UOL 华业集团

COMPANY REGISTRATION NO. 196300438C

For Immediate Release

NEWS RELEASE

UOL'S 1Q15 NET ATTRIBUTABLE PROFIT DOWN 39% TO $74.2 MILLION

- *Excluding one-time gain from Jalan Conlay land sale, net attributable profit slips 3%*
- *Revenue from property development more than doubled to $77.3 million, excluding revenue from Jalan Conlay*
- *Share of profit from associated companies up 27% to $31.9 million*

Singapore, 12 May 2015 – UOL Group Limited today announced net attributable profit of $74.2 million for the first quarter ended 31 March 2015 (1Q15), down 39% due mainly to the effect of a one-time gain from the sale of land at Jalan Conlay in Malaysia on the first quarter 2014 results.

Excluding the sale of land at Jalan Conlay which reaped a net attributable gain of $44.3 million, 1Q15 net attributable profit slipped three percent to $74.2 million compared with $76.5 million in the same quarter in 2014.

Group revenue stood at $238.3 million, a 42% decline from 1Q14's comparable figure which was similarly boosted by the land sale in Malaysia. Excluding the $218.5 million revenue from the land sale, property development revenue in 1Q15 more than doubled from $29.4 million to $77.3 million. Progressive revenue recognition for three projects – Katong Regency, Seventy Saint Patrick's and Riverbank@Fernvale – contributed to the increase.

Revenue from property investments grew nine percent to $53.2 million as contributions from OneKM which opened in 4Q14, kicked in. Revenue from hotel operations fell by four percent to $102.6 million due to the decline in contributions from Pan Pacific Perth and PARKROYAL Yangon which were affected by renovation works.

UOL said that demand for private residential properties is expected to remain muted with the rising interest cost and effects of property cooling measures. Growth in office rentals is likely to moderate in anticipation of new supply in 2016 while retail rents could come under pressure amid rising occupancy costs and a tight labour market. The Group added that with the new supply of hotel rooms and a weaker growth in tourist arrivals in Singapore, hotel room rates and occupancies are expected to moderate. Overseas, trading conditions for the Group's hotels, especially for those in China, are expected to remain difficult.

During the quarter under review, share of profit from associated companies rose 27% to $31.9 million mainly from United Industrial Corporation Limited which received higher contributions from its development properties, as well as an increased interest in its subsidiary, Singapore Land Limited following its voluntary cash offer in 2014.

The share of profit from joint venture companies declined 25% to $7.0 million as a result of slower development progress for the Archipelago development.

Gross profit margin of 44% was lower than the 49% reported in the previous corresponding period as the first quarter of 2014 included higher margins from the sale of the land in Jalan Conlay.

Group expenses rose seven percent to $62.2 million due mainly to higher finance expenses resulting from unrealised currency exchange losses recognised in the first quarter from the Group's borrowings in US dollars to fund its investments in China. Other operating expenses have increased with the opening of new properties, OneKM and Pan Pacific Tianjin, in the last quarter of 2014.

As at 31 March 2015, shareholder funds expanded to $7.8 billion from $7.6 billion as at 31 December 2014 due mainly to profits recognised in the first quarter of 2015 and the reversal of $96.3 million in deferred tax liabilities previously provided on the fair value gains of current available-for-sale financial assets. Accordingly, net tangible asset per ordinary share rose to $9.84 as at end March 2015 from $9.68 as at end December 2014.

The Group's gearing ratio improved to 0.32 during the quarter under review from 0.34 as at 31 December 2014.

Since the launch of Botanique at Bartley in April, the project has sold more than 300 units out of the 550 released. The Group will also be launching its Prince Charles Crescent project in the second half of the year.

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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 in investment and development 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, shopping malls, hotels and serviced suites. UOL, together with its wholly-owned 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, Oceania and North America with over 9,800 rooms in its portfolio.

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