United Industrial Corporation Limited

ANNUAL REPORT 2020

CONTENTS

Cover: The Gateway

V on Shenton, UIC Building

CORPORATE PROFILE

United Industrial Corporation Limited ("**UIC**" or the "**Company**", and together with its group of companies, the "**Group**") is a leading real estate company listed since 1971. UIC's diversified portfolio comprises commercial investment properties, residential development properties, hotels and IT services.

UIC acquired Singland Properties Limited (formerly known as Singapore Land Limited) in 1990 and expanded its portfolio of prime commercial assets which currently includes 2.5 million square feet of office space and 1 million square feet of retail space in Singapore. The Group also owns several overseas investment assets in China and the United Kingdom.

As a 50% owned subsidiary of UOL Group Limited, UIC is committed to leveraging on its strength to drive sustainable growth for its shareholders and stakeholders.

CORPORATE INFORMATION

Board of Directors	Board Appointment	Date of Initial Appointment	Date of Last Re-Election
Wee Cho Yaw	Non-Executive Chairman	26.06.92	10.06.20
Lance Yu Gokongwei	Non-Executive Director	28.05.99	10.06.20
Wee Ee Lim	Non-Executive Director	28.05.99	27.04.18
Liam Wee Sin	Non-Executive Director	10.06.19	10.06.20
Hwang Soo Jin	Non-Executive and Independent Director	31.01.03	23.04.19
Yang Soo Suan	Non-Executive and Independent Director	27.04.12	23.04.19
Chng Hwee Hong	Non-Executive and Independent Director	23.03.18	27.04.18
Antonio L. Go	Non-Executive and Independent Director	25.04.07	23.04.19
Tan Khiaw Ngoh	Non-Executive and Independent Director	27.02.20	10.06.20
Francis Lee Seng Wee	Non-Executive and Independent Director	12.03.18	27.04.18

Audit Committee

Yang Soo Suan	*Chairman*
Lance Yu Gokongwei	*Member*
Chng Hwee Hong	*Member*
Tan Khiaw Ngoh	*Member*

Nominating Committee

Hwang Soo Jin	*Chairman*
Wee Cho Yaw	*Member*
Yang Soo Suan	*Member*
Antonio L. Go	*Member*

Remuneration Committee

Chng Hwee Hong	*Chairman*
Wee Cho Yaw	*Member*
Hwang Soo Jin	*Member*
Antonio L. Go	*Member*

Company Secretary
Teo Hwee Ping

Auditor
PricewaterhouseCoopers LLP
7 Straits View, Marina One,
East Tower, Level 12
Singapore 018936
Audit Partner: Lam Hock Choon
(appointed since Financial Year 2018)

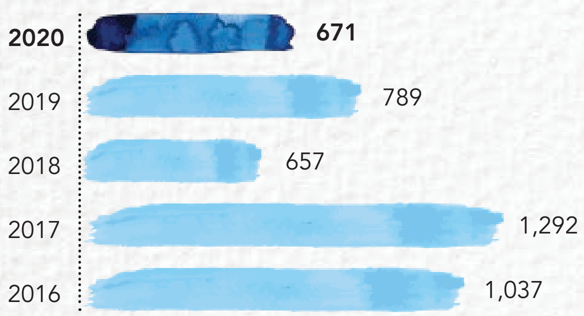
Share Registrars
KCK CorpServe Pte Ltd
333 North Bridge Road #08-00
KH KEA Building
Singapore 188721
Telephone: 6837 2133
Facsimile: 6339 0218

Registered Office
24 Raffles Place #22-01/06
Clifford Centre
Singapore 048621
Telephone: 6220 1352
Facsimile: 6224 0278
Website: www.uic.com.sg

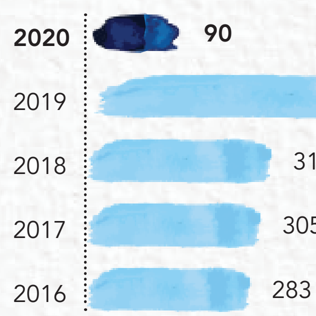
Company Registration Number
196300181E

GROUP FINANCIAL HIGHLIGHTS

REVENUE ($'million)



NET ATTRIBUTABLE PROFIT ($'million)



TOTAL ASSETS ($'million)

SHAREHOLDERS' EQUITY ($'million)

($'million)	2016	2017	2018	2019	2020
Revenue	1,037	1,292	657	789	**671**
Net profit before fair value and other gains/(losses)	246	310	254	247	**218**
Other gains/(losses)	–	–	–	210	**(2)**
Net fair value gain/(loss) on investment properties	37	(5)	63	148	**(126)**
Net attributable profit	283	305	317	605	**90**
Total assets	8,613	8,252	8,416	9,025	**8,947**
Shareholders' equity	6,225	6,521	6,788	7,300	**7,339**

CHAIRMAN'S STATEMENT

Despite a challenging operating environment, UIC's diversified portfolio of commercial, hospitality and residential assets continues to remain resilient and will provide a stable platform for the Group's future growth.

2020 REVIEW

2020 was an unprecedented and challenging year - nations grappled with geopolitical tensions, economic uncertainties, and the widespread impact of the COVID-19 pandemic on tourism and businesses globally.

In Singapore, the economy contracted by 5.4% for the whole of 2020, exacerbated by lockdowns and travel restrictions imposed by governments worldwide.

UIC's portfolio of commercial and hospitality assets in Singapore was not spared in the pandemic. Grade A office rentals in the Central Business District ("CBD") fell by 10% due to the workplace safe distancing measures imposed, impacting the office space requirements of businesses for the immediate term. Our hotels which rely primarily on international tourism, were also affected by global travel restrictions.

On a brighter note, UIC's portfolio of residential properties saw steady sales with the overall private property market's resilience.

FINANCIAL PERFORMANCE

Against these challenging operating conditions, the Group's total revenue for the financial year ended 31 December 2020 declined by 15% from $789.5 million to $671.1 million.

The Group's commercial and retail buildings generated rental income of $265.0 million, compared to $285.5 million achieved in the previous year. Revenue from property trading and hotel operations came in at $91.0 million and $77.4 million respectively compared to $114.1 million and $215.7 million in 2019.

Despite the impact of the COVID-19 pandemic on revenue, the Group registered a relatively small decline of 12% in net profit before fair value and other gains/losses attributable to equity holders of the Company which fell from $246.5 million in 2019 to $217.7 million in 2020.

After accounting for fair value loss of $125.8 million, net profit attributable to equity holders in 2020 was $90.2 million as compared with $605.1 million the year before, which included fair value gain of $148.5 million and a one-time gain of $210.3 million recorded on the derecognition of Aquamarina Hotel Pte Ltd as an associate.

In view of the financial performance, the Board recommended a first and final tax exempt (one-tier) dividend of 3.5 cents for the financial year ended 31 December 2020, amounting to total dividend pay-out of $50.1 million.

SINGAPORE OPERATIONS

The Group's commercial and retail portfolios remained resilient and were able to achieve committed occupancies of 94% and 95% for its office and retail property portfolios respectively, in line with the industry average.

The hotels in the Group had reacted quickly to the changing environment by securing alternative sources of revenue and implementing aggressive costs containment measures, resulting in positive operating cash flow in 2020. In addition, PARKROYAL COLLECTION Marina Bay, Singapore had taken the opportunity to close the hotel to accelerate its planned renovation in 2020.

Despite the headwinds in the economy, the Group's portfolio of residential developments received encouraging take up. The Tre Ver, a 729-unit development located at Potong Pasir Avenue 1 achieved 100% sales (*based on options issued) in 2020. Meanwhile, the Group continues to reduce its inventory at Mon Jervois, V on Shenton, and Avenue South Residence, a joint venture project together with UOL Group Limited ("UOL") and Kheng Leong Company (Private) Limited ("Kheng Leong").

In December 2020, the Group launched Clavon, a 20:80 joint venture project with UOL, with 640-units located at Clementi Avenue 1. Conceptualised as "next-generation" homes catering to new lifestyle demands following COVID-19, the residential development was well received with 441 units taken up in the first weekend of launch.

In March 2020, the Group was successful in a bid for a residential site at Canberra Drive, at a total consideration of $270.2 million. The tender was submitted by United Venture Development (2020) Pte Ltd, a 30:50:20 joint venture between UIC, UOL and Kheng Leong. An estimated 448 residential units are expected to be built on this 99-year leasehold site.

OVERSEAS OPERATIONS

In China, UIC has a 30% stake in Park Eleven, a mixed-use development in Shanghai, north of the Hongqiao CBD. As at 28 December 2020, the Group achieved 89% sales for the 347 residential units launched in Phase 1 and 2. The balance of 51 residential units is scheduled to launch under Phase 3 in 2021.

In the UK, UIC has a 50% share of 120 Holborn, a mixed-use freehold development in Midtown, Central London, a short walk from Chancery Lane and Farringdon Underground Stations. As at end December 2020, the development achieved committed occupancy of 92%.

2021 OUTLOOK

Despite a challenging operating environment, UIC's diversified portfolio of commercial, hospitality and residential assets continues to remain resilient and will provide a stable platform for the Group's future growth.

The forecast for Singapore's GDP is a rebound by 4% to 6% in 2021, as global economies recover from the disruption caused by COVID-19. While the pace and timing of recovery remain uncertain, the current low interest rates could bolster the appeal of real estate as an asset class, as evidenced by the pick up in investment sales in both the 3rd and 4th quarters of 2020, and continued interest in well-located residential projects with strong product attributes.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to take this opportunity to commend the management and staff of UIC for their contributions and resourcefulness in an unprecedented year.

I would also like to thank Mr James L. Go and Mr Alvin Yeo Khirn Hai who retired from the Board at the last annual general meeting, for their dedicated and invaluable service to UIC during their tenures. My heartfelt thanks also to Mr Lim Hock San, who had served UIC since 1992. His retirement as the Group's President and Chief Executive Officer was announced on 30 September 2020.

Last but not least, my deepest gratitude goes to my fellow Directors for their commitment and wise counsel, and all UIC shareholders and stakeholders for their continued support.

WEE CHO YAW
Chairman
February 2021

BOARD OF DIRECTORS

Wee Cho Yaw

Chairman
Non-Executive and
Non-Independent

Dr Wee Cho Yaw first appointed on 26 June 1992, was last re-elected as Director on 10 June 2020.

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.

UIC Board Committee(s)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Present Directorship(s) and Other Principal Commitment(s)
- United Overseas Insurance Limited* (Chairman)
- UOL Group Limited* (Chairman)
- Haw Par Corporation Limited* (Chairman)
- 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 and 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)

* Listed companies

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Far Eastern Bank Limited (till May 2018)
- United Overseas Bank Limited (till April 2018)

Academic and Professional Qualification(s), Achievement(s) and Award(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)

Lance Yu Gokongwei

Non-Executive and Non-Independent

Mr Lance Yu Gokongwei first appointed on 28 May 1999, was last re-elected as Director on 10 June 2020.

UIC Board Committee(s)
- Audit Committee (Member)

Present Directorship(s) and Other Principal Commitment(s)
- JG Summit Holdings, Inc.* (President and Chief Executive Officer)
- Cebu Air, Inc.* (Director, President and Chief Executive Officer)
- Universal Robina Corporation* (Chairman)
- Robinsons Land Corporation* (Chairman)
- Robinsons Bank Corporation (Chairman)
- JG Summit Petrochemical Corporation (Chairman)
- JG Summit Olefins Corporation (Chairman)
- Robinsons Retail Holdings, Inc.* (Chairman)
- Manila Electric Company* (Vice Chairman)
- Oriental Petroleum and Minerals Corporation* (Director)
- Gokongwei Brothers Foundation, Inc. (Chairman and Trustee)

* Listed companies

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Nil

Academic and Professional Qualification(s), Achievement(s) and Award(s)
- Bachelor of Science (Applied Science), Pennsylvania Engineering School, USA
- Bachelor of Science (Finance), Wharton School, USA
- Management and Technology Programme, University of Pennsylvania, USA

Wee Ee Lim

Non-Executive and Non-Independent

Mr Wee Ee Lim first appointed on 28 May 1999, was last re-elected as Director on 27 April 2018.

UIC Board Committee(s)
- Nil

Present Directorship(s) and Other Principal Commitment(s)
- UOL Group Limited* (Deputy Chairman)
- Haw Par Corporation Limited* (Director, President and Chief Executive Officer)
- Wee Foundation (Director)
- United Overseas Bank Limited* (Director)

* Listed companies

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Nil

Academic and Professional Qualification(s), Achievement(s) and Award(s)
- Bachelor of Arts (Economics), Clark University, USA

Liam Wee Sin

Non-Executive and Non-Independent

Mr Liam Wee Sin first appointed on 10 June 2019, was last re-elected as Director on 10 June 2020.

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

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

UIC Board Committee(s)
- Nil

Present Directorship(s) and Other Principal Commitment(s)
- UOL Group Limited* (Director and Group Chief Executive)
- Director of various UOL subsidiaries

* Listed company

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Nil

Academic and Professional Qualification(s), Achievement(s) and Award(s)
- Bachelor of Architecture, University of Singapore

Hwang Soo Jin

Non-Executive and Independent

Mr Hwang Soo Jin first appointed on 31 January 2003, was last re-elected as Director on 23 April 2019. He is a chartered insurer with more than 50 years' experience. He is an honorary fellow of the Singapore Insurance Institute and a Justice of the Peace.

UIC Board Committee(s)
- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Present Directorship(s) and Other Principal Commitment(s)
- Singapore Reinsurance Corporation Ltd* (Chairman Emeritus and Senior Advisor)
- United Overseas Insurance Limited* (Director, Chairman of Nominating Committee and Member of Remuneration Committee)
- Haw Par Corporation Limited* (Director)
- Advisorship and directorships at various companies

* Listed companies

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Singapore Reinsurance Corporation Ltd (till 17 April 2019)

Academic and Professional Qualification(s), Achievement(s) and Award(s)
- Chartered Insurer and Associate of the Chartered Insurance Institute, UK
- Singapore Insurance Institute (Honorary Fellow)
- Asian Industry Awards Lifetime Achievement Award (2013)

Yang Soo Suan

Non-Executive and Independent

Mr Yang Soo Suan first appointed on 27 April 2012, was last re-elected as Director on 23 April 2019.

An architect by training with close to 50 years of professional practice experience, Mr Yang is a life fellow member of the Singapore Institute of Architects and a fellow member of the Singapore Society of Project Managers.

UIC Board Committee(s)

- Audit Committee (Chairman)
- Nominating Committee (Member)

Present Directorship(s) and Other Principal Commitment(s)

- United Overseas Insurance Limited* (Director, Member of Audit Committee, Nominating Committee and Remuneration Committee)

* Listed company

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years

- Nil

Academic and Professional Qualification(s), Achievement(s) and Award(s)

- Bachelor of Architecture (Honours), Melbourne University, Australia
- Bintang Bakti Masyarakat (Public Service Star, Singapore) (1996)

BOARD OF DIRECTORS

Chng Hwee Hong

Non-Executive and Independent

Mr Chng Hwee Hong first appointed on 23 March 2018, was last re-elected as Director on 27 April 2018. Mr Chng was an Executive Director of Haw Par Corporation Limited prior to his retirement in 2012. He was a member of the Sub-Committee on Maximising Value from Land as a Scarce Resource of the Economic Strategies Committee of Singapore and a member of the Singapore-Sichuan Trade & Investment Committee.

Mr Chng is also actively involved in community and social work and serves in a number of community and not-for-profit organisations.

UIC Board Committee(s)
- Remuneration Committee (Chairman)
- Audit Committee (Member)

Present Directorship(s) and Other Principal Commitment(s)
- United Overseas Insurance Limited* (Director and Chairman of Audit Committee)
- Yellow Ribbon Singapore (previously known as Singapore Corporation of Rehabilitative Enterprises) (Chairman)
- Industrial & Services Co-operative Society Ltd (Chairman of the Board of Trustees)
- National Council Against Drug Abuse (Member)

* Listed company

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Yuhua Citizens' Consultative Committee (Chairman) (till March 2017)
- Kong Meng San Phor Kark See Monastery (co-opted Audit Committee Chairman) (till February 2016)

Academic and Professional Qualification(s), Achievement(s) and Award(s)
- Bachelor of Science (Honours) in Applied Chemistry, University of Singapore
- Diploma in Business Administration, University of Singapore
- Diploma in Management Studies, jointly awarded by University of Chicago and Singapore National Productivity Board
- Stanford–NUS Executive Programme, jointly organised by the Graduate School of Business, Stanford University and the School of Management, National University of Singapore.
- Graduate Certificate in International Arbitration, National University of Singapore
- Fellow, Singapore Institute of Arbitrators
- Pingat Bakti Masyarakat (Public Service Medal, Singapore) (2014)
- Bintang Bakti Masyarakat (Public Service Star, Singapore) (2020)
- Justice of the Peace (2020)

Antonio L. Go

Non-Executive and Independent

Mr Antonio L. Go first appointed on 25 April 2007, was last re-elected as Director on 23 April 2019.

UIC Board Committee(s)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Present Directorship(s) and Other Principal Commitment(s)
- Equicom Savings Bank (Chairman)
- ALGO Leasing and Finance, Inc. (Chairman)
- Equitable Computer Services, Inc. (Director & President)
- Maxicare Healthcare Corporation (Director)
- Equicom Information Technology, Inc. (Director)
- Equicom Inc. (Director)
- Pin-An Holdings, Inc. (Director)
- Go Kim Pah Foundation (Trustee)
- Equicom Manila Holdings, Inc. (Director)
- Equitable Foundation, Inc. (Trustee)
- Equitable Development Corporation (Director)
- Equity Development Corporation (Director)
- K & L Holdings, Inc. (Director)
- Medilink Network, Inc. (Director)
- Klara Holdings, Inc. (Director)
- Motan Corporation (Director)
- Cebu Air, Inc* (Director)
- Oriental Petroleum and Minerals Corporation* (Director)
- Robinsons Retail Holdings, Inc.* (Director)
- Gokongwei Brothers Foundation, Inc. (Trustee)
- SteelAsia Manufacturing Corporation (Director)
- JG Summit Holdings, Inc.* (Director)
- Dito Telecommunity Corporation (Director)

* Listed companies

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Nil

Academic and Professional Qualification(s), Achievement(s) and Award(s)
- Bachelor of Business Administration, Youngstown University, USA.
- International Advanced Management Programme, International Management Institute, Geneva, Switzerland
- ABA National School of Bankcard Management, Northwestern University, USA

Tan Khiaw Ngoh

Non-Executive
and Independent

Ms Tan Khiaw Ngoh first appointed on 27 February 2020, was last re-elected as Director on 10 June 2020. Ms Tan is a Justice of the Peace and a fellow Member of the Institute of Singapore Chartered Accountants.

UIC Board Committee(s)
- Audit Committee (Member)

Present Directorship(s) and Other Principal Commitment(s)
- Singapore Children's Society (Member, Chairperson of Audit & Risk Committee and of the Social Work Services Standing Committee)
- National Council of Social Services (Honorary Treasurer)
- Thye Hwa Kuan Nursing Home (Member of Finance Committee)
- Khoo Teck Puat Hospital (Member of Medifund Committee)
- Kong Meng San Phor Kark See Monastery (Member of Audit Committee)
- Hollysys Automation Technologies Ltd (Independent and Non Executive Director, Chairperson of the Audit Committee, Member of the Compensation Committee, and the Governance and Nominating Committee)

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Partner, PricewaterhouseCoopers (retired on 30 June 2017)

Academic and Professional Qualification(s), Achievement(s) and Award(s)
- Bachelor of Commerce (Accountancy), Nanyang University

Francis Lee Seng Wee

Non-Executive
and Independent

Mr Francis Lee Seng Wee first appointed on 12 March 2018, was last re-elected as Director on 27 April 2018.

UIC Board Committee(s)
- Nil

Present Directorship(s) and Other Principal Commitment(s)
- DP Architects Pte. Ltd. and DP Group of Companies (Senior Director)
- Growth Mindset Pte Ltd (Chairman)
- 1828 Pte Ltd (Director)
- Atlas Aquaculture Pte Ltd (Director)
- Archdiocesan Land and Properties Singapore (ALPS) (Committee Member)

Past Directorship(s) in Listed Companies and Principal Commitments held over the preceding five years
- Nil

Academic and Professional Qualification(s), Achievement(s) and Award(s)
- Bachelor of Science in Architecture (Honours), University of Aston, United Kingdom
- Diploma in Architecture, Birmingham Polytechnic, United Kingdom
- Member of the Board of Architects, Singapore

MANAGEMENT REVIEW

SINGAPORE COMMERCIAL OFFICE PROPERTIES

2020 OVERVIEW

2020 was an unprecedented year with the COVID-19 pandemic impacting the global economy. With the implementation of the Circuit Breaker in April 2020 and the various safe distancing measures adopted throughout the year, companies moved to cost containment and consolidation to cope with the pandemic.

UIC BUILDING
5 Shenton Way, Singapore 068808

Located within Singapore's CBD and next to the Marina Bay Financial District, the 23-storey building achieved committed occupancy of 98% as at 31 December 2020.

SINGAPORE LAND TOWER
50 Raffles Place, Singapore 048623

Located at Raffles Place, the heart of Singapore's CBD, the 47-storey building achieved committed occupancy of 93% as at 31 December 2020.

In the year under review, the building achieved Green Mark (GoldPlus) certification awarded by the Building and Construction Authority ("BCA").

Asset enhancement works for the building have commenced since end January 2021 and are targeted to complete in the later part of 2023. The asset enhancement initiative ("AEI") will introduce more green features, lush landscaped public spaces, energy-efficient lifts and lightings, a low emissivity double-glazed external curtain wall system and parking for electric hybrid cars. A grand canopy will also be created, along with a covered walkway linking visitors to Raffles Place MRT station. In line with Singapore's car-lite and sustainable mobility vision, end-of-trip facilities with changing rooms and showers will be provided. A variety of communal spaces such as a podium roof garden for F&B purposes and a 49th storey rooftop public space will be introduced for tenant enjoyment as well.

The Design Architect for the asset enhancement is the Pritzker Architecture Laureate, Mr Fumihiko Maki of Maki & Associates from Japan.

CLIFFORD CENTRE

24 Raffles Place, Singapore 048621

Clifford Centre is a 29-storey building located at Raffles Place. For the year under review, the building achieved committed occupancy of 94% as at 31 December 2020.

As part of the Group's continual efforts to enhance the facilities of the building, upgrading works for two of the building's passenger lifts and three sets of escalators were completed during the year. In addition, two electrical transformers and the building's fire protection system were upgraded to comply with the authorities' requirements. For the safety and health of the building's occupants, permanent Ultra Violet-C (UVC) emitters were installed within the air-conditioning system for disinfection of any accumulated mould, virus and bacteria growth.

SGX CENTRE 2

4 Shenton Way, Singapore 068807

The Group owns 36,000 square feet and 240,000 square feet of prime office spaces in SGX Centre 1 and 2 respectively. Located along Shenton Way, the buildings achieved committed occupancy of 98% as at 31 December 2020.

The Group has served as the managing agent for the buildings over the years. During the year under review, upgrading works for the air-conditioning system and washrooms were undertaken. Preparatory works have already commenced for upgrading of the two main lobbies in March 2021. The AEI will refresh the look and feel of SGX Centre which is targeted to achieve Green Mark Platinum certification upon completion of works.

THE GATEWAY

Gateway West, 150 Beach Road, Singapore 189720

Gateway East, 152 Beach Road, Singapore 189721

Located along Beach Road at the fringe of the CBD and within two key development corridors along Beach Road and the Ophir-Rochor-Nicoll highway, The Gateway comprises a pair of 37-storey towers designed by world-renowned architect I. M. Pei. During the year under review, the development achieved committed occupancy of 93% as at 31 December 2020.

Upgrading works on replacement of the variable air volume (VAV) controllers and thermostats commenced in the year under review and will be carried out progressively over the next three years. This will improve and enhance the efficiency of the air-conditioning system in compliance with Green Mark requirements.

TAMPINES PLAZA 1
(formerly known as Abacus Plaza)
3 Tampines Central 1, Singapore 529540

TAMPINES PLAZA 2
(formerly known as Tampines Plaza)
5 Tampines Central 1, Singapore 529541

Situated in the Tampines Regional Centre, the pair of 8-storey office towers enjoy proximity to Tampines MRT Station and surrounding retail malls.

As at 31 December 2020, Tampines Plaza 1 achieved committed occupancy of close to 70%. Tampines Plaza 2 achieved full occupancy from September 2020 onwards.

In support of reducing greenhouse gases and lower emissions from transportation, four electric vehicle chargers were installed in the development as part of a collaboration with SP Group.

AEI works to upgrade the main office lobbies have commenced for both buildings. A drop-off point will be created in the basement, and water features and landscaping in the courtyard will be re-designed to create a more welcoming entrance.

STAMFORD COURT
61 Stamford Road, Singapore 178892

Located at the junction of Stamford Road and Hill Street, Stamford Court is a four-storey neo-classical building comprising office and retail spaces. The building achieved committed occupancy of 94% as at 31 December 2020.

Stamford Court has also been certified Green Mark Platinum in the year under review.

SINGAPORE COMMERCIAL RETAIL PROPERTIES

WEST MALL
1 Bukit Batok Central Link, Singapore 658713

Strategically located next to the Bukit Batok MRT Station, West Mall is a popular five-storey retail and entertainment complex for residents of the Bukit Batok, Jurong East, Hillview and Upper Bukit Timah precincts. The mall achieved full occupancy as at 31 December 2020.

During the year, the mall welcomed new tenants such as Sorella, Pot Addiction, Komme and Starbucks who were brought in to enhance the tenant mix.

In view of the COVID-19 pandemic, advertising and promotional activities were moved online via Facebook and Instagram, with specific tenants featured and highlighted on a rotational basis. The annual Durian Fiesta was creatively tweaked, with a takeaway concept which proved just as popular with our shoppers. A photo contest where shoppers voted for their favourite snapshots was also organised online for Singapore's National Day celebrations.

During the year, conventional blower fans within the air handling units were replaced with Electronically Commutated (EC) fans. This initiative should achieve energy savings of between 20% and 30%, which is in line with the building's BCA Green Mark Award (Gold) certification.

NOVENA SQUARE
238/A/B Thomson Road, Singapore

Novena Square is a mixed-use development located above the Novena MRT Station. Novena Square consists of two blocks of 18- and 25-storey offices with a total lettable area of 41,627 square meters, and Velocity@ Novena Square, a 3-storey retail mall with a total lettable area of 15,855 square meters. For 2020, the office component achieved a committed occupancy of 99% while the retail mall had a committed occupancy of 97% as at 31 December 2020. During the year, Velocity@Novena Square welcomed Mexican food chain Guzman Y Gomez and bubble tea brand Milksha, as well as retailers MMMM!, Skechers, Unity Kcuts and Beauty Mansion to the mall.

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

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

MARINA SQUARE SHOPPING MALL

6 Raffles Boulevard, Singapore 039594

Marina Square Shopping Mall is in the heart of Marina Centre, surrounded by three world class hotels – PARKROYAL COLLECTION Marina Bay, Singapore, Mandarin Oriental, Singapore and Pan Pacific Singapore – near attractions such as Singapore Esplanade, Theatres on the Bay, the Singapore Flyer and Gardens by the Bay.

Further enhancing Marina Square's positioning as a fun-filled and activities-based city family mall, new tenants were added to provide greater variety to shoppers and office workers in the precinct. The opening of New World Carnival (a brand-new virtual reality cum arcade concept) at end 2020 added to the options for festive fun, while Eccellente by Hao Mart, Daiso/Threeppy and IUIGA improved the choices for shoppers with new offerings of grocery shopping and value gifts. Other additions include Kanada-ya Ramen, Sofra Turkish Café, Kungfu Fish, Coco Veggie Nonya Cuisine and Skechers.

Amidst the challenges faced during the pandemic, the mall achieved committed occupancy of 94% as at end December 2020. In the year ahead, maintaining occupancy is of top priority while focus remains in strengthening our trade mix and positioning.

Promotional activities organised by Marina Square in 2020 were largely brought online due to COVID-19. In addition to the Lunar New Year promotions, digital promotions included the sale of Grab Food promo codes to help F&B tenants with delivery orders and takeaways from June to December. Marina Square was the first mall to have a 3-week partnership in July with e-commerce platform Lazada to give tenants online sales opportunities. Other app-based collaborations included a cashback partnership with Fave in October, and tactical promotions such as 1-for-1 e-deals on the Marina Square mobile app. The launch of flash eVouchers alongside 10.10, 11.11 and Christmas Campaigns was also to incentivise spending from Marina Square members who collected eVouchers on the App. Marina Square also tapped on Lazada's gaming platform by featuring tenants' vouchers as prizes in November to bring more brand awareness to shoppers and boost sales.

In collaboration with Marina Central Business Improvement District (BID), Marina Square, together with the other malls in the BID, jointly supported tenants in the cluster through Chope digital platform. During the year-end festive period, the BID worked with the Health Promotion Board for a wellness challenge by sponsoring a virtual Make-A-Wish Santa Charity Run, and sold Marina Central vouchers during the year-end festive season at a discounted rate to ramp up sales and visitorship for the precinct.

The BID stakeholders also organised a building light up in teal to increase awareness of the Marina Central cluster.

SINGAPORE HOTELS

PERFORMANCE IN 2020

The impact of the COVID-19 pandemic on the hospitality industry in 2020 was unprecedented as international visitor arrivals in Singapore dropped to a historic low. In spite of this, Pan Pacific Singapore and Mandarin Oriental, Singapore managed to achieve positive cash flows and remained profitable with alternative income generated from contracts with the government. Meanwhile, PARKROYAL COLLECTION Marina Bay, Singapore was closed for renovation from mid-March 2020 with a soft opening in December 2020.

PAN PACIFIC SINGAPORE

7 Raffles Boulevard, Marina Square, Singapore 039595

The 790-room Pan Pacific Singapore is located at the Marina Bay area, in close proximity to the CBD, and provides easy access to a wide array of retail and entertainment options. The Hotel achieved an average occupancy of 83% in 2020.

PARKROYAL COLLECTION MARINA BAY, SINGAPORE

6 Raffles Boulevard, Singapore 039594

The Hotel underwent major renovation and transformation in 2020 with a "garden-in-a-hotel" concept, the first of its kind in Singapore. The 575-room Hotel at Marina Bay is linked to the Marina Square Shopping Mall.

MANDARIN ORIENTAL, SINGAPORE

5 Raffles Avenue, Singapore 039797

Mandarin Oriental, Singapore is situated at the Marina Bay area and the 527-room Hotel is linked to the Marina Square Shopping Mall. The Hotel's average occupancy in 2020 was 30%.

SINGAPORE RESIDENTIAL PROPERTIES

2020 OVERVIEW

Despite a pandemic and an economic recession, Singapore's private home prices rose 2.2% in 2020 with new home sales by developers hitting a respectable 9982 units as compared to the 9912 units sold in 2019. Demand is expected to remain strong barring any unforeseen circumstances with the dwindling pipeline supply of private residential units.

The Group successfully replenished its land bank with the acquisition of a land parcel at Canberra Drive in March 2020. The Group also launched Clavon in December which sold more than 70% of the 640 units during the month of launch.

V ON SHENTON

5A Shenton Way, Singapore 068814

Strategically located along Shenton Way and directly linked to the upcoming Shenton Way MRT Station in the CBD, V on Shenton is the 510-unit premium residential tower of the mixed-use development which includes UIC Building.

Designed by renowned Dutch Architect, Ben Van Berkel of UNStudio, V on Shenton stands out amongst the high-rises of Singapore's CBD. As at December 2020, only 23 high-floor units with vantage views of the city and sea remain available for sale with 95% of the units sold.

ARTIST'S IMPRESSION

MON JERVOIS

**47 Jervois Road,
Singapore 247656**

Nestled in the prime residential area of District 10, Mon Jervois is an exclusive 109-unit development at Jervois Road that is surrounded by Good Class Bungalows in Jervois, Chatsworth and Bishopsgate. It is minutes from the Singapore Botanic Gardens, Orchard Road and CBD.

Designed by Singapore's award-winning local architectural firm, Ong & Ong, this luxurious resort-themed development offers a sanctuary from the urban buzz. As at December 2020, only four Penthouse units remain available for sale with 96% of the units sold.

THE TRE VER

111 Potong Pasir Ave 1, Singapore 350111

Located along the scenic Kallang River at Potong Pasir Avenue 1, The Tre Ver is a 729-unit premium residential development consisting of nine mixed-storey blocks. Walking distance from Potong Pasir MRT Station, it offers exclusive river-front living within a 15-minute ride by MRT or a 10-minute drive to the city.

Designed by President's Design Award winner, WOHA Architects, the biophilic design of The Tre Ver was inspired by the majestic trees along the river and the river view. A 50:50 joint venture development with UOL, all units were sold as at December 2020.

ARTIST'S IMPRESSION

AVENUE SOUTH RESIDENCE

1 Silat Ave, Singapore 168872

With close proximity to and views of the future Greater Southern Waterfront, Avenue South Residence is a 1,074-unit premium residential development located at Silat Avenue. The upcoming Cantonment MRT Station within a 1km radius from the development will boost its connectivity when the project is completed. Avenue South Residence is also poised to benefit from the expansion of the Outram Medical Campus, the development of the Rail Corridor and the redevelopment of Pulau Brani.

Designed by Singapore's Award-winning architectural firm, ADDP Architects and German Landscape Architectural firm, Ramboll Studio Dreiseitl, Avenue South Residence comprises two 56-storey towers and five 4-storey blocks with shops and a childcare centre. A 50:30:20 joint venture development by UOL, UIC and Kheng Leong Company (Private) Limited ("Kheng Leong"), 58% of the units were sold as at December 2020.

ARTIST'S IMPRESSION

ARTIST'S IMPRESSION

ARTIST'S IMPRESSION

ARTIST'S IMPRESSION

CLAVON

Clementi Ave 1, Singapore 120406

The 640-unit premium residential development is located at Clementi Avenue 1 within the popular Kent Ridge education cluster. Designed as "next-generation homes", flexi spaces are incorporated to create spaces where home and work can co-exist. It also offers a co-working communal space in one of its clubhouses. Within walking distance to Clementi MRT Station, and with the maturity of the Clementi estate, Clavon offers urban convenience, rich amenities and modern facilities.

Designed by global design firm, P&T Group, the arrival experience at Clavon is reminiscent of a resort, with elements of nature and water to soothe the senses. Consisting of two 37-storey towers, it offers vantage views towards the West Coast of Singapore, the city and Bukit Timah Nature Reserve.

LAND PARCEL AT CANBERRA DRIVE

The 99-year leasehold site located at Canberra Drive was purchased under the Government Land Sales programme in March 2020 on a 50:30:20 joint venture basis by UOL, UIC and Kheng Leong respectively.

Located just 400m from Canberra MRT Station near a transit link, the site is nestled in a private residential enclave of landed properties around Jalan Kemuning Park. Amenities in the area include Canberra Plaza, Sembawang Shopping Centre, Sembawang Hot Spring Park and the upcoming Bukit Canberra.

OVERSEAS INVESTMENTS

PARK ELEVEN
Lane 368, Danba Road, Putuo District, Shanghai, China

Located within the Changfeng Ecological Business Park in Shanghai, Park Eleven is a mixed-use development comprising 398 residential units and a retail mall. The development is a 40:30:30 joint venture by UOL, UIC and Kheng Leong respectively.

As at December 2020, 89% of the 347 residential units launched under Phases 1 and 2 has been sold. Phase 3 comprising 51 townhouses is scheduled for launch in 2021.

THE WESTIN TIANJIN (天津君隆威斯汀酒店)
101 Nanjing Road, Heping District, Tianjin 300040, China

The Westin Tianjin is a 275-room contemporary hotel located within the Heping district, at the heart of Tianjin's CBD. Offering ease of access to both business and leisure travellers, the Group has a 51% interest in this five-star hotel next to the historic concession precincts which are renowned for their unique architecture and charming streets.

For 2020, the Westin Tianjin's occupancy has declined to 46%.

HOLBORN ISLAND
120 Holborn, Midtown, London EC1N 2TD United Kingdom

A nine-storey freehold mixed-use development jointly acquired by UIC and UOL on a 50:50 basis in November 2016, Holborn Island is located within walking distance of Chancery Lane and Farringdon Underground Stations and the upcoming Crossrail Farringdon Station in Midtown, London.

Comprising a net lettable area of 32,143 square metres for both office and retail units, Holborn Island has been achieving close to full occupancy, providing a stream of recurring stable income for the Group.

TIANJIN YANYUAN INTERNATIONAL HOTEL (天津燕园国际大酒店)
31 Zi Jin Shan Road, Hexi District, Tianjin 300074, China

Located strategically within the Tianjin Hexi district, the Group has a 36% interest in the Tianjin Yanyuan International Hotel (formerly Sheraton Tianjin Hotel) which offers 240 guest rooms and 56 serviced apartments with convenient access to popular tourist sites in the city.

For 2020, Tianjin Yanyuan's occupancy has declined to 37%.

UIC TECHNOLOGIES PTE LTD

UIC Technologies Group ("UICT") focuses on three main IT offerings: systems integration, IT services and payroll software and human resource outsourcing services.

For the year ended 31 December 2020, UICT's revenue increased by 41% from $160 million in 2019 to $226 million. Pre-tax profit was $10.7 million with 31% Return on Total Equity, a 100% increase from the $5.3 million achieved in 2019. The company declared a dividend of $1 million for 2020.

The increase in revenue and profit resulted from the spike in demand for end-user devices with employees working from home, Modern Work and Security software and cloud consumption for virtual meetings, amid COVID-19 safe management measures in both corporate and public sectors.

UICT strives to maintain its status as a trusted IT solutions and service provider in Singapore. In recognition for outstanding sales performance, UICT was accorded HP Top Commercial PC Growth Partner for FY2020.

UICT will align its transformation plan with the current business priorities to ensure growth, profitability and sustainability while raising productivity and deepening core IT competencies to participate in high value IT infrastructure and cloud computing projects.

To enable business continuity post-COVID-19, UICT will offer Cloud Collaboration Solutions, Mobility, Data Centre Transformation and Security Services to education, financial services, healthcare, small-medium corporate and public sectors for 2021.

PROPERTY SUMMARY

AS AT 31 DECEMBER 2020

	Tenure of Land	Site Area sq metres	Gross Floor Area sq metres	Approximate Net Floor Area sq metres	Car Parking Lots	Percentage of Shareholding	Capital Value $'m
Investment properties held by subsidiaries							
Tampines Plaza 1 and Tampines Plaza 2 *(formerly known as Abacus Plaza and Tampines Plaza)*	99-year lease from 1996	2,614 2,613	10,970 10,965	8,397 8,397	87 79	100 [1] 100 [1]	99 99
Clifford Centre	999-year lease from 1826	3,343	37,267	25,470	268	100 [1]	570
Singapore Land Tower	999-year lease from 1826	5,064	74,215	57,500	288	100 [1]	1,612
Stamford Court	99-year lease from 1994	2,072	7,264	5,990	36	100	96
The Gateway	99-year lease from 1982	21,961	97,430	69,803	689	100 [1]	1,144
UIC Building	99-year lease from 2011	6,778 [2]	30,935	26,373	591	100	677
SGX Centre 2	99-year lease from 1995	2,970	36,590	25,800 [3]	136	100 [1]	534
West Mall	99-year lease from 1995	9,890	26,300	17,042	314	100 [4]	382
Marina Square	99-year lease from 1980	92,197 [5]	315,046 [5]	74,301 [6]	1,990 [5]	77	1,033 [6]
Investment properties held by associates and joint ventures							
Novena Square	99-year lease from 1997	16,673	70,010	57,482	491	20	1,401
Holborn Island	Freehold	10,522	70,859	32,143	34	50	448

1 Effective interest is 99.7%.
2 Site area stated is the total area for the mixed development with UIC Building (office) and V on Shenton (residential).
3 Inclusive of 3,336 sqm in SGX Centre 1.
4 Effective interest is 99.8%.
5 Mixed development including Pan Pacific Singapore, PARKROYAL COLLECTION Marina Bay, Singapore and Mandarin Oriental, Singapore.
6 Value stated is for Marina Square Shopping Mall only.

	Tenure of Land	Site Area sq metres	Gross Floor Area sq metres	Actual/ Expected Year of TOP	Percentage of Shareholding
Properties held for sale by subsidiaries, associates and joint ventures					
Completed					
Mon Jervois	99-year lease from 2012	8,958	13,796	2016	100[7]
V on Shenton	99-year lease from 2011	6,778[8]	55,846	2017	100
The Clement Canopy	99-year lease from 2016	13,038	50,196	2019	50
The Excellency, Chengdu	70-year lease from 2007	7,566	77,000	2012	100[7]
Park Eleven, Shanghai	70-year lease from 2011	39,540	85,800	2018	30
Under Development					
The Tre Ver	99-year lease from 2018	18,711	52,391	2021	50
Avenue South Residence	99-year lease from 2018	22,851	84,550	2023	30
Clavon	99-year lease from 2019	16,543	57,900	2023	20

	Tenure of Land	No. of guest rooms	Year of Completion	Percentage of Shareholding
Hotels owned by subsidiaries and associates				
Pan Pacific Singapore	99-year lease from 1980	790	1986	77
PARKROYAL COLLECTION Marina Bay, Singapore	99-year lease from 1980	575	1986	58
Mandarin Oriental, Singapore	99-year lease from 1980	527	1986	39
The Westin Tianjin	50-year lease from 2005	275	2010	51
Tianjin Yanyuan International Hotel	48-year lease from 1985	296[9]	1988	36

7 Effective interest is 99.8%.
8 Site area stated is the total area for the mixed development with UIC Building (office) and V on Shenton (residential).
9 Includes 56 serviced apartments.

SUSTAINABILITY

UIC's sustainability strategy is part of its ongoing commitment to creating long-term value for its shareholders and stakeholders. It carefully assesses and manages its environmental, social and governance ("ESG") impacts, risks and opportunities to build a resilient and responsible business.

GOVERNANCE

The Board has overall responsibility for sustainability issues, including sustainability reporting. It has oversight of the identification, management and implementation of material ESG factors through the Sustainability Steering Committee ("SSC"). The SSC is supported by the Sustainability Working Committee ("SWC") which helps define and prioritise sustainability topics. The SSC, chaired by the CEO, is responsible for implementing UIC's sustainability strategy and programmes. With the retirement of the CEO in September 2020, the SSC is now chaired by the COO. The SWC works with various business units and functions to collect and validate performance data for reporting.

Fostering sustainability at UIC includes reducing risks and creating sustainable values. To ensure robust governance of UIC, UIC's Risk Management Committee concurrently oversees the monitoring and implementation of the control and risk management policies of the Company, helping UIC achieve sustainable values.

The COVID-19 pandemic has created an increasing need for organisations to process personal data of its employees, customers and suppliers in an online working environment. "Working From Home" has become the new normal, and a growing number of services and transactions are being delivered using online platforms. These developments are posing new challenges for cyber security and data protection. Whilst adapting to the rapidly changing operating environment, UIC is committed to safeguarding personal data and the integrity of its information technology infrastructure.

With that objective, UIC continues to build on its Personal Data Protection Policy, various company-wide policies, and department-specific standard operating procedures for managing personal data. Employees handling personal data are already required to undergo data protection training to ensure they possess the fundamental knowledge of Singapore's Personal Data Protection Act (PDPA). UIC also has a Data Protection

ARTIST'S IMPRESSION

ARTIST'S IMPRESSION

Officer to act as a contact point for all internal and external matters relating to data protection. UIC's PDPA Working Committee and the PDPA Advisory Committee review and monitor the implementation of PDPA policies and measures.

MATERIALITY

UIC remains focused on managing its most material ESG impacts identified through a comprehensive materiality assessment. It reviews material topics periodically to ensure sustainability reporting stays relevant and address emerging stakeholder expectations.

Its current ESG topics comprise energy, greenhouse gas emissions and climate change, water, occupational health and safety, staff well-being and development, data privacy and regulatory compliance. It has established ESG targets for measuring its performance and progress.

UIC's environmental efforts aim at energy efficiency, reducing greenhouse gas emissions and water efficiency. It has implemented health and safety measures to ensure the safety of its employees, tenants, shoppers and contractors across its buildings and workplaces. It continues to invest in employee development and takes steps for their overall well-being. It also remains committed to protecting personal data and ensuring compliance with applicable regulations.

The health and well-being of employees, contractors and tenants became UIC's top priorities following the COVID-19 pandemic. Working closely with government agencies and stakeholders, UIC promptly adopted the necessary measures for safe management.

Contributing to sustainable development is an essential part of UIC's sustainability approach. UIC remains committed to helping achieve the United Nations Sustainable Development Goals (SDGs) to address the most pressing environmental and societal issues. It has integrated the most relevant SDGs into its sustainability plans and targets.

STAKEHOLDERS

UIC is committed to understanding and addressing its key stakeholders' expectations. It regularly engages with various stakeholders, including tenants, home buyers, shoppers, contractors and suppliers, employees, regulatory authorities, investors and the community, to address their concerns. It considers stakeholder interests in its assessment of material ESG topics for reporting.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

UIC believes in giving back to society not only through monetary assistance but also through employees' volunteerism and connection with the wider community. The Company focused CSR activities in 2020 around a central objective of lifting poverty through training and employment. In line with this theme, UIC dedicated a large part its CSR efforts in 2020 to social enterprises such as SDI Academy and Project Dignity.

SDI Academy is an ed-tech social enterprise which aims to deliver language, vocational and computer skills to migrant workers and refugees as a means to upskill and allow for better integration with society. As the majority of Singapore's migrant workers were confined to their dormitories for extended periods during and beyond the nation's COVID-19 Circuit Breaker, UIC's employees volunteered their time supporting and connecting with migrant workers on SDI Academy's virtual platform.

UIC volunteers on Zoom session with SDI Academy participants

Project Dignity is a social enterprise with a mission to restore dignity to the differently-abled and disadvantaged through providing training to adults with disabilities and special needs, and thereafter placing them in gainful employment. UIC identifies with Project Dignity's mission and has committed a portion of its CSR efforts to the organisation in 2020.

REPORTING

UIC has been disclosing its ESG performance through annual sustainability reports prepared following the Global Reporting Initiative ("GRI") Standards and the reporting requirements set out by the Singapore Exchange ("SGX"). Its sustainability report continues to be externally assured by an independent assurance provider.

In 2020, the SWC and senior management executives also completed an in-house GRI Standards Certified Training Course to develop high-quality sustainability reporting skills.

SUSTAINABILITY REPORT 2020

UIC continues to publish a dedicated stand-alone sustainability report to provide a detailed account of its ESG efforts, targets and performance. Please refer to its Sustainability Report 2020 ("SR2020") to learn more about its programmes and performance during FY2020. SR2020 may be accessed at the corporate website www.uic.com.sg after May 2021.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2020

UIC is committed to maintaining high standards of corporate governance and business conduct to enhance long-term value for its stakeholders. This report sets out the Company's corporate governance processes and activities for the financial year with reference to the principles, provisions and guidelines in the Code of Corporate Governance 2018 ("Code"). Where there is any deviation, an explanation has been provided in this report.

BOARD MATTERS

Board's Conduct of Its Affairs (Principle 1)

The Board of Directors ("Board" and individually "Director") collectively oversees the business affairs of the Company and works with Management for the long-term success of the UIC group of companies ("Group"). The profiles of the Directors are set out on pages 6 to 15 of the Annual Report.

The Board's role is to:

- provide entrepreneurial leadership, set strategic objectives and commitments, review recommendations of the Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit Committee ("AC") (collectively, the "Board Committees"), and ensure that necessary financial and human resources are in place for the Company to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;
- review the business results of the Group and monitor the performance of Management;
- identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;
- set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- consider sustainability issues as part of the Group's strategic formulation;
- assume responsibility for corporate governance; and
- act in good faith and in the best interests of the Group.

The Directors, in their roles as fiduciaries, act objectively in the best interests of the Company at all times and hold Management accountable for Management's performance. The Board has put in place an Employee Code of Conduct, sets the desired organisational culture and ensures proper accountability within the Company. Where a Director has a conflict of interest in a particular matter, he or she will be required to recuse himself or herself from the Board's deliberations and will abstain from voting on that matter. Directors also submit annual declarations of conflict of interests, and are required to notify the Board of his or her interests and appointments on a timely basis.

Comprehensive financial authority limits and internal guidelines determine the matters which require the Board's approval. Under these guidelines, the Board's approval is required for material commitments and payment of operating and capital expenditures exceeding certain threshold limits. The Board delegates the authority to approve transactions of lower threshold limits to the President/Chief Executive Officer ("President/CEO"), or, while the position is vacant, the Chief Operating Officer ("COO").

To assist the Board in the efficient discharge of its responsibilities and to provide independent oversight of Management, the Board has delegated specific functions to each of the Board Committees. Each Board Committee has its own terms of reference to review specific issues and make recommendations to the Board. The Board decides whether to endorse the Board Committees' recommendations and is therefore responsible for all matters.

Minutes of Board Committee meetings are circulated to the Board on a timely basis to keep all Directors updated on each Board Committee's activities.

Changes to the Board Committees' compositions and appointments to the Board Committees are approved by the Board. The membership of each Board Committee is set out on page 2 of the Annual Report entitled "Corporate Information".

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2020

Board Meetings and Attendance

The Board and Board Committees meet regularly (based on schedules planned one year ahead to ensure maximum attendance by all participants) and as warranted by particular circumstances. On occasions when Director(s) are unable to attend meeting(s) in person, attendance via electronic means is permitted under the Company's Constitution ("Constitution"). Directors who are unable to attend any Board or Board Committee meeting will nonetheless be sent the papers tabled for discussion and have the opportunity to convey their views, if any, to the Chairman of the Board and/or Board Committee for consideration or discussion with the other Directors. The Board and Board Committees may also make decisions by way of resolutions in writing.

Each Director's attendance at Board and Board Committee meetings held in 2020 is set out below:

Each Director's attendance at Board and Board Committee meetings held in 2020 is set out below:

Name	4 Board Meetings	6 Audit Committee Meetings	1 Nominating Committee Meeting	1 Remuneration Committee Meeting	Annual General Meeting
Wee Cho Yaw	4	n/a	1	1	1
Lim Hock San[1]	3	n/a	n/a	n/a	1
James L. Go[2]	1	2	1	1	1
Lance Yu Gokongwei[3]	4	3	n/a	n/a	1
Wee Ee Lim	4	n/a	n/a	n/a	1
Alvin Yeo Khirn Hai[4]	1	2	n/a	1	1
Hwang Soo Jin[5]	4	2	1	1	1
Antonio L. Go	4	n/a	1	1	1
Yang Soo Suan	4	6	1	n/a	1
Francis Lee Seng Wee	4	n/a	n/a	n/a	1
Chng Hwee Hong[6]	4	3	n/a	n/a	1
Liam Wee Sin	4	n/a	n/a	n/a	1
Tan Khiaw Ngoh[7]	4	3	n/a	n/a	1

1 Mr Lim Hock San retired as President/CEO and as Director on 30 September 2020.
2 Mr James L. Go retired as Director and as member of the AC, NC and RC on 10 June 2020 and did not seek re-election at the AGM.
3 Mr Lance Yu Gokongwei was appointed as member of the AC on 16 June 2020.
4 Mr Alvin Yeo Khirn Hai retired as Director, as Chairman of the RC and as member of the AC on 10 June 2020 and did not seek re-election at the AGM.
5 Mr Hwang Soo Jin stepped down as member of the AC on 27 February 2020.
6 Mr Chng Hwee Hong was appointed as Chairman of the RC and as member of the AC on 16 June 2020.
7 Ms Tan Khiaw Ngoh was appointed as Director and as member of the AC on 27 February 2020.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2020

The Company familiarises all incoming Directors with the Group's management, business and corporate governance practices, as well as their duties as Directors. All newly appointed Directors receive a formal letter of appointment setting out their duties and responsibilities as a director of the Company and the policies and practices of the Group. In addition, they would also be provided with an information pack containing the Group's organisation structure, the Company's most recent annual report, the Constitution, the terms of reference of the respective Board Committees, and the Group's policies.

Recognising the importance of regular training and continual professional development, all Directors are encouraged to attend relevant seminars, courses and talks relating to the Company's business, Board matters, new or updated laws, regulations, and guidelines at the Company's expense. The Company also ensures that any Director without prior experience as a director of a listed company undergoes training in the roles and responsibilities of a listed company director.

The Company Secretary also regularly updates the Board on changes to existing laws, regulations and guidelines. The independent auditor briefs and updates the AC and Board on developments in accounting and governance standards, and issues which may have a direct impact on the financial statements.

Access to Information

The Company recognises the importance of providing Directors with complete, adequate and timely information on an ongoing basis to enable them to make informed decisions, discharge their duties and keep abreast of the Company's operational and financial performances, key issues, challenges and opportunities. The Directors also have independent and unrestricted access to the Company Secretary and Management, and are entitled to request for any additional material or information.

To allow Directors sufficient time to review Board papers and prepare for each Board and Board Committee meeting, Directors are provided with Board papers and related material one week in advance of the meetings. Relevant management personnel attend the Board and Board Committee meetings to give their presentations to and answer any queries from Directors.

Directors are also provided monthly management accounts, which include:

- consolidated income statements;
- statement of financial position;
- performance statistics; and
- explanations for significant variances against budget and/or corresponding period of prior year.

In addition, Management also provides the Directors with other business reports on a quarterly basis and as and when the Board may require.

Subject to the approval of the Chairman, the Directors may seek and obtain separate and independent professional advice at the Company's expense to assist them in their duties.

Company Secretary

The Company Secretary assists the Chairman to ensure information flows efficiently and effectively within the Board and Board Committees and between Management and Directors. The Company Secretary attends all Board Meetings and advises the Board on all governance matters including, *inter alia*:

- all matters regarding the proper function of the Board;
- compliance with the Company's Constitution; and
- compliance with the Companies Act (Cap. 50), the Securities and Futures Act (Cap. 289), the Code, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and other applicable rules and regulations.

From time to time, the Company Secretary circulates to the Board articles and press releases relevant to the Directors or to the Group's businesses, and material announcements issued to/by SGX-ST and the Accounting & Corporate Regulatory Authority. The Company Secretary also keeps the Board updated on changes to relevant laws and regulations, industry issues, practices and trends pertaining to corporate governance matters which may affect the Company, the Board or Board Committees.

The Board as a whole decides on the appointment and the removal of the Company Secretary.

Board Composition (Principle 2)
The current Board comprises ten directors, six of whom are independent.

Taking into account the nature and scope of the Group's operations, the Board, in consultation with the NC, is satisfied that the Board size and composition are appropriate for effective discussion and decision-making and that neither an individual nor a small group of individuals dominate the Board's decision-making process. With all the Board members being non-executive ("Non-Executive Directors") since the retirement of the President/CEO on 30 September 2020 and majority of them being independent of character and judgement, objectivity on issues deliberated is assured. The review of independence of the Directors is set out in page 42 of the Annual Report.

Diversity
In compliance with the Code, the Board has, on the NC's recommendation, adopted a Board diversity policy ("Diversity Policy"). The Board recognises that diversity enhances the decision-making process of the Board given the collective wisdom arising from varied perspectives of Directors derived from their skills, knowledge, practical experience, ethnicity, gender and age. The Board has also authorised the NC to lead the Company's board diversity agenda and set measurable objectives with the aim of improving diversity generally.

The main diversity agenda of the NC includes:
- reviewing the Board's composition and succession planning having regard to all aspects of diversity, including diversity of skills, knowledge, experience, gender, age, ethnicity and other relevant factors;
- engaging external search consultants, when necessary, for professional advice and/or to source for candidates in line with the Diversity Policy; and
- making recommendations to the Board on all Board and Board Committee appointments and re-appointments based on merit having regard to the diversity and independence of the Board or Board Committees as a whole.

The Board, taking into consideration the views of the NC, is satisfied that the Board has an appropriate level of independence, and in line with the Diversity Policy, comprises Directors who as a group provide an appropriate balance and diversity of gender, age, skills, experience, qualifications, core competencies and knowledge of the Company, to enable it to make decisions in the best interests of the Company. Collectively, the Directors bring a wealth of knowledge, expertise and experience and contribute valuable direction and insight to the Company, drawing from their vast experience and industry knowledge in business, accounting, finance, banking, and management.

Non-Executive Directors
In addition, the Non-Executive Directors effectively monitor Management by constructively challenging Management's proposals, assisting in the strategic development of the Company's business, reviewing the performance of Management in achieving agreed goals and objectives, and monitoring the reporting of such performance. Where necessary, the Non-Executive Directors are encouraged to meet without the presence of Management to facilitate a more effective check on Management.

Chairman and Chief Executive Officer (Principle 3)
To avoid any one individual from having unfettered powers of decision-making and ensure an appropriate balance of power, increased accountability and a greater capacity of the Board for independent decision-making, the Company has a clear division of responsibilities among the leadership of the Board and Management. Such division of responsibilities is established and agreed on by the Board.

The Chairman's responsibilities include:
- ensuring the Board's effectiveness on all aspects of its roles;
- setting the Board agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate within the Board;
- ensuring that the Directors receive complete, accurate and timely information;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and Management;

- ensuring that the Board's performance is regularly evaluated;
- facilitating effective contribution from Non-Executive Directors; and
- promoting high standards of corporate governance.

The non-executive Chairman and the former President/CEO were not related to each other. Their roles were kept separate to ensure a clear division of responsibilities. During his tenure, the former President/CEO received support and guidance from the Board but had full executive responsibility for the management of the Group's business operations and the effective implementation of the Group's strategies and policies.

Mr Lim Hock San retired as President/CEO of the Company on 30 September 2020, and the Board, with the assistance of the NC, has been in the process of identifying a suitable replacement.

The Board, in consultation with the NC, regularly reviews the need for a lead independent director taking into account the provisions of the Code. Notwithstanding that the Board does not have a lead independent director, the Board is of the view that there is a strong independent element within the Board. The Independent Directors (as defined in page 42 of the Annual Report) who make up a majority of the Board, will ensure that matters affecting stakeholders and customers receive proper consideration and are handled objectively in the best interests of the Company. Complaints may be lodged with any Director or relayed to the Company via established channels which can be found on its corporate website. In addition, the regular and active interactions amongst Directors at Board and Board Committee meetings provide sufficient opportunities for the Independent Directors to co-ordinate and work together as a group. 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 AC, NC and RC have sufficient standing and authority to look into any matter which the Chairman fails to resolve. Consequently, although the Chairman is non-independent, the Board does not presently consider it necessary to appoint a lead independent director amongst them.

Board Membership (Principle 4)

Nominating Committee
For the financial year 2020, the NC comprised four members who are Non-Executive Directors, namely, M/s Hwang Soo Jin ("NC Chairman"), Antonio L. Go, Yang Soo Suan and Dr Wee Cho Yaw, the majority of whom, including the NC Chairman, are independent. The NC Chairman is not directly associated with any of the Company's substantial shareholders.

As part of its succession planning, the Board, with the assistance of the NC, reviews its composition and the composition of Board Committees annually. The NC seeks to ensure that the Board is composed of an appropriate balance and diversity of age, race, skills, experience and gender and that the Directors, as a group, have the necessary competence to manage the Group's business.

The main Terms of Reference of the NC are:
- reviewing the succession plans for key management personnel and Directors, in particular, the Chairman and President/CEO;
- deciding how the performance of the Board, the Board Committees and Directors may be evaluated, and proposing objective performance criteria to assess the effectiveness of the Board and Board Committees as a whole and the contribution of each Director;
- reviewing the training and professional development programmes for the Board and each Director;
- reviewing and recommending appointments and re-appointments of Directors to the Board, setting the criteria used to identify and evaluate potential new directors and determining the channels used in searching for appropriate candidates;
- reviewing the diversity, size and skills required by the Board, implementing steps towards achieving Board diversity and reviewing the progress made towards implementing the policy;
- reviewing the independence of each Director annually, and having regard to the criteria set out in the Code and the SGX-ST Listing Manual, the need for a lead independent director, and ensuring that majority of the board comprises Independent Directors;

- making a reasoned assessment whether a Director with multiple board representations is able to and has been adequately carrying out his or her duties as a Director; and
- carrying out annual assessment of the effectiveness of the Board, the Board Committees and individual Directors and the process and criteria for evaluation of the same.

The NC oversees, reviews and recommends the Directors' succession, induction, training and leadership development plans for the Board's approval. The NC also ensures that all new directors are aware of their duties and obligations.

During the process of nominating a new director, the NC identifies key attributes of a potential director, taking into account the requirements under the Code and the SGX-ST Listing Manual, the need for progressive renewal of the Board, the existing diversity of the Board, and the requirements of the Company based on its strategic directions, and recommends the appointment to the Board. Suitable candidates are identified through personal and professional networks, and where the need arises, third party search firms may be engaged to assist in the process.

The NC conducts a yearly review of the retirement of Directors and their eligibility for re-election. The Constitution requires one-third of the Directors (selected based on length of service since their last re-election or appointment) to retire ("one-third rotation rule") at every annual general meeting ("AGM"). Retiring Directors may offer themselves for re-election by shareholders at the AGM. In addition, a newly appointed Director is required to submit himself or herself for re-election at the AGM immediately following his or her appointment. Thereafter, he or she will be subject to the one-third rotation rule.

In its deliberations on the re-election of Directors, the NC takes into consideration each Director's competencies, commitment, contributions and performance (including attendance, participation and candour) to meet the evolving needs of the Group. Relevant information on Directors seeking re-election or appointment at an AGM is provided on page 177 of the Annual Report.

Review of Directors' Independence

Having regard to the views of the NC, the Board determines annually, and as and when circumstances require, the independence of each Director in accordance with the Code and the SGX-ST Listing Manual. An independent director ("Independent Director") is one who has no relationship with the Company, its related corporations, its substantial shareholders who each hold not less than 5% of the voting shares of the Company, or its officers which could interfere or be perceived to interfere with his or her independent judgement.

For financial year 2020, the NC assessed, and was satisfied with, the independence of character and judgement of each of the Independent Directors as well as their openness and in-depth knowledge of the Group's business. The NC also noted that they have independent mindsets and had acted objectively at all times in the interests of the Group and its shareholders.

Based on their contributions to Board discussions, independent character and judgment, together with their declarations of independence as defined in the Code and the SGX-ST Listing Manual, the Board taking into account the views of the NC also determined that M/s Hwang Soo Jin, Antonio L. Go, Yang Soo Suan, Francis Lee Seng Wee, Chng Hwee Hong and Ms Tan Khiaw Ngoh acted with independence and were considered independent during the financial year 2020.

The NC further noted that Mr Francis Lee Seng Wee was the chairman (during the year under review and was since 29 January 2021, a senior director) of DP Architects Pte. Ltd. and the DP Group of Companies, which have provided services to the Company and its subsidiaries in the immediate past financial year, for which fees of more than $200,000 have been billed. However, he has not been involved in providing such professional services and was also not involved in the selection or appointment of architects by the Company. He supports the use of market rates for remuneration of professional services.

The NC further noted that M/s Hwang Soo Jin, Yang Soo Suan and Chng Hwee Hong are directors of United Overseas Insurance Limited, which have provided services to the Company and its subsidiaries in the immediate past financial year, for which fees of more than $200,000 have been billed. However, they have not been involved in providing such professional services.

The independence of each of the Independent Directors who have served on the Board beyond nine years, namely M/s Yang Soo Suan, Hwang Soo Jin and Antonio L. Go, was subject to rigorous scrutiny by the NC. Despite their long periods of service, the NC found and recommended to the Board that each Independent Director had exercised independent judgment and made decisions objectively in the best interests of the Company and its shareholders.

The Board, having considered the NC's recommendations and weighing the need for the Board's refreshment against tenure, deemed M/s Yang Soo Suan, Antonio L. Go and Hwang Soo Jin as independent and agreed that their years of service had not compromised their independence and ability to discharge their duties as Board and Board Committee members during the financial year 2020.

Principal Commitments
Where a Director holds multiple Board memberships, the NC regularly reviews whether or not that Director is able to and has adequately carried out his or her duties as a Director of the Company.

The Board is of the view that it is presently unnecessary to impose a cap on the maximum number of listed board representations as the commitment required of each Director varies, and each Director will be able to evaluate his or her ability to allocate sufficient time and attention to adequately carry out his or her duties as a Director of the Company. Where a Director faces any issue with competing time commitments, the Director may raise it with the NC Chairman.

For financial year 2020, the NC was satisfied that notwithstanding the multiple listed board representations and principal commitments, each Director had been able to commit time and attention to the affairs of the Group and had participated actively and robustly in Board discussions and meetings and related Board Committee meetings, and that the Directors' other appointments and commitments had not impeded their ability to effectively discharge their duties as Directors of the Company. This assessment is conducted annually.

Information on the Directors, including the year of initial appointment, date of last re-election, membership on Board Committees and principal commitments, is set out in the section entitled "Corporate Information" on page 2 of the Annual Report.

The Company does not have any alternate Directors on the Board.

Board Performance (Principle 5)
With the Board's approval, the NC has adopted objective performance criteria for assessing the effectiveness of the Board as a whole, the Board Committees and each individual Director. In evaluating the Board's performance as a whole, the NC considers the Group's financial performance against its budgets and prior year's results, as well as quantitative indicators which include return on equity, return on assets and total shareholder return. These performance criteria are linked to long-term shareholder value and allow the NC to make comparisons with its industry peers. In addition, the NC also takes into consideration the qualitative criteria of the effectiveness of the Board in monitoring Management's performance and the success of Management in achieving strategic and budgetary objectives set by the Board.

As part of the yearly assessment of contributions from each Director to the effectiveness of the Board, the NC assesses whether each Director has contributed effectively and discharged his or her duties responsibly, taking into account the individual Director's industry knowledge and/or functional expertise, independence and integrity, attendance as well as the level of contribution and participation at the Board and Board Committee meetings. The Board will then be informed of the results of the performance evaluation. The Chairman acts on such results and (in consultation with the NC) proposes, where appropriate, changes to the Board composition.

For the year 2020, the NC was satisfied with the effectiveness of the Board as a whole and its Board Committees. The NC also found that all Directors, including the Chairman, had discharged their duties responsibly and effectively.

ANNUAL REMUNERATION REPORT

Role of the Remuneration Committee (Principle 6)
For the financial year 2020, the RC comprised four members who are Non-Executive Directors, namely, M/s Chng Hwee Hong ("RC Chairman"), Hwang Soo Jin, Antonio L. Go and Dr Wee Cho Yaw, the majority of whom, including the RC Chairman, are independent.

The RC's main Terms of Reference are:
- reviewing the existing benefits and remuneration systems, including the Performance or Variable Bonus Schemes and the UIC Share Option Scheme ("ESOS") applicable to the Group and proposing any amendments/updates, where appropriate, to the Board for approval;
- approving the remuneration packages of the President/CEO and key management personnel of the Group;
- setting remuneration policies, level and mix of remuneration, the procedure for setting remuneration and determining the relationship between remuneration, performance and value creation;
- administering the allocation of the ESOS to qualifying executives, including the President/CEO of the Company;
- reviewing the performance of Directors, the President/CEO and key management personnel on an annual basis and recommending appropriate rewards and fees for each one, taking into account their services and contributions on the various Board Committees or to the Company; and
- viewing the Company's obligations arising in the event of termination of the President/CEO's or a key management personnel's contract of service to ensure that contracts of service contain fair and reasonable termination clauses which are not overly generous.

Procedures for Developing Remuneration Policies
The Board, through the RC, oversees and sets an appropriate remuneration policy for the Group. The RC reviews and recommends for the Board's endorsement, a remuneration framework for Directors and key management personnel (including the President/CEO). The RC may seek professional advice from external consultants, when necessary. In its review, the RC examines the Group's performance targets via Key Performance Indicators ("KPIs") such as profits, return on equity, total shareholder return, leasing rates and residential properties sales, and will also benchmark the KPIs against the industry average of comparable companies. In addition, the RC will look at the individual's performance and consider market practices in compensation. In recommending a specific remuneration package for each Director and key management personnel for the Board's endorsement, the RC covers all aspects of remuneration, including but not limited to Directors' fees, and key management personnel's salaries, allowances, bonuses, share options and benefits in kind, as well as termination terms.

No member of the RC or Director is involved in the deliberations in respect of his or her remuneration and compensation to be granted to him or her.

Level and Mix of Remuneration (Principle 7)
In recommending to the Board a level and mix of remuneration for its Directors and key management personnel, the RC ensures that the Group's compensation strategies are flexible and in line with the Group's long term goals and risk policies, and are compatible with the market so as to attract, motivate and retain key talents for the success and growth of the Group.

A portion of the President/CEO's and key management personnel's remuneration is linked to the performance of the Group. The RC ensures that such performance-related remuneration is aligned with the interests of the shareholders, promotes the long-term success of the Group and takes into account the risk policies of the Group. This remuneration consists of the following components:

(a) fixed remuneration, which includes basic salary and annual wage supplement. To ensure that such remuneration is compatible with market practice, the RC considers the remuneration components of similar companies in the industry;

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(b) variable bonus based on the Group's and the individual's performance, as well as industry payment. The percentage of the variable component against the total compensation paid out to an individual would depend on that individual's level of seniority within the Group and that individual's contribution to the Group;

(c) benefits provided including the Company's Central Provident Fund ("CPF") contributions, medical benefits, transport and telephone allowances. Eligibility is dependent on the individual's job requirements, salary, grade and length of service; and

(d) share options granted under the ESOS (vested within a 4-year period from the date of grant according to a vesting schedule). The quantum of allocation is based on the individual's performance and contribution to the Group. Details of the ESOS are set out in the Directors' Statement section on page 59 of the Annual Report under "Share Options" and can also be found on the Company's website www.uic.com.sg.

For financial year 2020, the RC considered the performance targets of the former President/CEO and key management personnel in determining their entitlement and was satisfied that they were reasonably remunerated.

Disclosure on Remuneration (Principle 8)

Non-Executive Directors are paid basic Directors' fees and additional fees for their additional duties under the Board Committees. The Chairman of the Board, and the chairman of each Board Committee each receives a higher fee for his additional responsibilities. The RC ensures that the recommended compensation is commensurate with the effort, time spent and role of each Non-Executive Director. The RC recommends Directors' fees for the Board's endorsement and subsequent shareholders' approval at each AGM.

Remuneration of Directors[1] for the Year Ended 31 December 2020 is as follows:

Name of Director	Base/ Fixed Salary %	Variable or Performance Related Income/ Bonuses %	Directors' Fees* %	Share Options Granted, Allowances and Other Benefits %	Total $'000
Chief Executive Officer					
Lim Hock San	61	25	1	13	1,015
Non-Executive Directors					
Wee Cho Yaw	n/a	n/a	100	n/a	99
James L. Go	n/a	n/a	100	n/a	33
Lance Yu Gokongwei	n/a	n/a	100	n/a	35
Wee Ee Lim	n/a	n/a	100	n/a	27
Alvin Yeo Khirn Hai	n/a	n/a	100	n/a	27
Hwang Soo Jin	n/a	n/a	100	n/a	54
Antonio L. Go	n/a	n/a	100	n/a	41
Yang Soo Suan	n/a	n/a	100	n/a	54
Francis Lee Seng Wee	n/a	n/a	100	n/a	27
Chng Hwee Hong	n/a	n/a	100	n/a	43
Liam Wee Sin	n/a	n/a	100	n/a	45
Tan Khiaw Ngoh	n/a	n/a	100	n/a	37

* Includes fees payable for directorship in subsidiary companies (if applicable)

1 To be approved by shareholders at the AGM

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Remuneration of Key Management Personnel (who are not Directors) for the Year Ended 31 December 2020 is as follows:

	Base/ Fixed Salary %	Variable or Performance-Related Income/ Bonuses %	Share Options Granted, Allowances and Other Benefits %	Total %
Eu Zai Jie, Jonathan[1]	62	19	19	100
Goh Poh Leng				
Koh Kim Meng[2]				
Kenneth Lee Ngai Hon				
Chan Yien Mei				

1 Mr Eu Zai Jie, Jonathan, the COO, whose remuneration exceeded $100,000 during the financial year ended 31 December 2020 is a relative of a Director (who is also a substantial shareholder of the Company).
2 Mr Koh Kim Meng retired as General Manager, Projects & Development on 31 December 2020.

With effect from the financial year 2020, the Company has decided against disclosing the remuneration of key management personnel (who are not Directors or the President/CEO) in bands no wider than $250,000 in view of the confidentiality and commercial sensitivity surrounding remuneration matters. Such disclosure would not be in the best interests of the Company as it may place the Company at an undue disadvantage in talent retention and recruitment. The Company would however provide the averages of the percentage breakdown of the components of remuneration and continue to disclose the aggregate remuneration. This would provide shareholders with sufficient information on the level of remuneration paid to the identified key management personnel.

The aggregate remuneration paid to the above key management personnel (excluding Mr Lim Hock San, the former President/CEO) is $1,848,598.

There were no post-employment benefits for the Directors, the former President/CEO and the key management personnel (who are not Directors) for the financial year 2020.

Information on Key Executives

Eu Zai Jie, Jonathan
(Chief Operating Officer)

As COO, Mr Jonathan Eu is responsible for overseeing commercial operations with a key focus on developing the Group's business growth and expansion strategy.

Mr Jonathan Eu graduated from The Wharton School of the University of Pennsylvania, USA with a Bachelor of Science in Economics and Concentrations in Finance as well as Operations & Information Management.

Prior to joining the Company in January 2020, Mr Jonathan Eu held positions as the General Manager (Investment & Asset Management) of UOL Group Ltd and as an analyst at the Corporate Investment Bank at Citigroup (New York).

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Goh Poh Leng
(Senior General Manager, Commercial)

Ms Goh Poh Leng graduated with a Bachelor of Science (Estate Management) (Honours) from the National University of Singapore in 1990 and subsequently obtained her Certified Diploma in Accounting and Finance conducted by The Association of Chartered Certified Accountants, UK. Prior to joining the Company, Ms Goh worked in an international property consultancy firm for two years. She joined in 1992 and held various positions until her appointment as Senior General Manager, Commercial in January 2010.

Kenneth Lee Ngai Hon
(Senior General Manager, Finance)

Mr Kenneth Lee graduated from Nanyang Technological University with a Bachelor of Accountancy (Second Class Upper Honours) and is a fellow of the Institute of Singapore Chartered Accountants. He has more than 25 years of experience in financial management. He began his career as an auditor in an international accounting firm and subsequently took on financial management positions in the manufacturing, retail, hospitality and real estate industries.

Chan Yien Mei
(General Manager, Marina Centre Holdings Pte Ltd)

Ms Chan Yien Mei graduated from the National University of Singapore with a Bachelor of Arts (Economics) and holds a Master of Business Administration, University of Birmingham.

Ms Chan has more than 16 years' experience in retail malls covering retail planning, marketing, lease administration and operations. She joined the Group in 2009 as Assistant General Manager, Marketing and currently serves as General Manager of Marina Centre Holding Private Limited.

Prior to joining the Company, she held various positions in retail mall developments, including project manager/ development manager. Earlier in her career, she was also involved in business development for hospitality, family entertainment and lifestyle businesses.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls (Principle 9)
The Board is responsible for the overall governance of risk and, with the assistance of the AC, ensures that Management maintains a sound system of risk management and internal controls including proper accounting records and reliable financial information, to safeguard the interests of the Company and its shareholders.

The Board sets the Group's risk appetite and policies, determining the nature and extent of the significant risks the Group is willing to take in achieving its strategic objectives and value creation. The Group has put in place a risk management system to identify, evaluate, manage and report all material risks arising from the Group's business transactions and activities. This risk management system is steered by the Risk Management Committee ("RMC"), which usually comprises the President/CEO, COO and the respective Heads of Department of the Group. The RMC reports to the AC.

The RMC:
- oversees various aspects of control and risk management policies and processes of the Group;
- identifies, evaluates, manages and reports all material risks arising from the Group's business transactions and activities;
- performs ongoing reviews to monitor implementation and effectiveness of the risk management activities and make refinements as necessary;
- reviews and guides the Group in formulating its risk policies;
- reviews the Group's risk profile periodically and risk limits where applicable;
- reports to the AC and/or the Board on material matters, findings and recommendations; and
- performs such other functions as the Board may determine.

Risk registers which identify the material risks facing the Group's business and the internal controls put in place to manage those risks, are reviewed quarterly by the respective business and operational units. The completed risk registers and a quarterly risk report are then reviewed and approved by the President/CEO and in the absence thereof, the COO.

The RMC meets quarterly to review and evaluate the risk registers and risk report to ensure all material risks including strategic, financial, operational, compliance (legislation and regulatory), and digital and technology risks are properly identified, and sufficient internal controls are in place to manage such risks. In addition, the RMC assesses the impact of new regulations and changes in the business environment on the Group's business, when necessary.

The results of the respective risk management exercises are submitted to the AC on a quarterly basis.

The AC reviews the Group's key risks and levels of risk tolerance, assesses the adequacy and effectiveness of the Group's risk management and internal control systems, and thereafter, reports the findings of its assessments and recommendations to the Board for consideration.

The Board, with the assistance of the AC, had undertaken an annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance, and digital and technology controls.

The assessment took into consideration the findings and recommendations of the RMC, AC and Board during the year together with any additional information necessary to ensure the Board had taken into account all significant aspects of material risks and internal controls for the Group for the financial year ended 31 December 2020.

In particular, the Board's assessment took into consideration (i) the changes since the last annual assessment in the nature and extent of material risks, and the Group's ability to respond to changes in its business and the external environment including the impact of the COVID-19 pandemic; (ii) the scope and quality of Management's ongoing monitoring of risks and of the systems of internal controls, and the reporting procedure of the results of such monitoring to the RMC and the AC; (iii) the scope and quality of the AC's monitoring of the independent auditor, the internal audit department ("Internal Auditor") and other providers of assurance; and (iv) any incidence of material weaknesses that were identified during the financial year.

For the financial year 2020, the Board received assurances from:

– the COO and Senior General Manager, Finance that the Group's financial records had been properly maintained and the financial statements gave a true and fair view, in all material aspects, of the Group's operations and finances; and
– the COO and key management personnel, who are responsible for the risk management and internal control systems of the Group, that the same were adequate and effective in addressing the material risks in its current business environment.

Based on the risk management and internal control systems established and maintained by the Group, work performed by the independent auditor and the Internal Auditor, reviews by the RMC, the AC and the Board, and the abovementioned assurances – the Board and the AC were of the position that the Group's risk management and internal control systems including financial, operational, compliance, and digital and technology controls were adequate and effective to address risks which the Group considered relevant and material to operations, and no material weaknesses were identified as at 31 December 2020.

The Board noted that although the risk management and internal control systems established by the Group provide reasonable assurance that the Group would not be materially affected by any event that can be reasonably foreseen, no system of risk management and internal controls could provide absolute assurance against the occurrence of material error, fraud, poor judgement in decision-making, human error, losses, or other irregularities, and other events arising from the business environment which the Group operates in.

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Audit Committee (Principle 10)
For the financial year 2020, the AC comprised four members who are Non-Executive Directors, namely, M/s Yang Soo Suan ("AC Chairman"), Lance Yu Gokongwei, Chng Hwee Hong and Ms Tan Khiaw Ngoh, the majority of whom, including the AC Chairman, are independent. In February 2020, Mr Hwang Soo Jin stepped down from the AC and Ms Tan Khiaw Ngoh was appointed as an AC member by the Board. In June 2020, Mr James L. Go retired and Mr Lance Yu Gokongwei was appointed as an AC member by the Board. The Board was satisfied that the members of the AC were appropriately qualified to discharge their responsibilities and that at least two AC members, including the AC Chairman, had recent and relevant accounting or related financial management expertise or experience.

The AC carries out its duties in accordance with the Code and Terms of Reference which include the following:

- reviews the scope and results of the audit report and its cost effectiveness with the independent auditor;
- reviews significant financial reporting issues and judgements made and any announcements relating to the Group's financial performance;
- reviews and reports to the Board the adequacy and effectiveness of the Group's risk management and internal controls;
- reviews the assurance received from the COO and Senior General Manager, Finance, on the financial records and financial statements;
- reviews the adequacy, effectiveness, independence, scope and results of the independent auditor and Internal Auditor;
- reviews the assistance given by the Group's officers to the independent auditor and Internal Auditor;
- commissions investigations and reviews findings likely to have a material impact on the Group's operating results or financial position;
- reviews significant interested person transactions;
- meets with the independent auditor and Internal Auditor annually without the presence of Management; and
- reviews the policies and procedures in place for the reporting and follow-up of possible improprieties in financial reporting or other matters.

The AC has explicit authority to investigate any matter in accordance with the Code and its Terms of Reference, full access to and co-operation from the Management, full discretion to invite any one or more of the Directors, the President/CEO and/or the COO to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Management has put in place, with the AC's endorsement, channels through which staff of the Group and external parties may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence.

A whistle-blowing policy, implemented since February 2004 and updated in November 2019, enables staff and external parties to raise concerns on impropriety including fraud, theft, corruption, workplace safety lapses and discrimination at work to their managers, the President/CEO, the COO, the Head of Internal Audit and/or the AC Chairman, as appropriate, for investigation. The policy provides reassurance to whistle-blowers that they will not be victimised if they have acted in good faith. The Company will also consider, as far as is reasonably practicable, concerns that are raised anonymously.

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Key Audit Matter

In their review of the financial statements, the AC had discussed with both Management and the independent auditor the accounting principles that were applied and significant matters which involved Management's judgment. The AC reviewed, amongst other matters, the following key audit matter as reported by the independent auditor for the financial year 2020:

Key Audit Matter	AC's Review Process
Valuation of investment properties	The AC reviewed the valuation approach adopted by Management and Management's recommendations in respect of the valuation by external professional valuers. The AC considered the findings of the independent auditor, including its assessment of the appropriateness of valuation methodologies and underlying key assumptions applied in the valuation. The AC also noted with satisfaction that an adequate system and procedures were in place for the objective selection of external professional valuers. The AC was satisfied with the valuation process and that the valuation methodologies used were in line with the generally accepted market practices.

It is noteworthy that under the key audit matter and other audit and accounting matters, there were no material weaknesses noted in either the system or the procedure of controls in areas covered by the Internal Auditor and independent auditor in the audit for the financial year 2020.

During the financial year 2020, the AC held six meetings. The announcements of half-yearly and full year results, the financial statements of the Group, and the Auditor's Report for the full year were reviewed by the AC before the same were recommended for consideration and approval of the Board. The AC had met once with the Internal Auditor and independent auditor, without the presence of Management during the financial year.

For the financial year 2020, the AC undertook a review of the fees and expenses of the audit and non-audit services provided by the independent auditor, PricewaterhouseCoopers LLP in accordance with Rule 1207(6) of SGX-ST Listing Manual. Details of the aggregate sum of fees paid to the independent auditor and the breakdown of fees payable in respect of audit and non-audit services can be found in Note 5 to the Financial Statements.

The AC also assessed the nature and extent of the non-audit services and whether such services might prejudice the independence and objectivity of the independent auditor before confirming its re-nomination. The AC was satisfied that such services did not affect the independent auditor's independence. Having regard to the adequacy of resources, the experience of the firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group, and the number of supervisory and professional staff assigned to the audit, the AC was satisfied that the independent auditor was a suitable audit firm to meet the Group's audit obligations. The AC then recommended to the Board for shareholders' approval, the re-appointment of the independent auditor.

No member appointed to the AC was within the past two years a partner of, or had any financial interest in, the Company's existing audit firm.

The Company confirms that Rules 712 and 715 of the SGX-ST Listing Manual on the appointment of the independent auditor have been complied with. Please refer to Note 40 to the Financial Statements.

Internal Audit

The Group has an in-house Internal Auditor which comprises the Head of Internal Audit and his team of qualified personnel. The Head of Internal Audit reports functionally to the AC and administratively to the President/CEO or in the absence thereof, the COO. The appointment, termination, and remuneration of the Head of Internal Audit are under the purview of the AC.

The Internal Auditor assists the AC in advocating robust internal controls, good corporate governance, and effective risk management, and conducts its audit reviews based on the internal audit plan approved by the AC. As part of its audit activities, the Internal Auditor reviews and assesses the adequacy and effectiveness of the Group's risk management and internal control systems in respect of financial, operational, compliance, and digital and technology, and provides assurance that necessary controls are in place and are complied with. The Internal Auditor has unfettered access to all the Group's documents, records, properties, and personnel, including access to the AC, and has appropriate standing within the Group. During the financial year 2020, the Internal Auditor carried out its function according to the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The AC regularly reviews the adequacy, effectiveness, independence, scope and work of the Internal Auditor to ensure that internal audits are conducted effectively and that Management provides the necessary co-operation to enable the Internal Auditor to perform its function. For financial year 2020, the AC was of the view that the Internal Auditor was independent, effective and adequately resourced.

Shareholder Rights and Engagement (Principle 11)

The Company adopts an open and non-discriminatory approach regarding its shareholders' rights, and recognises the need to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects.

Conduct of Shareholders Meeting

The Company disseminates information on general meetings through notices in its annual reports or circulars. These notices are also released via SGXNet, published in local newspapers and posted on the Company's corporate website ahead of the meetings to give shareholders ample time to review the documents.

In compliance with the Ministry of Health's safe distancing measures and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the AGM held in 2020 was conducted by electronic means. General meetings have been and are still the principal forums for dialogue between Directors and shareholders as shareholders are able to engage the Board and Management on the Group's business activities, financial performance, and other business-related matters. All Directors, especially the Chairman of the Board and Chairman of each Board Committee, and the independent auditor are also present at the AGM to address shareholders' queries, if any.

The Constitution allows all shareholders the right to appoint up to two proxies to attend, speak and vote at general meetings on their behalf. Under the multiple proxy regime, "relevant intermediaries" such as banks, capital markets services licence holders (which provide custodial services for securities) and the CPF are allowed to appoint more than two proxies for the same purpose. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate at general meetings.

To promote greater transparency in the voting process and effective participation of AGMs to-date, the Company conducts electronic poll voting for all resolutions proposed at physical AGMs. There is a separate resolution on each separate issue, except in cases where resolutions are interdependent and linked to form one significant proposal. In such cases, the Company explains the reasons and material implications in the notice of the AGM. Through a service provider's poll voting system, the votes cast for and against and the respective percentages on each resolution would be tallied and instantaneously displayed live on-screen to shareholders at the AGM.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2020

An independent scrutineer is engaged to review the electronic poll voting system and proxy verification process during the meetings to ensure that information is compiled adequately and procedures are carried out effectively. Voting results will also be announced after the meetings via SGXNET.

The Company's Constitution does not presently permit shareholders to vote at general meetings in absentia (by mail or email), and has no present intentions to amend its Constitution to provide for absentia voting having taken into consideration the difficulties in verifying shareholder identity and other related security and integrity concerns. The Board is of the opinion that notwithstanding this deviation, all shareholders are treated 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 even if they are unable to physically attend general meetings (for example, through the appointment of proxies).

The Company Secretary records minutes from these general meetings which include relevant comments or queries from shareholders and responses from the Board and Management. The minutes of the 2020 AGM have been published on UIC's website at www.uic.com.sg.

The Company strives to provide consistent and sustainable annual returns to its shareholders through the payment of dividends, after taking into account the Company's financial performance, short and long term capital requirements, market conditions and opportunities for capital reinvestments, amongst other reasons. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management. The Board will review the dividend policy from time to time and has the sole and absolute discretion to update, amend and/or modify the dividend policy at any time.

Engagement with Shareholders (Principle 12)
The Company has an Investor Relations Policy (available online on UIC's website at www.uic.com.sg) which allows for an ongoing exchange of views to actively engage and promote regular, effective and fair communication with shareholders. This policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. From time to time, Management may meet with analysts upon their requests.

The Board believes that prompt compliance with continuing disclosure obligations and statutory reporting requirements is imperative to maintaining shareholders' confidence and trust in the Company, and ensures that disclosure of material corporate developments and other ad-hoc announcements as required by the SGX-ST are released on a timely basis and are as descriptive and detailed as possible. In line with the changes to the quarterly reporting framework in the SGX-ST Listing Manual which took effect from 7 February 2020, the Board has elected to release the Company's financial results on a half-yearly basis with effect from the financial year ending 31 December 2020. For financial year 2020, results for the first half were released within 45 days from the end of that period and full year results were released within 60 days from the financial year-end. These disclosures and announcements are generally made through annual reports, SGXNET announcements and UIC's website at www.uic.com.sg.

As part of its sustainability agenda and in accordance with the SGX-ST Listing Manual, the Company has been issuing its annual reports in digital format since 2017. The digital annual reports are published on the Company's corporate website, www.uic.com.sg. All shareholders of the Company will receive together with the notice of AGM, a form to request for hard copies of the Annual Report, if they so desire.

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. Detailed information on the Company's approach can be found in the "Sustainability" section on page 34 of the Annual Report and the Company's sustainability report published on the Company's corporate website, www.uic.com.sg.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2020

OTHER GOVERNANCE MATTERS

Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with interested persons (as defined by Rule 904 of the SGX-ST Listing Manual).

The Company's disclosure according to Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions ("IPT") for the financial year ended 31 December 2020 is set out as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000) ($'million)
UOL Group Ltd and its associates:	Controlling shareholder and its associates	
– Provision of project management and marketing services to interested persons		1.4
– Provision of project management, corporate and marketing services by interested persons		1.2
– Shareholders' loans and equity contributed to joint ventures*		112.6
– Shareholders' loans and equity contributed by interested persons to joint ventures*		18.1
– Provision of hotel management services by interested person to joint venture		2.8
– Provision of software licences, project implementation and support services by interested person		0.5
– Purchase of goods and services		0.3
– Payment and receipt of rental and service income		0.4

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000) ($'million)
Kheng Leong Company (Private) Limited and its associates	Associates of the Company's directors Dr Wee Cho Yaw and Mr Wee Ee Lim	
– Shareholders' loans and equity contributed by interested person to joint venture*		2.8
– Provision of marketing services by interested person to joint venture		0.2
– Provision of shared payroll service by interested person to joint venture		0.3

* The figure comprises the aggregate value of shareholders' loans extended and equity contributed by the Group or interested persons (as the case may be) to joint venture companies involving interested persons, and where applicable, interest accrued on shareholders' loans payable to the Group or interested persons (as the case may be), in FY2020, which fall within the exemption under Rule 916(2) and (3) of the SGX-ST Listing Manual (as the case may be).

The above IPT were all conducted at arm's length commercial terms. Where the IPT was also a joint venture to which Rules 906 and 916(2) of the SGX-ST Listing Manual applied, the AC was of the view that the risks and rewards of each joint venture partner were in proportion to their respective equity, and that the terms of the joint ventures were not prejudicial to the interests of the Group and its minority shareholders. The Group does not have any shareholders' mandate under Rule 920 of the SGX-ST Listing Manual.

Material Contracts
There are no other material contracts involving the interests of the President/CEO, any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into by the Company or its subsidiaries since the end of the previous financial year save as disclosed above and as follows:

(a) Singland China Holdings Pte. Ltd. (a subsidiary of UIC), UOL Capital Investments Pte. Ltd. (a subsidiary of UOL Group Limited) and Peak Star Pte Ltd (a subsidiary of Kheng Leong Company (Private) Limited), have established a joint venture company, Shanghai Jin Peng Realty Co., Ltd on a 30:40:30 basis respectively to develop Park Eleven, Changfeng District, Shanghai, People's Republic of China, a mixed use development comprising residential units and a retail component. The purchase price of the land was RMB 2.06 billion.

(b) S.L. Development Pte Limited (a subsidiary of UIC) and UOL Venture Investments Pte. Ltd. (a subsidiary of UOL Group Limited) have established a joint venture company, United Venture Development (Bedok) Pte. Ltd. on a 50:50 basis to develop Archipelago, a residential development at Bedok Reservoir Road. The purchase price of the land was $320 million.

(c) Singland Homes Pte. Ltd. (a subsidiary of UIC) and UOL Venture Investments Pte. Ltd. (a subsidiary of UOL Group Limited) have established a joint venture company known as United Venture Development (Clementi) Pte. Ltd. on a 50:50 basis to develop The Clement Canopy, a residential development at Clementi Avenue 1. The purchase price of the land was $302 million.

(d) UIC Overseas Investments Pte. Ltd. (a subsidiary of UIC) and UOL Venture Investments Pte. Ltd. (a subsidiary of UOL Group Limited) have established a joint venture company known as United Venture Investments (HI) Pte. Ltd. on a 50:50 basis to acquire a freehold 9-storey mixed use building located at 120 Holborn, Midtown, London EC1 N2TD, United Kingdom. The acquisition price of the property was £222.6 million.

(e) Singland Homes Pte. Ltd. (a subsidiary of UIC) and UOL Venture Investments Pte. Ltd. (a subsidiary of UOL Group Limited) have established a joint venture company known as UVD (Projects) Pte. Ltd. on a 50:50 basis for a collective purchase of all the units and the common property in the development known as "Raintree Gardens" located in Potong Pasir at a purchase price of $334.2 million and to redevelop the site to build The Tre Ver, a residential development.

(f) UIC Homes Pte. Ltd. (a subsidiary of UIC), UOL Venture Investments Pte. Ltd. (a subsidiary of UOL Group Limited) and Kheng Leong Company (Private) Limited have established a joint venture company known as United Venture Development (Silat) Pte. Ltd. on a 30:50:20 basis to develop Avenue South Residence, a residential development (with commercial use on the first floor). The purchase price of the land at Silat Avenue was $1.035 billion.

(g) UIC Homes Pte. Ltd. (a subsidiary of UIC) and UOL Venture Investments Pte. Ltd. (a subsidiary of UOL Group Limited) have established a joint venture company known as United Venture Development (Clementi 1) Pte. Ltd. on a 20:80 basis to develop Clavon, a residential development at Clementi Avenue 1. The purchase price of the land was $491.3 million.

(h) Aquamarina Hotel Private Limited (a subsidiary of UIC) and Pan Pacific Hospitality Pte. Ltd. ("PPH") (a subsidiary of UOL Group Limited) have entered into an agreement for PPH to manage a project known as PARKROYAL COLLECTION Marina Bay, Singapore, at 6 Raffles Boulevard.

(i) Hotel Marina City Private Limited (a subsidiary of UIC) and Pan Pacific Hotels and Resorts Pte. Ltd. ("PPHR") (a subsidiary of UOL Group Limited) have entered into an agreement for PPHR to manage a project known as Pan Pacific Singapore at 7 Raffles Boulevard.

(j) UIC Homes Pte. Ltd. (a subsidiary of UIC), UOL Venture Investments Pte. Ltd. (a subsidiary of UOL Group Limited) and Kheng Leong Company (Private) Limited have established a joint venture company known as United Venture Development (2020) Pte. Ltd. on a 30:50:20 basis to develop a residential site at Canberra Drive. The purchase price of the land was $270.2 million.

All the aforesaid transactions were conducted at arm's length on commercial terms and the risks and rewards of each joint venture were in proportion to the equity of each joint venture partner.

Dealings in Securities

The Company has adopted Rule 1207(19) of the SGX-ST Listing Manual which provides guidance on dealing in the Company's shares. Circulars were issued to all Directors and employees of the Group to remind them of, inter alia, laws against insider trading and the importance of not dealing in the shares of the Company on short term considerations and during the "prohibitive periods" commencing one month before the announcement of half-yearly or full year financial results.

FINANCIAL REPORT

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

The directors present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2020 and the statement of financial position of the Company as at 31 December 2020.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 68 to 167 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

DIRECTORS

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

Wee Cho Yaw	(Chairman)
Lance Yu Gokongwei	
Wee Ee Lim	
Liam Wee Sin	
Hwang Soo Jin	
Yang Soo Suan	
Chng Hwee Hong	
Antonio L. Go	
Tan Khiaw Ngoh	(appointed on 27 February 2020)
Francis Lee Seng Wee	

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" in this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2020	At 1.1.2020	At 31.12.2020	At 1.1.2020
United Industrial Corporation Limited ("UIC")				
(No. of ordinary shares)				
Wee Cho Yaw	–	–	721,582,791	718,230,418
UOL Group Limited ("UOL")				
(No. of ordinary shares)				
Wee Cho Yaw	3,661,566	3,661,566	312,208,597	307,235,597
Wee Ee Lim	260,975	260,975	124,728,315	119,755,315
Liam Wee Sin	288,777	288,777	–	–
(No. of executive share options to subscribe for ordinary shares in UOL)				
Liam Wee Sin	540,000	440,000	–	–

(b) According to the register of directors' shareholdings, no director holding office at the end of the financial year had an interest in options to subscribe for ordinary shares of the Company granted pursuant to the UIC Share Option Scheme.

(c) There was no change in any of the above-mentioned directors' interests between the end of the financial year and 21 January 2021.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

SHARE OPTIONS

UIC SHARE OPTION SCHEME

(a) The UIC Share Option Scheme ("ESOS") to subscribe for ordinary shares of the Company was approved by the shareholders of the Company on 18 May 2001. The extension of the duration of ESOS for a further period of 10 years to 17 May 2021 was approved by the shareholders at the annual general meeting held on 27 April 2011. Other than the aforesaid extension, there has been no change in any other rules of the ESOS. The ESOS is administered by the Remuneration Committee ("RC") comprising the following members:

Chng Hwee Hong (appointed on 16 June 2020)	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
Hwang Soo Jin	Member	(Independent)
Antonio L. Go	Member	(Independent)

Under the terms of the ESOS, the total number of shares granted shall not exceed 5% of the issued share capital of the Company on the day immediately preceding the offer date of the ESOS. The exercise price is equal to the average of the last done prices per share of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for five market days immediately preceding the date of the offer.

(b) The aggregate number of options granted to key executives of the Company and its subsidiaries since the initial grant of options on 5 March 2007 up to 31 December 2020 is 11,778,000.

Details of the options granted for financial years from 2007 up to 2019 have been set out in the Directors' Report/Statement for the respective financial years.

On 4 March 2020, the Company granted options to subscribe for 688,000 shares at an exercise price of $2.76 per ordinary share ("2020 Options").

The details of the 2020 Options granted are as follows:

	Number of employees	**At exercise price of $2.76 per share**
Former Executive Director, Lim Hock San (retired on 30 September 2020)	1	100,000
Key Executives	13	588,000
	14	688,000

SHARE OPTIONS (CONTINUED)

UIC SHARE OPTION SCHEME (continued)

(c) Principal terms of the ESOS are set out below:

(i) only full-time confirmed executives of the Company or any of its subsidiaries (including executive directors) are eligible for the grant of options;

(ii) the ESOS shall be in force at the discretion of the RC subject to a maximum period of 10 years and may be extended with the approval of the shareholders;

(iii) all options granted shall be exercisable, in whole or in part (only in respect of 1,000 shares or any multiple thereof), before the tenth anniversary of the Offer Date and in accordance with the following vesting schedule:

Vesting schedule	**Percentage of shares over which options are exercisable**
On or after the second anniversary of the Offer Date	50%
On or after the third anniversary of the Offer Date	25%
On or after the fourth anniversary of the Offer Date	25%

The vesting and exercising of vested or unexercised options are governed by conditions set out in the ESOS; and

(iv) participants in the ESOS, shall not, except with the prior approval of the RC in its absolute discretion, be entitled to participate in any other share option schemes or share incentive schemes implemented by companies within or outside the Group. The settlement of options is subject to conditions as set out in the ESOS.

SHARE OPTIONS (CONTINUED)

UIC SHARE OPTION SCHEME (continued)

(d) Other information required by SGX-ST:

(i) The details of options granted to a former executive director of the Company, Lim Hock San (retired on 30 September 2020), under the ESOS are as follows:

Granted in the financial year ended 31.12.2020	Aggregate granted since commencement of ESOS to 31.12.2020	Aggregate exercised since commencement of ESOS to 31.12.2020	Aggregate expired since commencement of ESOS to 31.12.2020	Aggregate cancelled since commencement of ESOS to 31.12.2020	Aggregate outstanding as at 31.12.2020
100,000	1,670,000	350,000	300,000	1,020,000	–

(ii) No options have been granted to controlling shareholders or their associates and no participant has received 5% or more of the total options available under the ESOS. No options were granted at a discount during the financial year.

(e) During the financial year, 100,000 shares of the Company were issued upon the exercise of options as follows:

By holders of	Number of shares	Exercise price per share
2010 Options	100,000	$2.03

(f) As at the end of the financial year, the following options to acquire ordinary shares in the Company were outstanding:

Date of grant of options	Options outstanding at 1.1.2020	Options granted in 2020	Options exercised	Options cancelled	Options outstanding at 31.12.2020	Exercise price per share	Date of expiry
26.2.2010	100,000	–	(100,000)	–	–	$2.03	25.2.2020
01.3.2011	208,000	–	–	(120,000)	88,000	$2.78	28.2.2021
27.2.2012	184,000	–	–	(100,000)	84,000	$2.73	26.2.2022
22.2.2013	272,000	–	–	(100,000)	172,000	$2.91	21.2.2023
03.3.2014	296,000	–	–	(124,000)	172,000	$3.15	02.3.2024
26.2.2015	320,000	–	–	(166,000)	154,000	$3.54	25.2.2025
01.3.2016	360,000	–	–	(142,000)	218,000	$2.92	28.2.2026
27.2.2017	346,000	–	–	(124,000)	222,000	$2.91	26.2.2027
05.3.2018	336,000	–	–	(148,000)	188,000	$3.33	04.3.2028
07.3.2019	388,000	–	–	(164,000)	224,000	$2.93	06.3.2029
04.3.2020	–	688,000	–	(148,000)	540,000	$2.76	03.3.2030
	2,810,000	688,000	(100,000)	(1,336,000)	2,062,000		

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

AUDIT COMMITTEE

The members of the Audit Committee at the end of the financial year were as follows:

Yang Soo Suan	Chairman	(Independent)
Lance Yu Gokongwei (appointed on 16 June 2020)	Member	(Non-independent)
Chng Hwee Hong (appointed on 16 June 2020)	Member	(Independent)
Tan Khiaw Ngoh (appointed on 27 February 2020)	Member	(Independent)

The Audit Committee comprises four non-executive directors, majority of whom including the Chairman, are independent directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. At a series of meetings convened during the twelve months prior to the date of this statement, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the announcements of half-yearly and full year results, the financial statements of the Group and the Independent Auditor's Report thereon for the financial year ended 31 December 2020 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board of Directors that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

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

On behalf of the directors

WEE CHO YAW	YANG SOO SUAN
Director	Director

23 February 2021

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNITED INDUSTRIAL CORPORATION LIMITED

Report on the Audit of the Financial Statements

Our opinion

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

What we have audited

The financial statements of the Company and the Group comprise:

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

Basis for Opinion

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

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

Independence

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNITED INDUSTRIAL CORPORATION LIMITED

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>Valuation of investment properties</u>	
Refer to Note 3(a) (Critical accounting estimates, assumptions and judgements) and Note 15 (Investment properties) to the financial statements. As at 31 December 2020, the carrying value of the Group's investment properties stated at fair value based on independent external valuation of $6.2 billion accounted for 70% of the Group's total assets. The valuation of the investment properties was significant to our audit due to the use of estimates in the valuation techniques and valuation is highly judgemental and is based on certain key assumptions. The key assumptions include adopted valuation per square feet, estimated rental rates and capitalisation rates and are dependent on the nature of each investment property and the prevailing market conditions. The availability of market data such as comparable sales and capitalisation rates as a result of COVID-19 has been impacted and valuations have become more judgemental. Furthermore, the valuation of these investment properties may change more rapidly and significantly than during normal market conditions given the heightened uncertainty of the COVID-19 outbreak. The valuation reports obtained from independent property valuer has highlighted the material valuation uncertainty due to COVID-19.	Our audit procedures focused on the valuation process and we have performed 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 valuation per square feet and capitalisation rates by benchmarking the values and rates against specific property data, comparables and prior year's inputs. We also assessed the appropriateness of the disclosures relating to the valuation techniques, key inputs applied by the professional valuers and the impact of COVID-19 on the valuation of investment properties. The external valuers are members of recognised professional bodies for 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.

Other Information

Management is responsible for the other information. The other information comprises the Corporate Profile, Corporate Information, Group Financial Highlights, Chairman's Statement, Board of Directors, Management Review, Property Summary, Sustainability, Corporate Governance Report, Directors' Statement and Five Year Summary (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 Statistics of Shareholdings, 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 Corporate Profile, Property Summary, Sustainability and Statistics of Shareholdings, 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.

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

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.

- 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNITED INDUSTRIAL CORPORATION LIMITED

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, 23 February 2021

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Revenue	4	**671,125**	789,451
Cost of sales	5	**(448,044)**	(457,686)
Gross profit		**223,081**	331,765
Other income			
– Interest income	4	**9,759**	14,857
– Miscellaneous income	4	**38,355**	5,470
Expenses			
– Selling and distribution	5	**(25,416)**	(29,516)
– Administrative	5	**(30,145)**	(35,720)
– Finance	7	**(11,046)**	(18,196)
– Other operating	5	**(8,859)**	(9,494)
Share of results of associates	12	**34,268**	53,986
Share of results of joint ventures	13	**(8,521)**	27,718
Other (losses)/gains			
– Derecognition of an associate	37(i)	**-**	272,763
– Impairment loss on financial assets		**(1,623)**	(111)
Net fair value (loss)/gain on investment properties	15	**(112,124)**	123,264
Profit before income tax		**107,729**	736,786
Income tax expense	8	**(28,411)**	(47,439)
Net profit		**79,318**	689,347
Net profit/(loss) attributable to:			
Equity holders of the Company	9	**90,234**	605,110
Non-controlling interests		**(10,916)**	84,237
		79,318	689,347
Basic and diluted earnings per share attributable to equity holders of the Company	10	**6.3 cents**	42.2 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Net profit		**79,318**	689,347
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to income statement:			
Currency translation differences arising from consolidation of foreign operations		**11,838**	(4,143)
Share of other comprehensive loss of a joint venture	31(d)	**(30)**	(445)
Cash flow hedges			
– Fair value losses	31(d)	**(3,116)**	(1,586)
– Reclassification	31(d)	**2,462**	192
		11,154	(5,982)
Items that will not be reclassified subsequently to income statement:			
Financial assets at fair value through other comprehensive income ("FVOCI")			
– Fair value (losses)/gains	11	**(5,095)**	32,346
Currency translation differences arising from consolidation of foreign operations		**872**	(391)
Other comprehensive income, net of tax		**6,931**	25,973
Total comprehensive income		**86,249**	715,320
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**96,309**	631,371
Non-controlling interests		**(10,060)**	83,949
		86,249	715,320

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
ASSETS					
Non-current assets					
Trade and other receivables	23	**451,541**	371,240	**–**	–
Financial assets at fair value through other comprehensive income	11	**30,635**	35,730	**–**	–
Investments in associates	12	**568,865**	525,157	**–**	–
Investments in joint ventures	13	**110,428**	127,519	**–**	–
Investments in subsidiaries	14	**–**	–	**1,227,084**	1,226,906
Investment properties	15	**6,242,360**	6,349,796	**–**	–
Property, plant and equipment	16	**1,109,042**	1,137,193	**3,915**	1,612
Goodwill	19	**46,587**	46,587	**–**	–
Deferred income tax assets	26	**1,599**	839	**–**	–
		8,561,057	8,594,061	**1,230,999**	1,228,518
Current assets					
Cash and cash equivalents	20	**181,053**	181,606	**2,036**	2,394
Properties held for sale	21	**120,739**	177,353	**–**	–
Trade and other receivables	23	**83,077**	67,863	**1,756,218**	1,707,604
Inventories		**817**	3,745	**–**	–
		385,686	430,567	**1,758,254**	1,709,998
Total assets		**8,946,743**	9,024,628	**2,989,253**	2,938,516
LIABILITIES					
Current liabilities					
Trade and other payables	24	**167,674**	191,148	**544,149**	478,354
Derivative financial instruments	22	**2,530**	419	**2,324**	254
Current income tax liabilities	8	**56,555**	65,740	**17**	–
Borrowings	25	**354,075**	421,213	**306,072**	327,779
		580,834	678,520	**852,562**	806,387
Non-current liabilities					
Trade and other payables	24	**53,126**	56,846	**1,624**	1,624
Borrowings	25	**172,239**	168,651	**151,722**	148,950
Derivative financial instruments	22	**115**	1,416	**–**	1,416
Deferred income tax liabilities	26	**142,930**	146,371	**–**	–
		368,410	373,284	**153,346**	151,990
Total liabilities		**949,244**	1,051,804	**1,005,908**	958,377
NET ASSETS		**7,997,499**	7,972,824	**1,983,345**	1,980,139
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	**1,565,688**	1,565,485	**1,565,688**	1,565,485
Retained earnings	29	**5,685,564**	5,652,637	**413,143**	409,495
Reserves	30,31	**87,711**	81,627	**4,514**	5,159
		7,338,963	7,299,749	**1,983,345**	1,980,139
Non-controlling interests		**658,536**	673,075	**–**	–
TOTAL EQUITY		**7,997,499**	7,972,824	**1,983,345**	1,980,139

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Note	Attributable to equity holders of the Company						
	Note	Share capital $'000	Retained earnings $'000	Asset revaluation reserve $'000	Other reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2020								
Balance at 1 January 2020		**1,565,485**	**5,652,637**	**58,933**	**22,694**	**7,299,749**	**673,075**	**7,972,824**
Net profit/(loss)		–	90,234	–	–	90,234	(10,916)	79,318
Other comprehensive income		–	–	–	6,075	6,075	856	6,931
Total comprehensive income/(loss)		**–**	**90,234**	**–**	**6,075**	**96,309**	**(10,060)**	**86,249**
Employee share option scheme								
– value of employee services	6	–	–	–	9	9	–	9
– proceeds from shares issued	27	203	–	–	–	203	–	203
Dividends paid in cash	28	–	(57,307)	–	–	(57,307)	(4,479)	(61,786)
Total transactions with owners, recognised directly in equity		**203**	**(57,307)**	**–**	**9**	**(57,095)**	**(4,479)**	**(61,574)**
Balance at 31 December 2020		**1,565,688**	**5,685,564**	**58,933**	**28,778**	**7,338,963**	**658,536**	**7,997,499**
2019								
Balance at 1 January 2019		**1,565,380**	**5,186,366**	**40,441**	**(3,776)**	**6,788,411**	**840,044**	**7,628,455**
Net profit		–	605,110	–	–	605,110	84,237	689,347
Other comprehensive income/(loss)		–	–	–	26,261	26,261	(288)	25,973
Total comprehensive income		**–**	**605,110**	**–**	**26,261**	**631,371**	**83,949**	**715,320**
Employee share option scheme								
– value of employee services	6	–	–	–	209	209	–	209
– proceeds from shares issued	27	105	–	–	–	105	–	105
Acquisition of additional interests from non-controlling shareholders	14	–	(88,699)	18,492	–	(70,207)	(416,097)	(486,304)
Dividends paid in cash	28	–	(50,140)	–	–	(50,140)	(9,292)	(59,432)
Acquisition of a subsidiary	37	–	–	–	–	–	174,471	174,471
Total transactions with owners, recognised directly in equity		**105**	**(138,839)**	**18,492**	**209**	**(120,033)**	**(250,918)**	**(370,951)**
Balance at 31 December 2019		**1,565,485**	**5,652,637**	**58,933**	**22,694**	**7,299,749**	**673,075**	**7,972,824**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Profit before income tax		**107,729**	736,786
Adjustments for:			
Depreciation of property, plant and equipment		**49,939**	34,569
Allowance/(Write-back of allowance) for foreseeable losses on properties held for sale		**749**	(1,088)
Impairment loss on financial assets		**1,623**	111
Employee share option expense		**9**	209
Loss/(Gain) on disposal of property, plant and equipment		**8,413**	(1,418)
Share of results of associates		**(34,268)**	(53,986)
Share of results of joint ventures		**8,521**	(27,718)
Net fair value loss/(gain) on investment properties		**112,124**	(123,264)
Fair value gain on derivative financial instruments		**(208)**	(137)
Gain on derecognition of an associate		**–**	(272,763)
Interest income		**(9,759)**	(14,857)
Dividend income		**(829)**	(134)
Interest expense		**11,046**	18,196
Unrealised currency translation differences		**(990)**	(2,339)
		254,099	292,167
Change in working capital:			
Properties held for sale		**55,865**	211,579
Derivative financial instruments		**364**	302
Inventories		**2,928**	(55)
Trade and other receivables		**(40,247)**	(15,618)
Trade and other payables		**(27,195)**	16,746
Cash generated from operations		**245,814**	505,121
Interest paid		**(9,963)**	(17,432)
Income tax paid		**(41,845)**	(53,305)
Net cash provided by operating activities		**194,006**	434,384
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		**–**	(100,322)
Purchase of property, plant and equipment		**(27,877)**	(12,343)
Proceeds from disposal of property, plant and equipment		**35**	2,799
Upgrading of investment properties		**(4,688)**	(11,532)
Loans to associates		**(41,636)**	(52,271)
Loan to a joint venture		**(7,000)**	(4,400)
Repayment of loans by a joint venture		**–**	69,950
Investment in an associate		**(800)**	–
Dividends received from unquoted equity investments		**829**	134
Dividends received from associates		**–**	12,198
Dividends received from a joint venture		**10,000**	1,500
Interest received		**2,228**	10,640
Net cash used in investing activities		**(68,909)**	(83,647)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash flows from financing activities			
Repayment of bank loans		**(92,009)**	(29,569)
Proceeds from bank loans		**–**	160,000
Principal payment of lease liabilities		**(500)**	(506)
Proceeds from/(repayment of) trade financing		**28,942**	(1,152)
Interest paid		**(500)**	(164)
Acquisition of shares from non-controlling shareholders		**–**	(486,304)
Decrease in bank deposits pledged as security		**500**	754
Proceeds from issuance of shares		**203**	105
Dividends paid to equity holders of the Company		**(57,307)**	(50,140)
Dividends paid to non-controlling interests		**(4,479)**	(9,292)
Net cash used in financing activities		**(125,150)**	(416,268)
Net decrease in cash and cash equivalents		**(53)**	(65,531)
Cash and cash equivalents at beginning of financial year		**178,606**	244,137
Cash and cash equivalents at end of financial year	20	**178,553**	178,606

Reconciliation of liabilities arising from financing activities

	1 January 2020 $'000	Proceeds and repayments $'000	Non-cash changes: Amortisation of front end fee $'000	Non-cash changes: Interest expense $'000	Non-cash changes: Foreign exchange movement $'000	31 December 2020 $'000
Bank loans	579,438	(101,972)	583	9,963	(566)	487,446
Lease liabilities	1,874	(563)	–	63	–	1,374
Trade financing	8,552	28,505	–	437	–	37,494

	1 January 2019 $'000	Proceeds and repayments $'000	Non-cash changes: Additions during the year $'000	Non-cash changes: Amortisation of front end fee $'000	Non-cash changes: Interest expense $'000	Non-cash changes: Foreign exchange movement $'000	31 December 2019 $'000
Bank loans	449,442	112,999	–	600	17,432	(1,035)	579,438
Lease liabilities	2,380	(591)	–	–	85	–	1,874
Trade financing	–	(1,231)	9,704	–	79	–	8,552

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

1. GENERAL INFORMATION

United Industrial Corporation Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 24 Raffles Place #22-01/06, Clifford Centre, Singapore 048621.

The principal activity of the Company is that of an investment holding company.

The principal activities of its subsidiaries consist of development of properties for investment and trading, investment holding, property management, investment in hotels and retail centres, trading in computers and related products, and provision of information technology services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements are 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 critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Interpretations and amendments to published standards effective in 2020

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interest Rate Benchmark Reform

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

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

- When considering the 'highly probable' requirement, the Group has assumed that the interest rates on which the Group's hedged debt is based does not change as a result of IBOR reform;

- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the interest rates on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by the IBOR reform; and

- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

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

Note 33(a)(iii) provides information about the uncertainty arising from IBOR reform for hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior period as a result of these amendments.

2.3 Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore and People's Republic of China, all of which have been affected by the spread of COVID-19 in 2020. Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

(i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

(ii) In 2020, the Group has received rental rebates for its leased offices and also provided rental concessions to tenants in its commercial buildings. The effects of such rental concessions received/ provided are disclosed in Note 4.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Impact of COVID-19 (continued)

(iii) In 2020, the Group recognised government wage subsidies under the Job Support Scheme in Singapore amounting to $20,827,000. The Group further received property tax rebates for its hotels amounting to $4,200,000. The effects of such government grants are disclosed in Note 4.

(iv) The Group has considered the market conditions (including the impact of COVID-19) as at the end of the reporting period, in making estimates and judgements on the recoverability of assets as at 31 December 2020. The significant estimates and judgement applied on valuation of investment properties and impairment testing of goodwill are disclosed in Notes 15 and 19 respectively.

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

2.4 Revenue recognition

(a) Revenue from property investments

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

Service charges and promotion funds are recognised over time in which the services are rendered as the customers simultaneously receive and consume the benefits.

Car parking revenue is recognised on a straight-line basis based on time proportion.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (continued)

(b) Revenue from property trading - sale of properties held for sale

Revenue from sale of properties held for sale 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 sales of uncompleted residential properties made with a progressive payment scheme in Singapore, the transfer of control occurs in the current state as construction progresses. Revenue is recognised by reference to the stage of completion using the percentage of completion method, measured by reference to the physical survey of construction work completed. The properties have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms.

For sales of overseas development properties, such transfer generally occurs when the property units are completed and delivered to the purchasers. Revenue is recognised upon completion of construction and when customers obtain control of the asset.

For development projects under deferred payment scheme in Singapore, the revenue will be recognised upon transfer of title to the purchasers. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

Incremental costs of obtaining a contract with a customer are capitalised if these costs are expected to be recovered. For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. 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. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the income statement to the extent that the carrying amount of 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 relate less the costs that relate directly to providing the goods and that have not been recognised as expenses.

Estimates of revenues, cost 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 income statement in the period in which the circumstances that give rise to the revision became known by management.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (continued)

(c) Revenue from hotel 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 within 30 days.

(d) Revenue from technology operations

Revenue from technology operations includes the following:

(i) Software license reselling arrangements, either as a standalone or bundled with computer hardware, including value-added services which are not distinct from the software license in the context of the contract with customers. The Group is acting as a principal in the reselling arrangement and revenue is recognised gross in the profit or loss at the point in time control of the license is transferred to the customers.

(ii) Sale of computer hardware which may include an element of significant financing in certain contracts. All goods sold are non-refundable and non-returnable unless faulty. Where required, the Group adjusts the transaction price for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception. Revenue allocated to the sale of goods is recognised at a point in time when the computer hardware is delivered with formal acceptance from the customer.

(iii) 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.

(iv) Computer hardware maintenance services income are 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.

Payment for the transaction price is generally due within 30 to 90 days from the invoice date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (continued)

(e) Revenue from marketing and management services

Revenue from marketing and management services are recognised over time when the services are rendered.

(f) Interest income

Interest income is recognised using the effective interest method.

(g) Dividend income

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

2.5 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all 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 that 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, statement of comprehensive income, statement of changes in equity and statement of financial position. 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

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 the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Goodwill" 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 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 income statement.

Please refer to the paragraph "Investments in subsidiaries, associates and joint ventures" 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Group accounting (continued)

(c) Associates and joint ventures

Associates 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.

Joint ventures 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 associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associates and joint ventures 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 associates and joint ventures represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture 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 the Group's share of its associates' or joint ventures' post-acquisition profits or losses of the investee in income statement 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 associate or joint venture equals to or exceeds its interest in the associate 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 associate or joint venture. If the associate 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.

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. Where necessary, adjustments are made to the financial statements of associates or joint ventures to ensure consistency of accounting policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Group accounting (continued)

(c) Associates and joint ventures (continued)

(iii) Disposals

Investments in associates or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associate or joint venture is a financial asset, the retained equity interest is measured at its 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 income statement.

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

2.7 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

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.

(b) Depreciation

Renovations in progress are not depreciated. 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 building	45 – 93 years
Plant and machinery	10 – 15 years
Furniture, fittings and office equipment	3 – 13 years
Motor vehicles	5 years

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

(b) Depreciation (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in 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 entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in income statement when incurred.

(d) Disposal

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

2.8 Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (a) 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 (b) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associates represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Borrowing costs

Borrowing costs are recognised in income statement using the effective interest method except for those costs that are directly attributable to the construction or development of 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 properties, as well as those in relation to general borrowings used to finance the construction or development of 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 Properties held for sale

Properties held for sale refer to properties developed for sale. Properties held for sale 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.

2.11 Investment properties

Investment properties of the Group, principally comprising office buildings, and retail complex are held for long-term rental yields and capital appreciation. 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 by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in income statement.

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

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

2.12 Investments in subsidiaries, associates and joint ventures

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 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 as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, associates and joint ventures

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures 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 inflows 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 income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of non-financial assets (continued)

(b) Property, plant and equipment
Right-of-use assets
Investments in subsidiaries, associates and joint ventures (continued)

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 income statement.

2.14 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

<u>At initial recognition</u>

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 income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables.

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 income statement when the asset is derecognised or impaired. Interest income from these financial assets is included in interest 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 income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statement. Interest income from these financial assets is recognised using the effective interest rate method and presented in income statement.

- 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 income statement in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(ii) Equity investments

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 income statement 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 in Other Comprehensive Income. Dividends from equity investments are recognised in income statement.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33(b) details how the Group determines whether there has been a significant increase in credit risk.

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

(c) Recognition and derecognition

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial assets (continued)

(c) Recognition and derecognition (continued)

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in income statement 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.

2.15 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. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in 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 hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 22. 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.

(a) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Derivative financial instruments and hedging activities (continued)

(a) Fair value hedge (continued)

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".

(b) Cash flow hedge

(i) 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.

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 income statement when the hedged interest expense on the borrowings is recognised in income statement. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in income statement.

(ii) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified in the periods when the hedged item affects income statement, as follows:

- The gain or loss relating to the effective portion of the spot component of forward contracts is treated as follows: Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory, property, plant and equipment), the deferred hedging gains and losses are included within the initial cost of the asset.

- The fair value changes on the ineffective portion of currency forwards are recognised immediately in income statement. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to income statement immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Derivative financial instruments and hedging activities (continued)

(c) Net investment hedge

The Group has foreign currency borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the borrowings relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to income statement as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in income statement.

2.16 Offsetting of 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.

2.17 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, 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 income statement over the period of the borrowings using the effective interest method.

2.18 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract 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 2.11.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (continued)

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

- *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.

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 income statement if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (continued)

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

- *Short term and low value leases*

  The Group has elected to not recognised 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 income statement on a straight-line basis over the lease term.

(b) When the Group is the lessor:

The Group leases office spaces, retail stores and investment properties under operating leases to non-related parties.

- *Lessor – Operating leases*

  Leases 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 profit or loss 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 profit or loss over the lease term on the same basis as the lease income.

  Contingent rents are recognised as income in profit or loss when earned.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (continued)

(b) When the Group is the lessor: (continued)

- *Lessor – Subleases*

  In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

  When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in income statement. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

  When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in income statement within "Other income". The right-of-use asset relating to the head lease is not derecognised.

  For contracts which contain lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.20 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis 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 selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 substantively enacted by the statement of financial position date. 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, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the statement of financial position date, 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Provisions

Provisions 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.

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 income statement as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in income statement when the changes arise.

2.23 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. 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 grant date. 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 each statement of financial position date, 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 income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) are credited to share capital account, when new ordinary shares are issued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in income statement. Monetary items include primarily financial assets (other than equity investments) and financial liabilities. 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 loan forming part of the net investment of the foreign operation is 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 or losses impacting profit or loss are presented in income statement within "Other operating expenses".

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Currency translation (continued)

(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 income statement on disposal or partial disposal with loss of control of the foreign operation.

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 management who are responsible for allocating resources and assessing performance of the operating segments.

2.26 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. CRITICAL 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.

The Group on its own or in reliance on third party experts, applies estimates and judgements in the following key areas:

(a) 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, adopted value per square feet and estimated rental rates.

The highly uncertain economic outlook due to COVID-19 may have a material adverse effect on the operations of the Group's investment properties. Accordingly, this uncertainty is factored into the valuation of the investment properties, specifically in the estimated rent payments from existing tenants, vacancy periods, capitalisation rates and anticipated operating expenses, which have been modified from the prior year's assumptions.

The valuation reports as at 31 December 2020 contain a 'material valuation uncertainty' clause due to the market disruption caused by the COVID-19 pandemic, which resulted in a reduction in transactional evidence and comparable data for market yields. This clause does not invalidate the valuation but implies that there is substantially more uncertainty than under normal market conditions. Accordingly, the valuers cannot attach as much weight to previous market evidence for comparison purposes, and there is an increased risk that the price realised in an actual transaction would differ from the value conclusion. As a result of this increased uncertainty, the valuation of the investment properties will need to be reviewed more frequently in 2021.

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 15. If the fair values of investment properties decrease/increase by 1% from the estimates, profit after tax and net assets of the Group will decrease/increase by $62,424,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) Revenue recognition of technology operations

The Group's revenue from technology operations include software license reselling arrangements, either as a standalone or bundled with computer hardware, including value-added services, and the assessment of whether the Group acts as a principal or an agent is judgmental and requires a weighting of the individual factors in reaching a conclusion.

Management concluded that the Group is the principal with respect to such arrangements. The Group provides value-added services for the software license promised in the contract that represent the combined output for which the customer has contracted. Therefore, the software license and value-added service offering is not distinct within the context of the contract with customers and the Group controls the specified value-added services before it is transferred to the customer. This is evidenced by the fact that the customer views the Group as primarily responsible for fulfilling the performance obligation to the customer, including ensuring the compatibility of software licenses to the customer's operations and providing support for the software installation. Furthermore, the Group has discretion in establishing the price for the specified software license or bundled software service.

(c) Impairment testing of goodwill

The Group performs an impairment review to ensure that the carrying amount of a CGU to which goodwill is allocated does not exceed the recoverable amount of the CGU. For purposes of impairment testing, the recoverable amount of the cash-generating-unit has been determined based on fair value less cost to sell. These calculations involved critical assumptions. Please refer to Note 19 for the critical assumptions made.

(d) 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 assessment of allowance for foreseeable losses of properties held for sale (Note 21); and
(ii) the determination of the fair values of unquoted financial assets, at FVOCI (Note 11).

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 within the next financial year.

4. REVENUE, INTEREST INCOME AND MISCELLANEOUS INCOME

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines.

	The Group 2020 $'000	The Group 2019 $'000
Revenue from contracts with customers under SFRS(I) 15		
Revenue from property trading		
– recognised at a point in time	**90,991**	114,073
Revenue from hotel ownership and operations		
– recognised at a point in time	**29,777**	82,769
– recognised over time	**47,623**	132,935
Revenue from technology operations		
– recognised at a point in time	**216,516**	152,974
– recognised over time	**9,230**	7,125
Revenue from marketing and management services		
– recognised over time	**1,770**	2,581
	395,907	492,457
Other revenue		
Revenue from property investments	**274,389**	296,860
Dividend income from equity investments designated at FVOCI	**829**	134
Total revenue	**671,125**	789,451
Interest income from financial assets measured at amortised cost		
Deposits with financial institutions	**1,352**	3,518
Loans to associates	**4,758**	5,735
Loans to joint ventures	**2,937**	5,343
Others	**712**	261
Total interest income	**9,759**	14,857
Miscellaneous income, including government grants		
Government grant income (Note (e))	**47,357**	–
Less: Government grant expense – rent concession given to tenants (Note (f))	**(19,061)**	–
	28,296	–
Other miscellaneous income	**10,059**	5,470
Total miscellaneous income	**38,355**	5,470
Total revenue, interest income and miscellaneous income	**719,239**	809,778

4. REVENUE, INTEREST INCOME AND MISCELLANEOUS INCOME (CONTINUED)

(a) Contract assets and liabilities

	The Group		
	31 December		1 January
	2020	2019	2019
	$'000	$'000	$'000
Contract assets			
– Unbilled revenue from technology operations (Note 23)	**41,370**	9,772	–
Contract liabilities			
– Advances from purchasers of property trading (Note 24)	**12,478**	28,088	16,301
– Advances from customers of technology operations (Note 24)	**5,655**	1,154	–
– Deferred revenue from technology operations (Note 24)	**3,669**	4,348	4,758
– Customer deposits from hotel operations	**4,953**	8,112	6,065

Unbilled revenue from technology operations relate to the Group's right to consideration for work completed but not yet billed at reporting date. Unbilled revenue is transferred to receivables when the rights to consideration become unconditional. Total unbilled revenue from technology operations increased as the Group provided more products ahead of the agreed payment schedules.

Advances from purchasers of property trading relate to advance consideration received from customers for sale of development properties. Total advances decreased as the Group recognised sales upon sales completion.

Advances from customers of technology operations relate to advance consideration received from customers for unsatisfied performance obligations in fulfilling the delivery of computer hardware and software licenses. Total advances increased as the Group received more consideration ahead of delivery of goods.

Deferred revenue for technology operations relate to consideration received from customers for the unsatisfied performance obligations in providing maintenance and warranty services. Total deferred revenue from technology operations decreased as the Group provided more of services ahead of consideration received.

Customer deposits from hotel operations relate to contract liabilities relating to advance consideration received from customers for the unsatisfied performance obligation. Total customer deposits decreased due to lower reservations as the hotel business has been impacted by the current COVID-19 situation.

4. REVENUE, INTEREST INCOME AND MISCELLANEOUS INCOME (CONTINUED)

(a) Contract assets and liabilities (continued)

(i) Revenue recognised in relation to contract liabilities

	The Group 31 December	
	2020	**2019**
	$'000	**$'000**
Revenue recognised in current period that was included in the contract liabilities balance at the beginning of the period		
– Advances from purchasers of properties held for sale	**21,620**	12,737
– Advances from customers of technology operations	**1,020**	496
– Deferred revenue from technology operations	**3,274**	3,028
– Customer deposits from hotel operations	**8,012**	5,844

(ii) 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			
	2020	**2021**	**2022**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Revenue from property trading				
31 December 2020	**–**	**43,771**	**15,539**	**59,310**
31 December 2019	64,094	17,262	–	81,356

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.

(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.

4. REVENUE, INTEREST INCOME AND MISCELLANEOUS INCOME (CONTINUED)

(b) Assets recognised from costs to obtain contracts (continued)

	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000
Assets recognised from costs to obtain contracts (Note 23)	**3,199**	447

	The Group 2020 $'000	The Group 2019 $'000
Amortisation recognised to selling and distribution expense during the period	**–**	2,144

Assets recognised from costs to obtain contracts relates to costs incurred to obtaining residential sales contract which was subsequently amortised to income statement as selling and distribution expense on a basis consistent with the pattern of recognition of the associated revenue.

(c) Assets recognised from costs to fulfil contracts

The Group has also recognised an asset in relation to costs to fulfil technology operations contracts. This is presented within trade and other receivables in Note 23.

	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000
Contract fulfilment costs	**1,607**	2,261

	The Group 2020 $'000	The Group 2019 $'000
Amortisation recognised to cost of sales during the period	**1,632**	1,410

Contract fulfilment costs relates to costs incurred for software licenses, hardware maintenance cost and product warranty cost that are used to fulfil technology operations contracts. These costs are amortised to income statement as cost of sales. These costs are on a basis consistent with the pattern of recognition of the associated revenue.

4. REVENUE, INTEREST INCOME AND MISCELLANEOUS INCOME (CONTINUED)

(d) Trade receivables from contracts with customers

	The Group		
	31 December		1 January
	2020	2019	2019
	$'000	$'000	$'000
Current Assets			
Trade receivables from contracts with customers	**32,553**	37,955	25,961
Less: Loss allowance	**(66)**	(14)	(123)
	32,487	37,941	25,838

(e) Government grant income relates to property tax rebates, cash grant and Job Support Scheme from the Singapore Government to help businesses deal with the impact from COVID-19.

For the property tax rebates received where the Group is a lessor, the Group is obliged to pass on the benefits to its tenants and has transferred these to the tenants in form of rent rebates during the current financial year. For the cash grant, the Group is obliged to waive up to two months of rental to eligible tenants.

(f) Government grant expense relates to the property tax rebates received from the Singapore Government that were transferred to tenants in the form of rent rebates during the year and rental waivers provided to eligible tenants as part of the qualifying conditions of the cash grant.

5. EXPENSES BY NATURE

	The Group	
	2020	**2019**
	$'000	**$'000**
Cost of inventories sold	**252,792**	245,452
Depreciation of property, plant and equipment (Note 16)	**49,939**	34,569
Property, plant and equipment written off and net loss on disposals	**8,413**	1,333
Auditors' remuneration paid/payable to:		
– Auditor of the Company	**673**	723
– Other auditors*	**103**	95
Other fees paid/payable to auditor of the Company	**164**	156
Employee compensation (Note 6)	**69,558**	86,562
Rental expenses	**256**	310
Utilities	**10,497**	13,627
Property tax expenses	**31,877**	30,441
Advertising and promotion	**7,139**	8,717
Management fees	**1,979**	8,701
Contributions to MCST	**12,898**	15,285
IT related expenses	**2,303**	2,225
Repairs and maintenance	**7,170**	8,577
Currency exchange loss – net	**394**	103
Allowance/(Write-back of allowance) for foreseeable losses on properties held for sale	**749**	(1,088)
Commission expense	**7,337**	14,662
Cleaning and security services	**9,895**	12,996
Other expenses	**38,328**	48,970
Total cost of sales, selling and distribution, administrative and other operating expenses	**512,464**	532,416

* Includes the network of member firms of PricewaterhouseCoopers International Limited.

6. EMPLOYEE COMPENSATION

	The Group	
	2020	**2019**
	$'000	**$'000**
Wages, salaries and other payroll-related costs	**62,506**	77,997
Employer's contribution to defined contribution plans	**7,043**	8,356
Share option expense	**9**	209
	69,558	86,562

7. FINANCE EXPENSES

	The Group	
	2020	**2019**
	$'000	**$'000**
Interest expense		
– Bank loans	**7,501**	17,240
– Lease liabilities	**63**	85
– Bank facility fees	**583**	600
– Trade financing	**437**	79
	8,584	18,004
Cash flow hedges, reclassified from hedging reserve (Note 31(d))	**2,462**	192
	11,046	18,196

8. INCOME TAXES

(a) Income tax expense

	The Group	
	2020	**2019**
	$'000	**$'000**
Tax expense attributable to profit is made up of:		
– Profit for the financial year:		
Current income tax (Note (b))		
– Singapore	**34,791**	61,020
Deferred income tax (Note 26)	**(4,200)**	(12,682)
	30,591	48,338
– (Over)/Under provision in prior financial years:		
Current income tax (Note (b))		
– Singapore	**(2,156)**	181
Deferred income tax (Note 26)	**(24)**	(1,080)
	(2,180)	(899)
	28,411	47,439

8. INCOME TAXES (CONTINUED)

(a) Income tax expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	The Group 2020 $'000	The Group 2019 $'000
Profit before income tax	**107,729**	736,786
(Less)/Add:		
Share of results of associates, net of tax	**(34,268)**	(53,986)
Share of results of joint ventures, net of tax	**8,521**	(27,718)
Profit before tax and share of results of associates and joint ventures	**81,982**	655,082
Tax calculated at tax rate of 17% (2019: 17%)	**13,937**	111,364
Effects of:		
– Different tax rates in other countries	**(1)**	(78)
– Singapore statutory tax exemption	**(313)**	(352)
– Tax incentives	**(340)**	-
– Expenses not deductible for tax purposes	**26,250**	6,724
– Income not subject to tax	**(4,788)**	(68,365)
– Utilisation of previously unrecognised deferred income tax assets	**(4,263)**	(1,552)
– Deferred income tax assets not recognised	**109**	597
– Overprovision of tax in prior financial years	**(2,180)**	(899)
Tax charge	**28,411**	47,439

(b) Movements in current income tax liabilities

	The Group 2020 $'000	The Group 2019 $'000
Beginning of financial year	**65,740**	51,991
Currency translation differences	**25**	(11)
Acquisition of a subsidiary (Note 37)	**–**	5,864
Income tax paid	**(41,845)**	(53,305)
Tax expense (Note (a))	**34,791**	61,020
(Over)/Under provision in prior financial years (Note (a))	**(2,156)**	181
End of financial year	**56,555**	65,740

9. NET ATTRIBUTABLE PROFIT

The net profit attributable to equity holders of the Company ("net attributable profit") can be analysed as follows:

	The Group	
	2020	**2019**
	$'000	**$'000**
Net profit before fair value and other gains/losses	**217,698**	246,484
Other (losses)/gains – net	**(1,623)**	210,162
Net fair value (loss)/gain on investment properties held by subsidiaries, associates and joint venture, net of non-controlling interests included in:		
– Net fair value (loss)/gain on investment properties	**(112,124)**	123,264
– Share of results of associates	**(4,202)**	5,960
– Share of results of joint venture	**(18,226)**	18,203
– Non-controlling interests	**8,711**	1,037
	(125,841)	148,464
Net attributable profit	**90,234**	605,110

10. 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.

For the purpose of calculating diluted earnings per share, net 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. The Company's dilutive potential ordinary shares are its share options.

The weighted average number of shares on issue has been adjusted as if all dilutive share options 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.

10. EARNINGS PER SHARE (CONTINUED)

	The Group	
	2020	**2019**
Net profit attributable to equity holders of the Company ($'000)	**90,234**	605,110
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**1,432,667**	1,432,559
Adjustment for share options ('000)	**–**	52
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**1,432,667**	1,432,611
Basic and diluted earnings per share		
– excluding fair value (loss)/gain on investment properties held by subsidiaries, associates and joint ventures	**15.1 cents**	31.9 cents
– including fair value (loss)/gain on investment properties held by subsidiaries, associates and joint ventures	**6.3 cents**	42.2 cents

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group	
	2020	**2019**
	$'000	**$'000**
Beginning of the financial year	**35,730**	3,384
Fair value (losses)/gains recognised in other comprehensive income (Note 31(b))	**(5,095)**	32,346
End of the financial year	**30,635**	35,730
Non-current assets		
Unquoted equity securities	**30,635**	35,730

12. INVESTMENTS IN ASSOCIATES

	The Group 31 December 2020 $'000	2019 $'000
Unquoted equity investments, at cost	**289,542**	288,742
Share of post-acquisition reserves	**279,323**	236,415
	568,865	525,157

Set out below is an associate that is material to the Group in 2020 and 2019.

Name of entity	Place of business/ country of incorporation	Proportion of ownership held by subsidiaries 31 December 2020 %	2019 %
Shanghai Jin Peng Realty Co., Ltd	China	**30**	30

There are no contingent liabilities relating to the Group's interest in the associates.

Summarised financial information for associates

Summarised balance sheet

	Shanghai Jin Peng Realty Co., Ltd 31 December 2020 $'000	2019 $'000
Current assets*	**706,606**	605,771
Current liabilities	**(99,543)**	(103,226)
Non-current assets	**71,007**	52,341
Non-current liabilities	**(2,595)**	–
Net assets	**675,475**	554,886

* Includes cash and cash equivalents of $417,707,000 (2019: $154,656,000)

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information for associates (continued)

Summarised statement of comprehensive income

	Shanghai Jin Peng Realty Co., Ltd For the year ended 31 December 2020 $'000	2019 $'000
Revenue	**342,003**	327,173
Profit before income tax	**120,035**	116,181
Net profit and total comprehensive income	**91,991**	83,478

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts).

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associates accounted for using the equity method:

	Shanghai Jin Peng Realty Co., Ltd $'000	Immaterial associates $'000	Total $'000
2020			
Group's interest in net assets at beginning of the year	166,466	358,691	525,157
Group's share of:			
– Profit after income tax and total comprehensive income	27,597	6,671	34,268
Additions during the year	–	800	800
Currency translation differences	8,580	60	8,640
Carrying amount of interest at end of the year	202,643	366,222	568,865
2019			
Group's interest in net assets at beginning of the year	145,066	449,219	594,285
Group's share of:			
– Profit after income tax and total comprehensive income	25,043	28,943	53,986
Disposal during the year	–	(13,585)	(13,585)
Distribution upon liquidation of an associate	–	(93,652)	(93,652)
Dividends received during the year	–	(12,198)	(12,198)
Currency translation differences	(3,643)	(36)	(3,679)
Carrying amount of interest at end of the year	166,466	358,691	525,157

As at 31 December 2020, the total outstanding term loans drawn down by the associate is $1,081,630,000 (2019: $630,000,000).

Details of associates are included in Note 40.

13. INVESTMENTS IN JOINT VENTURES

	The Group 31 December 2020 $'000	2019 $'000
Unquoted equity investments, at cost	**26,312**	26,312
Share of post-acquisition reserves	**84,116**	101,207
	110,428	127,519

The joint ventures are, in the opinion of the directors, not material to the Group as at 31 December 2020 and 2019.

There are no share of joint venture companies' contingent liabilities incurred jointly with other investors.

Summarised financial information for the joint ventures

The following table analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of the individually immaterial joint ventures.

	2020 $'000	2019 $'000
Group's interest in net assets at beginning of the year	**127,519**	100,856
Group's share of:		
– (Loss)/Profit after income tax	**(8,521)**	27,718
– Other comprehensive loss	**(30)**	(445)
Total comprehensive (loss)/income	**(8,551)**	27,273
Dividends received during the year	**(10,000)**	(1,500)
Currency translation differences	**1,460**	890
Carrying amount of interest at end of the year	**110,428**	127,519

As at 31 December 2020, the total outstanding term loans drawn down by the joint ventures are $183,500,000 (2019: $233,500,000).

The Company has given a corporate guarantee of $139,511,000 (2019: $138,545,000) in respect of a banking facility granted to a joint venture.

Details of joint ventures are included in Note 40.

14. INVESTMENTS IN SUBSIDIARIES

	The Company 31 December	
	2020	**2019**
	$'000	**$'000**
Unquoted equity investments, at cost	**1,228,862**	1,228,862
Less accumulated impairment charge:		
Beginning of the financial year	**(1,956)**	(2,003)
Write-back of impairment charge for the financial year	**178**	47
End of the financial year	**(1,778)**	(1,956)
	1,227,084	1,226,906

(a) Impairment charge

Impairment charges and write-back of impairment charges were made to adjust the carrying values of certain of the Company's unquoted investments in subsidiaries to their recoverable amounts, taking into account the general economic and operating environments, including the impact of the COVID-19 pandemic, in which the relevant subsidiaries operate in.

The recoverable amount for the relevant subsidiaries was mainly estimated based on the fair value less cost to sell of the net assets as at the end of the reporting period. The carrying amounts of the net assets of the relevant subsidiaries approximate their fair values.

(b) Summarised financial information of subsidiaries with material non-controlling interests

Set out below are subsidiaries with non-controlling interests that are material to the Group.

	Proportion of ownership held by non-controlling interests 31 December		Carrying value of non-controlling interests 31 December	
	2020	**2019**	**2020**	**2019**
	%	**%**	**$'000**	**$'000**
Marina Centre Holdings Private Limited and its subsidiaries ("MCH Group")	**23**	23	**611,678**	630,406

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Summarised financial information of subsidiaries with material non-controlling interests (continued)

Set out below are the summarised aggregate financial information for the subsidiaries that have non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	MCH Group 31 December	
	2020 $'000	**2019 $'000**
Current		
Assets	**110,877**	137,933
Liabilities	**(52,819)**	(74,870)
Total current net assets	**58,058**	63,063
Non-current		
Assets	**2,214,855**	2,275,386
Liabilities	**(142,896)**	(149,899)
Total non-current net assets	**2,071,959**	2,125,487
Net assets	**2,130,017**	2,188,550

Summarised income statement

	MCH Group For the year ended 31 December	
	2020 $'000	**2019 $'000**
Revenue	**116,550**	257,251
Net (loss)/profit and total comprehensive (loss)/income	**(40,532)**	334,122
Total comprehensive (loss)/income allocated to non-controlling interests	**(14,604)**	81,497
Dividends paid to non-controlling interests	**4,079**	8,891

14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Summarised financial information of subsidiaries with material non-controlling interests (continued)

Summarised cash flows

	MCH Group 31 December 2020 $'000	MCH Group 31 December 2019 $'000
Net cash provided by operating activities	**11,273**	84,022
Net cash used in by investing activities	**(25,139)**	(108,729)
Net cash used in financing activities	**(18,000)**	(13,880)

(c) Carrying value of non-controlling interests

	31 December 2020 $'000	31 December 2019 $'000
MCH Group	**611,678**	630,406
Other subsidiaries with immaterial non-controlling interests	**46,858**	42,669

(d) Acquisition of additional interest in a subsidiary

On 17 April 2019, the Group acquired an additional 24.27% interest of the equity share capital of Marina Centre Holdings Private Limited ("MCH"). The Group holds 77.09% of the equity share capital of MCH as at 31 December 2019.

The effect of changes in the ownership interest of MCH Group on the equity attributable to owners of the Company during the year is summarised as follows:

	2019 $'000
Carrying amount of non-controlling interests acquired	416,097
Consideration paid to non-controlling interests	(486,304)
Excess of carrying amount over consideration paid recognised in parent's equity	(70,207)

(e) Details of subsidiaries are included in Note 40.

15. INVESTMENT PROPERTIES

	The Group 31 December	
	2020	**2019**
	$'000	**$'000**
Beginning of financial year	**6,349,796**	6,215,000
Additions	**4,688**	11,532
Net fair value (loss)/gain	**(112,124)**	123,264
End of financial year	**6,242,360**	6,349,796

(a) The effect of tenant incentives and rental escalation for the Group of $3,640,000 (2019: $3,704,000) has been recognised against net fair value gain on investment properties during the year. As at the reporting date, the carrying value of investment property is determined by adjusting the amount of unbilled rental recognised (Note 23) from the valuation obtained.

(b) The following amounts are recognised in the income statements:

	The Group	
	2020	**2019**
	$'000	**$'000**
Rental income	**265,027**	285,528
Direct operating expenses arising from investment properties that generated rental income	**72,599**	77,112

(c) Variable lease payment, representing income based on sales turnover achieved by tenants, amounting to $1,694,000 for the year (2019: $2,756,000).

15. INVESTMENT PROPERTIES (CONTINUED)

(d) As at statement of financial position date, the details of the Group's investment properties are as follows:

Name of building/ location	Description/existing use	Tenure of land	Unexpired term of lease
Stamford Court 61 Stamford Road Singapore 178892	4-storey office building with shops on a land area of 2,072 square metres.	99-year lease from 1994	73 years
West Mall 1 Bukit Batok Central Link Singapore 658713	Retail and family entertainment complex on a land area of 9,890 square metres.	99-year lease from 1995	74 years
Singapore Land Tower 50 Raffles Place Singapore 048623	47-storey office building on a land area of 5,064 square metres.	999-year lease from 1826	805 years
Clifford Centre 24 Raffles Place Singapore 048621	29-storey shopping cum office building on a land area of 3,343 square metres.	999-year lease from 1826	805 years
The Gateway 150/152 Beach Road Singapore 189720/1	Two 37-storey office buildings on a land area of 21,961 square metres.	99-year lease from 1982	61 years
SGX Centre 2 4 Shenton Way Singapore 068807	29-storey office building on a land area of 2,970 square metres.	99-year lease from 1995	74 years
Tampines Plaza 1 (formerly known as ABACUS Plaza) 3 Tampines Central 1 Singapore 529540	8-storey office building on a land area of 2,614 square metres.	99-year lease from 1996	75 years
Tampines Plaza 2 (formerly known as Tampines Plaza) 5 Tampines Central 1 Singapore 529541	8-storey office building on a land area of 2,613 square metres.	99-year lease from 1996	75 years
UIC Building 5 Shenton Way Singapore 068808	23-storey shopping cum office building on a land area of 6,778 square metres. This is part of a mixed development with the residential component, V on Shenton, classified under properties held for sale.	99-year lease from 2011	90 years
Marina Square Retail Mall 6 Raffles Boulevard Singapore 039594	4-storey retail mall with a retail underpass.	99-year lease from 1980	59 years

15. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurements

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 at 31 December 2020	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Investment properties	6,242,360 (2019: 6,349,796)	Capitalisation Method	Estimated rental rate (per square feet per month)	\$5 – \$11 (2019: \$4 – \$13)	The higher the rental value per square feet, the higher the fair value.
			Capitalisation rate	3.25% – 4.75% (2019: 3.00% – 4.75%)	The higher the capitalisation rate, the lower the fair value.
		Direct Comparison Method	Adopted valuation (per square feet)	\$1,100 – \$2,600 (2019: \$1,400 – \$2,600)	The higher the adopted valuation per square feet, the higher the fair value.

There were no significant inter-relationships between the significant unobservable inputs.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties every half-yearly based on the properties' highest and best use. For each valuation, management:

– verifies all major inputs to the independent valuation reports;

– assesses property valuation movements when compared to the previous valuation reports;

– holds discussions with the independent valuers; and

– analyses the reasons for the fair value movements.

In the Capitalisation Method, gross rental income (net of GST) is estimated at a mature maintainable occupancy level from which total expenses have been deducted and net income capitalised at an appropriate rate.

The Direct Comparison Method involves analysis of recent transactions of comparable properties within the vicinity and elsewhere in Singapore. Necessary adjustments have been made for the differences in terms of sale, location, tenure, size, shape, design and layout, rental rates, age and condition of buildings, date of transactions and the prevailing market condition amongst other factors affecting their values.

15. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group (continued)

The uncertainty arising from the continually evolving COVID-19 pandemic has been factored into the valuation of the investment properties to reflect greater uncertainty over long-term cash flows, long-term growth prospects, increased risk of defaults and non-payment of rent.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings $'000	Plant and machinery $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Renovations in progress $'000	Total $'000
The Group						
2020						
Cost						
Beginning of financial year	1,101,194	65,568	204,013	1,006	1,266	1,373,047
Currency translation differences	1,630	1,429	2,352	18	–	5,429
Additions	1,655	868	1,774	86	23,494	27,877
Reclassification	1,071	160	14,893	–	(16,124)	–
Disposals	(1,634)	(3,842)	(3,867)	(65)	–	(9,408)
End of financial year	1,103,916	64,183	219,165	1,045	8,636	1,396,945
Accumulated depreciation						
Beginning of financial year	82,958	31,358	120,669	869	–	235,854
Currency translation differences	367	811	1,875	17	–	3,070
Depreciation charge	26,673	4,835	18,374	57	–	49,939
Disposals	(174)	(125)	(596)	(65)	–	(960)
End of financial year	109,824	36,879	140,322	878	–	287,903
Net book value						
End of financial year	**994,092**	**27,304**	**78,843**	**167**	**8,636**	**1,109,042**
2019						
Cost						
Beginning of financial year	396,028	56,195	190,107	1,166	367	643,863
Currency translation differences	(738)	(646)	(1,083)	(9)	–	(2,476)
Acquisition of a subsidiary (Note 37)	704,426	9,245	10,655	30	644	725,000
Additions	147	1,097	5,282	89	5,728	12,343
Reclassification	2,282	16	3,175	–	(5,473)	–
Disposals	(951)	(339)	(4,123)	(270)	–	(5,683)
End of financial year	1,101,194	65,568	204,013	1,006	1,266	1,373,047
Accumulated depreciation						
Beginning of financial year	68,370	27,647	109,887	1,016	–	206,920
Currency translation differences	(158)	(353)	(814)	(8)	–	(1,333)
Depreciation charge	14,900	4,383	15,155	131	–	34,569
Disposals	(154)	(319)	(3,559)	(270)	–	(4,302)
End of financial year	82,958	31,358	120,669	869	–	235,854
Net book value						
End of financial year	**1,018,236**	**34,210**	**83,344**	**137**	**1,266**	**1,137,193**

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16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Lease asset – Office property right-of-use $'000	Furniture, fittings and office equipment $'000	Motor vehicle $'000	Total $'000
The Company				
2020				
Cost				
Beginning of financial year	2,358	1,159	–	3,517
Additions	3,283	336	–	3,619
Disposals	–	(7)	–	(7)
End of financial year	5,641	1,488	–	7,129
Accumulated depreciation				
Beginning of financial year	1,179	726	–	1,905
Depreciation charge	1,179	137	–	1,316
Disposals	–	(7)	–	(7)
End of financial year	2,358	856	–	3,214
Net book value				
End of financial year	**3,283**	**632**	**–**	**3,915**
2019				
Cost				
Beginning of financial year	2,358	713	237	3,308
Additions	–	457	–	457
Disposals	–	(11)	(237)	(248)
End of financial year	2,358	1,159	–	3,517
Accumulated depreciation				
Beginning of financial year	–	671	237	908
Depreciation charge	1,179	66	–	1,245
Disposals	–	(11)	(237)	(248)
End of financial year	1,179	726	–	1,905
Net book value				
End of financial year	**1,179**	**433**	**–**	**1,612**

Right-of-use of 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 17(a).

17. LEASES – THE GROUP AND THE COMPANY AS A LESSEE

Nature of the Group and the Company's leasing activities

Property

The Company leases office space from a subsidiary for purpose of back office operations.

Leasehold land

The Group has made upfront payment to secure the right-of-use of two 99-year leasehold land parcels, which is used in the Group's hotel operations. The leasehold land is recognised within property, plant and equipment (Note 16).

There is no externally imposed covenant on these lease arrangements.

(a) Carrying amounts

ROU assets classified within property, plant and equipment

	The Group		The Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Leasehold land (Note 16)	**770,333**	783,999	**–**	–
Lease assets – office property right-of-use (Note 16)	**–**	–	**3,283**	1,179

(b) Depreciation charge during the year

	The Group	
	2020	**2019**
	$'000	**$'000**
Leasehold land	**13,666**	10,654

17. LEASES – THE GROUP AND THE COMPANY AS A LESSEE (CONTINUED)

(c) Interest expense

	The Group	
	2020	**2019**
	$'000	**$'000**
Interest expense on lease liabilities	**63**	85

(d) Lease expense not capitalised in lease liabilities

	The Group	
	2020	**2019**
	$'000	**$'000**
Short-term leases	**256**	310

(e) Total cash outflow for all the leases excluding short-term leases was $563,000 (2019: $591,000).

(f) No addition of ROU assets for the year ended 31 December 2020 and 2019.

18. LEASES – THE GROUP AS A LESSOR

Nature of the Group leasing activities – Group as a lessor

The Group has leased out retail and office space to non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group 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 15.

Maturity analysis of lease payments – Group as a lessor

Undiscounted lease payments from the operating leases to be received by the Group after the reporting date are as follows:

	The Group	
	2020	**2019**
	$'000	**$'000**
Less than one year	**200,043**	215,399
One to two years	**130,953**	166,507
Two to three years	**69,472**	96,578
Three to four years	**24,930**	47,618
Four to five years	**13,447**	18,391
Later than five years	**9,052**	15,202
Total undiscounted lease payment	**447,897**	559,695

19. GOODWILL

	The Group	
	2020	**2019**
	$'000	**$'000**
Cost		
Beginning of financial year	**46,587**	–
Acquisition of a subsidiary (Note 37)	**–**	46,587
End of financial year	**46,587**	46,587

Impairment tests for goodwill

The goodwill of $46,587,000 is allocated to the operation of Aquamarina Hotel Private Limited ("AHPL") as a cash-generating-unit ("CGU") arising from the acquisition of an additional 25% shareholding interest in AHPL in 2019.

The recoverable amount of the CGU above was determined based on fair value less cost to sell calculations. The fair value less cost to sell reflects the best estimates of the amount obtainable from the sale of CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The fair value was based on the net assets of the CGU adjusted for the fair value of the hotel property as determined by an independent professional valuer using a discounted cash flows model. The key assumptions include the long-term revenue growth rate of 2.5% (2019: 2.5%) and the discount rate of 6.5% (2019: 6.5%). The fair value less cost to sell is higher than the recoverable amount of the CGU and accordingly, no impairment of goodwill is required.

20. CASH AND CASH EQUIVALENTS

	The Group 31 December		The Company 31 December	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	**120,394**	70,337	**2,036**	2,394
Fixed deposits with financial institutions	**60,659**	111,269	**–**	–
	181,053	181,606	**2,036**	2,394

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20. CASH AND CASH EQUIVALENTS (CONTINUED)

For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	2020	**2019**
	$'000	**$'000**
Cash and cash equivalents (as above)	**181,053**	181,606
Less: Bank deposits pledged	**(2,500)**	(3,000)
Cash and cash equivalents per consolidated statement of cash flows	**178,553**	178,606

Bank deposits are pledged in relation to a banking facility.

Cash and cash equivalents of the Group included amounts of $36,975,000 (2019: $35,165,000) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

21. PROPERTIES HELD FOR SALE

	The Group	
	31 December	
	2020	**2019**
	$'000	**$'000**
Completed properties	**126,768**	183,746
Allowance for foreseeable losses	**(6,029)**	(6,393)
	120,739	177,353

The Group made an allowance for foreseeable losses taking into account the estimated selling prices and estimated total development costs. The estimated selling prices are based on the recent selling prices for the development project or comparable properties and prevailing property market conditions. The estimated total development costs are based on the contracted amount and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance for foreseeable losses is included in 'cost of sales'. The allowance is progressively reversed for those residential units sold above their carrying amounts.

21. PROPERTIES HELD FOR SALE (CONTINUED)

Movements in allowance for foreseeable losses in respect of properties held for sale were as follows:

	The Group	
	2020	**2019**
	$'000	**$'000**
Beginning of financial year	**6,393**	7,481
Allowance made/(written-back)	**749**	(1,088)
Allowance utilised	**(1,113)**	–
End of financial year	**6,029**	6,393

Details of the Group's completed properties held for sale are as follows:

Property	**Title**	**Site area/Gross floor area (sqm)**	**Group's effective interest %**
The Excellency (Chengdu)	70-year leasehold	7,566/77,000	99.7
Mon Jervois	99-year leasehold	8,958/13,796	99.7
V on Shenton	99-year leasehold	*/55,846	100.0

* The residential component under this site, together with the commercial component (classified under investment properties), are situated on a site area of 6,778 square metres.

22. 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 2020						
Derivatives held for hedging:						
Cash flow hedges						
– Interest rate swaps	200,000	–	(2,324)	200,000	–	(2,324)
Fair value hedge						
– Currency forwards	10,147	–	(295)	–	–	–
Derivatives not held for hedging:						
– Currency forwards	1,523	–	(26)	–	–	–
Total	211,670	–	(2,645)	200,000	–	(2,324)
Current	209,042	–	(2,530)	200,000	–	(2,324)
Non–current	2,628	–	(115)	–	–	–
Total	211,670	–	(2,645)	200,000	–	(2,324)
31 December 2019						
Derivatives held for hedging:						
Cash flow hedges						
– Interest rate swaps	200,100	–	(1,670)	200,100	–	(1,670)
Fair value hedge						
– Currency forwards	1,530	–	(19)	–	–	–
Derivatives not held for hedging:						
– Currency forwards	9,484	–	(146)	–	–	–
Total	211,114	–	(1,835)	200,100	–	(1,670)
Current	51,630	–	(419)	50,100	–	(254)
Non-current	159,484	–	(1,416)	150,000	–	(1,416)
Total	211,114	–	(1,835)	200,100	–	(1,670)

22. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in the Group's hedging strategy in 2020:

	Carrying amount		Changes in fair value used in calculating hedge ineffectiveness				
	Assets/ (Liabilities) $'000	**Financial statement line item**	**Hedging instrument $'000**	**Hedged item $'000**	**Hedge ineffectiveness recognised in income statement $'000**	**Weighted average hedged rate**	**Maturity date**
The Group							
Cash flow hedge							
Interest rate risk							
– Interest rate swap to hedge floating rate borrowings	(2,324)	Derivative financial instruments	(2,324)	2,324	–	1.43%	2021
Fair value hedge							
Foreign exchange risk							
– Forward contracts to firm commitments	(295)	Derivative financial instruments	(10,147)	10,147	–	USD1: $1.36	2021 – 2022
Net investment hedge							
Foreign exchange risk							
– Borrowings to hedge net investments in foreign operations	(21,312)	Borrowings	(506)	506	–	GBP1: $1.77	2021
The Company							
Cash flow hedge							
Interest rate risk							
– Interest rate swap to hedge floating rate borrowings	(2,324)	Derivative financial instruments	(2,324)	2,324	–	1.43%	2021

22. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in the Group's hedging strategy in 2019:

	Carrying amount		Changes in fair value used in calculating hedge ineffectiveness				
	Assets/ (Liabilities) $'000	**Financial statement line item**	**Hedging instrument $'000**	**Hedged item $'000**	**Hedge ineffectiveness recognised in income statement $'000**	**Weighted average hedged rate**	**Maturity date**
The Group							
Cash flow hedge							
Interest rate risk							
– Interest rate swap to hedge floating rate borrowings	(1,670)	Derivative financial instruments	(1,670)	1,670	–	1.86%	2020 – 2021
Fair value hedge							
Foreign exchange risk							
– Forward contracts to firm commitments	(19)	Derivative financial instruments	(1,500)	1,500	–	USD1: $1.36	2020
Net investment hedge							
Foreign exchange risk							
– Borrowings to hedge net investments in foreign operations	(21,312)	Borrowings	(324)	324	–	GBP1: $1.74	2020
The Company							
Cash flow hedge							
Interest rate risk							
– Interest rate swap to hedge floating rate borrowings	(1,670)	Derivative financial instruments	(1,670)	1,670	–	1.86%	2020 – 2021

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.

23. TRADE AND OTHER RECEIVABLES

	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
Current				
Trade receivables				
– non-related parties	**41,950**	45,014	**–**	–
– associates	**176**	700	**–**	–
– joint ventures	**549**	674	**–**	–
Less: Loss allowance	**(1,792)**	(321)	**–**	–
	40,883	46,067	**–**	–
Unbilled rental (Note 15)	**3,640**	3,704	**–**	–
Unbilled revenue (Note 4(a))	**18,037**	3,926	**–**	–
Deferred cost (Note 4(c))	**1,139**	1,632	**–**	–
Deposits	**693**	524	**301**	301
Prepaid taxes	**510**	299	**–**	–
Prepayments	**1,866**	2,618	**34**	44
Contract costs (Note 4(b))	**2,358**	447	**–**	–
Other receivables	**13,951**	8,646	**–**	–
Amounts due from subsidiaries (non-trade)	**–**	–	**1,772,578**	1,723,954
Less: Loss allowance	**–**	–	**(16,695)**	(16,695)
	–	–	**1,755,883**	1,707,259
	83,077	67,863	**1,756,218**	1,707,604

The non-trade amounts due from subsidiaries are unsecured, repayable on demand and are interest-bearing except for amounts totalling $451,816,000 (2019: $387,518,000) which are interest-free. Interest is charged on amounts due from certain subsidiaries and is based on interest incurred by the Company in respect of bank loans obtained on behalf of these subsidiaries.

	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000
Non-current		
Loans to joint ventures	**162,698**	152,035
Loans to associates	**259,122**	212,730
Unbilled revenue (Note 4(a))	**23,333**	5,846
Deferred costs (Note 4(c))	**468**	629
Contract costs (Note 4(b))	**841**	–
Others	**5,079**	–
	451,541	371,240

Loans to joint ventures and associates are unsecured, not repayable within the next 12 months and are interest-bearing at floating rate.

At the statement of financial position date, the carrying amounts of loans to joint ventures and associates approximate their fair values.

24. TRADE AND OTHER PAYABLES

	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
Current				
Trade payables				
– non-related parties	**47,578**	61,330	**213**	262
Rent received in advance	**10,391**	6,998	**–**	–
Deferred revenue (Note 4(a))	**1,836**	3,274	**–**	–
Other payables:				
– rental and other deposits	**35,153**	35,355	**–**	–
– accrued interest payable	**192**	375	**186**	243
– retention monies	**4,684**	8,813	**–**	–
– accrued costs for completed properties	**2,762**	5,927	**–**	–
– accrued operating expenses	**30,386**	28,867	**1,890**	1,572
– sundry creditors	**9,395**	967	**94**	121
– advances from purchasers of properties held for sale (Note 4(a))	**9,642**	28,088	**–**	–
– advances from customers of technology operations (Note 4(a))	**5,655**	1,154	**–**	–
Amounts due to a joint venture (non-trade)	**10,000**	10,000	**–**	–
Amounts due to subsidiaries (non-trade)	**–**	–	**541,766**	476,156
	167,674	191,148	**544,149**	478,354

The amounts due to a joint venture are unsecured, repayable on demand and are interest-free.

The amounts due to subsidiaries are unsecured, repayable on demand and are interest-bearing except for amounts totalling $4,604,000 (2019: $3,865,000) which are interest-free.

	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
Non-current				
Rental deposits	**46,833**	54,148	**–**	–
Deferred revenue (Note 4(a))	**1,833**	1,074	**–**	–
Advances from purchasers of properties held for sales (Note 4(a))	**2,836**	–	**–**	–
Amount due to an associate	**1,624**	1,624	**1,624**	1,624
	53,126	56,846	**1,624**	1,624

The amount due to an associate is unsecured, not repayable within the next 12 months and is interest-free. At the statement of financial position date, the carrying amounts of non-current trade and other payables approximate their fair values.

25. BORROWINGS

	Note	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
Current					
Short-term bank loans (unsecured)	(i)	**173,878**	266,500	**154,878**	176,500
Revolving credit loans (unsecured)		**150,100**	150,100	**150,100**	150,100
Term loan (secured)	(iii)	**13,935**	775	**–**	–
Trade financing		**15,564**	3,302	**–**	–
Lease liabilities		**598**	536	**1,094**	1,179
		354,075	421,213	**306,072**	327,779
Non-current					
Revolving credit loans (unsecured)	(ii)	**149,533**	148,950	**149,533**	148,950
Term loan (secured)	(iii)	**–**	13,113	**–**	–
Trade financing		**21,930**	5,250	**–**	–
Lease liabilities		**776**	1,338	**2,189**	–
		172,239	168,651	**151,722**	148,950
Total borrowings		**526,314**	589,864	**457,794**	476,729

(i) The unsecured short-term loans are drawn under various uncommitted floating rate revolving credit facilities.

(ii) The unsecured revolving credit loans are drawn under committed floating rate revolving credit facility. The amounts advanced under the revolving credit facility which is expiring in 2022 were included as non-current liabilities as the Group has the discretion to rollover the facility for at least 12 months after the statement of financial position date. For the purposes of liquidity risk disclosure (Note 33(c)), the revolving credit facility had been classified as current as the disclosure was based on actual contractual drawdowns to be repaid within a year.

(iii) The term loan is secured by way of a legal mortgage over certain property, plant and equipment of a subsidiary with carrying amounts of $47,784,000 (2019: $51,664,000).

25. BORROWINGS (CONTINUED)

Fair values of non-current borrowings

The fair values of non-current borrowings approximate their carrying values. The fair values are based on discounted cash flows using a discount rate of 2.2% (2019: 2.2%) based upon the prevailing market interest rates.

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the statement of financial position dates are as follows:

	The Group 31 December		The Company 31 December	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
6 months or less	**287,446**	379,338	**254,511**	275,450
6 to 12 months	**200,000**	50,100	**200,000**	50,100
1 to 2 years	**–**	150,000	**–**	150,000

26. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group 31 December	
	2020 $'000	**2019 $'000**
Deferred income tax assets	**1,599**	839
Deferred income tax liabilities	**(142,930)**	(146,371)
Net deferred tax liabilities	**(141,331)**	(145,532)

26. DEFERRED INCOME TAXES (CONTINUED)

Movements in the net deferred income tax account are as follows:

	The Group	
	2020	**2019**
	$'000	**$'000**
Beginning of financial year	**145,532**	57,543
Currency translation differences	**23**	(226)
Acquisition of a subsidiary (Note 37)	**–**	101,977
Credited to income statement (Note 8(a))	**(4,200)**	(12,682)
Over provision in prior financial years (Note 8(a))	**(24)**	(1,080)
End of financial year	**141,331**	145,532

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 $27,418,000 (2019: $25,554,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to those subsidiaries meeting certain statutory requirements in their respective countries of incorporation. The tax losses have no expiry date.

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:

Deferred income tax liabilities

	Fair value gain $'000	**Accelerated tax depreciation $'000**	**Total $'000**
The Group			
2020			
Beginning of financial year	120,200	27,038	147,238
Currency translation differences	–	23	23
Credited to income statement	(2,059)	(2,248)	(4,307)
Overprovision in prior financial years	–	(24)	(24)
End of financial year	118,141	24,789	142,930

26. DEFERRED INCOME TAXES (CONTINUED)

Deferred income tax liabilities (continued)

	Deferred development profits $'000	Fair value gain $'000	Accelerated tax depreciation $'000	Total $'000
The Group				
2019				
Beginning of financial year	11,540	22,760	23,243	57,543
Currency translation differences	–	–	(226)	(226)
Acquisition of a subsidiary (Note 37)	–	99,012	2,965	101,977
(Credited)/Charged to income statement	(11,540)	(1,572)	430	(12,682)
Underprovision in prior financial years	–	–	626	626
End of financial year	–	120,200	27,038	147,238

Deferred income tax assets

	Tax losses $'000	Provisions $'000	Total $'000
The Group			
2020			
Beginning of the financial year	1,471	235	1,706
Credited to income statement	(73)	(34)	(107)
End of the financial year	1,398	201	1,599

	Tax losses $'000	Provisions $'000	Total $'000
The Group			
2019			
Beginning of the financial year	–	–	–
Underprovision in prior financial years	1,471	235	1,706
End of the financial year	1,471	235	1,706

27. SHARE CAPITAL

	The Group and the Company			
	2020		2019	
	No. of ordinary shares '000	Amount $'000	No. of ordinary shares '000	Amount $'000
Beginning of financial year	**1,432,567**	**1,565,485**	1,432,531	1,565,380
Shares issued pursuant to share option scheme	**100**	**203**	36	105
End of financial year	**1,432,667**	**1,565,688**	1,432,567	1,565,485

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

During the year, the Company issued 100,000 (2019: 36,000) ordinary shares pursuant to the share option scheme. The newly issued shares rank pari passu in all respects with the previously issued shares.

The UIC Share Option Scheme ("ESOS") to subscribe for ordinary shares of the Company was approved by the shareholders of the Company on 18 May 2001. The extension of the duration of ESOS for a further period of 10 years to 17 May 2021 was approved by the shareholders at the annual general meeting held on 27 April 2011. Other than the aforesaid extension, there has been no change in any other rules of the ESOS.

Under the terms of the ESOS, the total number of shares granted shall not exceed 5% of the issued share capital of the Company on the day immediately preceding the offer date of the ESOS. The exercise price is equal to the average of the last done prices per share of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for five market days immediately preceding the date of the offer.

On 4 March 2020 ("Offer Date"), options were granted pursuant to the ESOS to the executives of the Company and its subsidiaries to subscribe for 688,000 ordinary shares in the Company at the exercise price of $2.76 per ordinary share.

27. SHARE CAPITAL (CONTINUED)

Principal terms of the ESOS are set out below:

(i) only full time confirmed executives of the Company or any of its subsidiaries (including executive directors) are eligible for the grant of options;

(ii) the ESOS shall be in force at the discretion of the Remuneration Committee ("RC") subject to a maximum period of 10 years and may be extended with the approval of the shareholders;

(iii) all options granted shall be exercisable, in whole or in part (only in respect of 1,000 shares or any multiple thereof), before the tenth anniversary of the Offer Date and in accordance with the following vesting schedule:

Vesting schedule	Percentage of shares over which options are exercisable
On or after the second anniversary of the Offer Date	50%
On or after the third anniversary of the Offer Date	25%
On or after the fourth anniversary of the Offer Date	25%

The vesting and exercising of vested or unexercised options are governed by conditions set out in the ESOS; and

(iv) participants in the ESOS, shall not, except with the prior approval of the RC in its absolute discretion, be entitled to participate in any other share option schemes or share incentive schemes implemented by companies within or outside the Group. The settlement of options is subject to conditions as set out in the ESOS.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27. SHARE CAPITAL (CONTINUED)

Movements in the number of unissued ordinary shares under option and their exercise prices are as follows:

	Beginning of financial year	Granted during financial year	Cancelled during financial year	Exercised during financial year	End of financial year	Exercise price per share	Date of expiry
The Group and the Company							
2020							
2020 Options	–	688,000	(148,000)	–	540,000	$2.76	03.3.2030
2019 Options	388,000	–	(164,000)	–	224,000	$2.93	06.3.2029
2018 Options	336,000	–	(148,000)	–	188,000	$3.33	04.3.2028
2017 Options	346,000	–	(124,000)	–	222,000	$2.91	26.2.2027
2016 Options	360,000	–	(142,000)	–	218,000	$2.92	28.2.2026
2015 Options	320,000	–	(166,000)	–	154,000	$3.54	25.2.2025
2014 Options	296,000	–	(124,000)	–	172,000	$3.15	02.3.2024
2013 Options	272,000	–	(100,000)	–	172,000	$2.91	21.2.2023
2012 Options	184,000	–	(100,000)	–	84,000	$2.73	26.2.2022
2011 Options	208,000	–	(120,000)	–	88,000	$2.78	28.2.2021
2010 Options	100,000	–	–	(100,000)	–	$2.03	25.2.2020
	2,810,000	**688,000**	**(1,336,000)**	**(100,000)**	**2,062,000**		
2019							
2019 Options	–	388,000	–	–	388,000	$2.93	06.3.2029
2018 Options	372,000	–	(36,000)	–	336,000	$3.33	04.3.2028
2017 Options	406,000	–	(36,000)	(24,000)	346,000	$2.91	26.2.2027
2016 Options	396,000	–	(36,000)	–	360,000	$2.92	28.2.2026
2015 Options	356,000	–	(36,000)	–	320,000	$3.54	25.2.2025
2014 Options	332,000	–	(36,000)	–	296,000	$3.15	02.3.2024
2013 Options	284,000	–	–	(12,000)	272,000	$2.91	21.2.2023
2012 Options	184,000	–	–	–	184,000	$2.73	26.2.2022
2011 Options	208,000	–	–	–	208,000	$2.78	28.2.2021
2010 Options	100,000	–	–	–	100,000	$2.03	25.2.2020
	2,638,000	**388,000**	**(180,000)**	**(36,000)**	**2,810,000**		

Out of the unexercised options for 2,062,000 (2019: 2,810,000) shares, options for 1,148,500 (2019: 1,805,000) shares are exercisable at the statement of financial position date.

The weighted average share price at the time of exercise was $2.90 (2019: $2.96) per share.

The fair value of options granted on 4 March 2020 (2019: 7 March 2019), determined using the Binomial Option Valuation Model, was $315,000 (2019: $251,000). The significant inputs into the model were share price of $2.74 (2019: $2.96) at the grant date, exercise price of $2.76 (2019: $2.93), expected dividend yield of 1.47% (2019: 1.18%), standard deviation of expected share price returns of 16% (2019: 16%), the option life shown above and annual risk-free interest rate of 1.4% (2019: 2.3%). The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last five years.

28. DIVIDENDS

	The Group and the Company	
	2020	2019
	$'000	$'000
Final tax-exempt (one-tier) cash dividend paid in respect of the previous financial year of 4.0 cents per share (2019: 3.5 cents per share) (Note 29)	**57,307**	50,140

At the Annual General Meeting to be held on 23 April 2021, a final tax-exempt (one-tier) cash dividend of 3.5 cents per share will be recommended. Based on the number of issued shares as at 31 December 2020, this will amount to $50,143,000 which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

29. RETAINED EARNINGS

The movements in retained earnings for the Company are as follows:

	The Company	
	2020	2019
	$'000	$'000
Beginning of financial year	**409,495**	406,273
Net profit	**60,955**	53,362
Dividends paid (Note 28)	**(57,307)**	(50,140)
End of financial year	**413,143**	409,495

30. ASSET REVALUATION RESERVE

The asset revaluation reserve, which is non-distributable, arose from the acquisition of the remaining 50% of the issued share capital of Hotel Marina City Private Limited in 2007.

	The Group	
	2020	2019
	$'000	$'000
Beginning of financial year	**58,933**	40,441
Acquisition of additional interests from non-controlling shareholders	**–**	18,554
Less: Non-controlling interests	**–**	(62)
End of financial year	**58,933**	58,933

31. OTHER RESERVES

	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
Composition:				
Share option reserve (Note (a))	**6,838**	6,829	**6,838**	6,829
Fair value reserve (Note (b))	**27,164**	32,243	**–**	–
Currency translation reserve (Note (c))	**(2,900)**	(14,738)	**–**	–
Hedging reserve (Note (d))	**(2,324)**	(1,640)	**(2,324)**	(1,670)
	28,778	22,694	**4,514**	5,159

Other reserves are non-distributable.

	The Group 2020 $'000	The Group 2019 $'000
(a) Share option reserve – Employee share option scheme		
Beginning of financial year	**6,829**	6,620
Value of employee services	**9**	209
End of financial year	**6,838**	6,829

	The Group 2020 $'000	The Group 2019 $'000
(b) Fair value reserve		
Beginning of financial year	**32,243**	–
Fair value (losses)/gains on financial assets, at FVOCI (Note 11)	**(5,095)**	32,346
Add/(less): Non-controlling interests	**16**	(103)
End of financial year	**27,164**	32,243

31. OTHER RESERVES (CONTINUED)

	The Group 2020 $'000	The Group 2019 $'000
(c) Currency translation reserve		
Beginning of financial year	**(14,738)**	(10,595)
Net currency translation differences of financial statements of foreign operations	**13,216**	(4,210)
Less: Non-controlling interests	**(872)**	391
	12,344	(3,819)
Net currency translation differences on borrowings designated as net investment hedge of foreign operations	**(506)**	(324)
End of financial year	**(2,900)**	(14,738)

	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
(d) Hedging reserve – interest rate risk				
Beginning of financial year	**(1,640)**	199	**(1,670)**	(276)
Share of a joint venture's hedging reserve, net of tax	**(30)**	(445)	**–**	–
Fair value losses	**(3,116)**	(1,586)	**(3,116)**	(1,586)
	(3,146)	(2,031)	**(3,116)**	(1,586)
Reclassification to income statement – Finance expenses (Note 7)	**2,462**	192	**2,462**	192
End of financial year	**(2,324)**	(1,640)	**(2,324)**	(1,670)

32. COMMITMENTS

Capital commitments

	The Group	
	2020	**2019**
	$'000	**$'000**
Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements in respect of:		
– investment properties	**11,191**	5,990
– property, plant and equipment	**20,487**	8,574
	31,678	14,564

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, equity price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. When necessary, the Group uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

Financial risk management is carried out in accordance with established policies and guidelines approved by the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates dominantly in Singapore, with some operations in the People's Republic of China and the United Kingdom. Entities in the Group transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. As the entities in the Group transact substantially in their respective functional currencies, the currency exposure at the Group is minimal.

In addition, the Group is exposed to currency translation risk on its monetary assets and liabilities denominated in foreign currencies when they are translated at the statement of financial position date. As these assets and liabilities are substantially denominated in their respective functional currencies, the currency exposure is minimal, except for Great Britain Pound.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

Currency exposure to the net assets of the Group's foreign operations in United Kingdom are managed primarily through borrowings denominated in Great Britain Pound.

There was no ineffectiveness in relation to the net investment hedge.

The Company's exposure to currency risk is minimal as revenue and expenses and assets and liabilities are substantially denominated in Singapore Dollars.

(ii) Equity price risk

The Group is exposed to equity price risk arising from unquoted equity investments held by the Group which are classified as financial assets, at FVOCI. If the adjusted net asset values of unquoted equity investments at FVOCI had changed by 10% (2019: 10%) with all other variables being held constant, the other comprehensive income of the Group would have been higher/lower by $3,064,000 (2019: $3,573,000) as a result of fair value gains/losses on the financial assets, at FVOCI.

(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 interest-bearing assets and liabilities mainly relate to amounts due from associates and joint ventures and borrowings respectively. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

The Company's interest-bearing assets mainly relate to amounts due from subsidiaries and interest-bearing liabilities relate to an amount due to a subsidiary and borrowings. The Company does not have any exposure to the interest rate risk as all its finance expenses are recharged to these subsidiaries.

The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates. The Group also manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

The Group enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The interest rate swaps have reference rates that are indexed to SOR, which are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. ISDA is currently reviewing its standardised contracts in the light of IBOR reform. When ISDA has completed its review, the Group expects to negotiate the revised rates with its derivative counterparties. No interest rate swaps have been modified as at 31 December 2020.

The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedging relationships that are impacted by IBOR reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding IBOR reform transition. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedge items and hedging instruments. Such uncertainty may impact the hedging relationship. The contractual notional amount of interest rate swaps held for hedging which is based on SOR is $200,000,000 (2019: $200,100,000) respectively. The Group applied the amendments to SFRS(I) 9 issued in December 2019 to those hedging relationships directly affected by IBOR reform.

There was no ineffectiveness in relation to the cash flow hedge.

The Group's variable-rate financial assets and liabilities for which effective hedges have not been entered into are denominated mainly in SGD. If the SGD interest rates increase/decrease by 25 basis points (2019: 25 basis points) with all other variables including tax rate being held constant, the profit after tax for the Group would have been lower/higher by $60,000 (2019: $203,000) as a result of higher/lower interest expense on these borrowings.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 pattern 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 property trading, 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 of at least three 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.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

For trade receivables from marketing and management services and technology operations and unbilled revenue from technology operations, the Group has monitoring procedures in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group regularly reviews the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

There are 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 statement of financial position, except for corporate guarantee provided by the Company in respect of a banking facility granted to a joint venture as disclosed in Note 13.

The movements in credit loss allowance are as follows:

	The Group	
	2020	**2019**
	$'000	**$'000**
Beginning of financial year	**321**	528
Loss allowance recognised in income statement during the year on:		
– Assets acquired/originated	**1,623**	137
– Reversal of unutilised amounts	**–**	(26)
	1,623	111
Receivables written off as uncollectible	**(152)**	(318)
End of financial year	**1,792**	321

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Trade receivables, unbilled rental and unbilled revenue

In measuring the expected lifetime credit losses, trade receivables and unbilled rental are grouped based on shared credit risk characteristics and days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the unbilled rental and unbilled revenue.

In calculating the expected credit loss rates, the Group considers historical loss rates for customers, including property trading, property investment, hotel ownership and operations, management services and technology operations, and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. 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 trading 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 rental and unbilled revenue is not material. The loss allowance provision for trade receivables, unbilled rental and unbilled revenue was assessed as not material.

Trade receivables, unbilled rental and unbilled revenue are written off when there is no reasonable expectation of recovery such as a debtor failing to engage in 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 income statement.

(ii) Amounts due from subsidiaries, associates and joint ventures

For other trade and other receivables and amounts due from subsidiaries, associates and joint ventures, 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.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The table below analyses financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
The Group				
At 31 December 2020				
Trade and other payables	(139,958)	(20,334)	(25,525)	(2,598)
Derivative financial instruments	(2,514)	(115)	–	–
Lease liabilities	(598)	(565)	(211)	–
Borrowings (excluding lease liabilities)	(504,314)	(14,662)	(8,095)	–
	(647,384)	(35,676)	(33,831)	(2,598)
At 31 December 2019				
Trade and other payables	(152,413)	(24,018)	(28,513)	(3,242)
Derivative financial instruments	(519)	(429)	–	–
Lease liabilities	(536)	(1,338)	–	–
Borrowings (excluding lease liabilities)	(572,352)	(16,049)	(2,841)	–
	(725,820)	(41,834)	(31,354)	(3,242)

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
The Company				
At 31 December 2020				
Trade and other payables	(543,963)	–	–	(1,624)
Derivative financial instruments	(2,308)	–	–	–
Lease liabilities	(1,094)	(1,094)	(1,095)	–
Borrowings (excluding lease liabilities)	(455,488)	–	–	–
	(1,002,853)	(1,094)	(1,095)	(1,624)
At 31 December 2019				
Trade and other payables	(478,111)	–	–	(1,624)
Derivative financial instruments	(684)	(429)	–	–
Lease liabilities	(1,179)	–	–	–
Borrowings (excluding lease liabilities)	(477,431)	–	–	–
	(957,405)	(429)	–	(1,624)

The Group's and the Company's policy on liquidity risk management is to maintain sufficient cash to enable them to meet their normal operating commitments and the availability of funding through adequate amounts of credit facilities with various banks. At the statement of financial position date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 20.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's main objective when managing capital is 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 or obtain new borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

	The Group 31 December		**The Company 31 December**	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Net debt	**345,261**	408,258	**455,758**	474,335
Total equity	**7,997,499**	7,972,824	**1,983,345**	1,980,139
Gearing ratio	**4%**	5%	**23%**	24%

The Group and the Company are required under financial covenants of certain bank facilities to maintain a certain level of total net worth and total liabilities to total net worth ratio. The Group and the Company, where applicable, are in compliance, with all externally imposed capital requirements for the financial years ended 31 December 2020 and 2019.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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).

See Note 15 for disclosure of the investment properties that are measured at fair value.

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
The Group				
31 December 2020				
Assets				
Financial assets, at FVOCI	–	–	30,635	30,635
Liabilities				
Derivative financial instruments	–	2,645	–	2,645
31 December 2019				
Assets				
Financial assets, at FVOCI	–	–	35,730	35,730
Liabilities				
Derivative financial instruments	–	1,835	–	1,835
The Company				
31 December 2020				
Liabilities				
Derivative financial instruments	–	2,324	–	2,324
31 December 2019				
Liabilities				
Derivative financial instruments	–	1,670	–	1,670

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. The fair value of forwards foreign exchange contracts is determined using quoted forward currency rates at the statement of financial position. These investments are classified as Level 2.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

Financial assets, at FVOCI of the Group where the fair value is calculated using a significant unobservable input is classified as Level 3. The fair value is determined by using adjusted net assets method. In the valuation model, the net assets of the financial assets, at FVOCI is adjusted for lack of liquidity and marketability.

The following table presents the changes in Level 3 instruments:

	The Group	
	2020	**2019**
	$'000	**$'000**
Financial assets, at FVOCI		
Beginning of the financial year	**35,730**	3,384
Fair value (losses)/gains recognised in other comprehensive income	**(5,095)**	32,346
End of the financial year	**30,635**	35,730

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the financial years ended 31 December 2020 and 2019.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	The Group 31 December		The Company 31 December	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets, at FVOCI	**30,635**	35,730	**–**	–
Financial liabilities, at FVPL	**2,645**	1,835	**2,324**	1,670
Financial assets, at amortised cost	**667,119**	605,312	**1,758,220**	1,709,954
Financial liabilities, at amortised cost	**714,921**	797,270	**1,003,567**	956,707

34. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

(a) Sales and purchases of goods and services

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	The Group	
	2020	**2019**
	$'000	**$'000**
Transactions with joint ventures		
Marketing fee income	**1,009**	1,621
Project management fee income	**327**	528
Transactions with associates		
Sales of goods and services	**36**	73
Transactions with a firm in which a director has an interest		
Professional fee expense	**99**	89
Sales of goods and services	**–**	638
Transactions with ultimate holding company		
Sales of goods and services	**635**	215
Fees paid for software license, project implementation and support services	**554**	635
Transactions with fellow subsidiaries		
Sales of goods and services	**1,055**	1,357
Income from hotel and function room facilities	**69**	193
Fees paid for management of hotel	**3,546**	8,849

34. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

Key management's remuneration included fees, salary, bonus and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group, and where the Group did not incur any costs, the value of the benefit is included. The total key management's remuneration is as follows:

	The Group	
	2020	**2019**
	$'000	**$'000**
Directors' fees	**536**	572
Salaries, bonus and other emoluments	**2,941**	2,527
Employer's contribution to defined contribution plan	**92**	77
Share option expense	**9**	209
	3,578	3,385

Total compensation to directors of the Company included in above amounted to $2,039,447 (2019: $2,005,205).

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- Property investment – leasing of commercial office properties and retail space;
- Property trading – development of properties for trading;
- Hotel operations – operation of hotels;
- Technology operations – distribution of computers and related product, provision of systems integration and networking infrastructure services; and
- Others – investment in shares and provision of marketing management and related services.

35. SEGMENT INFORMATION (CONTINUED)

	Property investment		Property trading		Hotel operations		Technology operations		Others		The Group	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Revenue												
– external sales	**274,389**	296,860	**90,991**	114,073	**77,400**	215,704	**225,746**	160,099	**2,599**	2,715	**671,125**	789,451
Segment results	**197,922**	212,832	**25,737**	18,516	**(32,155)**	33,438	**10,494**	5,228	**1,345**	1,993	**203,343**	272,007
Unallocated costs											**(7,950)**	(9,613)
Other gain – derecognition of an associate											**–**	272,763
Interest income											**9,759**	14,857
Finance expenses											**(11,046)**	(18,196)
Profit before share of results of associates and joint ventures											**194,106**	531,818
Share of results of associates	**7,063**	14,531	**26,797**	25,044	**408**	14,411	**–**	–	**–**	–	**34,268**	53,986
Share of results of joint ventures	**(9,047)**	21,875	**526**	5,843	**–**	–	**–**	–	**–**	–	**(8,521)**	27,718
Net fair value (loss)/gain on investment properties	**(112,124)**	123,264	**–**	–	**–**	–	**–**	–	**–**	–	**(112,124)**	123,264
Profit before income tax											**107,729**	736,786

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For the financial year ended 31 December 2020

35. SEGMENT INFORMATION (CONTINUED)

	Property investment		Property trading		Hotel operations		Technology operations		Others		The Group	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**
Segment assets	**6,373,681**	6,469,058	**548,174**	550,666	**1,195,369**	1,251,526	**111,043**	57,730	**37,584**	42,133	**8,265,851**	8,371,113
Investments in associates	**284,777**	277,714	**203,030**	166,853	**81,058**	80,590	**–**	–	**–**	–	**568,865**	525,157
Investments in joint ventures	**59,406**	67,022	**51,022**	60,497	**–**	–	**–**	–	**–**	–	**110,428**	127,519
Unallocated assets											**1,599**	839
Consolidated total assets											**8,946,743**	9,024,628
Segment liabilities	**120,350**	124,282	**19,555**	40,445	**34,136**	52,094	**79,705**	35,545	**5,923**	6,054	**259,669**	258,420
Unallocated liabilities											**689,575**	793,384
Consolidated total liabilities											**949,244**	1,051,804
Other segment items												
Additions during the financial year to:												
– property, plant and equipment	**104**	77	**–**	–	**27,262**	11,645	**198**	118	**313**	503	**27,877**	12,343
– investment properties	**4,688**	11,532	**–**	–	**–**	–	**–**	–	**–**	–	**4,688**	11,532
– goodwill	**–**	–	**–**	–	**–**	46,587	**–**	–	**–**	–	**–**	46,587
Allowance/Depreciation	**636**	330	**4**	10	**48,466**	33,364	**698**	757	**135**	108	**49,939**	34,569
Allowance/(Write-back of allowance) for foreseeable losses on properties held for sale	**–**	–	**749**	(1,088)	**–**	–	**–**	–	**–**	–	**749**	(1,088)

35. SEGMENT INFORMATION (CONTINUED)

Revenue from major products and services

Revenue from external customers are derived mainly from the Group's property trading, property investments, hotel operations and technologies. A breakdown of the revenues from external customers for each of these categories is shown in Note 4.

Geographical information

Singapore is the home country of the Company which is also an operating company. The areas of operation are holding of investment properties for leasing, property development and trading, investment holding, property management, and investment in hotels and retail centres.

Revenue is based on the country in which the sale is originated. Non-current assets (excluding financial instruments and deferred income tax assets) are shown by the geographical area in which the assets are located.

	Revenue		Non-current assets	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**660,712**	770,375	**7,767,018**	7,900,756
Other countries	**10,413**	19,076	**310,732**	286,125
	671,125	789,451	**8,077,750**	8,186,881

There is no single external customer who contributes 10% or more of the Group's revenue during the financial years ended 31 December 2020 and 2019.

36. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company is UOL Equity Investments Pte Ltd, incorporated in Singapore. The ultimate holding company is UOL Group Limited, incorporated in Singapore.

37. BUSINESS COMBINATION

On 17 April 2019, a subsidiary acquired an additional 25% shareholding interest in its 50% held associate, Aquamarina Hotel Private Limited ("AHPL") which holds the Marina Mandarin hotel, resulting in the increase in the Group's effective interest in AHPL from 26% to 58%. Following this acquisition, AHPL has been accounted as a subsidiary of the Group. The share of results for associates includes the share of profits of AHPL up to date of acquisition on 17 April 2019. From 18 April 2019, the results of AHPL are consolidated into the income statement of the Group.

37. BUSINESS COMBINATION (CONTINUED)

The principal activities of AHPL is set out in Note 40 of the financial statements.

The acquisition is part of the Group's plans to expand its hotel property portfolio and capitalise on the Marina Centre precinct's growth potential. The hotel business under the name "PARKROYAL COLLECTION Marina Bay, Singapore" starting from 1 January 2020.

Details of the gain on derecognition of previously held interests, consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Gain on derecognition of previously held interests

	2019 **$'000**
Fair value of previously held interests	380,000
Less: Carrying value of previously held interests	(107,237)
Gain on derecognition of previously held interests	272,763

The gain on derecognition of previously held interest is included in "Other (losses)/gains" in the consolidated income statement.

(ii) Purchase Consideration

	2019 **$'000**
Cash paid and consideration transferred for the business	190,000

(iii) Effect on cash flows of the Group

	2019 **$'000**
Cash paid (as above)	190,000
Less: Cash and cash equivalents in subsidiary acquired	(89,678)
Cash outflow on acquisition	100,322

37. BUSINESS COMBINATION (CONTINUED)

(iv) Identifiable assets acquired and liabilities assumed

	At fair value 2019 $'000
Cash and cash equivalents	89,678
Trade and other receivables	2,844
Inventories	470
Other current assets	559
Property, plant and equipment (Note 16)	725,000
Total assets	818,551
Trade and other payables	12,826
Current income tax liabilities (Note 8(b))	5,864
Deferred income tax liabilities (Note 26)	101,977
Total liabilities	120,667
Total identifiable net assets	697,884
Less: Non-controlling interests measured at the non-controlling interest's proportionate share of net identifiable assets at fair value	(174,471)
Less: Fair value of previously held interests	(380,000)
Add: Goodwill	46,587
Consideration transferred for the business	190,000

(v) Acquisition-related costs

Acquisition-related costs of $410,000 were included in "Administrative expenses" in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows for the financial year ended 31 December 2019.

(vi) Goodwill

The goodwill of $46,587,000 arising from the acquisition is attributable to the difference between the fair value of the identifiable net assets acquired at acquisition date and the consideration for the acquisition.

(vii) Revenue and profit contribution

The acquired business contributed revenue of $61,150,000 and net profit of $8,886,000 to the Group for the period from 18 April 2019 to 31 December 2019.

Had AHPL been consolidated from 1 January 2019, consolidated revenue and consolidated profit for the financial year ended 31 December 2019 would have been $814,386,000 and $690,221,000 respectively.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 9, SFRS(I) 7 *Interest Rate Benchmark Reform – Phase 2* (effective for annual periods beginning on or after 1 January 2021)

The amendments to SFRS(I) 9 and SFRS(I) 7 *Interest Rate Benchmark Reform – Phase 2* ("Phase 2 Amendments") address issues arising during interest rate benchmark reform, including specifying when the 'Phase 1' amendments will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate as the hedged risk are permitted.

Hedge accounting

The Group will adopt the following hedge accounting reliefs provided by the Phase 2 amendments:

- Hedge designation: When the Phase 1 amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of these changes:

  a. designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;

  b. amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or

  c. amending the description of the hedging instrument.

  The Group will update its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group amends its hedge designation as described above, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate. For discontinued hedging relationships, when the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the amount accumulated in the cash flow hedge reserve is also deemed to be based on the alternative benchmark rate for the purpose of assessing whether the hedged future cash flows are still expected to occur.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Amendments to SFRS(I) 9, SFRS(I) 7 *Interest Rate Benchmark Reform – Phase 2* (effective for annual periods beginning on or after 1 January 2021) (continued)

Long-term debt

The Phase 2 amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument's effective interest rate. Any additional changes are accounted for in the normal way (that is, assessed for modification or derecognition, with the resulting modification gain / loss recognised immediately in profit or loss where the instrument is not derecognised).

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements:* Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of United Industrial Corporation Limited on 23 February 2021.

40. LISTING OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES IN THE GROUP

	Principal activities	Country of incorporation/ business	The Group's equity holding 31 December 2020 %	2019 %
Subsidiaries				
UIC Development (Private) Limited	Investment holding	Singapore	**100**	100
UIC Enterprise Pte Ltd	Investment holding	Singapore	**100**	100
UIC Investment Pte Ltd	Property trading	Singapore	**100**	100
UIC Investments (Properties) Pte Ltd	Property investment	Singapore	**100**	100
UIC Land Pte Ltd	Property investment	Singapore	**100**	100
UIC Management Services Pte. Ltd.	Property management agents	Singapore	**100**	100
Active Building & Civil Construction (1985) Pte. Ltd.	Investment holding	Singapore	**100**	100
Networld Pte Ltd	Investment holding	Singapore	**100**	100
UIC China Realty Pte. Ltd.	Investment holding	Singapore	**100**	100
UIC Overseas Investments Pte. Ltd.	Investment holding	Singapore	**100**	100
Alprop Pte Ltd	Property investment	Singapore	**100** ++	100 ++
Singland Properties Limited (formerly known as Singapore Land Limited)	Investment holding	Singapore	**100** +	100 +
Gateway Land Limited	Property investment	Singapore	**100** +	100 +
Ideal Homes Pte. Limited	Property trading	Singapore	**100** +	100 +
Realty Management Services (Pte) Ltd.	Property management agents	Singapore	**100** +	100 +
RMA-Land Development Private Ltd	Investment holding	Singapore	**100** +	100 +
Shing Kwan Realty (Pte.) Limited	Property investment and investment holding	Singapore	**100** +	100 +
Singland (Chengdu) Development Co., Ltd. #	Property trading	People's Republic of China	**100** +	100 +
Singland Development (Farrer Drive) Pte. Ltd.	Property trading	Singapore	**100** +	100 +

40. LISTING OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES IN THE GROUP (CONTINUED)

	Principal activities	Country of incorporation/ business	The Group's equity holding 31 December 2020 %	2019 %
Subsidiaries (continued)				
Singland Development (Jervois) Pte. Ltd.	Property trading	Singapore	**100 +**	100 +
Singland Homes (Alexandra) Pte. Ltd.	Property trading	Singapore	**100 +**	100 +
S.L. Development Pte. Limited	Property investment and investment holding	Singapore	**100 +**	100 +
S L Prime Properties Pte Ltd	Property investment	Singapore	**100 +**	100 +
S L Prime Realty Pte Ltd	Property investment	Singapore	**100 +**	100 +
S.L. Properties Limited	Property investment and investment holding	Singapore	**100 +**	100 +
Pothonier Singapore Pte Ltd	Investment holding	Singapore	**100 +**	100 +
Shenton Holdings Private Limited	Investment holding	Singapore	**100 +**	100 +
Singland China Holdings Pte. Ltd.	Investment holding	Singapore	**100 +**	100 +
Singland Homes Pte. Ltd.	Investment holding	Singapore	**100 +**	100 +
S.L. Home Loans Pte. Ltd.	Investment holding	Singapore	**100 +**	100 +
UIC Homes Pte. Ltd.	Investment holding	Singapore	**100**	100
UIC Asian Computer Services Pte Ltd	Retailing of computer hardware and software	Singapore	**60**	60
UIC Technologies Pte Ltd	Investment holding	Singapore	**60**	60
Marina Centre Holdings Private Limited	Property development and investment in hotels	Singapore	**77**	77
Marina Management Services Pte Ltd	Property management agents	Singapore	**77**	77
Hotel Marina City Private Limited	Hotelier	Singapore	**77**	77
Aquamarina Hotel Private Limited	Hotelier	Singapore	**58**	58
UIC JinTravel (Tianjin) Co., Ltd #	Property investment, trading and hotelier	People's Republic of China	**51**	51

40. LISTING OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES IN THE GROUP (CONTINUED)

	Principal activities	Country of incorporation/ business	The Group's equity holding 31 December 2020 %	2019 %
Associates				
Avenue Park Development Pte. Ltd.	Property trading	Singapore	**48**	48
Tianjin Yanyuan International Hotel *	Hotel investment	People's Republic of China	**36**	36
Shanghai Jin Peng Realty Co., Ltd #	Property trading	People's Republic of China	**30**	30
Marina Bay Hotel Private Limited	Hotelier	Singapore	**39**	39
Novena Square Development Ltd	Property investment	Singapore	**20**	20
Novena Square Investments Ltd	Property investment	Singapore	**20**	20
United Venture Development (Silat) Pte. Ltd.	Property trading	Singapore	**30**	30
United Venture Development (Clementi 1) Pte. Ltd.	Property trading	Singapore	**20**	20
Marina Promenade Limited	Place management	Singapore	**19**	19
United Venture Development (2020) Pte. Ltd. ^^	Property trading	Singapore	**30**	–
Joint ventures				
United Venture Development (Bedok) Pte. Ltd.	Property trading	Singapore	**50**	50
United Venture Development (Thomson) Pte. Ltd.	Property trading	Singapore	**50**	50
United Venture Development (Clementi) Pte. Ltd.	Property trading	Singapore	**50**	50
UVD (Projects) Pte. Ltd.	Property trading	Singapore	**50**	50
United Venture Investments (HI) Pte. Ltd.	Property investment	Singapore/United Kingdom	**50**	50

40. LISTING OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES IN THE GROUP (CONTINUED)

	Country of incorporation/ business	The Group's equity holding 31 December 2020 %	2019 %
Inactive companies			
Subsidiaries			
UIC Commodities Pte Ltd ^	Singapore	**100**	100
UIC Printedcircuits Pte Ltd ^	Singapore	**100**	100
UIC Commercial Properties Pte. Ltd. ^	Singapore	**100**	100
Interpex Services Private Limited	Singapore	**100 +**	100 +
Singland Homes (London 90) Pte. Ltd. ^	Singapore	**100 +**	100 +
UIC Investments (Equities) Pte Ltd ^	Singapore	**60**	60
Associates			
United Venture Investment (Thomson) Pte. Ltd.	Singapore	**40**	40
Peak Venture Pte. Ltd. *	Singapore	**30**	30
United Venture Development (No. 1) Pte. Ltd.	Singapore	**42**	42
United Venture Investments (No. 2) Pte. Ltd.	Singapore	**30**	30
United Venture Development (No. 3) Pte. Ltd.	Singapore	**20**	30
United Venture Investments (No. 1) Pte. Ltd.	Singapore	**50**	50

Notes

+ Effective interest is 99.7%.
++ Effective interest is 99.8%.
^^ Newly incorporated during the financial year.

All the subsidiaries, associates and joint ventures are audited by PricewaterhouseCoopers LLP, Singapore except for the following:

Audited by the network of member firms of PricewaterhouseCoopers International Limited.
* Audited by other auditors. These companies are not considered significant associates under the SGX-ST Listing Manual.
^ Not required to be audited as these companies are considered dormant and exempted from audit under the Companies Act.

FIVE YEAR SUMMARY
2016 - 2020

GROUP PROFIT AND LOSS ACCOUNTS

($'000)	2016	2017	2018	2019	2020
Revenue	1,036,584	1,292,169	656,967	789,451	**671,125**
Profit before income tax	325,549	378,725	384,266	736,786	**107,729**
Income tax expense	(50,127)	(50,635)	(41,409)	(47,439)	**(28,411)**
Net profit	275,422	328,090	342,857	689,347	**79,318**
Attributable to:					
Equity holders of the Company					
– Net profit before fair value and other gains/(losses)	246,358	309,169	253,911	246,484	**217,698**
– Other gains/(losses)	(158)	8	55	210,162	**(1,623)**
– Net fair value gain/(loss) on investment properties	36,626	(4,515)	62,748	148,464	**(125,841)**
	282,826	304,662	316,714	605,110	**90,234**
Non-controlling interests	(7,404)	23,428	26,143	84,237	**(10,916)**
	275,422	328,090	342,857	689,347	**79,318**
Dividends proposed (net)	42,576	42,974	50,140	57,307	**50,143**

GROUP STATEMENTS OF FINANCIAL POSITION

($'000)	2016	2017	2018	2019	2020
Investment properties	6,175,900	6,160,900	6,215,000	6,349,796	**6,242,360**
Property, plant and equipment	469,861	453,559	434,546	1,137,193	**1,109,042**
Other non-current assets	743,360	827,054	1,073,809	1,107,072	**1,209,655**
Current assets	1,223,808	810,322	692,497	430,567	**385,686**
Total assets	8,612,929	8,251,835	8,415,852	9,024,628	**8,946,743**
Current liabilities	(1,462,425)	(315,373)	(362,009)	(678,520)	**(580,834)**
Non-current liabilities	(122,408)	(598,151)	(425,405)	(373,284)	**(368,410)**
Net assets employed	7,028,096	7,338,311	7,628,438	7,972,824	**7,997,499**
Share capital	1,525,315	1,564,282	1,565,380	1,565,485	**1,565,688**
Reserves	4,699,678	4,956,944	5,223,014	5,734,264	**5,773,275**
	6,224,993	6,521,226	6,788,394	7,299,749	**7,338,963**
Non-controlling interests	803,103	817,085	840,044	673,075	**658,536**
Total equity	7,028,096	7,338,311	7,628,438	7,972,824	**7,997,499**

FIVE YEAR SUMMARY 2016 - 2020

OTHER DATA	2016	2017	2018	2019	2020
Profit before income tax – % of revenue	31	29	58	93	**16**
Profit attributable to equity holders of the Company					
– % of revenue	27	24	48	77	**13**
– % of share capital and reserves	4.5	4.7	4.7	8.3	**1.2**
Earnings per share (cents)					
– excluding fair value (loss)/gain on investment properties	17.4	21.7	17.7	31.9	**15.1**
– including fair value (loss)/gain on investment properties	20.0	21.4	22.1	42.2	**6.3**
Dividends proposed					
– gross per share (cents)	3.0	3.0	3.5	4.0	**3.5**
– cover (times)	5.8	7.2	5.1	8.0	**4.3**
Net asset value per share ($)	4.39	4.55	4.74	5.10	**5.12**

STATISTICS OF SHAREHOLDINGS

As at 9 March 2021

Number of Issued and Fully Paid Shares	:	1,432,667,362 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS AS AT 9 MARCH 2021

Size of Shareholdings	No of shareholders	%	No of shares	%
1 – 99	289	3.00	9,762	0.00
100 – 1,000	1,471	15.00	1,010,970	0.07
1,001 – 10,000	6,023	60.00	26,508,844	1.83
10,001 – 1,000,000	2,216	22.00	80,377,000	5.55
1,000,001 and Above	19	0.00	1,324,760,786	92.55
GRAND TOTAL	**10,018**	**100.00**	**1,432,667,362**	**100.00**

LIST OF 20 LARGEST SHAREHOLDERS AS AT 9 MARCH 2021

Name	No. of Shares	%
UOB KAY HIAN PTE LTD	701,287,028	48.95
DBS VICKERS SECURITIES (S) PTE LTD	511,845,265	35.73
CITIBANK NOMS SPORE PTE LTD	26,533,065	1.85
DBS NOMINEES PTE LTD	22,938,562	1.60
UOL EQUITY INVESTMENTS PTE LTD	21,280,442	1.49
CHEONG SOH CHIN @ JULIE	7,381,133	0.52
UNITED OVERSEAS BANK NOMINEES P L	6,339,595	0.44
CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	5,686,103	0.40
PHILLIP SECURITIES PTE LTD	3,137,254	0.22
SHANWOOD DEVELOPMENT PTE LTD	3,120,427	0.22
OCBC NOMINEES SINGAPORE PTE LTD	2,574,174	0.18
CHING MUN FONG	2,551,469	0.18
OCBC SECURITIES PRIVATE LTD	1,770,963	0.12
SEE HUNG YEE	1,685,436	0.12
RAFFLES NOMINEES(PTE) LIMITED	1,680,452	0.12
LEE YUEN SHIH	1,350,766	0.09
HSBC (SINGAPORE) NOMINEES PTE LTD	1,233,175	0.09
PRIMA INVESTMENT HOLDINGS (SINGAPORE) PTE LTD	1,215,000	0.08
MAYBANK KIM ENG SECURITIES PTE.LTD	1,150,477	0.08
HOE SENG CO PTE LTD	935,088	0.07
Total:	**1,325,695,874**	**92.53**

STATISTICS OF SHAREHOLDINGS

As at 9 March 2021

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 9 MARCH 2021

Name	Shareholdings registered in the name of substantial shareholders or nominees No. of Shares	Shareholdings in which the substantial shareholders are deemed to have an interest No. of Shares	%
UOL Equity Investments Pte Ltd	687,967,477 (1)	–	48.02
UOL Group Limited	33,615,314 (2)	687,967,477 (2)	50.37
Dr Wee Cho Yaw	–	721,582,791 (3)	50.37
JG Summit Holdings, Inc.	–	530,727,364 (4)	37.05
Telegraph Developments Ltd	530,284,264 (4)	–	37.01

Notes:

(1) UOL Group Limited and Dr Wee Cho Yaw are deemed to have an interest in shares held by UOL Equity Investments Pte Ltd.

(2) Dr Wee Cho Yaw is deemed to have an interest in shares held by UOL Group Limited.

(3) Dr Wee Cho Yaw is deemed to have an interest in shares as derived below:

UOB Kay Hian Pte Ltd – Beneficiary: UOL Group Limited	33,615,314
UOB Kay Hian Pte Ltd – Beneficiary: UOL Equity Investments Pte Ltd	666,687,035
UOL Equity Investments Pte Ltd	21,280,442

(4) JG Summit Holdings, Inc. is deemed to have an interest in shares as derived below:

Telegraph Developments Ltd	530,284,264
Summit Top Investments Ltd	443,100

RULE 723 OF THE SGX-ST LISTING MANUAL

Based on the information available to the Company as at 9 March 2021, approximately 12.58% of the issued ordinary shares of the Company is held by the public and therefore the Company has complied with the Exchange's requirement that at least 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

NOTICE OF ANNUAL GENERAL MEETING

UNITED INDUSTRIAL CORPORATION LIMITED
Company Registration No. 196300181E
Incorporated in Singapore

NOTICE IS HEREBY GIVEN that the 59th Annual General Meeting of the Company ("AGM") will be convened and held by electronic means on Friday, 23 April 2021 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 together with the Auditor's Report. — Resolution 1

2. To declare a first and final tax exempt (one-tier) dividend of 3.5 cents per ordinary share for the financial year ended 31 December 2020. (2019: 4.0 cents) — Resolution 2

3. To approve Directors' fees of $471,750 for the financial year ended 31 December 2020. (2019: $468,421) — Resolution 3

4. To re-elect Mr Wee Ee Lim, who retires by rotation pursuant to Article 94 of the Company's Constitution, as Director of the Company. — Resolution 4

5. To re-elect Mr Francis Lee Seng Wee, who retires by rotation pursuant to Article 94 of the Company's Constitution, as Director of the Company. — Resolution 5

6. To re-elect Mr Chng Hwee Hong, who retires by rotation pursuant to Article 94 of the Company's Constitution, as Director of the Company. — Resolution 6

7. To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. — Resolution 7

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

8. That authority be and is hereby given to the Directors of the Company to issue: — Resolution 8

   (i) shares of the Company ("Shares");

   (ii) convertible securities;

(iii) additional convertible securities issued pursuant to adjustments made in accordance with the listing manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the time being in force (the "Listing Manual") (notwithstanding the authority conferred by this Resolution may have ceased to be in force, provided that the adjustment does not give the holder a benefit that a shareholder does not receive); or

(iv) Shares arising from the conversion of the securities in (ii) and (iii) above (notwithstanding the authority conferred by this Resolution may have ceased to be in force),

(whether by way of rights, bonus, or otherwise or pursuant to any offer, agreement or option made or granted by the Directors during the continuance of this authority which would or might require Shares or convertible securities to be issued during the continuance of this authority or thereafter) at any time to such persons upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit,

provided that:

(a) the aggregate number of Shares and convertible securities to be issued pursuant to this Resolution (including Shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below), provided that the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares)(as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such other manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

    (1) any new Shares arising from the conversion or exercise of convertible securities;

    (2) any new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual; and

(3) any subsequent bonus issue, consolidation or subdivision of Shares;

such that adjustments in accordance with sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(c) in exercising the authority conferred by this Resolution, the Company complies with the Listing Manual (unless such compliance has been waived by the SGX-ST) and the Constitution of the time being of the Company; and

(d) such authority shall, unless revoked or varied by the Company at a general meeting, continue to be 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.

9. That the Directors be and are hereby authorised pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the United Industrial Corporation Limited Share Option Scheme (the "Scheme"), provided that the aggregate number of Shares to be issued pursuant to the Scheme shall not exceed 5% of the total number of issued Shares (excluding treasury shares) from time to time. Resolution 9

By Order of the Board

Teo Hwee Ping
Company Secretary
Singapore, 1 April 2021

NOTES TO RESOLUTIONS

1. In relation to Resolution 4, Mr Wee Ee Lim will, upon re-election, continue as a Member of the Board of Directors. He is considered a Non-Executive and Non-Independent Director. He is the Deputy Chairman of UOL Group Limited, uncle of Mr Eu Zai Jie, Jonathan, Chief Operating Officer and the son of Dr Wee Cho Yaw, the Chairman and substantial shareholder of the Company.

2. In relation to Resolution 5, Mr Francis Lee Seng Wee will, upon re-election, continue as a Member of the Board of Directors. He is considered a Non-Executive and Independent Director.

3. In relation to Resolution 6, Mr Chng Hwee Hong will, upon re-election, continue as the Chairman of the Remuneration Committee and a Member of the Audit Committee. He is considered a Non-Executive and Independent Director.

   Please refer to the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Annual Report 2020 for information on the above Directors seeking re-election.

4. Resolution 8 is to authorise the Directors, from the date of this AGM until the date of the next Annual General Meeting is held or required by law to be held, whichever is earlier (unless such authority is revoked or varied at a general meeting), to issue Shares and to make or grant convertible securities, and to issue Shares in pursuance of such convertible securities, without seeking any further approval from shareholders at a general meeting, up to a number not exceeding 50% of the total number of issued Shares (excluding treasury shares) (calculated as described), provided that the total number of issued Shares and convertible securities which may be issued other than on a pro rata basis to shareholders does not exceed 20% of the total number of issued Shares (excluding treasury shares) (calculated as described). For the purpose of determining the aggregate number of issued Shares that may be issued, the total number of issued Shares (excluding treasury shares) will be calculated as described.

IMPORTANT NOTES

In view of the current COVID-19 situation and the related safe distancing measures in Singapore, the Company will be conducting the AGM by electronic means pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 situation".

Shareholders of the Company ("**Members**") should take note of the following AGM arrangements:

(1) **Attendance in Person:** In view of the current COVID-19 situation, Members will not be able to attend the AGM in person. Members may participate at the AGM by (i) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (ii) submitting questions in advance of the AGM; and/or (iii) appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM.

(2) **Pre-registration:** To participate at the AGM, Members are required to register at https://online.meetings.vision/uic-registration by 2.00 p.m. on 20 April 2021 (being 72 hours before the time appointed for holding the AGM) to enable the Company to verify their membership. Once verified, authenticated Members will receive an email by 22 April 2021 containing directions and a link to participate at the AGM. Members who do not receive an email by 22 April 2021 but have registered by 2.00 p.m. on 20 April 2021 should contact our share registrar, KCK CorpServe Pte Ltd at 64964993 or uic-agm@kckcs.com.sg.

Submission of proxy form: Members will only be able to vote at the AGM by appointing the Chairman as proxy to vote on their behalf. The proxy form for the AGM is accessible on the Company's website at *http://www.uic.com.sg/investor-relations/agm-egm* and on the SGX website at *www.sgx.com/securities/company-announcements*. A Member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. Duly completed proxy forms must be deposited (i) by email to proxyform@trustedservices.com.sg or (ii) by post to 456 Alexandra Road #14-02, Fragrance Empire Building, Singapore 119962, by 2.00 p.m. on 20 April 2021 (being 72 hours before the time appointed for holding the AGM). In view of the current COVID-19 situation, Members are strongly encouraged to submit completed proxy forms electronically via email to proxyform@trustedservices.com.sg to ensure that they are received by the Company before the stipulated deadline.

Submission by a Member of a valid proxy form appointing the Chairman of the AGM as proxy by 2.00 p.m. on 20 April 2021 will supersede any previous proxy form appointing a proxy(ies) submitted by that Member.

NOTICE OF ANNUAL GENERAL MEETING

(3) **Voting by Relevant Intermediary Shareholders:** CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the AGM in order to allow sufficient time for their respective intermediaries to submit a proxy form by 2.00 p.m. on 20 April 2021 (being 72 hours before the time appointed for holding the AGM) to the Company to appoint the Chairman of the AGM to vote on their behalf.

(4) **Submission of Questions:** Authenticated Members may submit questions relating to the resolutions by email to agm@uic.com.sg or by post to 24 Raffles Place #22-01/06 Clifford Centre Singapore 048621 (Attention: The Company Secretary) by 2.00 p.m. on 16 April 2021.

In view of the current COVID-19 situation, Members are strongly encouraged to submit questions by email to ensure that they are received by the Company by the stipulated deadline. The Company will endeavour to address substantial and relevant questions relating to the resolutions (as may be determined by the Company in its sole discretion) and answers shall be made available on the Company's corporate website at *www.uic.com.sg/investor-relations/agm-egm* and on the SGX website at *www.sgx.com/securities/company-announcements* prior to the AGM.

AGM-related documents are available on the Company's corporate website at *www.uic.com.sg/investor-relations/agm-egm* and on the SGX website at www.sgx.com/securities/company-announcements. Members may request for printed copies of the 2020 Annual Report by completing and submitting the Request Form accompanying this Notice.

Due to the constantly evolving COVID-19 outbreak, the Company may be required to change its AGM arrangements at short notice. Members are advised to check the Company's corporate website regularly for updates on the AGM. For more information, Members may refer to the FAQs on the Company's corporate website at *www.uic.com.sg/investor-relations/agm-egm* and on the SGX website at *www.sgx.com/securities/company-announcements*.

RECORD DATE AND DIVIDEND PAYMENT DATE

Subject to Members' approval being obtained for the proposed First and Final cash dividend (one-tier tax exempt) of 3.5 cents per ordinary share for the financial year ended 31 December 2020, the Register of Members and Share Transfer Books of the Company will be closed at 5.00 p.m. on 7 May 2021 ("Record Date"), for the preparation of dividend warrants, and will be paid on 28 May 2021.

Duly completed transfers of shares received by the Company's Share Registrar, Messrs KCK CorpServe Pte Ltd at 333 North Bridge Road #08-00 KH KEA Building, Singapore 188721 up to 5.00 p.m. on the Record Date will be registered to determine Members' entitlements to the proposed dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Record Date will be entitled to the proposed dividend.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as proxy to attend and vote at the AGM and/or any adjournment thereof, a Member consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

NOTICE OF ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to Mr Wee Ee Lim, Mr Francis Lee Seng Wee and Mr Chng Hwee Hong all of whom are seeking re-election as Directors at the 59th Annual General Meeting of the Company, is set out below and is to be read in conjunction with their respective biographies on pages 6 to 15 of the Annual Report:

Director	Wee Ee Lim	Francis Lee Seng Wee	Chng Hwee Hong
Age	59	70	71
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this re-election	Mr Wee Ee Lim has the requisite experience and capability to be re-elected as Director.	Mr Francis Lee Seng Wee has the requisite experience and capability to be re-elected as Director.	Mr Chng Hwee Hong has the requisite experience and capability to be re-elected as Director.
Working experience and occupation(s) during the past 10 years	Please refer to page 8 of the Annual Report.	Please refer to page 15 of the Annual Report.	Please refer to page 12 of the Annual Report.
Shareholding interest in the Company and its subsidiaries	NIL	NIL	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Mr Wee Ee Lim is the uncle of Mr Eu Zai Jie, Jonathan, Chief Operating Officer, and the son of Dr Wee Cho Yaw, the Chairman and substantial shareholder of the Company.	NIL	NIL
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes

NOTICE OF ANNUAL GENERAL MEETING

Each of Mr Wee Ee Lim, Mr Francis Lee Seng Wee and Mr Chng Hwee Hong has confirmed that his answer to each of the questions set out under the section titled "Information Required" in Appendix 7.4.1 of the SGX-ST Listing Manual is in the negative:

(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?

(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?

(c) Whether there is any unsatisfied judgement against him?

(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?

(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?

(f) Whether at any time during the last 10 years, judgement 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?

(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?

(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?

(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity?

(j) Whether he has ever, to his knowledge been concerned with the management of 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

   (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

   (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trust in Singapore or elsewhere; or

   (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, 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?

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United Industrial Corporation Limited
Company Registration No. 196300181E
Incorporated in Singapore

PROXY FORM

59TH ANNUAL GENERAL MEETING ("AGM")

1. In view of the current COVID-19 situation, the AGM will be conducted by electronic means. Members will only be able to vote at the AGM by appointing the Chairman as proxy to vote on their behalf.
2. Members are advised to refer to the Notice of AGM dated 1 April 2021, accessible on the Company's website at *www.uic.com.sg/investor-relations/agm-egm* and on the SGX website at *www.sgx.com/securities/company-announcements*, for further details on the AGM.
3. For CPF/SRS investors who have used their CPF/SRS monies to buy United Industrial Corporation 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 of proxies.
4. By submitting an instrument appointing the Chairman of the AGM as proxy, you accept and agree to the personal data privacy terms set out in the Notice of AGM.

Glue all sides firmly. Stapling and spot sealing are disallowed.

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

I/We ________________________ (Name) ________________________(NRIC/Passport/Co Reg Number)

of ____(Address)
being a member/members of United Industrial Corporation Limited (the "Company"), hereby appoint the **Chairman of the AGM** as my/our proxy, to attend and vote for me/us on my/our behalf at the 59th AGM of the Company to be held via electronic means on Friday, 23 April 2021 at 2.00 p.m. and at any adjournment thereof. I/We direct the Chairman of the AGM 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(s) as to voting is given, the appointment of the Chairman of the AGM as my/our proxy for that resolution will be treated as invalid.

No.	Resolutions	No. of Votes For *	No. of Votes Against*	No. of Votes Abstained*
1	Adoption of Directors' Statement, Audited Financial Statements and Auditor's Report			
2	Declaration of a First and Final tax-exempt (one-tier) Dividend			
3	Approval of Directors' Fees			
4	Re-election of Mr Wee Ee Lim			
5	Re-election of Mr Francis Lee Seng Wee			
6	Re-election of Mr Chng Hwee Hong			
7	Re-appointment of PricewaterhouseCoopers LLP as Auditor			
8	Authority for Directors to issue shares (General Share Issue Mandate)			
9	Authority for Directors to issue shares (United Industrial Corporation Limited Share Option Scheme)			

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstained", please tick (√) within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this ______________ day of ________2021

Shares in:	Total No. of Shares Held
(a) Depository Register	
(b) Register of Members	
Total	

Signature(s) or Common Seal of Member(s)

Glue all sides firmly. Stapling and spot sealing are disallowed.

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her/their name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/they should insert that number of shares. If the member has shares registered in his/her/their name in the Register of Members (maintained by or on behalf of the Company), he/she/they should insert that number of shares. If the member has shares entered against his/her/their name in the Depository Register and shares registered in his/her/their name in the Register of Members, he/she/they 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.
2. The Chairman of the AGM as proxy, need not be a member of the Company.
3. 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 relevant intermediaries (including CPF or SRS investors). Such investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the AGM in order to allow sufficient time for their respective intermediaries to submit a proxy form by 2 p.m. on 20 April 2021 (being 72 hours before the time fixed for holding the AGM) to the Company to appoint the Chairman of the AGM to vote on their behalf.
4. The instrument appointing the Chairman of the AGM as proxy must be submitted by **2 p.m. on 20 April 2021**, being 72 hours before the time fixed for holding the AGM:
   (a) by email at proxyform@trustedservices.com.sg; or
   (b) by post to 456 Alexandra Road #14-02, Fragrance Empire Building, Singapore 119962.
5. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation, Members are strongly encouraged to submit completed proxy forms electronically via email to ensure that they are received by the Company by the stipulated deadline.
6. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the appointor is a corporation, the instrument of proxy must be executed either under its common seal or under the hand of its duly authorised officer or attorney. A corporation which is a member may appoint, by resolution of its directors or other governing body, the Chairman of the AGM to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.
7. The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the AGM as proxy(ies) which was delivered by a member of the Company on or before 2.00 p.m. on 20 April 2021 as a valid instrument appointing the Chairman of the AGM as the member's proxy to attend and vote at the AGM if:
   (a) the member had indicated how he/she/they wished to vote or abstain from voting on each resolution; and
   (b) the member has not withdrawn the appointment.
8. A member may withdraw an instrument appointing the Chairman of the AGM as proxy by notifying the Company via email at agm@uic.com.sg, by 2 p.m. on 20 April 2021.
9. Submission by a member of a valid instrument appointing the Chairman of the AGM as proxy by 2 p.m. on 20 April 2021 will supersede any previous instrument appointing a proxy(ies) submitted by that member.
10. Any alteration made in this instrument appointing a proxy or proxies must be initialed by the person who signs it.
11. The Company shall be entitled to reject the instrument appointing or treated as appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointor specified in the instrument appointing or treated as appointing the Chairman of the AGM as proxy (including any related attachment). In addition, in the case of a member whose shares are entered against his/her/their name in the Depository Register, the Company shall be entitled to reject any instrument appointing or treated as appointing the Chairman of the AGM as proxy lodged if such members are not shown to have shares entered against his/her/their 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.

1st fold

PROXY FORM

Affix
Postage
Stamp

The Company Secretary
UNITED INDUSTRIAL CORPORATION LIMITED
c/o Trusted Services Pte. Ltd.
456 Alexandra Road #14-02
Fragrance Empire Building
Singapore 119962

2nd fold

3rd fold
Fold and glue overleaf. Do not staple.

United Industrial Corporation Limited

Company Registration No. 196300181E
Incorporated in Singapore

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Singapore 048621

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