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NEWS RELEASE

UOL'S FY19 NET ATTRIBUTABLE PROFIT UP 14% TO $478.8 MILLION

- *Profit up mainly on higher fair value gains and sale of Pan Pacific Suzhou*
- *Over 900 residential units booked in Singapore*
- *COVID-19 outbreak to affect Group hospitality and retail businesses, and construction supply chain*

Singapore, 28 February 2020 – UOL Group Limited (UOL) reported net attributable profit of $478.8 million for the financial year ended 31 December 2019 (FY19), up 14% due mainly to higher attributable fair value and other gains of $165.1 million compared with $85.3 million in the previous year.

UOL Group Chief Executive Liam Wee Sin said: "We believe we delivered a set of creditable results for 2019. However, we see challenges ahead for this year due to the COVID-19 outbreak and we are looking into mitigation strategies to sustain our business."

Group revenue was down five per cent to $2.3 billion in FY19 on lower progressive recognition of revenue from three development projects – Principal Garden, The Clement Canopy and Botanique at Bartley. These projects obtained their temporary occupation permit (TOP) in December 2018, March 2019 and April 2019 respectively. The decline in revenue was partially offset by higher revenue recognition from development projects, namely Amber45, The Tre Ver, Avenue South Residence as well as Park Eleven in Shanghai, and higher sales from the technology business of United Industrial Corporation Limited (UIC).

Revenue from property investments rose two per cent to $551.7 million while hotel ownership and operations slipped four per cent to $653.7 million as operations were affected by the closure of Pan Pacific Orchard for redevelopment and lower contributions from PARKROYAL COLLECTION Marina Bay (the former Marina Mandarin Singapore), PARKROYAL Darling Harbour and Pan Pacific Suzhou which was sold in December 2019, as well as refurbishment works at PARKROYAL on Kitchener Road.

Revenue from management services and technologies rose 25% to $175.6 million while dividend income increased 15% to $55.2 million in FY19.

Group expenses rose 11% to $542.8 million from $490.0 million. Marketing and distribution expenses rose one per cent to $94.3 million while administrative expenses fell three per cent to $120.0 million. Finance expenses were up 25% to $116.5 million as a result of higher interest expenses on borrowings for Avenue South Residence and for the acquisition of shares in Marina Centre Holdings Private Limited and Aquamarina Hotel Private Limited.

Other operating expenses grew 17% to $211.9 million due to the accounting reversal of development property backlog of $76.4 million arising from the consolidation of UIC as a subsidiary in August 2017, and early termination of the hotel management agreement of the former Marina Mandarin Singapore. The latter was rebranded to PARKROYAL COLLECTION Marina Bay on 1 January 2020.

Group pre-tax profit before fair value and other gains/(losses) for FY19 was $536.1 million, down six per cent due mainly to the accounting reversal of development property backlog and higher interest expenses on borrowings.

On the impact of COVID-19, Mr Liam said: "The hospitality industry has been adversely affected. We are appreciative of our hotel staff for their resilience and dedication in attending to the safety and well-being of our guests amidst heightened precautionary measures. Likewise, the retail sector is affected by lower footfall and spending, and we will pass on the property tax rebates to our retail tenants. To that end, we appreciate the Government's comprehensive Budget that considers various segments of the society and businesses, and safeguards for employment.

"The construction industry is also dealing with labour shortage and uncertainties in the supply chain. The externalities have clearly deteriorated and this may eventually warrant a review on the extension of Additional Buyer's Stamp Duty deadline.

"For now, it is our hope that the COVID-19 outbreak can be contained as soon as possible so that businesses can return to normalcy."

At the macro level, UOL expects the global economic outlook to remain uncertain as trade and geopolitical tensions as well as the outcome of a Brexit deal remains sources of risk, alongside the risk posed by the COVID-19 situation.

In Singapore, office rents are likely to be weighed down by mixed global economic outlook and the challenging environment which is causing businesses to hold off expansion and relocation plans. Buying sentiment for new homes has also been dampened by the virus outbreak.

The Ministry of Trade and Industry has downgraded the Singapore GDP growth forecast to between -0.5% and 1.5% for 2020. Notwithstanding the escalated uncertainty and risk, the impact could be moderated if the virus outbreak is not a protracted one.

As at 31 December 2019, shareholders' funds increased to $10.05 billion from $9.62 billion as at the end of 2018. Net tangible asset per share rose to $11.86 from $11.27. Group gearing ratio increased to 0.30 from 0.28 due to borrowings for the acquisition of shares in Marina Centre Holdings Private Limited and Aquamarina Hotel Private Limited, the construction of One Bishopsgate Plaza and for the acquisition of the Clementi Avenue 1 site.

Directors have proposed a first and final dividend of 17.5 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 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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