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UOL's 1H23 NET ATTRIBUTABLE PROFIT DOWN TO $135 MILLION

- *Net attributable profit down 64% due mainly to 98% decline in attributable fair value gains on investment properties*
- *Group pre-tax profit before fair value and other gains/losses down 27% to $228.8 million due mainly to lower profit from property development and higher net finance expenses*
- *Revenue from Group's hotels up 66% in tandem with tourism recovery*

Singapore, 10 August 2023 – UOL Group Limited today reported a 64% decline in net attributable profit for its half-year ended 30 June 2023 (1H23) to $135 million due mainly to significantly lower attributable fair value gains on its investment properties of $3.5 million against $190 million for the same period last year.

Group pre-tax profit before fair value and other gains/losses totalled $228.8 million, down 27% from $315.5 million in 1H22 due mainly to lower profit from property development and higher net finance expenses.

Reflecting the decline in revenue recognition from property development, Group revenue fell 11% to $1.37 billion compared with the same corresponding period last year.

Revenue from property development fell 32% to $676.3 million on lower contributions from Avenue South Residence and The Tre Ver in Singapore, as well as Park Eleven in Shanghai. This was partly offset by higher progressive revenue recognition from AMO Residence and The Watergardens at Canberra in Singapore.

Revenue from hotel operations rose $135.2 million, or 66%, to $341.5 million in 1H23 as almost all the Group's hotels continued to benefit from a rebound in tourism in their respective countries. Hotels in Singapore recorded the largest increases, followed by PARKROYAL COLLECTION Kuala Lumpur which opened in June 2022, Pan Pacific London and PARKROYAL Darling Harbour in Australia.

Share of loss from associated and joint venture companies as compared with share of profit for 1H22 was due mainly to lower contributions from MEYER HOUSE in Singapore which was completely sold, and Mandarin Oriental Singapore which was closed for renovations in March 2023.

Administrative expenses for the Group rose 33% to $73.1 million owing to higher payroll and related expenses, professional fees, information technology expenses and credit card commissions, driven by higher business volume and inflation. Expenses also increased with the opening of PARKROYAL COLLECTION Kuala Lumpur in June 2022, Pan Pacific Serviced Suites Kuala Lumpur in December 2022, and Pan Pacific Orchard in June 2023.

Finance expenses rose 101% to $93.9 million due to the steep increase in interest rates and new loans drawn for the redevelopment and asset enhancement initiatives at various properties and for the purpose of bidding for new sites. Consequently, the weighted average interest rate on Group external borrowings was 3.46 per cent in 1H23 against 1.74 per cent for 1H22.

Finance income for 1H 2023 was $10.0 million or 177% higher than the same period last year due mainly to higher fixed deposits placed by development subsidiaries, coupled with higher deposit rates.

UOL Group Chief Executive Liam Wee Sin said: “We have been proactively engaged in asset management and asset enhancement initiatives of our existing commercial portfolio while looking for acquisition opportunities. For hospitality, we recently opened Pan Pacific Orchard, entered into a sale and purchase agreement for PARKROYAL on Kitchener Road, and continue to review our hotel portfolio with the view of unlocking value at an opportune time.”

On the residential property market, UOL expects growth to be subdued by the property cooling measures, macroeconomic headwinds, and a higher supply of new homes in the next 12 months.

"Our 50% stake in the recent acquisition of a mixed retail cum residential site in Tampines replenishes our pipeline of residential units in the Outside Central Region. With a 5-hectare site area accommodating about 1,190 residential units, this will be one of the largest integrated developments with transport hub and direct MRT connectivity," said Mr Liam.

Meanwhile, office leasing sentiment in Singapore is becoming cautious due to lower projected economic growth. Office rents are expected to grow at a slower pace, anchored by a tight supply of spaces in the medium term.

The retail sector should benefit from the recovery of visitor arrivals. Retail rents are expected to remain supported by the low pipeline supply of spaces.

UOL believes the hospitality sector in Singapore is likely to continue its growth, supported by a continued pick-up in leisure and corporate travel, which will benefit the Group's hospitality business.

As at 30 June 2023, the Group's shareholders' funds fell to $10.52 billion from $10.64 billion as at 31 December 2022 due mainly to the decrease in fair value of the Group's equity investments and payment of dividends to shareholders. Net tangible asset per ordinary share decreased to $12.41 from $12.55 as at 31 December 2022.

The Group's net gearing ratio remained unchanged at 0.26 as at 30 June 2023.

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About UOL Group Limited

UOL Group Limited (UOL) is a leading Singapore-listed property and hospitality group with total assets of about $22 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 60 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, Singapore Land Group Limited, owns an extensive portfolio of prime commercial assets and hotels in Singapore.

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