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**NEWS RELEASE**

# UOL 2Q18 NET ATTRIBUTABLE PROFIT UP 21% TO $132.7 MILLION

- *Group revenue up 59% to $635.4 million mainly from UIC consolidation*
- *Higher fair value gains on investment properties boost bottom line*

**Singapore, 3 August 2018** – Net attributable profit for UOL Group Limited (UOL) rose 21% to $132.7 million for the second quarter ended 30 June 2018 (2Q18) on the back of double-digit growth in revenue.

Higher attributable fair value gains on investment properties of $39.3 million ($7.7 million previously) boosted the bottom line while additional contribution of $295.5 million from the consolidation of the UIC Group and the associated and joint venture companies of UOL Group and UIC Group (UIC consolidation) helped group revenue jump 59% to $635.4 million.

By business segment, revenue from property development rose 27% to $280.6 million, revenue from property investments was up 134% to $131.8 million, and those from hotel ownership and operations was 55% higher at $155.3 million.

Excluding the effects of consolidating UIC Group after it was accounted as a subsidiary in September 2017, revenue from property development fell 31% or $69.0 million; this was due to lower revenue recognition from Principal Garden and the completion of sales of Riverbank@Fernvale in August 2017. These were partially offset by Amber45, which was launched in May 2018. Revenue from hotel ownership and operations was flat as the income lost from Pan Pacific Orchard's closure was replaced by Pan Pacific Melbourne acquired in end July 2017. Property investments revenue fell four per cent or $2.0 million as a result of lower contribution from OneKM mall.

Dividend income grew 75% to $27.7 million with higher ordinary and special dividends received from United Overseas Bank Limited in the second quarter.

Group pre-tax profit in 2Q18 rose 64% to $217.2 million from higher fair value gains on investment properties of $64.4 million. Before fair value and other gains, Group pre-tax profit was up 29% to $152.8 million.

Gross profit margin improved from 33% to 39% due mainly to a higher proportion of revenue from property investments which command better margins.

Share of profit of associated and joint venture companies declined 99% to $236,000 in 2Q18 as UIC Group and the common associated and joint venture companies with UIC were no longer equity accounted from September 2017.

Group expenses increased 62% to $103.2 million mainly due to the UIC consolidation. Marketing and distribution expenses were up 43% to $23.1 million; administrative expenses rose 55% to $30.6 million; finance expenses and other operating expenses climbed 41% and 95% higher to $13.1 million and $36.4 million respectively.

For the six months ended 30 June 2018, net attributable profit stood at $206.5 million, up nine per cent from the previous corresponding period. Net attributable profit would have been higher if not for the $13.1 million amortisation and depreciation of fair value uplifts under the purchase price allocation exercise as part of the UIC consolidation. Pan Pacific Orchard took a $6.6 million accelerated depreciation charge following the decision to cease operations in April 2018 for redevelopment.

UOL Deputy Group Chief Executive Officer Liam Wee Sin said: “The recent cooling measures will moderate both the sales take-up and prices for the rest of the year. Residential launches with strong locational and product attributes that are realistically priced will continue to attract buyers, especially first-time home buyers.

“We have been diversifying into income-producing assets geographically in recent years. Our latest acquisition of 180 apartments in Jakarta and clinching of a hotel

management contract will help bolster our presence in Indonesia and build up our future recurring income."

The apartments will be developed to a 180-key PARKROYAL Serviced Suites while the hotel management agreement is to operate a 200-key PARKROYAL Jakarta. They are expected to open in 2022.

UOL said office rents are expected to improve due to limited new supply, while retail rents are stabilising despite facing challenges from e-commerce and manpower shortage. The hospitality sector in Asia Pacific is set to benefit from the improving economic conditions, except in Myanmar where trading conditions remain difficult.

The London property market continues to face economic and political uncertainties. However, leasing of office in Midtown remains steady.

As at 30 June 2018, shareholders' funds increased to $9.55 billion from $9.45 billion at the end of 2017. Net tangible asset per ordinary share rose to $11.14 from $11.01. Group gearing ratio increased slightly to 0.23 from 0.21 mainly due to higher borrowings for the Silat Avenue site.

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**About UOL Group Limited**

UOL Group Limited (UOL) is one of Singapore's leading public-listed property companies with total assets of close to $20 billion. The Company has a diversified portfolio of development and investment properties, hotels and serviced suites. With a track record of over 50 years, UOL strongly believes in delivering product excellence and quality service in all its business ventures. UOL, through its hotel subsidiary Pan Pacific Hotels Group Limited, owns two acclaimed brands namely "Pan Pacific" and PARKROYAL which have presence in Asia, Oceania and North America. The Company's Singapore-listed property subsidiary, United Industrial Corporation Limited, owns an extensive portfolio of prime commercial assets in Singapore.

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