

**UNITED INDUSTRIAL CORPORATION LIMITED**

Company Registration Number: 196300181E

**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT****PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**(i) Consolidated Income Statement**

	Notes	Full Year Ended		Change %
		2019 S\$'000	2018 S\$'000 <i>(restated)</i>	
<b>Revenue</b>	1	789,451	656,967	20
Cost of sales	2	(457,686)	(347,508)	(32)
<b>Gross Profit</b>		331,765	309,459	7
Miscellaneous income		5,470	3,180	72
Other operating expenses	3	(9,494)	(479)	> (1000)
Selling and distribution expenses	4	(29,516)	(25,216)	(17)
Administrative expenses	5	(35,720)	(29,778)	(20)
<b>Profit from Operations</b>		262,505	257,166	2
Interest income	6	14,857	10,829	37
Finance expenses	7	(18,196)	(11,098)	(64)
Share of results of associates, excluding fair value gain	8	48,026	39,374	22
Share of results of joint ventures, excluding fair value gain	9	9,515	35,303	(73)
<b>Profit before Fair Value and Other Gains/(Losses)</b>		316,707	331,574	(4)
Other gains/(losses):				
- Derecognition of an associate	10	272,763	-	n.m.
- (Impairment loss)/Reversal of impairment loss on financial assets		(111)	55	n.m.
Net fair value gain on:				
- subsidiaries' investment properties		123,264	47,613	159
- associates' investment properties		5,960	2,460	142
- joint ventures' investment properties		18,203	2,564	610
<b>Profit before Income Tax</b>	11	736,786	384,266	92
Income tax expense	12	(47,439)	(41,409)	(15)
<b>Net Profit</b>		689,347	342,857	101
<b>Attributable to:</b>				
Equity holders of the Company ("PATMI")		605,110	316,714	91
Non-controlling interests ("NCI")	13	84,237	26,143	222
		689,347	342,857	101

n.m.: not meaningful

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

	Full Year Ended		
	2019	2018	Change
	S\$'000	S\$'000	%
	<i>(restated)</i>		
PATMI before fair value and other gains/(losses)	246,484	253,911	(3)
Other gains/(losses)	210,162	55	> 1000
Fair value gain on investment properties, net of NCI	148,464	62,748	137
<b>PATMI</b>	<b>605,110</b>	<b>316,714</b>	<b>91</b>

#### Notes to Consolidated Income Statement

On 17 April 2019, UIC Group acquired an additional 24.27% interest in Marina Centre Holdings Private Limited ("MCH"), resulting in the increase in UIC's effective interest in MCH from 52.90% to 77.09%. On the same date, MCH also acquired an additional 25% interest in its 50% held associate, Aquamarina Hotel Private Limited ("AHPL"), which holds the Marina Mandarin hotel, resulting in the increase in UIC's effective interest in AHPL from 26.45% to 57.82%. Following this acquisition, AHPL has been accounted as a subsidiary of UIC Group.

Acquisition accounting was applied in accordance with SFRS(I) - 3 Business Combinations, requiring a fair valuation of all identifiable assets and liabilities of the acquired entity. The acquisition of AHPL resulted in a goodwill on acquisition of \$46.6 million and a gain on derecognition of an associate of \$272.8 million. Arising from this, a fair value uplift of \$582.4 million attributable to the Group has been recorded on property, plant and equipment which will result in a higher depreciation charge over the useful lives of the property, plant and equipment.

The share of results of 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. Accordingly, the increase in revenue from hotel operations, cost of sales from hotel operations, selling and distribution costs and administrative expenses were mainly due to this consolidation.

#### 1. Revenue

	Full Year Ended		
	2019	2018	Change
	S\$'000	S\$'000	%
	<i>(restated)</i>		
Property investments	296,860	287,371	3
Property trading	114,073	87,017	31
Hotel operations	215,704	155,334	39
Technology operations	160,099	125,484	28
Provision of property management & related services	2,581	1,561	65
Dividend income from investments	134	200	(33)
	<b>789,451</b>	<b>656,967</b>	<b>20</b>

Revenue from property investments increased by \$9.5 million (3%) mainly due to higher rental contribution from UIC Building.

Revenue from property trading was higher by \$27.1 million (31%) mainly due to higher sales recognised from the Pollen & Bleu and Mon Jervois residential projects.

Revenue from hotel operations increased by \$60.4 million (39%) mainly due to the consolidation of AHPL's revenue with effect from 17 April 2019.

Revenue from technology operations increased by \$34.6 million (28%) due to higher computer software and hardware sales to government agencies and financial institutions.

2. Cost of Sales

	Full Year Ended		
	2019	2018	Change
	S\$'000	S\$'000	%
	<i>(restated)</i>		
Property investments	77,761	79,328	(2)
Property trading	83,583	45,402	84
Hotel operations	148,653	107,952	38
Technology operations	147,689	114,826	29
	<b>457,686</b>	<b>347,508</b>	<b>32</b>

The increase in cost of sales is in line with the increase in revenue.

3. Other operating expense

The increase in other operating expense is largely attributed to the one-off termination fees on the hotel operating agreement of Marina Mandarin hotel.

4. Selling and distribution expenses

	Full Year Ended		
	2019	2018	Change
	S\$'000	S\$'000	%
	<i>(restated)</i>		
Advertising and promotion expense	6,936	6,976	(1)
Payroll and related expense	9,228	7,036	31
Sales commission	7,718	6,300	23
Showflat expense	1,637	2,122	(23)
Others	3,997	2,782	44
	<b>29,516</b>	<b>25,216</b>	<b>17</b>

Selling and distribution expenses have increased by \$4.3 million (or 17%) due to the consolidation of Marina Mandarin hotel's expenses and higher sales commission, which is in line with the higher property trading sales this year.

5. Administrative expenses

	Full Year Ended		
	2019	2018	Change
	S\$'000	S\$'000	%
	<i>(restated)</i>		
Payroll and related expense	20,382	16,501	24
Information technology and related	2,225	1,432	55
Credit card commission	3,220	2,172	48
Legal and professional fees	1,030	794	30
Others	8,863	8,879	(0)
	<b>35,720</b>	<b>29,778</b>	<b>20</b>

Administrative expenses have increased by \$5.9 million (or 20%) mainly due to the consolidation of Marina Mandarin hotel's expenses.

6. Interest income

The higher interest income by \$4.0 million (37%) mainly arose from the shareholder's loan granted to an associated company for a development project and consolidation of AHPL's interest income on fixed deposit.

7. Finance expenses

Finance expense increased by \$11.1 million (64%) mainly due to higher borrowings to fund the acquisition of MCH and Marina Mandarin hotel.

8. Share of results of associates

The higher share of operating profits by \$8.7 million (22%) is mainly due to higher contribution from Park Eleven (Shanghai project) arising from handover of units in 2019.

9. Share of results of joint ventures

The lower share of operating profits by \$25.8 million (73%) is mainly due to lower progress revenue recognition of The Clement Canopy residential sales. The project was launched for sale in February 2017 and fully sold by April 2019.

10. Other gain – Derecognition of an associate

The gain purely arose from MCH's acquisition of additional 25% interest in AHPL.

Acquisition accounting was applied in accordance with SFRS(I) - 3 Business Combinations, requiring a fair valuation of all identifiable assets and liabilities of the acquired entity. The acquisition of AHPL resulted in a goodwill on acquisition of \$46.6 million and a gain on derecognition of an associate of \$272.8 million.

11. Profit before income tax

The following items have been included in arriving at profit before income tax:

	Full Year Ended		
	2019 S\$'000	2018 S\$'000 <i>(restated)</i>	Change %
Profit before income tax is stated after charging:			
- Depreciation	34,569	23,095	50
- (Gain)/Loss on disposal of property, plant and equipment	(1,418)	174	n.m.
- (Write-back of allowance)/Allowance for foreseeable losses on properties held for sale	(1,088)	6,238	n.m.
- Employee share option expense	209	252	(17)

Arising from the acquisition of AHPL, a fair value uplift of \$582.4 million attributable to the Group has been recorded on property, plant and equipment which has resulted in a higher depreciation charge over the useful lives of the property, plant and equipment.

12. Income tax expense

	Full Year Ended		
	2019 S\$'000	2018 S\$'000	Change %
Income tax expense included the following:			
Overprovision in prior financial years	(899)	(5,677)	84

### 13. Non-controlling interests ("NCI")

	Full Year Ended		
	2019 S\$'000	2018 S\$'000	Change %
Comprise of:			
- Share of operating profits	85,274	36,254	135
- Share of fair value losses on investment properties	(1,037)	(10,111)	90
	<u>84,237</u>	<u>26,143</u>	<u>222</u>

The increase in NCI's share of operating profit arose from their share of gain on derecognition of an associate for MCH's acquisition of additional interest in AHPL.

### (ii) Consolidated Statement of Comprehensive Income

	Notes	Full Year Ended		
		2019 S\$'000	2018 S\$'000	Change %
Net Profit		689,347	342,857	101
<b>Other comprehensive income/(loss):</b>				
Items that may be reclassified subsequently to income statement:		(5,982)	(7,922)	24
- Currency translation differences arising from consolidation of foreign operations	1	(4,143)	(7,740)	46
- Share of other comprehensive (loss)/income of a joint venture		(445)	94	n.m.
- Cash flow hedges				
- Fair value losses		(1,586)	(283)	(460)
- Reclassification		192	7	> 1000
Items that will not be reclassified subsequently to income statement:		31,955	(672)	n.m.
- Financial assets at fair value through other comprehensive income ("FVOCI") - Fair value gains	2	32,346	-	n.m.
- Currency translation differences arising from consolidation of foreign operations	1	(391)	(672)	42
Total other comprehensive income/(loss), net of tax		<u>25,973</u>	<u>(8,594)</u>	<u>n.m.</u>
<b>Total comprehensive income</b>		<u>715,320</u>	<u>334,263</u>	<u>114</u>
Attributable to:				
Equity holders of the Company		631,371	308,792	104
Non-controlling interests		83,949	25,471	230
		<u>715,320</u>	<u>334,263</u>	<u>114</u>

### Notes to Consolidated Statement of Comprehensive Income

- Currency translation differences arose mainly from the translation of the net assets of the Group's foreign operations which are denominated in RMB and GBP.
- The fair value gains on financial assets at FVOCI mainly arose from the upward revision of fair value estimates based on adjusted net asset method as the valuation technique to measure the fair value of the financial assets.

**1(b)(i) A balance sheet (for issuer and group), together with a comparative statement as at end of the immediately preceding year.**

	Notes	Group			Note	Company	
		31 Dec 2019 S\$'000	31 Dec 2018 S\$'000 <i>(restated)</i>	1 Jan 2018 S\$'000 <i>(restated)</i>		31 Dec 2019 S\$'000	31 Dec 2018 S\$'000
<b>ASSETS</b>							
<b>Non-current assets</b>							
Other receivables		371,240	375,284	187,054		-	-
Financial assets at fair value through other comprehensive income	1	35,730	3,384	6,365		-	-
Investment in associates		525,157	594,285	568,993		-	-
Investment in joint ventures		127,519	100,856	64,642		-	-
Investment in subsidiaries		-	-	-		1,226,906	1,226,859
Investment properties	2	6,349,796	6,215,000	6,160,900		-	-
Property, plant and equipment		1,137,193	434,546	453,559		1,612	42
Goodwill	3	46,587	-	-		-	-
Deferred income tax assets		839	-	-		-	-
		<b>8,594,061</b>	<b>7,723,355</b>	<b>7,441,513</b>		<b>1,228,518</b>	<b>1,226,901</b>
<b>Current assets</b>							
Cash and cash equivalents		181,606	247,891	177,381		2,394	1,723
Properties held for sale		177,353	263,403	330,186		-	-
Derivative financial instrument		-	52	-		-	52
Trade and other receivables		67,863	177,931	299,025	4	1,707,604	1,803,609
Inventories		3,745	3,220	3,730		-	-
		<b>430,567</b>	<b>692,497</b>	<b>810,322</b>		<b>1,709,998</b>	<b>1,805,384</b>
<b>Total assets</b>		<b>9,024,628</b>	<b>8,415,852</b>	<b>8,251,835</b>		<b>2,938,516</b>	<b>3,032,285</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables		191,148	167,738	221,837	4	478,354	635,582
Derivative financial instrument		419	-	-		254	-
Current income tax liabilities		65,740	51,991	41,750		-	-
Lease liabilities and trade financing		3,838	-	-		1,179	-
Bank borrowings	5	417,375	142,280	51,786	5	326,600	118,304
		<b>678,520</b>	<b>362,009</b>	<b>315,373</b>		<b>806,387</b>	<b>753,886</b>
<b>Non-current liabilities</b>							
Trade and other payables		56,846	60,372	54,832		1,624	1,624
Lease liabilities and trade financing		6,588	-	-		-	-
Bank borrowings	5	162,063	307,162	479,130	5	148,950	298,450
Derivative financial instrument		1,416	328	-		1,416	328
Deferred income tax liabilities	6	146,371	57,543	64,189		-	-
		<b>373,284</b>	<b>425,405</b>	<b>598,151</b>		<b>151,990</b>	<b>300,402</b>
<b>Total liabilities</b>		<b>1,051,804</b>	<b>787,414</b>	<b>913,524</b>		<b>958,377</b>	<b>1,054,288</b>
<b>NET ASSETS</b>		<b>7,972,824</b>	<b>7,628,438</b>	<b>7,338,311</b>		<b>1,980,139</b>	<b>1,977,997</b>
<b>Capital &amp; reserves attributable to equity holders of the Company</b>							
Share capital		1,565,485	1,565,380	1,564,282		1,565,485	1,565,380
Reserves	7	5,734,264	5,223,014	4,956,944		414,654	412,617
		<b>7,299,749</b>	<b>6,788,394</b>	<b>6,521,226</b>		<b>1,980,139</b>	<b>1,977,997</b>
Non-controlling interests		673,075	840,044	817,085		-	-
<b>TOTAL EQUITY</b>		<b>7,972,824</b>	<b>7,628,438</b>	<b>7,338,311</b>		<b>1,980,139</b>	<b>1,977,997</b>

## Note to Statement of Financial Position

The increase in property, plant and equipment, trade and other payables, borrowings and deferred tax liabilities and the decrease in investments in associates as of 31 December 2019 were due mainly to the consolidation of AHPL upon the completion of acquisition on 17 April 2019 (see Page 2). The following explanatory notes are for other relevant variances excluding the effects of the consolidation of AHPL.

1. Financial assets at fair value through other comprehensive income ("FVOCI")

The increase purely arose from the upward revision of fair value estimates based on adjusted net asset method as the valuation technique to measure the fair value of the financial assets.

2. Investment properties

Investment properties are stated at valuation as determined by independent professional valuers. It is the practice of the Group to revalue its investment properties semi-annually. The increase in the Group's investment properties was due to net fair value gain and redevelopment and upgrading costs incurred during the year.

3. Goodwill

The goodwill of \$46.6 million 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.

4. Trade and other receivables

Trade and other payables

The Company's current trade and other receivables and trade and other payables comprises mainly of amounts due from and to subsidiaries. The increase and decrease is due to intercompanies funding.

5. Bank borrowings

The increase in Group and Company's total bank borrowings was due to the acquisition of shares in MCH and AHPL.

6. Deferred income tax liabilities

The increase is due to deferred income tax liabilities arising from the fair value uplift attributed to the acquisition of AHPL.

7. Reserves comprise of the following:

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
		<i>(restated)</i>		
Asset revaluation reserve	58,933	40,441	-	-
Fair value reserve	32,243	-	-	-
Share option reserve	6,829	6,620	6,829	6,620
Hedging reserve	(1,640)	199	(1,670)	(276)
Currency translation reserve	(14,738)	(10,598)	-	-
Retained earnings	5,652,637	5,186,352	409,495	406,273
	<b>5,734,264</b>	<b>5,223,014</b>	<b>414,654</b>	<b>412,617</b>

Fair value reserve arose from the fair value uplift of the Group's investment in financial assets at FVOCI (Note 1 above).

The increase in asset revaluation reserve arose from the acquisition of additional interest in MCH from NCI.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

	<u>As at 31 Dec 2019</u>		<u>As at 31 Dec 2018</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Repayable within one year or less, or on demand	775	416,600	2,376	139,904
Repayable after one year	13,113	148,950	8,712	298,450
	<u>13,888</u>	<u>565,550</u>	<u>11,088</u>	<u>438,354</u>

Details of collateral

The secured borrowings are collateralised by way of mortgage over a subsidiary's hotel property.



1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Full Year Ended</b>	
	<b>2019</b>	<b>2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
		<i>(restated)</i>
<b>Cash flows from operating activities</b>		
Profit before income tax	736,786	384,266
Adjustments for:		
Depreciation of property, plant and equipment	34,569	23,095
(Write-back of) allowance for foreseeable losses on properties held for sale	(1,088)	6,238
Impairment losses / (Reversal of impairment losses) on financial assets	111	(55)
Employee share option expense	209	252
(Gain)/Loss on disposal of property, plant and equipment	(1,418)	174
Share of results of associates	(53,986)	(41,834)
Share of results of joint ventures	(27,718)	(37,867)
Fair value gain on investment properties	(123,264)	(47,613)
Fair value gain on derivative	(137)	-
Gain on derecognition of an associate	(272,763)	-
Dividend income	(134)	(200)
Interest income	(14,857)	(10,829)
Finance expense	18,196	11,098
Unrealised currency translation difference	(2,339)	(966)
	<u>292,167</u>	<u>285,759</u>
Change in working capital:		
Properties held for sale	211,579	144,246
Derivatives	302	-
Inventories	(55)	510
Trade and other receivables	(15,618)	35,445
Trade and other payables	16,685	(48,492)
Cash generated from operations	<u>505,060</u>	<u>417,468</u>
Interest paid	(17,504)	(10,565)
Income tax paid	(53,305)	(37,762)
<b>Net cash from operating activities</b>	<u>434,251</u>	<u>369,141</u>
<b>Cash flows from investing activities</b>		
Acquisition of a subsidiary, net of cash acquired	(100,322)	-
Purchase of property, plant and equipment	(12,343)	(6,367)
Proceeds from disposal of property, plant and equipment	2,799	21
Upgrading of investment properties	(11,532)	(6,487)
Loans to associates	(52,271)	(152,342)
Loans to joint ventures	(4,400)	(26,366)
Repayment of loans by a joint venture	69,950	-
Investment in an associate	-	(1,200)
Dividends received from unquoted equity investments	134	3,181
Dividends received from associates	12,198	12,820
Dividends received from a joint venture	1,500	-
Interest received	10,640	2,168
<b>Net cash used in investing activities</b>	<u>(83,647)</u>	<u>(174,572)</u>
<b>Cash flows from financing activities</b>		
Proceeds from/(Repayment of) borrowings	130,431	(79,671)
Principal payment of lease liabilities	(523)	-
Repayment of trade financing	(1,166)	-
Decrease/(Increase) in bank deposits pledged as security	754	(754)
Proceeds from issuance of shares	105	1,098
Acquisition of shares from non-controlling shareholders	(486,304)	-
Dividends paid to equity holders of the Company	(50,140)	(42,974)
Dividends paid to non-controlling interests	(9,292)	(2,512)
<b>Net cash used in financing activities</b>	<u>(416,135)</u>	<u>(124,813)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(65,531)	69,756
Cash and cash equivalents at beginning of the financial period	<u>244,137</u>	<u>174,381</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>178,606</u>	<u>244,137</u>
Cash and cash equivalents comprise:		
Cash and cash equivalents as shown in the statement of financial position	181,606	247,891
Less: Bank deposits pledged as security	(3,000)	(3,754)
	<u>178,606</u>	<u>244,137</u>

**1(d)(i) A statement (for issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The Group

	Attributable to equity holders of the Company					Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Retained earnings S\$'000	Asset revaluation reserve S\$'000	Other reserves S\$'000	Total S\$'000		
<b>2019</b>							
Balance at 31 December 2018							
- as previously reported	1,565,380	5,191,318	40,441	(3,776)	6,793,363	840,042	7,633,405
- change in accounting policy on capitalisation of borrowing costs	-	(4,969)	-	-	(4,969)	2	(4,967)
Balance at 31 December 2018, as restated	1,565,380	5,186,349	40,441	(3,776)	6,788,394	840,044	7,628,438
Adoption of SFRS(I)16	-	17	-	-	17	-	17
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	-	-	-	209	209	-	209
- proceeds from shares issued	105	-	-	-	105	-	105
Effect of acquisition of shares from non-controlling shareholders	-	(88,699)	18,492	-	(70,207)	(416,097)	(486,304)
Dividends paid in cash	-	(50,140)	-	-	(50,140)	(9,292)	(59,432)
Acquisition of a subsidiary	-	-	-	-	-	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
<b>2018</b>							
Balance at 1 January 2018							
- as previously reported	1,564,282	4,920,923	40,441	3,894	6,529,540	817,096	7,346,636
- change in accounting policy on capitalisation of borrowing costs	-	(8,314)	-	-	(8,314)	(11)	(8,325)
Balance at 1 January 2018, as restated	1,564,282	4,912,609	40,441	3,894	6,521,226	817,085	7,338,311
Net profit	-	316,714	-	-	316,714	26,143	342,857
Other comprehensive loss	-	-	-	(7,922)	(7,922)	(672)	(8,594)
Total comprehensive income/(loss)	-	316,714	-	(7,922)	308,792	25,471	334,263
Employee share option scheme							
- value of employee services	-	-	-	252	252	-	252
- proceeds from shares issued	1,098	-	-	-	1,098	-	1,098
Dividends paid in cash	-	(42,974)	-	-	(42,974)	(2,512)	(45,486)
Total transactions with owners, recognised directly in equity	1,098	(42,974)	-	252	(41,624)	(2,512)	(44,136)
Balance at 31 December 2018	1,565,380	5,186,349	40,441	(3,776)	6,788,394	840,044	7,628,438

## The Company

	Share capital S\$'000	Retained earnings S\$'000	Share option reserve S\$'000	Hedging reserve S\$'000	Total equity S\$'000
<b>2019</b>					
Balance at 1 January 2019	1,565,380	406,273	6,620	(276)	1,977,997
Net profit	-	53,362	-	-	53,362
Other comprehensive loss	-	-	-	(1,394)	(1,394)
Total comprehensive income/(loss)	-	53,362	-	(1,394)	51,968
Employee share option scheme					
- value of employee services	-	-	209	-	209
- proceeds from shares issued	105	-	-	-	105
Dividends paid in cash	-	(50,140)	-	-	(50,140)
Total transactions with owners, recognised directly in equity	105	(50,140)	209	-	(49,826)
Balance at 31 December 2019	1,565,485	409,495	6,829	(1,670)	1,980,139
<b>2018</b>					
Balance at 1 January 2018	1,564,282	406,591	6,368	-	1,977,241
Net profit	-	42,656	-	-	42,656
Other comprehensive loss	-	-	-	(276)	(276)
Total comprehensive income/(loss)	-	42,656	-	(276)	42,380
Employee share option scheme					
- value of employee services	-	-	252	-	252
- proceeds from shares issued	1,098	-	-	-	1,098
Dividends paid in cash	-	(42,974)	-	-	(42,974)
Total transactions with owners, recognised directly in equity	1,098	(42,974)	252	-	(41,624)
Balance at 31 December 2018	1,565,380	406,273	6,620	(276)	1,977,997

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous financial period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the immediately preceding financial year.**

	Number of ordinary shares '000
Issued share capital as at 1 January 2019	1,432,531
Issue of ordinary shares arising from the exercise of UIC share option scheme	36
Issued share capital as at 31 December 2019	<u>1,432,567</u>

As at 31 December 2019, there were 2,810,000 (31 December 2018: 2,638,000) ordinary shares which may be issued upon the exercise of the subscription rights in full by holders of options granted to executives of the Group under the UIC Share Option Scheme.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares, excluding treasury shares, as at 31 December 2019 is 1,432,567,362 (31 December 2018: 1,432,531,362).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There is no sales, transfers, disposal, cancellation and/or use of subsidiary holdings during the financial year ended 31 December 2019.

**2 Whether the figures have been audited or reviewed, and in accordance with which standard or practice.**

The figures have neither been audited nor reviewed by the Company's auditors.

**3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer most recently audited annual financial statements have been applied.**

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2018.

**5 If there are any changes in accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2019, the Group adopted the standards, amendments and interpretations to existing standards that are mandatory for application from that date. The following are the changes that are relevant to the Group:

- SFRS(I) 16 Leases
- SFRS(I) 1-23 Borrowing Costs - Agenda Decision by the International Financial Reporting Interpretations Committee

The adoption of the above standards and interpretations did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements except for the following:

SFRS(I) 16 Leases

SFRS(I) 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group has adopted SFRS(I) 16 retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard. On adoption of SFRS(I) 16, there was no significant impact to the financial statements.

## SFRS(I) 1-23 Borrowing Costs

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

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

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

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

	<b>Full Year Ended 31 Dec 2018</b>		
	<b>As previously</b>		
	<b>reported</b>	<b>Effects</b>	<b>Restated</b>
	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>
<u>Effect on Consolidated Income Statement</u>			
Cost of sales	(348,925)	1,417	(347,508)
Share of results of associates	42,996	(1,162)	41,834
Share of results of joint ventures	34,582	3,285	37,867
Income tax expense	(41,227)	(182)	(41,409)
Net profit	339,499	3,358	342,857
Profit attributable to:			
- Equity holders of the Company	313,369	3,345	316,714
- Non-controlling interests	26,130	13	26,143
	<b>339,499</b>	<b>3,358</b>	<b>342,857</b>
Basic and diluted earnings per ordinary share (cents)			
- excluding fair value gain on investment properties	17.5	0.2	17.7
- including fair value gain on investment properties	21.9	0.2	22.1

	<b>As at 1 Jan 2018</b>			<b>As at 31 Dec 2018</b>		
	<b>As previously</b>			<b>As previously</b>		
	<b>reported</b>	<b>Effects</b>	<b>Restated</b>	<b>reported</b>	<b>Effects</b>	<b>Restated</b>
	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>
<u>Effect on Statement of Financial Position</u>						
Properties held for sale	336,537	(6,351)	330,186	268,337	(4,934)	263,403
Investments in associates	568,993	-	568,993	595,447	(1,162)	594,285
Investments in joint ventures	67,629	(2,987)	64,642	100,558	298	100,856
Current income tax liabilities	42,355	(605)	41,750	52,467	(476)	51,991
Deferred income tax liabilities	64,597	(408)	64,189	57,898	(355)	57,543
Reserves	4,965,258	(8,314)	4,956,944	5,227,983	(4,969)	5,223,014
Non-controlling interests	817,096	(11)	817,085	840,042	2	840,044

There is no effect on net asset value per ordinary share as at 31 December 2018 resulting from the adoption of SFRS(I) 1-23.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

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

	Full Year Ended	
	2019	2018 <i>(restated)</i>
Basic / Diluted earnings per share:		
- excluding fair value gain on investment properties	31.9 cents	17.7 cents
- including fair value gain on investment properties	42.2 cents	22.1 cents

For the purpose of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than the average market price in the current quarter. As the impact of the dilution is insignificant, diluted earnings per share is the same as basic earnings per share.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31 Dec 2019	31 Dec 2018 <i>(restated)</i>	31 Dec 2019	31 Dec 2018
Net asset value per ordinary share	S\$5.10	S\$4.74	S\$1.38	S\$1.38

The net asset value per ordinary shares as at 31 December 2019 and 31 December 2018 is based on 1,432,567,362 and 1,432,531,362 shares in issue respectively.

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**GROUP PERFORMANCE**

Net profit attributable to equity holders ("PATMI") before fair value and other gains was \$246.5 million, a slight decrease of \$7.4 million (3%) compared to the previous year. This was mainly due to lower contribution from the joint venture residential project, The Clement Canopy, which was fully sold in April 2019 and payment of one-off termination fees on the hotel operating agreement of Marina Mandarin hotel. The decrease was partially offset by higher contribution from Park Eleven (Shanghai project) arising from handover of units in 2019 and UIC Building which achieved full occupancy since January 2019.

The Group also recorded a one-time gain on derecognition of an associate (net of NCI) of \$210.3 million arising from the acquisition of AHPL on 17 April 2019.

After including the fair value gain on investment properties and one-time gain on derecognition of an associate (net of non-controlling interests), PATMI recorded \$605.1 million, which was higher by \$288.4 million (91%) compared to last year.

## **NET CURRENT LIABILITIES**

As at 31 December 2019, total current liabilities exceed current assets due mainly to bank borrowings amounting to \$417.4 million due within the next 12 months. These borrowings are drawn under various short-term revolving credit facilities with banks, which the Group intends to rollover the loans upon maturity.

## **NET ASSET VALUE (“NAV”) AND GEARING**

The Group’s shareholders’ funds increased from \$6.8 billion as at 31 December 2018 to \$7.3 billion as at 31 December 2019 mainly due to profits recognised during the year. Consequently, NAV per ordinary share of the Group increased from \$4.74 as at 31 December 2018 to \$5.10 as at 31 December 2019.

The Group’s gearing ratio (net of cash) increased from 3% as at 31 December 2018 to 5% as at 31 December 2019 mainly due to higher borrowings incurred for the acquisition of shares in MCH and AHPL.

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

Not applicable.

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

The global economy remains dampened by the many geopolitical and economic uncertainties, compounded by the recent COVID-19 outbreak.

The Group’s performance will be supported by its stable office portfolio with a strong tenant base. Challenges for the retail sector remain due to competition from e-commerce and the softer economic outlook. COVID-19 will also negatively impact the retail sector.

The residential sales market is expected to be more subdued due to the virus outbreak. The hospitality sector has been adversely affected and will continue to decline if the outbreak is prolonged.

**11 Dividend**

**11(a) Current Financial Period Reported On**

Any dividend declared/proposed for the current financial period reported on? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (cents)	4.0 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

**11(b) Corresponding Period of the immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (cents)	3.5 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

**11(c) Date Payable.**

To be announced at a later date.

**11(d) Book Closure Date**

To be announced at a later date.

**12 If no dividend has been declared/recommend, a statement to that effect and the reason(s) for the decision.**

Not applicable.



**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Property investments S\$'000	Property trading S\$'000	Hotel operations S\$'000	Technology operations S\$'000	Others S\$'000	Total S\$'000
<b>2019</b>						
<b>Revenue - external sales</b>	296,860	114,073	215,704	160,099	2,715	789,451
<b>Segment results</b>	212,832	18,516	33,438	5,228	1,993	272,007
Unallocated cost						(9,613)
Other gain - derecognition of an associate						272,763
Interest income						14,857
Finance expense						(18,196)
<b>Profit before share of results of associates and joint ventures</b>						531,818
Share of results of associates	14,531	25,044	14,411	-	-	53,986
Share of results of joint ventures	21,875	5,843	-	-	-	27,718
Fair value gain on investment properties	123,264	-	-	-	-	123,264
<b>Profit before income tax</b>						736,786
<b>2018 (restated)</b>						
<b>Revenue - external sales</b>	287,371	87,017	155,334	125,484	1,761	656,967
<b>Segment results</b>	202,748	30,348	27,337	3,792	1,335	265,560
Unallocated cost						(8,339)
Interest income						10,829
Finance expense						(11,098)
<b>Profit before share of results of associates and joint ventures</b>						256,952
Share of results of associates	11,347	7,974	22,513	-	-	41,834
Share of results of joint ventures	9,024	28,843	-	-	-	37,867
Fair value gain on investment properties	47,613	-	-	-	-	47,613
<b>Profit before income tax</b>						384,266

**14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Section 1(a) and Section 8.

15 A breakdown of revenue and net profit for first half year and second half year.

	Full Year Ended		Change %
	2019 S\$'000	2018 S\$'000 <i>(restated)</i>	
(a) Revenue			
- first half	404,043	348,104	16
- second half	385,408	308,863	25
	<u>789,451</u>	<u>656,967</u>	20
(b) Net profit			
- first half	566,830	186,726	204
- second half	122,517	156,131	(22)
	<u>689,347</u>	<u>342,857</u>	101

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year S\$'000 (Recommended)	Previous Full Year S\$'000 (Declared)
Ordinary one-tier dividend	<u>57,303</u>	<u>50,140</u>

The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting to be held on Friday, 24 April 2020.

17 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

**18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there is no such persons, the issuer must make an appropriate negative statement.**

During the year, there was no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to the directors, chief executive officer or substantial shareholders of the Company.

Subsequent to the financial year end, Mr. Eu Zai Jie Jonathan was appointed as Chief Operating Officer of the Group:

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Eu Zai Jie Jonathan	38	Grandson of Dr. Wee Cho Yaw, the Chairman and a substantial shareholder of UOL (ultimate holding company).  Nephew of Mr. Wee Ee Lim, director of the Company and UOL, and substantial shareholder of UOL.	Chief Operating Officer of the Group since 1 January 2020.  Oversees commercial operations with a key focus on developing the Group's business growth and expansion strategy.	N.A.

**19 Confirmation pursuant to Rule 720(1) of the Listing Manual (in the format set out in Appendix 7.7)**

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

**BY ORDER OF THE BOARD**

Teo Hwee Ping  
Company Secretary

25 February 2020