



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: UOL Group Limited

Stock code: U14

Meeting details:

Date: 27 April 2022

Time: 3.30 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. Would the board/management provide shareholders with greater clarity on the following operational and/or financial matters? Specifically:

- (i) **Residential development:** Does the board/management see heightened risks in the Singapore residential development segment due to the cooling measures introduced by the government? For the residential sites at Ang Mo Kio Avenue 1 and Watten Estate Condominium (collective sale) that were acquired but not launched before the December 2021 cooling measures, will the group's plans be finetuned to reflect the latest market sentiments?
- (ii) **Property Investments:** Has the group experienced lower demand from the group's commercial tenants? For instance, the occupancy rates of several of its office properties have dropped, including Faber House (98% in 2019 → 88% in 2021; United Square (office) (94% in 2019 → 81% in 2021); Singapore Land Tower (96% in 2019 → 85% in 2021). **What were the retention rates of tenants with expiring leases in FY2021?**
- (iii) **Hospitality:** The group owns and/or manages over 30 hotels in Asia, Oceania and North America with over 10,000 rooms. The performance was mixed as revenue increased by 14% although loss from operations increased by 13% to \$(84.6) million.

Hotel Operations

Revenue (+14% Year-on-Year)							
2021	\$282.0m	SINGAPORE		2021	2020	SOUTHEAST ASIA (EXCLUDING SINGAPORE)	
2020	\$246.5m	Hotel Occupancy		61%	67%	Hotel Occupancy	
Profit from Operations (-13% Year-on-Year)		Average Daily Rate		\$116	\$124	Average Daily Rate	
- \$84.6m	2021	Revenue Per Available Room		\$71	\$83	Revenue Per Available Room	
- \$74.8m	2020						

(Adapted from company annual report)

In particular, it is observed that occupancy and average daily rates were flat or lower in Singapore and Southeast Asia. **How agile was management in adapting to the local conditions (including government restrictions) to make the best out of a bad situation as international borders remained mostly closed in 2021? What were the reasons for the higher loss from operations despite the higher revenue?**

Q2. The group has partnered its subsidiary, now known as Singapore Land Group Limited, and Kheng Leong Company (Private) Limited in its development projects.

The choice of partner(s) and the (direct) percentage held by the company in a particular project is not fixed. For instance, the recent projects with these partners are:

- Ang Mo Kio Avenue 1 project: 60:20:20 joint venture between UOL, SingLand and Kheng Leong
- Watergardens at Canberra: 50:30:20 joint venture between UOL, SingLand and Kheng Leong.
- Watten Estate Condominium (collective sale): 80:20 joint venture between UOL and SingLand.
- Park Eleven and Park Eleven Mall in Shanghai: 40:30:30 joint venture with UOL, SingLand and Kheng Leong

- (i) **How does company determine its stake in a particular project and the choice of the partners, especially as all three parties have different shareholders?**
- (ii) **What are the roles of SingLand and/or Kheng Leong in the project development as the company (UOL) always have the largest/controlling stake?**
- (iii) **How does the board assess potential conflicts of interest that could arise with the three related parties? What process does the board/audit committee have to resolve these conflicts, if so?**
- (iv) As at 31 December 2021, the company has effective interest of 50.37% in Singapore Land Group Limited. **Has the board considered consolidating the ownership of Singapore Land Group Limited?** Doing so will streamline the organisation structure and reduce the level of compliance and regulatory reporting in the group.

Q3. On page 12 (2021 Highlights), it was disclosed that the group rolled out its Sustainability Framework which defines the group’s sustainability and centres on creating value and shaping future for its stakeholders in a responsible and structured manner. The framework aligns the group’s sustainability approach with Sustainable Development Goals (SDGs), sustainability benchmarks and standards.

The group also pledged its commitment in a joint effort to address climate change through the Singapore Built Environment Embodied Carbon Pledge, which was organised by the Singapore Green Building Council.

In December 2021, the group launched its Sustainability Vision – “Less Carbon, More Life” to articulate its commitment in shaping a resilient built environment and contributing towards a clean, green and sustainable future.

- (i) **Has management considered upgrading and retrofitting its major assets that have yet to achieve Green Mark Platinum certification (or equivalent)?**
- (ii) **What are the non-financial factors being taking into account in the group’s asset enhancement initiatives?**
- (iii) **How does the group’s carbon pledge affect its operations in Singapore and overseas?**
- (iv) **Has the group considered setting a goal for net zero emissions as part of its sustainability roadmap?**

[^]On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore

[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation
 (<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)

Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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