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NEWS RELEASE

UOL 3Q18 NET ATTRIBUTABLE PROFIT EXCLUDING ONE-OFF GAINS IN 3Q17 UP 5% TO $92.8 MILLION

- *Increase due mainly to higher profit from property investments and hotel operations of the expanded group*
- *Group revenue marginally down 3% with lower contribution from property development*

Singapore, 13 November 2018 – Net attributable profit excluding one-off gains in 3Q17, rose 5% to $92.8 million for the third quarter ended 30 September 2018 (3Q18). Including other gains, net attributable profit declined 85% due mainly to the $535.6 million gain recognised upon the consolidation of the United Industrial Corporation group (UIC) in 2017.

Group revenue slipped three per cent to $523.8 million in 3Q18. By business segments, property development fell 43% to $165.0 million from lower revenue recognition from Principal Garden and Botanique at Bartley as the projects approached completion, as well as the completion of Alex Residences in September 2017. The revenue decline was partially offset by Amber45, which was launched in May 2018, and higher revenue from The Clement Canopy arising from the UIC consolidation.

Revenue from property investments rose 60% to $132.5 million following the consolidation of UIC's investment properties and 120 Holborn Island. Hotel ownership and operations was up 26% to $172.2 million with the inclusion of UIC's hotels, while revenue from management services and technologies climbed 164% to $33.7 million, mostly from the technology arm of UIC. The increases arose mainly from three months of results consolidated for 3Q18 compared to one month for 3Q17. Dividend income grew 46% to $20.4 million with higher dividends from United Overseas Bank Limited in 3Q18.

Gross profit margin improved from 31% to 45% due to lower revenue from property development, which has higher cost margins, as well as the absence of accelerated depreciation expenses of $15.3 million for the redevelopment of Pan Pacific Orchard reported in 3Q17.

Group expenses increased 11% to $94.9 million mainly due to the UIC consolidation. Marketing and distribution expenses were up five per cent to $21.7 million; administrative expenses rose 20% to $30.1 million; and other operating expenses rose 19% to $33.7 million while finance expenses fell 17% to $9.4 million due to higher capitalisation of borrowing costs for development projects.

Share of profit of associated and joint venture companies declined 95% to $1.7 million in 3Q18 as UIC Group and the common associated and joint venture companies with UIC Group were no longer equity accounted from September 2017.

Group pre-tax profit before fair value and other gains/(losses) in 3Q18 rose 18% to $149.9 million, helped by better performance from property investments and higher dividend income.

For the nine months ended 30 September 2018, net attributable profit stood at $299.3 million, down 63% from the previous corresponding period due mainly to lower attributable fair value and other gains. During the same period, revenue was up 41% to $1.8 billion.

UOL said the cooling measures introduced in July have affected sentiment in the Singapore residential property market. Notwithstanding, the launched projects, Amber45 and The Tre Ver, have achieved healthy sales of close to 70% and 30% respectively. Office rents, on the other hand, are expected to be on the uptrend given the strong demand from a wide range of sectors coupled with limited new supply. Retail rents remain soft as the retail scene continues to evolve due to the challenges from e-commerce and manpower shortage.

While the property market in London continues to be affected by political uncertainties due to Brexit, the office rental market in Midtown remains steady.

UOL noted that total visitor arrivals in Singapore for the first eight months of 2018 grew by 7.5% to 12.6 million, which should benefit the Group's hotels in Singapore. The hospitality sector in Asia Pacific is expected to benefit from the improving economic conditions, though trading conditions for the Group's hotels in Myanmar and the People's Republic of China remain competitive.

As at 30 September 2018, shareholders' funds increased to $9.63 billion from $9.45 billion at the end of 2017. Net tangible asset per ordinary share rose to $11.24 from $11.01. Group gearing ratio increased to 0.28 from 0.21 mainly due to higher borrowings for the acquisition of 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 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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