UOL 华业集团

COMPANY REGISTRATION NO. 196300438C

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NEWS RELEASE

UOL'S FY15 NET ATTRIBUTABLE PROFIT DOWN 43% TO $391.4 MILLION

- *Group revenue falls 6% to $1.28 billion; up 12% after excluding one-time contribution from Jalan Conlay land sale in 2014*
- *Lower fair value gains for investment properties and one-time profit from Jalan Conlay behind earnings drop*
- *Singapore residential sales total more than $900 million*

Singapore, 26 February 2016 – UOL Group Limited reported net attributable profit of $391.4 million for the financial year ended 31 December 2015 (FY15), down 43% due mainly to lower fair value gains for the Group's investment properties and the absence of a large one-time profit made from the sale of Jalan Conlay land in Malaysia in 2014.

The ongoing core business of the Group continued to perform well despite the depressed conditions in its key market, Singapore. Excluding the one-time sales of $220.1 million from Jalan Conlay, Group revenue was up 12% to $1.28 billion in FY15. Revenue from property development of $557.5 million, up 27%, came mainly from Singapore projects – Katong Regency, Seventy Saint Patrick's, Riverbank@Fernvale and Botanique at Bartley.

Revenue from property investments rose 11% to $219.4 million from OneKM mall which opened in the last quarter of 2014. The Group's hotel business, the second largest revenue generator after property development, slipped 4% to $419.4 million. Hotel operations were affected by refurbishment works as well as weak market conditions at Pan Pacific Perth and PARKROYAL Yangon. The weakness in the Malaysian ringgit and the Australian dollar also affected the reported revenue from the Group's hotels in Malaysia and Australia.

During the year under review, dividend income from financial assets rose 47% to $42.3 million with special and 80th anniversary dividends from United Overseas Bank Ltd.

Attributable fair value and other gains/losses (including fair value gains of associated companies) were $41.0 million against $288.3 million in 2014.

The Group also incurred losses of $22.0 million mainly from an impairment charge of $3.2 million for Pan Pacific Tianjin and $37.0 million for Bishopsgate, London. The impairment arose from valuing the hotel component of the mixed-use development at Bishopsgate on an "as if complete" basis even though it is still under construction, which may take another three years. The impairment charges were partially offset by a write-back of $11.8 million for PARKROYAL Melbourne Airport.

The share of profit from associated companies excluding fair value gains rose 6% to $126.6 million, mainly from United Industrial Corporation Limited which reported higher profit from its development properties. However, the share of profit from joint venture companies fell 25% to $29.1 million with the completion of the Archipelago project in September 2015.

New launches – Botanique at Bartley and Principal Garden – and sales of existing projects pushed up marketing and distribution expenses by 20% to $67.3 million. Administrative and other operating expenses were also higher with the opening of OneKM mall in Singapore and Pan Pacific Tianjin in the fourth quarter of 2014. Finance costs climbed 23% to $41.7 million with higher average borrowings in 2015, higher interest rates and unrealised currency exchange losses on the Group's US dollar borrowings for investments in China.

UOL Deputy Group Chief Executive Officer Liam Wee Sin said: "Singapore residential market remained challenging in 2015 amid an economic slowdown and the dampening effects of the government's cooling measures. Despite this, our property development and investment business performed creditably. We sold over $900 million worth of new apartments in Singapore.

"We expect market conditions to remain subdued in 2016 and will continue to build recurrent income from rentals of offices and shopping malls, and from our hospitality business."

UOL expects the global economic outlook for 2016 to remain sluggish and uncertain with key concerns over China's slower growth, falling commodity prices and fluctuating exchange rates. It said Singapore's residential market is expected to remain muted while office rentals will continue to face pressure as new supply comes on-stream. Retail rentals could soften further with new supply and weak retail sales. The hospitality sector in Asia Pacific continues to be more competitive in the wake of the global economic uncertainty.

As at 31 December 2015, shareholders' funds increased to $7.9 billion from $7.6 billion at the end of 2014. Net tangible asset per ordinary share rose to $9.89 from $9.68. Group gearing ratio improved to 0.27 from 0.34 last year with repayments of Group borrowings coupled with the effects of an increase in total equity.

Directors have proposed a first and final dividend of $0.15 per ordinary share.

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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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