UOL 华业集团

COMPANY REGISTRATION NO. 196300438C

For Immediate Release

NEWS RELEASE

UOL'S 1Q16 NET ATTRIBUTABLE PROFIT UP 4% TO $77.1 MILLION

- *Group revenue rises 39% to $330.1 million*
- *Revenue from property development more than doubles to $164.3 million*
- *Hotel revenue up 2% to $104.9 million*

Singapore, 12 May 2016 – UOL Group Limited today announced net attributable profit of $77.1 million for the first quarter ended 31 March 2016 (1Q16), up four percent due mainly to higher revenue contribution from ongoing as well as new property development projects.

Revenue from property development jumped 112% to $164.3 million during the quarter from $77.3 million in the previous corresponding quarter. There was higher progressive recognition of revenue from projects launched in 2014 - Riverbank@Fernvale and Seventy Saint Patrick's - as well as from Botanique at Bartley and Principal Garden launched in March and October 2015 respectively.

Revenue from property investments, which included contributions from the Group's offices and niche malls, grew four percent to $55.5 million. Revenue from the Group's hotel operations, which include hotels operated under the "Pan Pacific" and PARKROYAL brands, rose two percent to $104.9 million from $102.6 million previously. Group revenue rose 39% to $330.1 million.

During the quarter under review, share of profit from associated and joint venture companies slipped 12% to $34.1 million, mainly due to the absence of contribution from the Archipelago project, which is a joint venture with United Industrial Corporation Limited. Archipelago was completed in September 2015.

Group pre-tax profit rose five percent to $93.7 million from $89.6 million a year ago due to higher profit from operations and lower finance expenses. Gross profit margin for the first quarter of 2016 was lower at 35% compared with 44% in the previous corresponding period due to the higher revenue from property development which has higher cost margins.

Group expenses in 1Q16 rose one percent to $63.0 million as a result of higher commission and showflat expenses for the sale of units of its development projects in Singapore. Finance expenses dropped $3.5 million or 31% compared with the same period last year which recorded $4.6 million in unrealised currency exchange losses on the Group's US dollar borrowings to fund investments in China. Currency exchange gains of $2.0 million were recognised in the quarter under review and have been included in finance income.

UOL said in a statement the outlook for the residential market is expected to remain sluggish. Rents for office space will continue to face pressure with a large supply coming on in the second half of 2016 while retail rents will be subdued as retailers consolidate their operations in an increasingly challenging market. The hospitality business in Asia Pacific is expected to remain competitive given weak global economic growth.

As at 31 March 2016, shareholders' funds increased marginally to $7.93 billion from $7.89 billion at end December 2015 mainly due to profits recognised in the first quarter, offset in part by fair value losses on available-for-sale financial assets. Accordingly, net tangible asset per ordinary share rose to $9.92 as at end March 2016 from $9.89 as at end December 2015.

The Group's gearing ratio remained unchanged at 0.27 during the quarter under review from 31 December 2015.

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About UOL Group Limited

UOL Group Limited is one of Singapore's leading public-listed property companies with an extensive 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. Its list of property development projects includes residential units, office towers and shopping malls, hotels and serviced suites. UOL, through its hotel subsidiary Pan Pacific Hotels Group Limited (PPHG), owns two acclaimed brands namely "Pan Pacific" and PARKROYAL. PPHG now owns and/or manages over 30 hotels in Asia, Oceania and North America with over 9,800 rooms in its portfolio.

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