UOL Group Limited
华业集团有限公司

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NEWS RELEASE

UOL'S FY 2012 NET ATTRIBUTABLE PROFIT UP 19% TO $807.7 MILLION

- *Higher earnings from property investment buffer decline in property development*
- *Revenue down 42% to $1.15 billion due mainly to decline in sales of development properties*
- *Fair value gains on investment properties including those of associated companies surge by 181% to $549.6 million*

Singapore, 28 February 2013 – UOL Group today announced a 19% increase in net attributable profit to $807.7 million for its financial year ended 31 December 2012. While earnings from the sale of residential units were affected by the completion of several projects, the Group's recurring income streams from the rentals of offices and shopping malls, and fair value gains from investment properties, helped lift the bottom line.

Fair value gains on investment properties surged during the period. They rose 181% to a total of $549.6 million for both the Group's investment properties and those of associated companies.

Group profit before fair value and other gains/losses and income tax was $439.7 million, down 40% from $727.8 million in 2011. The decrease resulted from lower income from property development and associated companies. Including fair value gains, pre-tax profits were up 7% to $964.3 million. Lower income tax and share of profit of non-controlling interests boosted net attributable profit by 19% to $807.7 million.

Group revenue fell 42% to $1.15 billion with a decline in revenue from development properties partially offset by higher revenues from investment properties and hotel ownership and operations.

Directors have proposed a first and final dividend of 15 cents a share.

Gwee Lian Kheng, UOL's Group Chief Executive, said: "Our FY 2012 results reflect our strategy of deploying capital into investment assets that can generate recurrent income streams to smooth out the lumpiness of earnings from property development. Over the recent years, we have committed nearly $1 billion in recurrent income projects in Singapore which should start contributing to the bottom line in the next two years.

"The recent cooling measures and the latest property tax changes by the government in Singapore will dampen overall demand and moderate prices. We remain cautious and selective in our land acquisitions and will continue to reinforce our recurrent income streams and focus on improving the performance of our property investments and hospitality."

During the period under review, revenue from property development fell 60% to $560 million, due mainly to the completion of the Group's projects in 2011 and 2012, and revenue recognition for several projects in 2011 (Panorama and Duchess Residences) using the completion of construction method following the adoption of INT FRS 115.

On the positive side, revenue from investment properties was up four per cent to $166.1 million as occupancies and average rents increased. Revenue from hotel ownership and operations also rose five per cent to $377.7 million in FY2012, due to the inclusion of revenues from PARKROYAL Melbourne Airport, and higher revenue from hotels in Yangon and Perth.

Share of profit from associated companies in FY2012 declined 31% to $114.1 million from $165.9 million with lower development profit from Nassim Park Residences following its completion in the first quarter of 2011 and lower contributions from Marina Centre Holdings Pte Ltd and United Industrial Corporation Limited.

Gross profit margin of 44% in FY2012 was higher than the 38% recorded in the previous year because of the lower revenue from property development, which has a higher cost margin.

Group expenses rose one per cent to $207.3 million in FY2012, the main contributor being an 11% increase in marketing and distribution expenses to $37.4 million. These expenses were due to sales commission for Katong Regency and advertising expenses for the launch of residential and office units of The Esplanade in Tianjin. Meanwhile, currency exchange losses recognised in 2011 were absent from FY2012 and bank facility fees were also lower, resulting in a 16% decrease in finance expenses to $33.1 million.

Finance income for 2012 increased by 301% to $11.1 million mainly because of unrealised currency exchange gains from the Group's borrowings in US dollars to fund investments in China.

Shareholder funds increased by 16% to $6.1 billion as at 31 December 2012. Net tangible asset per ordinary share rose to $7.94 from $6.84. Group gearing ratio decreased to 0.28 from 0.35 as at December 2011 arising from lower borrowings combined with the effects of the increase in total equity.

The award-winning 367-room PARKROYAL on Pickering opened in January 2013 while 180-room Pan Pacific Serviced Suites Beach Road will open in the second quarter of 2013.

During the year under review, UOL also won the Best Developer (South East Asia) and Best Developer (Singapore) awards by South East Asia Property Awards, for its quality development track record and innovation.

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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 listed 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 10,000 rooms in its portfolio.

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