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NEWS RELEASE

UOL'S 2Q15 NET ATTRIBUTABLE PROFIT DOWN 28% TO $152.5 MILLION

- *Profit declines due mainly to lower fair value gains on investment properties including those of associated companies*
- *Development projects bolster core earnings; pre-tax profit before fair value and other gains up 9% to $114.9 million*
- *Revenue rises 60% to $342.2 million with contributions mainly from four development projects and OneKM mall*

Singapore, 12 August 2015 – Development projects helped to bolster UOL Group Limited's core earnings, although the lacklustre property market has depressed fair value gains of its investment properties. Consequently, Group net attributable profit, taking into account lower fair value gains, declined 28% to $152.5 million for the second quarter ended 30 June 2015 (2Q15).

Contributions from Katong Regency, Riverbank@Fernvale and Seventy Saint Patrick's boosted core earnings. Profit before fair value and other gains and income tax rose nine per cent to $114.9 million in 2Q15.

Attributable fair value gains from the Group's investment properties including those of associated companies totalled $53.3 million, or 56% lower from $121.2 million in the second quarter of last year.

Share of profit from associated and joint venture companies fell eight per cent to $35.3 million due mainly to lower contributions from the Archipelago condominium in which UOL owns 50%.

Group revenue rose 60% to $342.2 million in 2Q15 from $213.6 million a year ago. Revenue from property development surged 343% to $162.3 million from $36.6 million in the previous corresponding period due mainly to progressive recognition of revenue from the sales of its development projects.

Revenue from property investments grew 15% to $54.9 million due to higher contributions from OneKM mall which opened in 4Q14. Revenue from hotel ownership and operations eased six per cent to $98.6 million, due mainly to lower contributions from Pan Pacific Perth, PARKROYAL Kuala Lumpur and PARKROYAL Yangon.

For the quarter under review, Group expenses rose 17% to $66.3 million. Marketing and distribution expenses rose 77% to $18.2 million due to the sales launch of Botanique at Bartley in April 2015, the ongoing sales of Seventy Saint Patrick's, as well as expenses for OneKM and Pan Pacific Tianjin, which both opened in 4Q14. Administrative expenses rose eight per cent to $20.0 million while other operating expenses increased 11% to $20.6 million due to these openings, as well as higher maintenance contributions for Novena Square. Finance expenses decreased 18% to $7.4 million due to currency exchange gains.

UOL Group Chief Executive Gwee Lian Kheng said: "Our core earnings from property development remained strong in the second quarter despite sluggishness in the residential market. The encouraging sales from Botanique at Bartley have shown that niche development can still attract buyers.

"On the whole, business sentiment in Singapore has been poor due to the restructuring of our economy and the lower GDP growth in the regional countries and China. While the residential property market is still hit by the cooling measures, prices of land under the government land sales have remained high due to intense competitions from new and foreign entrants."

UOL expects office rentals to remain stable for the rest of 2015, although they could come under pressure next year because of new supply, while retail rents would continue to be challenging given the rising vacancies and increased supply.

The Group also foresees hotel room rates in Singapore to be dampened by the slowing visitor arrivals and an increase in hotel room supply. Outlook for the Group's overseas hotels is expected to remain challenging.

For the first six months ended 30 June 2015, revenue fell by seven per cent to $580.5 million. Pre-tax profit before fair value and other gains totalled $203.8 million, down 29% from the same period last year. The decrease was due mainly to the recognition of a one-time pre-tax profit of $98.4 million from the sale of Jalan Conlay land in 1H14. Net attributable profit declined 32% to $226.7 million with lower attributable fair value and other gains of $54.5 million recognised in 1H15, compared with $128.7 million in the previous corresponding period.

As at 30 June 2015, shareholder funds expanded slightly to $7.9 billion from $7.6 billion as at 31 December 2014, due mainly to profits recognised in the first half of 2015 and the reversal of $96.3 million in deferred tax liabilities previously provided on the fair value gains of available-for-sale financial assets. Consequently, net tangible asset per ordinary share rose to $9.84 as at 30 June 2015 from $9.68 as at 31 December 2014.

The Group's gearing ratio improved to 0.31 as at 30 June 2015 from 0.34 as at 31 December 2014 with repayments of borrowings coupled with increased total equity.

The Group's 797-unit Botanique at Bartley, which was launched in April, has seen a strong take-up with a sell-through of 60%. The development, located minutes from the doorstep of the Bartley MRT station, was well sought after by buyers due to its high specifications, proximity to MRT and affordability.

UOL also announced last month the launch of Singapore's first bicycle-sharing facility for its Riverbank@Fernvale project in Sengkang. The 555-unit condominium, which is 60% sold, will supply 50 bicycles to be shared among the residents allowing them to enjoy the scenic environs of the Sengkang Riverside Park.

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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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