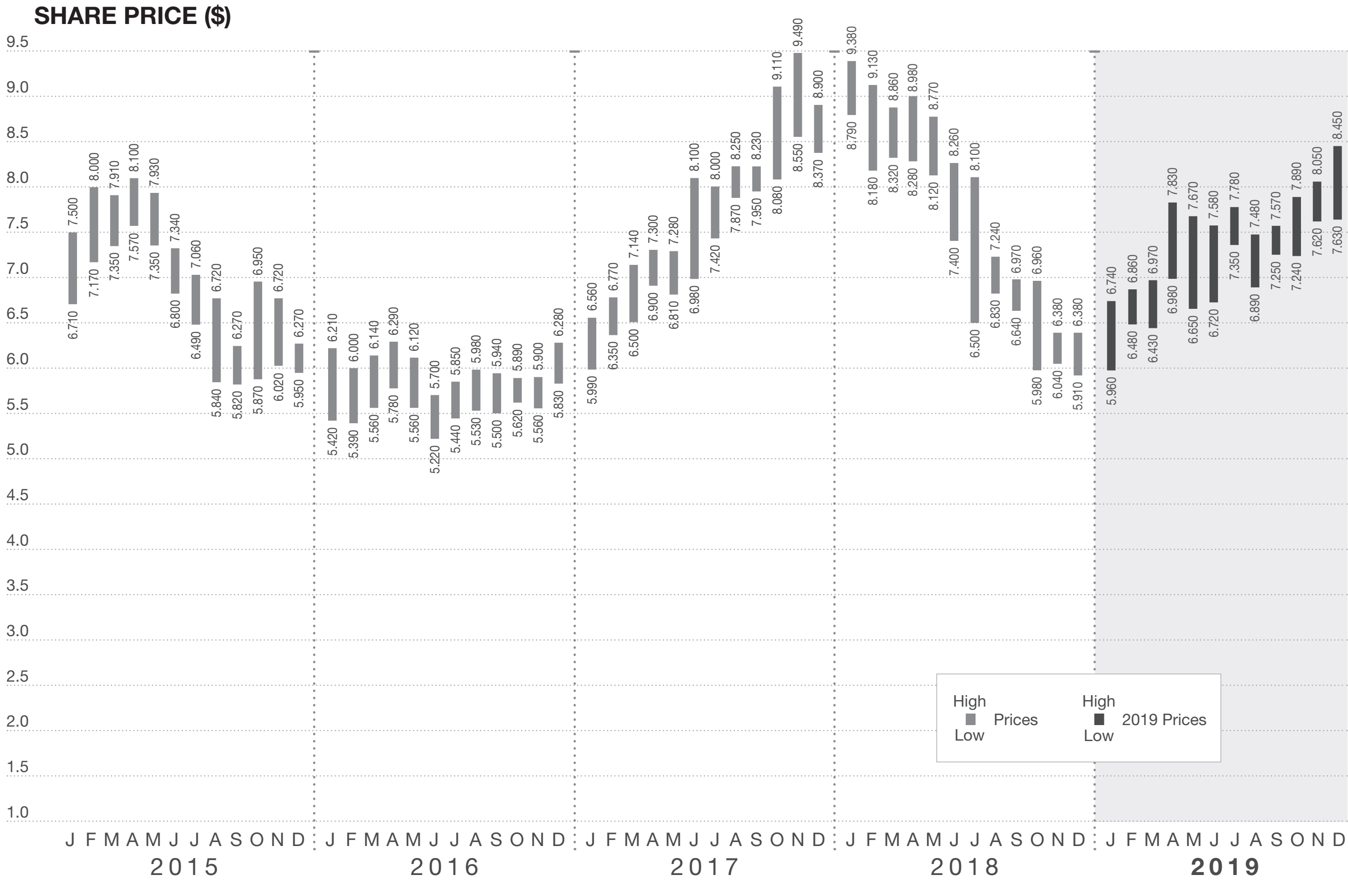
5 Mr Wee Ee Lim's deemed interest in the shares arises as follows:
(a) 119,735,836 shares held by Wee Investments (Pte) Limited
(b) 18,118 shares held by Kheng Leong Company (Private) Limited

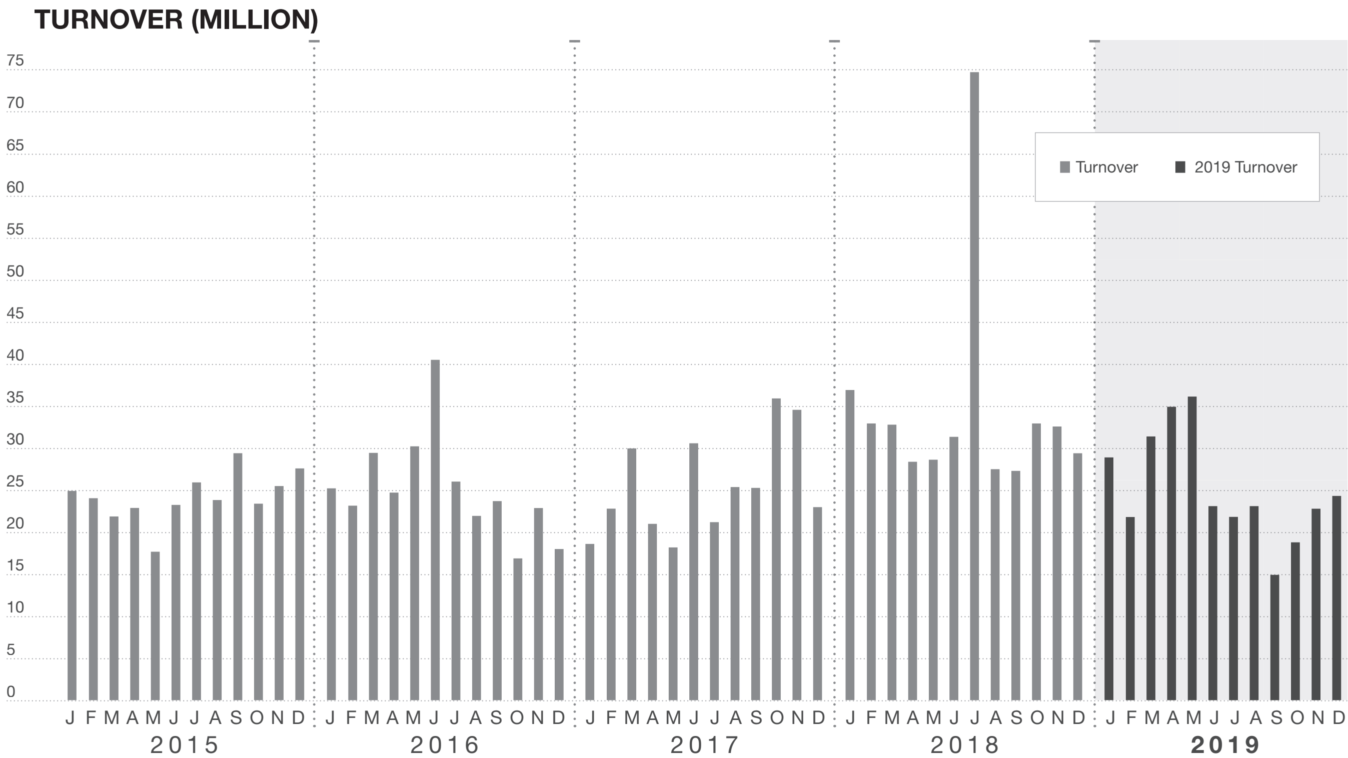
6 Haw Par Corporation Limited's deemed interest in the shares arises as follows:
(a) 28,705,436 shares held by Haw Par Investment Holdings Private Limited
(b) 38,649,505 shares held by Haw Par Capital Pte Ltd
(c) 1,888,037 shares held by Pickwick Securities Private Limited
(d) 695,598 shares held by Haw Par Equities Pte Ltd
(e) 1,539,974 shares held by Straits Maritime Leasing Private Limited
(f) 324,209 shares held by Haw Par Trading Pte Ltd
(g) 242,009 shares held by M & G Maritime Services Pte. Ltd.

7 UOB's deemed interest in the shares arises as follows:
(a) 59,245,898 shares held in the name of Tye Hua Nominees (Private) Limited for the benefit of UOB
(b) 595,100 shares held by UOB Asset Management Ltd ("UOBAM") as client portfolios managed by UOBAM (Discretionary)

Share Price and Turnover

For the Period from 1 January 2015 to 31 December 2019





Notice of Annual General Meeting

Notice is hereby given that the 57th Annual General Meeting of UOL Group Limited (the "Company") will be held at PARKROYAL on Beach Road, Grand Ballroom, 7500 Beach Road, Singapore 199591 on Thursday, 23 April 2020, at 3.00 p.m.* to transact the following business:

AS ORDINARY BUSINESS

Resolution 1 To receive and adopt the Directors' Statement and the Audited Financial Statements for the year ended 31 December 2019 together with the Auditor's Report.

Resolution 2 To declare a first and final tax exempt (one-tier) dividend of 17.5 cents per ordinary share for the year ended 31 December 2019.

Resolution 3 To approve Directors' fees of $816,750 for 2019 (2018: $760,500).

Resolution 4 To re-elect Mr Low Weng Keong, who retires by rotation pursuant to Article 94 of the Company's Constitution, as Director of the Company.

Resolution 5 To re-elect Mr Tan Tiong Cheng, who retires by rotation pursuant to Article 94 of the Company's Constitution, as Director of the Company.

Resolution 6 To re-elect Mr Poon Hon Thang Samuel, who retires by rotation pursuant to Article 94 of the Company's Constitution, as Director of the Company.

Resolution 7 To re-elect Mr Lee Chin Yong Francis, who ceases to hold office pursuant to Article 100 of the Company's Constitution, as Director of the Company.

Resolution 8 To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company and authorise the Directors to fix its remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without amendments, the following resolutions as Ordinary Resolutions:

Resolution 9 "That approval be and is hereby given to the Directors of the Company to offer and grant options in accordance with the rules of the UOL 2012 Share Option Scheme (the "2012 Scheme") and to allot and issue such number of shares of the Company as may be required to be issued pursuant to the exercise of share options under the 2012 Scheme, provided that the aggregate number of shares to be issued pursuant to the 2012 Scheme shall not exceed 10% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited)) from time to time."

Resolution 10 "That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions, and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

* Due to the evolving COVID-19 situation and the authorities' advisories and guidance, the Company intends to submit applications to the Accounting and Corporate Regulatory Authority and the Singapore Exchange Regulation for the Meeting to be deferred to a later date, subject to legislative amendments expected in April 2020. The Company will provide updates to the Shareholders, including on any deferment of the Meeting, via announcement on SGXNET and the "Investors and Media" section of the Company's website at the URL http://www.uol.com.sg.

Notice of Annual General Meeting

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) any new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in paragraph (1) above and this paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

Resolution 11 "That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or

(ii) off-market purchase(s) (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

Notice of Annual General Meeting

(b) the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date in which the authority conferred by the Share Buyback Mandate is revoked or varied by shareholders of the Company in a general meeting; and

(iii) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"Maximum Limit" means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)) as at the date of the passing of this Resolution;

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

where:

"Average Closing Price" means the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Shares were recorded, before the date on which the Market Purchase is made or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5 market days and the date on which the Market Purchase is made or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme(s) for effecting the Off-Market Purchase; and

"market day" means a day on which the SGX-ST is open for securities trading; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Yeong Sien Seu
Secretaries

Singapore, 1 April 2020

Notice of Annual General Meeting

NOTES:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the office of Trusted Services Pte. Ltd., 456 Alexandra Road #14-02, Fragrance Empire Building, Singapore 119962 not less than 72 hours before the time for holding the Meeting.

PERSONAL DATA PROTECTION:

All personal data collected by the Company (including its agents/service providers) shall be subject to the Company's data protection policy, which is published on its corporate website (www.uol.com.sg). In particular, by attending, speaking, voting or submitting any instrument to appoint any proxy and/or representative to attend, speak and vote at the Meeting (including any adjournment thereof), a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (including its agents/service providers) for the purposes of processing, administration and analysis in relation to the appointment of any proxy and/or representative by that member, preparation and compilation of attendance lists, minutes and any other document related to the Meeting (including any adjournment thereof), general administration and analysis undertaken in connection with the Meeting, and compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of any proxy and/or representative to the Company (including its agents/service providers), the member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (including its agents/service providers) of the personal data of such proxy and/or representative for the Purposes; and (iii) agrees that the member will indemnify the Company against any claim, cost (including legal cost), damage, demand, expense, liability, loss, penalty or proceeding arising from the member's breach of warranty.

NOTES TO RESOLUTIONS

1. In relation to **Resolution 4**, Mr Low Weng Keong will, upon re-election, continue to serve as the Chairman of the Audit and Risk Committee and the Nominating Committee and as a Member of the Executive Committee and the Remuneration Committee with effect from the conclusion of the Meeting. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Low and the other Directors, the Company, its related corporations, its substantial shareholders[1] or its officers. Please refer to the "Board of Directors", "Corporate Governance Report" and "Supplemental Information" sections of the Company's Annual Report 2019 for information on Mr Low.

   In relation to **Resolution 5**, Mr Tan Tiong Cheng will, upon re-election, be appointed as the Chairman of the Remuneration Committee and continue to serve as a Member of the Audit and Risk Committee with effect from the conclusion of the Meeting. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Tan and the other Directors, the Company, its related corporations, its substantial shareholders[1] or its officers. Please refer to the "Board of Directors", "Corporate Governance Report" and "Supplemental Information" sections of the Company's Annual Report 2019 for information on Mr Tan.

Notice of Annual General Meeting

In relation to **Resolution 6**, Mr Poon Hon Thang Samuel will, upon re-election, continue to serve as a Member of the Nominating Committee with effect from the conclusion of the Meeting. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Poon and the other Directors, the Company, its related corporations, its substantial shareholders[1] or its officers. Please refer to the "Board of Directors", "Corporate Governance Report" and "Supplemental Information" sections of the Company's Annual Report 2019 for information on Mr Poon.

2. In relation to **Resolution 7**, Mr Lee Chin Yong Francis will, upon re-election, continue to serve as a Member of the Board of Directors. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Lee and the other Directors, the Company, its related corporations, its substantial shareholders[1] or its officers. Please refer to the "Board of Directors", "Corporate Governance Report" and "Supplemental Information" sections of the Company's Annual Report 2019 for information on Mr Lee.

3. **Resolution 9** is to empower the Directors to offer and grant options and to issue shares of the Company pursuant to the 2012 Scheme, which was approved at the 49th Annual General Meeting of the Company on 19 April 2012. A copy of the rules governing the 2012 Scheme is available for inspection by shareholders during normal office hours at the Company's Registered Office.

4. **Resolution 10** is to authorise the Directors from the date of the Meeting until the next Annual General Meeting is held or required by law to be held, whichever is the earlier (unless such authority is revoked or varied at a general meeting), to issue, or agree to issue shares and/or grant instruments that might require shares to be issued, up to a number not exceeding 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (calculated as described) of which the total number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (calculated as described). As at 3 March 2020, the Company did not have treasury shares or subsidiary holdings.

5. **Resolution 11** is to renew the Share Buyback Mandate, which was approved at the 56th Annual General Meeting of the Company on 25 April 2019.

   The Company intends to use its internal resources or external borrowings, or combination of both, to finance its purchase or acquisition of the Shares. The amount of financing required for the Company to purchase or acquire its Shares and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of Annual General Meeting as these will depend on, inter alia, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

   Purely for illustrative purposes only, the financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Buyback Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2019, based on certain assumptions, are set out in Appendix A of the Letter to Shareholders dated 1 April 2020 (the "Letter").

   Please refer to the Letter for more details.

[1] A "substantial shareholder" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the Company.

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Supplemental Information

The following information relating to Mr Low Weng Keong, Mr Tan Tiong Cheng, Mr Poon Hon Thang Samuel and Mr Lee Chin Yong Francis, each of whom is standing for re-election as a Director at the upcoming 57th Annual General Meeting of UOL Group Limited ("**UOL**" or the "**Company**") to be held on 23 April 2020, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name	Mr Low Weng Keong
Date of appointment	23 November 2005
Date last re-elected (if applicable)	26 April 2017
Age	67
Country of principal residence	Singapore
The Board's comments on the re-election/appointment	The Board had considered the Nominating Committee's recommendation and assessment on Mr Low's background, experience, independence and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.
Whether appointment is executive and if so, the area of responsibility	Non-executive
Job title	• Non-Executive and Independent Director • Audit and Risk Committee (Chairman) • Nominating Committee (Chairman) • Executive Committee (Member) • Remuneration Committee (Member)
Professional qualifications	• Fellow and Life member of CPA Australia • Fellow of the Institute of Chartered Accountants in England & Wales • Fellow of the Institute of Singapore Chartered Accountants • Associate of the Chartered Institute of Taxation (United Kingdom) • Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals
Working experience and occupation(s) during the past 10 years	• Mr Low retired as a senior partner of Ernst & Young, Singapore in 2005 and was a past global chairman and president of CPA Australia. • Mr Low currently serves as an independent director of various companies. Please refer to his present directorships provided below for further information

Supplemental Information

Mr Tan Tiong Cheng	Mr Poon Hon Thang Samuel	Mr Lee Chin Yong Francis
29 May 2013	12 May 2016	2 January 2020
25 April 2018	26 April 2017	–
69	70	65
Singapore	Singapore	Malaysia
The Board had considered the Nominating Committee's recommendation and assessment on Mr Tan's background, experience, independence and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Poon's background, experience, independence and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on Mr Lee's background, experience, independence and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.
Non-executive	Non-executive	Non-executive
• Non-Executive and Independent Director • Audit and Risk Committee (Member)	• Non-Executive and Independent Director • Nominating Committee (Member)	Non-Executive and Independent Director
• Diploma in Urban Valuation, University of Auckland, New Zealand • Fellow of the Singapore Institute of Surveyors and Valuers • Fellow of the Association of Property and Facility Managers • Associate of the New Zealand Institute of Valuers	Bachelor of Commerce (Honours), Nanyang University of Singapore	Malaysia Certificate of Education
• Senior Adviser of Knight Frank Asia Pacific (2017 – Present) • President of Knight Frank Asia Pacific (2017 – 2019) • Chairman of Knight Frank Pte Ltd (2009 – 2017) • Chairman of Knight Frank Asia Pacific (2000 – 2011) • Mr Tan currently serves as an independent director of various companies. Please refer to his present directorships provided below for further information.	• Mr Poon was a senior executive vice president in United Overseas Bank Limited responsible for consumer banking, corporate banking, commercial banking, corporate finance and international banking before retiring in 2006. • Mr Poon currently serves as an independent director of various companies and holds directorships in other private companies. Please refer to his present directorships provided below for further information.	• Adviser to Group Retail, United Overseas Bank Limited (2018 – 2019) • Head of Group Retail (Personal Financial Services and Business Banking), United Overseas Bank Limited (2010 – 2018)

Supplemental Information

Name	Mr Low Weng Keong
Shareholding interest in the Company and its subsidiaries	UOL Direct – 37,694 shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes
Other principal commitments (including directorships) – Present	Other listed companies: • Riverstone Holdings Limited (Director) • iX Biopharma Limited (Director) Other non-listed companies: • Singapore Institute of Accredited Tax Professionals (Director) • Aquarius Investment Advisors Pte. Limited (Director)
Other principal commitments (including directorships) – Past, for the last 5 years	• NTUC Education and Training Fund (Member of Board of Trustees) (2016 – 2019) • Confederation of Asian and Pacific Accountants Limited (Board member) (2013 – 2019) • Bracell Limited (formerly known as Sateri Holdings Limited (Director) (2013 – 2016)

Supplemental Information

Mr Tan Tiong Cheng	Mr Poon Hon Thang Samuel	Mr Lee Chin Yong Francis
UOL Direct – 120,528 shares	No	No
No	No	No
No	No	No
Yes	Yes	Yes
Other listed companies: • Heeton Holdings Limited (Director) • The Straights Trading Company Limited (Director) • Amara Holdings Limited (Director) Other non-listed companies: • Knight Frank Asia Pacific (Senior Adviser) • Straits Real Estate Pte Ltd (Director)	Other listed companies: • Enviro-Hub Holdings Ltd (Director) • Soilbuild Construction Group Ltd (Director) Other non-listed companies: • Irodori Japanese Restaurant Pte Ltd (Director) • Ping An Fund Management Company Limited (Director)	Other listed companies: Nil Other non-listed companies: • Kemaris Development Sdn Bhd (Director) • Kemaris Industrial Sdn Bhd (Director) • Kemaris Holdings Sdn Bhd (Director) • Kemaris Residences Sdn Bhd (Director) • Kemaris Construction Sdn Bhd (Director)
• Knight Frank Asia Pacific (President) (2017 – 2019) • Knight Frank Pte Ltd (Chairman) (2009 – 2017) • Knight Frank group of companies (till 2017) • Valuation of Review Board (till 2016)	• Raffles Town Club Pte Ltd (Director) (2018 – 2019) • J.P. Nelson Holdings Ltd (Director) (2010 – 2016)	• UOB Property China Company Limited (Supervisor) (2014 – 2019) • Junipa Pte. Ltd. (Director) (2015 – 2018) • UOB Property Investments China Pte. Ltd. (Director) (2014 – 2016) • United Overseas Bank (China) Limited (Director) (2007 – 2019) • UOB-Kay Hian Holdings Limited (Director) (2006 – 2017) • PT Bank UOB Indonesia (Commissioner) (2005 – 2019) • United Overseas Bank (Thai) Public Company Limited (Director) (2004 – 2019) • UOB Property Investments Pte. Ltd. (Director) (2004 – 2018) • Uni Asia Capital Sdn Bhd (Director) (2003 – 2018) • United Overseas Bank (Malaysia) Bhd (Director) (1998 – 2016)

Supplemental Information

Name	Mr Low Weng Keong
Disclosure on the following matters concerning the Director/proposed Director:	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

Supplemental Information

Mr Tan Tiong Cheng	Mr Poon Hon Thang Samuel	Mr Lee Chin Yong Francis
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

Supplemental Information

Name	Mr Low Weng Keong
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Disclosure applicable to the proposed appointment of Director only:	
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable
If yes, please provide details of prior experience.	–
If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	–

Supplemental Information

Mr Tan Tiong Cheng	Mr Poon Hon Thang Samuel	Mr Lee Chin Yong Francis
No	No	No
No	No	No
No	No	No
No	No	No
No	Yes. As previously disclosed by Mr Poon Hon Thang Samuel, sometime in 1991, he was called up by the Corrupt Practices Investigation Bureau ("CPIB") together with an ex-colleague of CitiBank N.A. Singapore for investigation by CPIB in connection with an allegation by a customer that Mr Poon and his colleague had allegedly received money. Mr Poon believes that the allegation was made because that customer was unhappy with him and his colleague as they had previously reported certain fraud cases involving more than 10 banks in Singapore, resulting in the conviction and jail term of that particular customer. Following the interview by CPIB and subsequent clarification meetings, Mr Poon Hong Thang Samuel has not been required by CPIB to provide any further assistance in the matter.	No
Not applicable	Not applicable	Not applicable
–	–	–
Not applicable	Not applicable	Not applicable
–	–	–

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Proxy Form

Annual General Meeting

UOL GROUP LIMITED

(Incorporated in Singapore)
Company Registration No. 196300438C

Personal Data Protection
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data protection terms set out in the Notice of Annual General Meeting dated 1 April 2020.

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy UOL Group Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/ SRS Operators if they have any queries regarding their appointment as proxies.

I/We, ______________________________ (Name) ______________________ (NRIC/Passport/Co. Reg. No.(s))

of ____ (Address)

being a member/members of UOL GROUP LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of shares	%

and/or (please delete as appropriate)

			No. of shares	%

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 57th Annual General Meeting of the Company (the "AGM") to be held at PARKROYAL on Beach Road, Grand Ballroom, 7500 Beach Road, Singapore 199591, on Thursday, 23 April 2020 at 3.00 p.m.# and at any adjournment thereof. I/We direct my/ our proxy/proxies to vote for or against, or to abstain from voting on, the Resolutions to be proposed at the AGM, as indicated below. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

Due to the evolving COVID-19 situation and the authorities' advisories and guidance, the Company intends to submit applications to the Accounting and Corporate Regulatory Authority and the Singapore Exchange Regulation for the Meeting to be deferred to a later date, subject to legislative amendments expected in April 2020. The Company will provide updates to the Shareholders, including on any deferment of the Meeting, via announcement on SGXNET and the "Investors and Media" section of the Company's website at the URL http://www.uol.com.sg.

No.	Resolutions	No. of Votes For *	No. of Votes Against *	No. of Votes Abstain *
Ordinary Business				
1	Adoption of Directors' Statement, Audited Financial Statements and Auditor's Report			
2	Declaration of a First and Final Dividend			
3	Approval of Directors' Fees			
4	Re-election of Mr Low Weng Keong as Director			
5	Re-election of Mr Tan Tiong Cheng as Director			
6	Re-election of Mr Poon Hon Thang Samuel as Director			
7	Re-election of Mr Lee Chin Yong Francis as Director			
8	Re-appointment of PricewaterhouseCoopers LLP as Auditor			
Special Business				
9	Authority for Directors to Issue Shares (UOL 2012 Share Option Scheme)			
10	Authority for Directors to Issue Shares (General Share Issue Mandate)			
11	Renewal of Share Buyback Mandate			

* Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please tick (√) in the "For" or "Against" box provided. Otherwise, please indicate the number of votes as appropriate. If you wish your proxy/proxies to abstain from voting on a resolution, please tick in the "Abstain" box provided. Otherwise, please indicate the number of shares that your proxy/proxies is/are directed to abstain from voting.

Dated this __________ day of __________ 2020

Shares in:	Total No. of Shares Held
(a) Depository Register	
(b) Register of Members	
Total	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM in his stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.
2. A proxy need not be a member of the Company.
3. This instrument appointing a proxy or proxies must be signed by the appointor or his duly authorised attorney or, if the appointor is a body corporate, signed by its duly authorised officer or attorney or executed under its common seal.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the AGM.
6. This instrument appointing a proxy or proxies must be deposited at the office of Trusted Services Pte. Ltd., 456 Alexandra Road, #14-02, Fragrance Empire Building, Singapore 119962, not less than 72 hours before the time fixed for holding the AGM.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. Any alteration made in this instrument appointing a proxy or proxies must be initialled by the person who signs it.
9. A body corporate which is a member may appoint by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if such member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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PROXY FORM

Please
Affix
Postage
Stamp

The Company Secretary
UOL GROUP LIMITED

c/o

Trusted Services Pte. Ltd.
456 Alexandra Road, #14-02
Fragrance Empire Building
Singapore 119962

3rd fold here

Fold this flap for sealing

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Charting Future Growth Building Future Value

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