COMPANY REGISTRATION NO. 196300438C

For Immediate Release

NEWS RELEASE

UOL'S 1Q18 NET ATTRIBUTABLE PROFIT DOWN 8% TO $73.8 MILLION

- *Decline due to effects of accounting for UIC as subsidiary and accelerated depreciation charge for Pan Pacific Orchard*
- *Group pre-tax profit up 42% to $138.5 million on operations of enlarged group*
- *Group revenue up 89% to $661.0 million*

Singapore, 11 May 2018 – UOL Group Limited today reported an eight per cent drop in net attributable profit to $73.8 million for the first quarter ended 31 March 2018 (1Q18).

Net attributable profit would have been higher if not for the $7.6 million amortisation and depreciation of fair value uplifts in the first quarter under a purchase price allocation exercise when UIC was accounted as a UOL subsidiary from 1 September 2017. Pan Pacific Orchard, meanwhile, took a $6.6 million accelerated depreciation charge following the decision to cease operations in the second quarter of 2018 for redevelopment.

Group pre-tax profit in 1Q18 rose 42% to $138.5 million from operations of the enlarged group.

Group revenue surged 89% to $661.0 million on higher contributions from its three core business segments – namely property development, property investments, as well as hotel operations. The consolidation of UIC Group and the associated and joint venture companies of UOL Group and UIC Group (UIC consolidation) added $316.2 million to UOL's top line during the first three months of the current financial year.

During the quarter under review, revenue from property development rose 72% to $314.9 million; for property investments, 133% higher at $131.6 million, and for hotel ownership and operations, 66% up to $173.5 million.

Excluding the effects of the UIC consolidation, revenue from property development fell seven per cent or $12.1 million with the completion of Riverbank@Fernvale in March 2017; hotel ownership and operations improved nine per cent or $9.0 million due mainly to maiden contribution from Pan Pacific Melbourne which was acquired last July; and property investments fell four per cent or $2.3 million as a result of lower contribution from OneKM mall.

Group expenses increased 67% to $104.0 million following the UIC consolidation and higher borrowings for the construction of One Bishopsgate Plaza in London and the acquisition of Pan Pacific Melbourne. Marketing and distribution expenses were up 34% to $21.4 million; administrative expenses rose 55% to $30.1 million; finance expenses and other operating expenses climbed 52% and 114% higher to $12.2 million and $40.2 million respectively.

Share of profit from associated and joint venture companies decreased 97% to $1.2 million in 1Q18 as the common associated and joint venture companies with UIC were no longer equity accounted from 1 September 2017.

Gross profit margin of 35% for 1Q18 was higher than the 33% in the previous corresponding period due mainly to a higher proportion of revenue from property investments which command higher margins.

UOL noted that prices of private residential properties in Singapore are trending upwards, with prices increasing by 3.9% in 1Q18. Office rents could continue its upward momentum on steady demand and decreasing supply, while retail rents could remain under pressure from e-commerce. The hospitality sector in Asia Pacific is set to benefit from the improving global economic outlook except in China and Myanmar, where trading conditions remain challenging.

UOL added that the performance of the Group's two properties in Midtown London is expected to remain steady although economic and political uncertainties could weigh in on the London property market.

As at 31 March 2018, shareholders' funds increased to $9.59 billion from $9.45 billion at the end of 2017. Net tangible asset per ordinary share rose to $11.18 from $11.01. Group gearing ratio remained unchanged at 0.21.

The Group is scheduled to launch Amber45, a boutique freehold development comprising 139 units in the popular East Coast area, tomorrow. The initial response for the project has been very strong, attracting over 3,000 visitors during its preview over the 28-29 April weekend.

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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 more than 10,000 rooms in its portfolio.

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