UOL 华业集团

COMPANY REGISTRATION NO. 196300438C

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NEWS RELEASE

UOL'S 1Q19 NET ATTRIBUTABLE PROFIT EXCLUDING ACCOUNTING REVERSAL UP 27% TO $104.3 MILLION

- *Increase due mainly to strong performance from property development and property investments*
- *Group revenue up 12% to $741.2 million*
- *Two residential projects to launch by 3Q19*

Singapore, 10 May 2019 – UOL Group Limited (UOL) today reported a five per cent drop in net attributable profit to $72.4 million, amid strong operating performance for the first quarter ended 31 March 2019 (1Q19).

Excluding the accounting reversal of $31.9 million relating to UIC consolidation, net attributable profit increased 27% to $104.3 million.

Group revenue rose 12% to $741.2 million in 1Q19. A major contributor is the recognition of property development revenue from sales at Park Eleven in Shanghai, where the remaining 103 of the 150 units sold as at the end of 2018 were handed over in 1Q19. The higher revenue was partially offset by the completion of Principal Garden, The Clement Canopy and Botanique at Bartley in December 2018, March 2019 and April 2019 respectively.

Revenue from property investments was up four per cent to $139.2 million, due to ramped-up occupancy of UIC Building and maiden contribution from 72 Christie Street in Sydney, which was acquired in December 2018. Hotel ownership and operations declined by six per cent to $163.4 million, mainly from the closure of Pan Pacific Orchard for redevelopment, and lower revenue from the Group's hotels in Australia.

Group expenses rose 62% to $182.3 million mostly due to the increase in other operating expenses from the amortisation of development property backlog of $76.4 million on sold units in Park Eleven and The Clement Canopy. The backlog arose from the Purchase Price Allocation exercise in relation to the consolidation of UIC Group in August 2017 and is amortised as and when development profits are recognised. With the completion of Park Eleven and The Clement Canopy, all development property backlog previously recognised in respect of units sold as of August 2017 had been fully amortised. Finance expenses were up 38% to $28.6 million, due to higher borrowings for Avenue South Residence, and the acquisition of 72 Christie Street in Sydney.

Gross profit margin improved from 37% to 42%, supported by higher property development margins and the absence of accelerated depreciation for Pan Pacific Orchard recognised in 1Q18.

UOL is scheduled to launch two residential projects, the 56-unit MEYERHOUSE along Meyer Road, and the 1,074-unit Avenue South Residence along Silat Avenue, by 3Q19.

UOL Group Chief Executive Liam Wee Sin said: “We are pleased with the strong operating results for 1Q19 and are particularly encouraged by the good sales momentum in the last two months for The Tre Ver, which is now over 70% sold. We expect keen interest for Avenue South Residence which capitalises on the Greater Southern Waterfront growth story.”

UOL expects steady demand and tightening vacancy to support office rents, while retail rents remain under pressure amidst competition from e-commerce and a tight labour market.

In the London property market, economic and political uncertainties could weigh on the sector although leasing activities remain resilient in Midtown where the Group owns two properties.

Notwithstanding the recent moderation in economic outlook, tourist arrivals to the Asia Pacific is expected to show steady growth, except for Myanmar and China, where trading conditions remain challenging.

As at 31 March 2019, shareholders' funds increased to $9.73 billion from $9.62 billion as at the end of 2018. Net tangible asset per ordinary share rose to $11.49 from $11.28. Group gearing ratio decreased to 0.26 from 0.28 due mainly to loan repayments from the proceeds of the completion of Principal Garden.

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

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