UOL Group Limited
华业集团有限公司

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NEWS RELEASE

UOL'S 2Q 2013 NET ATTRIBUTABLE PROFIT UP 151% TO $431.4 MILLION

- *Revenue rises 2% to $304.3 million on higher contribution from hotels, property investments and dividend income*
- *Pre-tax profit before fair value and other gains up 16% to $115.3 million*
- *Higher revenue from PARKROYAL Yangon and PARKROYAL on Pickering*

Singapore, 7 August 2013 – UOL Group today announced a 151% rise in net attributable profit to $431.4 million for the second quarter ended 30 June 2013 (2Q13) from $171.7 million in the corresponding period last year. The increase was due mainly to higher fair value gains on investment properties.

Fair value gains on investment properties including those of associated companies surged 386% to $400.3 million. Pre-tax profit, excluding these and other gains, rose 16% to $115.3 million, helped by higher gross margin of 49% against 43% previously.

Group revenue was higher in all areas except property development. 2Q Group revenue edged up 2% at $304.3 million due mainly to higher contributions from hotel operations, property investments and higher dividend income from quoted investments.

Revenue from hotel and other management services increased 18% to $4.4 million from $3.8 million, while gross revenue from hotel ownership and operations increased 15% to $102.7 million from $89.5 million.

Revenue from property development declined 10% to $133.2 million from $148.5 million with the completion of Double Bay Residences and Waterbank at Dakota in the third quarter of 2012 and second quarter of 2013 respectively, as well as slower development progress for Katong Regency.

Revenue for property investments increased 6% to $44.0 million from $41.3 million, while dividend income from available-for-sale financial assets rose 27% to $20.0 million from $15.8 million.

Share of profit of associated companies excluding fair value gains of associated companies' investment properties dropped 14% to $20.2 million as a result of lower contributions from Terrene at Bukit Timah which was completed in January 2013. The share of profit from joint venture companies for 2Q13 was $4.4 million, mainly contributed by Archipelago.

Gross profit margin improved to 49% against 43% mainly due to lower revenue from property development, which has a higher cost margin, and higher profit margins achieved for ongoing property development projects.

Group expenses rose 8% to $61.7 million. In particular, other operating expenses increased by $1.8 million or 11% and administrative expenses added $2.7 million or 17% more, due mainly to the opening of PARKROYAL on Pickering and Pan Pacific Serviced Suites Beach Road and higher share option expenses arising from the timing of the grant in 2Q13. Finance expenses rose 20% to $15.6 million due mainly to unrealised currency exchange losses from the Group's borrowings in US dollars to fund investments in China. Marketing and distribution expenses decreased 25% to $8.3 million compared to 2Q12 when the launch of Katong Regency incurred higher marketing expenses.

Overall, for the first half of the year ended 30 June 2013, net attributable profit rose 97% to $503.1 million on revenue of $552.1 million.

For the second half of the financial year, UOL plans to launch its Bright Hill Drive and St Patrick's Garden projects. It has also clinched a 16,604 sq m leasehold land at Sengkang West Way at a government land sale in April 2013.

Shareholder funds increased to $6.6 billion as at 30 June 2013 from $6.1 billion as at end December 2012. In the same period, net tangible asset per ordinary share rose from $7.94 to $8.47.

The Group's gearing ratio decreased to 0.25 as at 30 June 2013 from 0.28 as at end December 2012 mainly due to the effects of an increase in total equity.

At the Extraordinary General Meeting on 30 July 2013, the delisting of Pan Pacific Hotels Group Limited (PPHG) was approved with 99.72% of the total number of shares held by shareholders present, or 545,734,152 shares voting in favour of the resolution, making UOL's exit offer unconditional. As at today, UOL's shareholding interest in PPHG has increased to 95.10%. The offer will close at 5:30 p.m. on 13 August 2013.

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About UOL Group

UOL Group Ltd is one of Singapore's leading public-listed property companies with an extensive portfolio in investment and development properties, hotels and serviced suites.

With a track record of nearly 50 years, UOL strongly believes in delivering product excellence and quality service in all its business ventures. Its impressive list of property development projects includes best selling residential units, award-winning office towers, shopping centres, hotels and serviced suites. UOL, together with its hotel subsidiary Pan Pacific Hotels Group Limited (PPHG), owns two acclaimed brands namely Pan Pacific and Parkroyal. PPHG now owns, manages and/or markets over 30 hotels in Asia, Australia and North America with over 9,500 rooms in its portfolio.

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