UOL 华业集团

COMPANY REGISTRATION NO. 196300438C

For Immediate Release

NEWS RELEASE

UOL'S 2Q16 NET ATTRIBUTABLE PROFIT DOWN 55% TO $68.8 MILLION

- *Decline in earnings due mainly to fair value losses*
- *Group revenue rises 6% to $363.6 million*
- *Revenue from property development rises 14% to $185.5 million and hospitality up 3% to $101.1 million*

Singapore, 4 August 2016 – UOL Group Limited today announced net attributable profit of $68.8 million for the second quarter ended 30 June 2016 (2Q16), down 55% due mainly to fair value losses on investment properties. Attributable fair value losses and other losses totalled $21.5 million against $53.8 million gain in the previous corresponding quarter.

UOL incurred initial acquisition costs of $10.8 million for the purchase of 110 High Holborn in London, UK, in June 2016. It recognised a $3.7 million gain on the purchase of this property, being the difference between the fair value of the net assets acquired and the acquisition costs.

During the quarter under review, share of profit from associated companies rose 11% to $33.0 million due mainly to contribution from United Industrial Corporation Limited, which chalked up higher profit from its development properties.

Group revenue in the second quarter rose six percent to $363.6 million from a year ago, due mainly to higher progressive revenue recognition from on-going projects such as Riverbank@Fernvale, Seventy Saint Patrick's, Botanique at Bartley as well as Principal Garden, which was launched in October 2015. Property development revenue was up 14% to $185.5 million.

The Group's hotel business also improved marginally due to higher revenue contributions mainly from Pan Pacific Tianjin and PARKROYAL Yangon. Hotel revenue rose three percent in the second quarter to $101.1 million. Revenue from property investments inched up to $55.1 million from $54.9 million.

Group expenses in 2Q16 fell five percent to $62.8 million compared with the same period last year when the launch of Botanique at Bartley in April 2015 led to higher expenses in 2Q15.

UOL Deputy Group Chief Executive Officer Liam Wee Sin said: "Most of our residential projects have achieved relatively good take-up rate due to our strong product attributes. But with the intense competition and lack of confirmed sites in the government land sales, our concern is that land prices will be driven to an unhealthy level.

"For our hospitality segment, we will continue to expand our footprint in key markets. Our extension of rooms at PARKROYAL Parramatta in Sydney to a 286-guestroom hotel is expected to be completed in end August. We have also just signed a hotel management agreement to manage a new hotel in Beijing under the "Pan Pacific" brand."

UOL expects office rentals to be under pressure from a large supply in the second half of the year. It also sees retail rents being buffeted by weak retail sales and increased competition.

For the first six months ended 30 June 2016, group revenue rose 19% to $693.7 million. Pre-tax profit before fair value and other gains/losses was $199.3 million, a marginal decrease of two percent from the same period last year. Net attributable profit declined 36% to $145.9 million with lower attributable fair value and other losses of $21.3 million compared with fair value and other gains of $54.5 million in the previous corresponding period.

As at 30 June 2016, shareholders' funds increased marginally to $7.90 billion from $7.89 billion as at 31 December 2015 mainly due to higher share capital from scrip dividends and profits recognised in the first six months of 2016, offset in part by fair value losses on available-for-sale financial assets and dividends paid. The net tangible asset per ordinary share declined to $9.77 as at end June 2016 from $9.89 as at end December 2015.

The Group's gearing ratio increased to 0.29 as at 30 June 2016 from 0.27 as at 31 December 2015 with new loans for the Group's acquisition of the UK property and advances to a joint venture company to fund its acquisition of a residential site at Clementi Avenue 1.

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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 over 9,800 rooms in its portfolio.

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