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NEWS RELEASE

UOL'S FY23 NET ATTRIBUTABLE PROFIT RISES 44% TO $707.7 MILLION

- *Increase due mainly to $442.3 million gain from sale of PARKROYAL on Kitchener Road*
- *Group revenue down 16% to $2.68 billion with lower contributions from property development, partially offset by 38% increase from hotels*
- *Board proposes special dividend of $0.05 per share in addition to first and final dividend of $0.15 per share*
- *Board appoints Mr Wee Ee Lim as new Chairman of the Board*

Singapore, 27 February 2024 – UOL Group Limited today reported a 44% increase in net attributable profit to $707.7 million for the financial year ended 31 December 2023 (FY23). The increase was due mainly to a gain of $442.3 million from the sale of a wholly-owned subsidiary which held PARKROYAL on Kitchener Road.

Group pre-tax profit before fair value and other gains/losses was down 24% to $475.1 million in FY23 due to weaker performance from property development, share of losses from associated and joint venture companies as compared to a gain in the previous year, and higher net finance expenses. The declines were partly offset by better performance from hotel operations and higher investment income.

Fair value gains/losses on the Group's investment properties dropped 92% to $20.2 million from $268.2 million in FY22. Fair value gains were recorded for Singapore properties while fair value losses were reported for commercial properties in the United Kingdom and Australia.

Group revenue for the full year fell 16% to $2.68 billion. By business segment, property development reported lower revenue while hotel operations performed better on the back of recovery in global travel.

Revenue from property development decreased 39% to $1.21 billion in FY23. Avenue South Residence, The Tre Ver and Clavon in Singapore and Park Eleven in Shanghai contributed less this time round whereas AMO Residence and The Watergardens at Canberra in Singapore recognised more revenue during the same period.

Revenue from property investments was two per cent up at $512.5 million in FY23 mainly on account of contributions from commercial properties in Singapore and serviced suites. Revenue from management services and technologies rose 26% and 10% respectively.

Revenue from hotel operations rose 38% to $762.8 million for the full year as all the Group's hotels, except for those under major refurbishment, continued to benefit from the rebound in global travel in their respective countries.

Share of losses from associated and joint venture companies stemmed from lower contributions from MEYER HOUSE which was fully sold in May 2023, and the closure of Mandarin Oriental Singapore for renovation from March to September 2023.

Marketing expenses for the Group fell 17% to $115.1 million in FY23 in line with lower selling expenses amid a decline in residential sales.

Administrative expenses rose 31% to $158.6 million. Contributing to the increase were higher payroll and related expenses, professional fees, information technology expenses and credit card commissions driven by higher business volume, inflationary factors and regulatory compliance requirements.

Group finance expenses was up 56% to $200.4 million owing to higher interest rates. Consequently, the weighted average interest rate on Group external borrowings was 3.69 per cent in FY23 against 2.25 per cent the year before.

Other operating expenses rose 15% to $150.4 million on account of higher energy and property maintenance costs, as well as expenses for new openings such as

PARKROYAL COLLECTION Kuala Lumpur in June 2022, Pan Pacific Serviced Suites Kuala Lumpur in December 2022, and Pan Pacific Orchard in June 2023.

UOL Group Chief Executive Liam Wee Sin said: “Amidst a challenging economic environment and following two rounds of cooling measures, sales in our Singapore residential projects exceeded expectations, especially for Watten House which achieved 64% sales booking last year. This reflected strong demand for good products in attractive locations.

“Our office and retail portfolio saw positive rental reversions. Ongoing asset enhancement initiatives will contribute incrementally to our bottom line. We will capitalise on the rebound of the hospitality sector with our refurbished and newly opened hotels.”

Mr Liam noted that last July, UOL acquired a 50% stake in a five-hectare mixed retail cum residential site at Tampines Avenue 11 and was last week awarded the Orchard Boulevard site in a government land sales tender.

“Going forward, we expect demand for freehold residential projects and integrated developments to be healthy. In 3Q24, we expect to launch Meyer Blue, a 226-unit freehold development, which will benefit from the future Long Island project announced by the government.”

Office rents are likely to moderate due to a new pipeline of offices and more companies may right-size office in view of economic uncertainties.

With tourism projected to recover fully this year, the retail sector should benefit with higher tourist arrivals. Rents would be further sustained by lack of supply in retail space.

UOL believes that Singapore’s hospitality sector is likely to continue its growth against the backdrop of recovery in travels.

As at 31 December 2023, the Group's shareholders' funds increased to $11.04 billion from $10.64 billion as at 31 December 2022 due mainly to profit for the year. This was partly offset by the payment of dividends and fair value losses of investments in quoted equity shares held by the Group. Net tangible asset per ordinary share increased to $13.03 from $12.55 as at 31 December 2022.

The Group's net gearing ratio decreased to 0.24 from 0.26 as at 31 December 2022 owing to the repayment of bank loans with the proceeds from the sale of PARKROYAL on Kitchener Road, sales of development properties and operating cash flows.

The Board of Directors has proposed a special dividend of $0.05 per share on top of a first and final dividend of $0.15 per share.

The Board of Directors has also appointed Mr Wee Ee Lim as Chairman of the Board succeeding the late Dr Wee Cho Yaw who passed away on 3 February 2024.

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About UOL Group Limited

UOL Group Limited (UOL) is a leading Singapore-listed property and hospitality group with total assets of about $22 billion. The Company has a diversified portfolio of development and investment properties, hotels and serviced suites in Asia, Oceania, Europe, North America and Africa. With a track record of over 60 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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