UOL
华业集团

COMPANY REGISTRATION NO. 196300438C

For Immediate Release

NEWS RELEASE

UOL'S FY20 NET ATTRIBUTABLE PROFIT DOWN TO $13.1 MILLION

- *Decline due mainly to fair value losses on investment properties and other losses*
- *Excluding fair value and other losses, attributable profit fell 17% to $259.8 million as higher earnings from property development buffer decline in hotel operations due to pandemic*
- *Directors propose dividend of 15.0 cents per ordinary share*

Singapore, 26 February 2021 – UOL Group Limited today reported a 97% drop in net attributable profit for its full-year ended 31 December 2020 (FY20) to $13.1 million, due mainly to attributable fair value and other losses of $246.7 million compared with $165.1 million gains in the previous year. The decline in the fair value on the Group's commercial properties and serviced suites, as well as the impairment charge for Pan Pacific London and Pan Pacific Melbourne reflected the impact of the pandemic.

Excluding fair value and other losses/gains, Group attributable profit declined 17% to $259.8 million against $313.7 million previously. Group pre-tax profit before fair value and other losses stood at $443.2 million, down 17%.

Group revenue fell 13% to $2.0 billion with lower contributions from most segments except property development and technology operations, which rose 11% and 41% to $943.1 million and $225.7 million, respectively. Property development segment saw higher progressive recognition of revenue from Avenue South Residence and The Tre Ver and revenue from sales of units at V on Shenton and Park Eleven, while the latter segment chalked up more sales of information technology and related services.

Revenue from property investments fell $48.4 million, or nine per cent, to $503.3 million in FY20 on lower revenue from serviced suites and rental rebates of $20.8 million extended to tenants affected by COVID-19.

Hotel operations saw the biggest revenue decline of 62% to $246.5 million due mainly to the impact of COVID-19, with hotels in Singapore and Australia reporting the largest decrease. The closure of PARKROYAL COLLECTION Marina Bay and PARKROYAL Kuala Lumpur for major refurbishments, and the absence of revenue from Pan Pacific Suzhou, which was sold in December 2019, also affected hotel revenue.

During the period under review, the Group received government grants and assistance totalling $72.4 million.

Group expenses fell 30% to $378.6 million from $542.8 million in FY19 due to lower sales and various cost containment measures to mitigate the effects of COVID-19. Other operating expenses dropped 45% to $116.5 million mainly from the absence of amortisation of development property backlog for the period under review. Finance expenses declined 28% to $83.4 million owing to a drop in interest expense on bank borrowings amidst the low interest rate environment.

UOL Group Chief Executive Liam Wee Sin said: “The COVID-19 pandemic and the implementation of travel restrictions severely disrupted our hotel operations, but our diversified portfolio and sustained contributions from property development helped to mitigate the decline. We are glad that despite strong headwinds, UOL has achieved a creditable set of results overall.”

Mr Liam added: “The pandemic has reinforced the need for us to invest in innovation to improve productivity and sustainability. Our strong balance sheet enables us to seek growth opportunities and explore potential enhancement of the Group’s commercial and hospitality assets.”

UOL said it has recently obtained in-principle approvals for the redevelopment of Faber House into a 250-key hotel under the Urban Redevelopment Authority’s Strategic

Development Initiative scheme, and for the asset enhancement of Odeon Towers with an additional seven-storey annex office building. Construction works are likely to commence in 4Q2021 for Odeon Towers and 1H2022 for Faber House.

The Group expects new private home sales to remain resilient but uneven with stronger demand for smaller units and in the upgrader market. The construction sector is likely to see rising costs due to manpower shortage and safe distancing measures on-site.

Office demand is expected to be subdued as firms remain cautious in their expansion plans. However, the downward pressure on office rents is likely to be mitigated by limited new supply. Retail outlook remains uncertain as safe distancing measures will continue and retailers' sentiments stay cautious.

According to the World Tourism Organization, improved traveller confidence following the distribution of COVID-19 vaccines will see a gradual recovery in international travel. Consequently, visitor arrivals to Singapore and the rest of Asia Pacific region might see a modest return by the later part of 2021.

The commercial and hospitality sectors in the United Kingdom are likely to remain under pressure in the near term, given the uncertainties brought about by Brexit and the global pandemic.

As at 31 December 2020, the shareholders' funds decreased to $9.79 billion from $10.05 billion as at 31 December 2019 due mainly to payment of dividends and fair value losses on financial assets at fair value through other comprehensive income. The net tangible asset per ordinary share declined to $11.55 as at end December 2020 from $11.86 as at end December 2019.

The Group's gearing ratio decreased slightly to 0.29 as at 31 December 2020 from 0.30 as at 31 December 2019.

Directors have proposed a first and final dividend of 15.0 cents per ordinary share.

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About UOL Group Limited

UOL Group Limited (UOL) is one of Singapore's leading public-listed property companies with total assets of about $20 billion. The Company has a diversified portfolio of development and investment properties, hotels and serviced suites in Asia, Oceania, Europe and North America. With a track record of over 50 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, United Industrial Corporation Limited, owns an extensive portfolio of prime commercial assets and hotels in Singapore.

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