UOL 华业集团

COMPANY REGISTRATION NO. 196300438C

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NEWS RELEASE

UOL TURNS AROUND WITH 1H21 NET ATTRIBUTABLE PROFIT OF $91.3 MILLION

- *Group pre-tax profit before fair value losses up 9% to $214.3 million*
- *Attributable fair value losses narrowed to $16.9 million from $185.8 million*
- *Group revenue up 31% to $1.2 billion, with higher contributions from property development and property investments*

Singapore, 12 August 2021 – UOL Group Limited today reported a net attributable profit of $91.3 million for the half-year ended 30 June 2021 (1H21) as revenue from property development rose substantially while fair value losses fell sharply, turning around from a net attributable loss of $82.1 million for the same period last year.

Group pre-tax profit before fair value losses amounted to $214.3 million, up nine per cent from $196.8 million in 1H20 on higher income from property development and property investments, as well as lower financial expenses.

The Group's attributable fair value losses narrowed to $16.9 million from $185.8 million.

During the first six months of 2021, Group revenue rose 31% to $1.2 billion with higher contributions from property development and property investments.

Property development increased 81% to $687.5 million on higher progressive revenue recognition from Avenue South Residence, The Tre Ver and Clavon in Singapore. This was partly offset by lower revenue from Amber45 and V on Shenton in Singapore and Park Eleven in Shanghai, China. Revenue from property investments rose five per cent to $249.8 million in 1H21.

The Group's hotel operations, technology operations and investment income revenues declined during the period under review. Revenue from hotel operations fell eight per cent to $126.1 million due mainly to the impact of COVID-19 on the Singapore hospitality industry, with government quarantine facility contracts reduced significantly in 1H21. However, hotels in China contributed higher revenue as the country's tourism industry continued to recover.

Revenue from technology operations fell nine per cent to $107.9 million in 1H21 on lower sales of information technology services as global supply constraints resulted in delays. Revenue from investment income dropped 41% to $17.5 million owing to a decrease in final dividends and absence of special dividends from United Overseas Bank.

Group expenses increased by two per cent to $185.5 million in 1H21. Marketing and distribution expenses for the Group rose 45% to $52.2 million. Financial expenses fell 40% to $27.8 million owing to the gradual decline in interest rates since the start of COVID-19.

UOL Group Chief Executive Liam Wee Sin said: "Despite healthy demand in Singapore's private residential market, we remain concerned about rising construction cost due to manpower shortage and supply chain disruptions. These challenges amplify the urgency to work towards strengthening the industry resilience.

"The impact of the pandemic has also prompted rethinking on the usage, design and space requirements of the various real estate asset classes. There is a need for more flexible planning approach to adapt and respond to changes such as hybrid working, accelerated online shopping, and the increased focus on health and well-being and climate change."

Meanwhile, office rents in Singapore are expected to continue rising in the near term amid steady demand from growth sectors such as technology and media, wealth management, family business and healthcare. However, the office rental market may face headwinds in the medium term as more firms review their workspace requirements post COVID-19.

As for retail, the sector continues to face challenges due to the re-imposition of tightening measures in May this year and the latest Phase 2 (Heightened Alert) period in July. Retail rents are expected to continue to be under pressure albeit at a slower pace as the market is poised to benefit from improved economic activity and consumer sentiment due to the rollout of COVID-19 vaccines.

UOL believes that the hospitality sector will continue to be negatively impacted in the short term in the absence of international visitors. In the United Kingdom, the commercial and hospitality sectors are likely to face challenges in the medium term as the uncertainty continues to linger post-Brexit.

As at 30 June 2021, the Group's shareholders' funds increased to $9.93 billion from $9.79 billion as at 31 December 2020 due mainly to fair value gains on financial assets and profit recognised in the first six months of this year, which more than offset the dividends paid. Net tangible asset per ordinary share rose to $11.71 as at 30 June 2021 from $11.55 as at 31 December 2020.

The Group's gearing ratio remained constant at 0.29 as at 30 June 2021, unchanged from end December 2020.

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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, Europe 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 three acclaimed brands namely "Pan Pacific", PARKROYAL COLLECTION and PARKROYAL. The Company's Singapore-listed property subsidiary, Singapore Land Group Limited, owns an extensive portfolio of prime commercial assets and hotels in Singapore.

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