UOL 华业集团

50 YEARS CREATING VALUE SHAPING FUTURE

CREATING VALUE SHAPING FUTURE

ANNUAL REPORT 2013

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VISION

A robust property group dedicated
to creating value, shaping future.

MISSION

Driving Inspirations,
Fulfilling Aspirations.

CORE VALUES

Passion drives us
Innovation defines us
Enterprise propels us
Corporate Social Responsibility shapes us
People, our leading asset

ABOUT US

UOL Group is one of Singapore's leading public-listed property companies with an extensive portfolio of development and investment properties, hotels and serviced suites.

With a track record of 50 years, UOL strongly believes in delivering product excellence and quality service in all our business ventures. Our list of property development projects includes residential units, office towers and shopping malls, hotels and serviced suites.

Our unwavering commitment to architecture and quality excellence is reflected in all our developments, winning us prestigious prizes such as the FIABCI Prix d'Excellence Award, the Aga Khan Award for Architecture, Urban Land Institute Awards for Excellence and President's Design Award.

UOL, through our hotel subsidiary Pan Pacific Hotels Group Limited (PPHG), owns two acclaimed brands namely "Pan Pacific" and PARKROYAL. PPHG now owns and/or manages over 31 hotels in Asia, Oceania and North America with close to 9,500 rooms in its portfolio.

Even as we venture into new markets, we stay true to our core values, building on Passion, Innovation, Enterprise, Corporate Social Responsibility and People.

UOL GROUP

FIVE DECADES OF RIDING ON SINGAPORE'S GROWTH STORY

As UOL Group Limited (UOL) commemorates its golden jubilee, its story is encapsulated in none other than the corporate logo developed almost four decades ago. The logo is derived from the Chinese character 业 (ye), which translates into "enterprise" – one of the core values underpinning its mission. The two interlocking "U's", emphasises the historical association between UOL and the United Overseas Bank Group (UOB). The horizontal line on which the two "U's" stand represents "land" and "stability". The distinctive green symbolises "earth" and "growth".

The Group marked its birth in 1963, two years before Singapore's independence, when the Company was incorporated under the name Faber Union Ltd as a subsidiary of Faber Union (HK) Ltd and listed in 1964. In 1973, UOB acquired a controlling interest in the Company against the backdrop of the Oil Crisis. Two years later in 1975, Faber Union Ltd was renamed United Overseas Land Limited, and subsequently to UOL Group Limited in 2006. The Group has been led by the Chairman, Dr Wee Cho Yaw since 1973.

UOL has been part of the Singapore's success story, from nationhood to the prosperous country that it is today. Guided by the values behind its logo, the Group has grown with the country's progress and participated in shaping the physical landscape through its three business pillars: residential, commercial and hospitality developments.

PARKROYAL on Beach Road

THROUGH THE 1960s, 1970s AND 1980s

BUILDING THE FOUNDATION

The Group's first developed residential projects between the 1960s and 1970s. These earlier projects were prestigious condominium and landed developments such as Faber Gardens and Thomson Hills in the Thomson Road area, Faber Hills in the Ayer Rajah area, as well as the well-known bungalow development at White House Park and Mount Echo Park in Tanglin, fulfilling rising aspirations and the then growing wealth of a new population.

UOL's first foray into mixed-use projects began as early as 1968, when it acquired a commercial cum hotel site at Beach Road, which now stands The Plaza and PARKROYAL on Beach Road, the former Merlin Hotel. This mixed-use development comprised a hotel, offices, shops, apartments and serviced apartments. The hotel was owned by its subsidiary, Hotel Merlin Singapore Limited.

In 1973, the Group completed Faber House, an office building located in the heart of Orchard Road.

GROWING FROM STRENGTH TO STRENGTH

Further economic success for Singapore continued through the 1980s. The Group kept pace with residential housing developments, building and selling landed homes comprising bungalows, semi-detached and terrace houses.

The Group developed the freehold luxurious Cairnhill Plaza at Cairnhill Road in 1972. The development started the trend of exclusive and luxurious high-rise living. Through a URA design tender which made headlines in 1980, UOL secured the prestigious Orchard Bel Air site in the prime area of Orchard Road.

It acquired the prime commercial site of the former Odeon Theatre in 1983 which was strategically located near the junction of North Bridge Road and Bras Basah Road and redeveloped into the current Odeon Towers as offices in 1992.

During that period, in 1987, UOL acquired Goldhill Square comprising an office tower with a shopping podium, which was subsequently renamed United Square.

In 1989, the Group acquired its second Singapore hotel, the New Park Hotel, now known as the PARKROYAL on Kitchener located in the culturally rich Little India.

PARKROYAL Penang Resort

THE 1990s

PRIMING FOR EXPANSION

In 1982, Hotel Merlin Singapore Limited was renamed as Hotel Plaza Limited (Hotel Plaza) before going public in 1990, priming the Group's hospitality business for expansion in the 1990s.

During the 1990s, UOL made a further mark in the private housing development with the launch of more landed properties such as Westwood Park in Jurong and the New Soo Chow Gardens and Island Country Villas in the Upper Thomson area which were all well-received by the market.

In the aftermath of the Asian Financial Crisis in 1997, the Group embarked on a series of land acquisitions comprising three en-bloc sites in Upper Serangoon Road, Moulmein Rise, Country Park Condominium in Bedok, and an executive condominium site in Tampines which was developed into The Eden at Tampines.

The Group also secured a commercial site above the Tiong Bahru MRT Station and developed into an office tower and a retail mall. It subsequently sold the retail podium and office tower in 2002 and 2006 respectively.

Ready to spread its geographical footprint in the hospitality sector in the 1990s, Hotel Plaza acquired five hotels in Australia in the decade – four in Sydney with PARKROYAL at Darling Harbour, PARKROYAL Parramatta, PARKROYAL Plaza, The Landmark PARKROYAL, and the fifth one in Perth with the Sheraton Perth, while subsequently divesting PARKROYAL Plaza and The Landmark PARKROYAL.

In 1994, UOL made its maiden venture into Vietnam by developing Garden Plaza Hotel now named PARKROYAL Saigon, and Sofitel Saigon & Central Plaza in Ho Chi Minh City.

The Group also made its foray into China in 1996 with the opening of a mixed development office and serviced apartments which was subsequently converted to a hotel, known as Sofitel Plaza Xiamen, and now rebranded as Pan Pacific Xiamen.

Novena Square

THE 2000s AND BEYOND

EXPONENTIAL GROWTH AND REGIONALISATION

The turn of the millennium heralded the Group into an exciting and rapid phase of growth for all its business pillars. Despite the outbreak of Severe Acute Respiratory Syndrome that slowed down the economic growth of Singapore in the early 2000s, the Group was not daunted by the challenges but executed strategic moves by revitalising mature neighbourhoods and developing themed shopping malls.

REVITALISING MATURE NEIGHBOURHOODS

Moving to unlock value in Tiong Bahru area from 2003 onwards, the Group bought old apartment blocks - the King's Flats, Queen's Flats and Princess' Flats, Kim Tian Plaza, Bo Bo Tan Gardens and Bo Bo Tan Mansion – and transformed them into high density residential towers like the Twin Regency, Regency Suites and The Regency at Tiong Bahru. Completed between 2007 and 2010, these properties played an influencing role in the urban renewal of Singapore's oldest housing estate into the highly attractive hotspot it is now.

The Novena enclave is another area where UOL has entrenched its commercial and residential presence, from United Square, Novena Square to condominiums like Newton Suites, Novena Suites, 1 Moulmein Rise and Pavilion 11. In 2000, the Group, together with its joint venture partners opened Novena Square, a prime commercial development, located in the city fringe directly above the Novena MRT Station. The Novena Square development complemented the United Square property and consolidated the Group's dominance with more than one million square feet of commercial space outside the Central Business District (CBD) area. It also gained reputation as an adept developer and manager of themed retail malls, with the positioning of United Square as the Kids Learning Mall. In 2006, the Group added a new wing to Novena Square and rebranded it as Velocity@Novena Square, a sports and lifestyle mall.

Nassim Park Residences

THE 2000s AND BEYOND

BREAKING ONE BILLION TURNOVER

In 2005, the Group moved to secure another en-bloc sale site, the former Eng Cheong Tower. Capitalising on the appeal of the Kallang River aspects, it launched and sold out what is currently known as Southbank. In the same year, together with its partners, the Group also won the design and land tender for a residential land parcel at one-north. In 2008, it successfully tendered for a suburban residential site in Simei, which was launched as Double Bay Residences, catering to the rising mass market demand.

By 2007, the Group, along with a stable of companies under Dr Wee's helm, had emerged as one of the biggest buyers of residential en-bloc sales in the property scene, acquiring a combined 2.3 million square feet of land for a total of $1.84 billion between January 2005 and May 2007.[1]

The collective sale sites bought and subsequently developed by the Group run the full spectrum of developments, from the super luxury projects like the Nassim Park Residences in an exclusive area surrounded by embassies and bungalows; high-end projects such as Duchess Residences and Newton Suites; to mid-end projects such as Meadows@Peirce at Upper Thomson and Breeze by the East along Upper East Coast Road.

The Group's strategy of creating shareholders' value through land acquisitions paid off in subsequent years as it progressively recognised the gains from the sales of these residential developments. Buoyed by strong demand for good quality private housing in all segments and reported record sales, the Group's revenue crossed the $1 billion mark for the first time in the financial year of 2009.

VENTURING ABROAD

The decade of 2000 also marked UOL's concerted expansion into foreign markets to diversify its portfolio and tap new growth avenues, especially in China and Malaysia.

In 1999, the Group acquired a majority stake in two hotels in Malaysia now known as PARKROYAL Kuala Lumpur and PARKROYAL Penang Resort. In 2002, the Group acquired the remaining interests in the hotels.

Through a joint venture entered in August 2007, it is developing The Esplanade in Tianjin, China. Located at a prime river front spot in Hongqiao District, its first overseas mixed-use development comprises residential, retail, office and hotel properties scheduled to complete in 2014.

In Shanghai, the Group, through a consortium, acquired a prime site in Changfeng in 2010 and is constructing another mixed-development designed by internationally renowned architectural firm Rogers Stirk Harbour and Partners. It comprises luxury residential units and an ancillary retail complex. Closer to home, the Group has also teamed up with a local partner to develop a freehold site located near Kuala Lumpur City Centre; the Panorama which was fully sold. Another prime site at Jalan Conlay, nestled in the golden triangle of the Malaysian capital, was sold in early 2014.

[1] Business Times (28 May 2007): Top en-bloc spot goes to Wee Cho Yaw!

PARKROYAL on Pickering

THE 2000s AND BEYOND

STRENGTHENING THE HOSPITALITY BRANDS

In 2001, Hotel Plaza acquired three hotels – Sheraton Suzhou Hotel & Towers in China, Hotel Sofitel Plaza Yangon in Myanmar and Hotel Sofitel Plaza Hanoi in Vietnam – adding to its portfolio of regional hotels. To realise the Group's ambitions to become a key player in hotel management in the Asia-Pacific region, Hotel Plaza acquired the PARKROYAL brand in 2002. The rights to the brand covered these regions: Southeast Asia, Indian Continent and North Asia. In 2010, the brand extended to Australia, New Zealand and South Pacific region.

Back on home turf, the Group bought Negara on Claymore hotel in 2006. In the following year, it acquired the Pan Pacific brand. Shortly after, the hotel was rebranded as Pan Pacific Orchard.

Capitalising on the prime location of the UOL Building at Somerset Road, the Group redeveloped the office block into the first Pan Pacific Serviced Suites in 2008. It has since become our flagship property for the Group's serviced apartment business. In 2009, the Group leveraged on the recognition and brand equity of Pan Pacific and renamed its mainboard listed Hotel Plaza subsidiary as Pan Pacific Hotels Group Limited (PPHG).

The Group extended its hotel and serviced suites management business to serve the growing economies in Asia Pacific, clinching management contracts for Pan Pacific Nirwana Bali Resort, Pan Pacific Ningbo and Pan Pacific Serviced Suites Bangkok.

UOL further expanded into Malaysia with the completion of its PARKROYAL Serviced Suites Kuala Lumpur in 2010. In the same year, the PARKROYAL brand re-entered the Australian market with the rebranding of two existing hotels as PARKROYAL Darling Harbour and PARKROYAL Parramatta. In 2011, the Group purchased the airport hotel in Melbourne, now known as PARKROYAL Melbourne Airport and rebranded another hotel as Pan Pacific Perth.

GAINING FOOTHOLD IN CENTRAL BUSINESS DISTRICT

The 2000s also saw UOL enlarging its presence in commercial investment properties, which has been instrumental in its growth trajectory.

In 2006, UOL increased its stake in Marina Centre Holdings Pte Ltd (MCH) to 22.67% making it an associated company. MCH has interests in Marina Square Shopping Mall, Pan Pacific Singapore, Mandarin Oriental and Marina Mandarin.

Since 2009, the Group has continued to increase its strategic stake in United Industrial Corporation Limited (UIC) which has now reached 43.7%, which in turn holds 80.4% of Singapore Land, one of Singapore's biggest office landlords. As the current single largest shareholder of UIC, the Group now enjoys significant exposure to quality commercial assets in the Singapore CBD.

OneKM and Katong Regency (Artist's Impression)

THE 2000s AND BEYOND

NAVIGATING THROUGH CHALLENGES

Despite the challenges after the Global Financial Crisis, UOL saw three successful residential launches in 2010, namely Waterbank at Dakota, Terrene at Bukit Timah and Spottiswoode Residences.

In January 2011, just days after the announcement of the first property curb measures, the Group took a decision to tap into the growth potential of the Katong area and acquired the coveted freehold former Lion City Hotel site which is being developed into a mixed retail-cum-residential development. In the following year, it also bought another freehold site in the prime Marine Parade locale called St Patrick's Gardens.

In 2012, Katong Regency, the residential component of the former Lion City Hotel site, was sold out within a week of its launch. In the following year, the Group also saw good results at the launch of Thomson Three at Upper Thomson Road and sold out Archipelago, a development nestled within the Bedok Reservoir park.

Riding on Singapore's upcoming Seletar Aerospace Park, it launched Riverbank@Fernvale earlier this year in Sengkang with a healthy take-up. In January, UOL successfully acquired the much sought-after URA land parcel at Upper Paya Lebar site to replenish its landbank.

2013 also marked the privatisation of PPHG, granting UOL more flexibility in optimising the Group's hospitality assets across its geographical footprint. To date, PPHG owns and manages over 31 hotels in Asia, Oceania and North America with close to 9,500 rooms in its portfolio.

As the local residential property landscape is becoming more competitive, coupled with more property cooling measures, the Group has deployed more capital into hospitality assets and investment properties to boost its recurrent income streams.

In 2013, PPHG opened its PARKROYAL on Pickering, a hotel with an array of green features including lush sky gardens and cascading vertical greens. UOL also secured a long-term lease for the newly completed office tower at One Upper Pickering. This was followed by the completion and opening of Pan Pacific Serviced Suites Beach Road and the Ballrooms at PARKROYAL on Beach Road, where the Group's hospitality business first began almost fifty years ago.

On the retail front, the Group is also on track to open OneKM by third quarter of 2014, a new edutainment retail mall on the former Lion City Hotel site.

Pan Pacific Serviced Suites Beach Road and PARKROYAL Serviced Suites Beach Road

FIVE DECADES ON

CREATING VALUE AND SHAPING FUTURE

While embracing Singapore's next wave of transformation, the Group's vision of Creating Value, Shaping Future is firmly rooted in its core values of Passion, Innovation, Enterprise, Corporate Social Responsibility and People.

With the residential, commercial and hospitality growth pillars underpinning the Group's business model, its total assets have grown to over $10 billion with a market capitalisation of about $5 billion today.

The Group's contribution to good design and the built environment has been recognised both locally and internationally with accolades that include The Singapore President's Design Award, FIABCI Excellence Awards, Aga Khan Award, International Architecture Award, the Singapore Building Construction Authority's Construction Excellence Awards and outstanding awards in the Skyrise Greenery award.

At this momentous milestone of looking back with the eyes on the future, it is befitting for the Group to celebrate its 50th anniversary through its vision of "Creating Value, Shaping Future". This is the spirit of enterprise, or 业 (ye), as enshrined in the logo, which the Group has steadfastly embraced as it celebrates five decades of riding on Singapore's growth and charts the path ahead.

FINANCIAL HIGHLIGHTS

	Revenue **$1.06b** Decreased 8% from FY2012's $1.15b	Profit Before Income Tax **$952m** Decreased 1% from FY2012's $964.3m
Net Attributable Profit **$785.8m** Decreased 3% from FY2012's $807.7m	Dividend Per Share **15¢** First and final of 15 cents (FY2012's Dividend was 15 cents)	Special Dividend **5¢** Special dividend to commemorate the Group's 50th Anniversary

Earnings Per Share **$1.02** Decreased 3% from FY2012's $1.05	Return On Equity **11.6%** Decreased 11% from FY2012's 13.1%	Gearing Ratio **0.28** Remained the same as FY2012
Interest Cover Ratio **12x** Improved from FY2012's 10x	Shareholders' Funds **$6.76b** Increased 10% from FY2012's $6.14b	Total Assets **$10.42b** Increased 9% from FY2012's $9.56b

TWO-YEAR FINANCIAL HIGHLIGHTS

	2013 $'000	2012 $'000	Increase/ (Decrease) %
For the financial year			
Revenue	**1,058,608**	1,145,777	(8)
Profit before income tax	**951,951**	964,347	(1)
Profit after income tax and non-controlling interests	**785,820**	807,675	(3)
Return on equity (%)	**11.6**	13.1	(11)
At 31 December			
Share capital	**1,050,897**	1,046,954	0
Reserves	**855,311**	805,738	6
Retained earnings	**4,853,490**	4,289,920	13
Total assets	**10,421,448**	9,564,322	9
Per ordinary share			
Basic earnings (cents)	**102.0**	105.1	(3)
Gross dividend declared (cents)	**20.0**	15.0	33
Dividend cover (times)	**5.1**	7.0	(27)
Net tangible asset backing ($)	**8.73**	7.94	10

QUARTERLY RESULTS

	1st Quarter $'000	%	2nd Quarter $'000	%	3rd Quarter $'000	%	4th Quarter $'000	%	Total $'000	%
Revenue										
2013	**247,784**	**23**	**304,313**	**29**	**261,846**	**25**	**244,665**	**23**	**1,058,608**	**100**
2012	297,733	26	298,842	26	277,732	24	271,470	24	1,145,777	100
Profit before income tax										
2013	**92,601**	**10**	**516,679**	**54**	**113,074**	**12**	**229,597**	**24**	**951,951**	**100**
2012	108,355	11	182,525	19	111,068	12	562,399	58	964,347	100
Net profit										
2013	**77,672**	**9**	**501,038**	**57**	**98,823**	**11**	**203,931**	**23**	**881,464**	**100**
2012	93,718	10	184,865	20	96,527	10	545,074	60	920,184	100
Profit after income tax and non-controlling interests										
2013	**71,688**	**9**	**431,395**	**55**	**93,514**	**12**	**189,223**	**24**	**785,820**	**100**
2012	84,006	10	171,677	21	87,838	11	464,154	58	807,675	100
Basic earnings per ordinary share (in cents)										
2013	**9.3**	**9**	**56.0**	**55**	**12.1**	**12**	**24.5**	**24**	**102.0**	**100**
2012	10.9	10	22.3	21	11.4	11	60.4	58	105.1	100

Revenue

$1.06b

-8% (y-o-y)

Decrease mainly from property development as various projects had achieved construction completion in 2012 or early 2013

Pre-tax Profit Before Fair Value And Other Gains/Losses

$427.3m

-3% (y-o-y)

Decrease mainly due to unrealised currency exchange losses

PATMI

$785.8m

-3% (y-o-y)

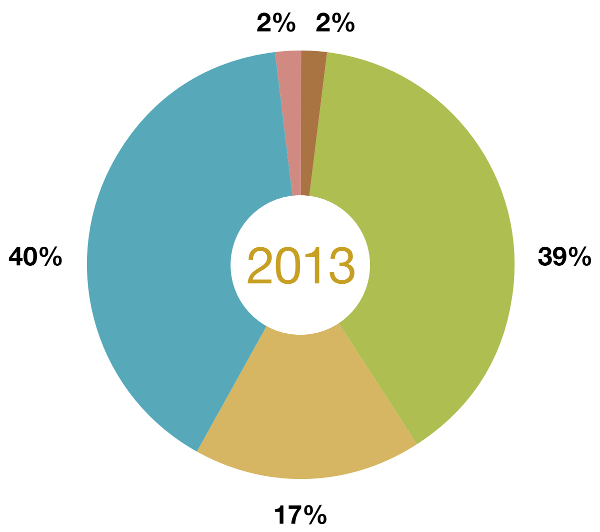
Decrease mainly due to higher tax expense and lower fair value gains on the Group and associated companies' investment properties

Return On Equity

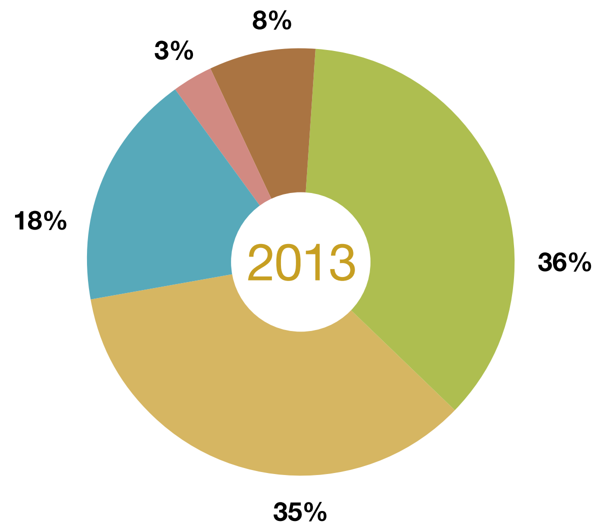
11.6%

-11% (y-o-y)

Revenue By Business Segment



Profit From Operations By Business Segment



The Group's key revenue drivers are Property Development, Property Investments and Hotel Operations.

Property Development · Property Investments · Hotel Operations · Management Services · Investments

PROPERTY DEVELOPMENT

Revenue (-27%)

2013	$410.0m
2012	$560.0m

Profit from Operations (-10%)

2013	$133.2m
2012	$147.5m

We are committed to design and quality excellence as reflected in our award-winning residential homes.

Key Facts

- Sale of 666 residential units with a total value of more than $552 million
- Achieved Temporary Occupation Permit (TOP) for Terrene at Bukit Timah, Waterbank at Dakota and Spottiswoode Residences
- Launched Thomson Three, a 50:50 joint venture between UOL and Singapore Land Limited. Over 80% of the 200 units released were sold within the first week of the launch
- UOL accepted a conditional offer from a third party through its 60% owned subsidiary, Suasana Simfoni Sdn. Bhd., to purchase all its interest in Lot 20000, Jalan Conlay for a total cash consideration of RM568,000,000
- Successfully tendered for the land parcel at Sengkang West Way for a sum of $262.1 million

PROPERTY INVESTMENTS

Revenue (+9%)

2013	$180.2m
2012	$166.1m

Profit from Operations (+6%)

2013	$126.4m
2012	$119.7m

Our owned and managed investment properties include commercial offices, retail malls and serviced suites.

Key Facts

- Five commercial offices – Novena Square, United Square, Odeon Towers, Faber House and One Upper Pickering, with a total net lettable area of 98,985 sqm
- Two themed retail shopping malls – Velocity@Novena Square and United Square, with a total net lettable area of 35,797 sqm
- OneKM shopping mall, part of a residential-cum-retail development, with retail component of 18,979 sqm due to open in third quarter 2014
- 180-unit Pan Pacific Serviced Suites Beach Road welcomed its first guests in May
- Four serviced suites properties – Pan Pacific Serviced Suites Orchard, Singapore, Pan Pacific Serviced Suites Beach Road, PARKROYAL Serviced Suites Beach Road, Singapore and PARKROYAL Serviced Suites Kuala Lumpur totalling 683 rooms
- Largest single stakeholder, owning 43.7% stake, of listed company United Industrial Corporation (UIC) Limited
- Holds 22.7% stake in Marina Centre Holdings Pte Ltd which has interests in Marina Square Shopping Mall, Pan Pacific Singapore, Mandarin Oriental and Marina Mandarin

HOTEL OPERATIONS

Revenue (+11%)

2013	$420.4m
2012	$377.7m

Profit from Operations (+11%)

2013	$66.3m
2012	$59.8m

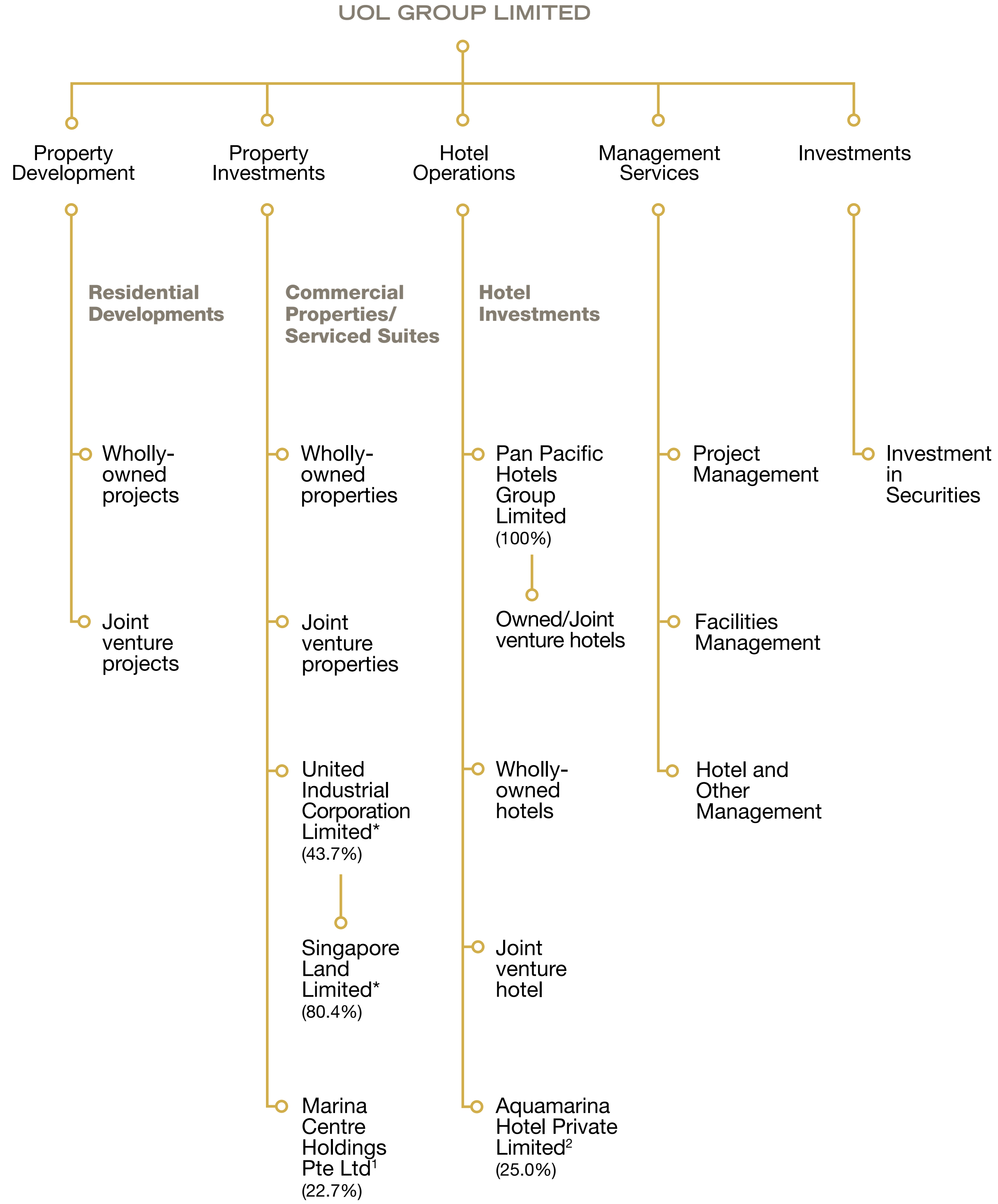
Through our hotel subsidiary, Pan Pacific Hotels Group (PPHG) owns "Pan Pacific" and PARKROYAL brands. PPHG owns and/or manages over 31 hotels, resorts and serviced suites in Asia, Oceania and North America.

Key Facts

- Pan Pacific's portfolio comprises 21 hotels and serviced suites including those under development
- PARKROYAL's portfolio comprises 17 hotels, resorts and serviced suites, including those under development
- PPHG entered into a conditional joint venture agreement with Shwe Taung Junction City Development Co., Ltd and City Square Pte. Ltd., to acquire, construct, develop and/or manage the first Pan Pacific hotel, the 348-room Pan Pacific Yangon, located in Yangon, Myanmar
- Spread over 15,000 sqm based on a "hotel-in-a-garden" concept, the 367-room hotel PARKROYAL on Pickering welcomed its first guests in January
- Set over 577 sqm with a capacity to accommodate up to 860 guests in a single event, the standalone facility The Ballrooms at PARKROYAL on Beach Road was opened in August
- Holds 25.0% stake in Aquamarina Hotel Private Limited which owns Marina Mandarin

GROUP BUSINESS

as at 28 February 2014



[1] Marina Centre Holdings Pte Ltd has interests in Marina Square Shopping Mall, Pan Pacific Singapore, Mandarin Oriental and Marina Mandarin.
[2] Aquamarina Hotel Private Limited owns Marina Mandarin.
* Listed on the Singapore Exchange.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Wee Cho Yaw
Chairman

Gwee Lian Kheng
Group Chief Executive

Low Weng Keong

Wee Ee-chao

Wee Ee Lim

Wee Sin Tho

Pongsak Hoontrakul

Tan Tiong Cheng

EXECUTIVE COMMITTEE

Wee Cho Yaw
Chairman

Gwee Lian Kheng

Wee Ee-chao

Low Weng Keong

AUDIT AND RISK COMMITTEE

Low Weng Keong
Chairman

Wee Ee Lim

Tan Tiong Cheng

NOMINATING COMMITTEE

Low Weng Keong
Chairman

Wee Cho Yaw

Pongsak Hoontrakul

REMUNERATION COMMITTEE

Wee Sin Tho
Chairman

Wee Cho Yaw

Low Weng Keong

MANAGEMENT

Gwee Lian Kheng
Group Chief Executive

Liam Wee Sin
President (Property)

Bernold Olaf Schroeder
Chief Executive Officer (Hotels)

Foo Thiam Fong Wellington
Chief Financial Officer

Neo Soon Hup
Chief Financial Officer
(Pan Pacific Hotels Group Limited)

COMPANY SECRETARIES

Foo Thiam Fong Wellington

Yeong Sien Seu

AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PWC Building
Singapore 048424
Partner-in-charge:
Tan Khiaw Ngoh
Year of appointment: 2011

PRINCIPAL BANKERS

United Overseas Bank Limited

DBS Bank Ltd

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Sumitomo Mitsui Banking Corporation

Malayan Banking Berhad

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Facsimile : 6536 1360

PARKROYAL on Pickering

Pan Pacific Serviced Suites Beach Road

JANUARY

- PARKROYAL on Pickering welcomed its first guests. Spread over 15,000 sqm, the 367-room hotel features innovative and sustainable design based on a "hotel-in-a-garden" concept.
- Terrene at Bukit Timah, a 172-unit condominium, received TOP.

APRIL

- PPHG signed two management agreements to launch the PARKROYAL brand in Indonesia. PARKROYAL Rainbow Hills Bogor Resort, a 225-room resort will open in 2015 and PARKROYAL Pecatu Bali Resort, offering 380 rooms and 35 villas, will be launched in 2017.
- United Square received 'We Welcome Families' Excellence Award organised by The Businesses for Families Council.

MAY

- Pan Pacific Serviced Suites Beach Road welcomed its first guests. Strategically located close to the rich cultural districts of Haji Lane and Arab Street as well as the Marina Bay Central Business District, the 180-unit development offers guests an alternative and highly accessible location in the vibrant enclave of Beach Road.
- The 616-unit Waterbank at Dakota condominium received TOP.

Thomson Three (Artist's Impression)

AUGUST

- The Ballrooms at PARKROYAL on Beach Road, set over 577 sqm, was opened. The standalone facility can accommodate up to 860 guests in a single event.

SEPTEMBER

- Thomson Three, a 50:50 joint venture between UOL and Singapore Land Limited, was launched. It received positive response as over 80% of the 200 units released were sold within the first week of the launch.
- PARKROYAL on Pickering and Double Bay Residences won the Hotel and Residential (High Rise) categories respectively at the FIABCI Singapore Property Awards 2013.
- The delisting exercise of PPHG was completed and it is now wholly-owned by UOL.

OCTOBER

- PPHG entered into a conditional joint venture agreement with Shwe Taung Junction City Development Co., Ltd and City Square Pte. Ltd., to acquire, construct, develop and/or manage a 348-room Pan Pacific Yangon located in the prime city centre of Yangon, Myanmar.
- UOL sponsored the World Architecture Festival 2013 for the second consecutive year. It is the largest festival and live awards programme for the global architecture community.

NOVEMBER

- Suasana Simfoni Sdn. Bhd., a 60% owned subsidiary, accepted a conditional offer from a third party to purchase all its interest in Lot 20000, Jalan Conlay in Kuala Lumpur for a total cash consideration of RM568,000,000.
- At the Skyrise Greenery Awards, Double Bay Residences received the Skyrise Greenery Excellence Award while PARKROYAL on Pickering clinched the Outstanding Skyrise Greenery Project Award.
- UOL was added to the S&P Asia Property 40 Index as a constituent stock.

DECEMBER

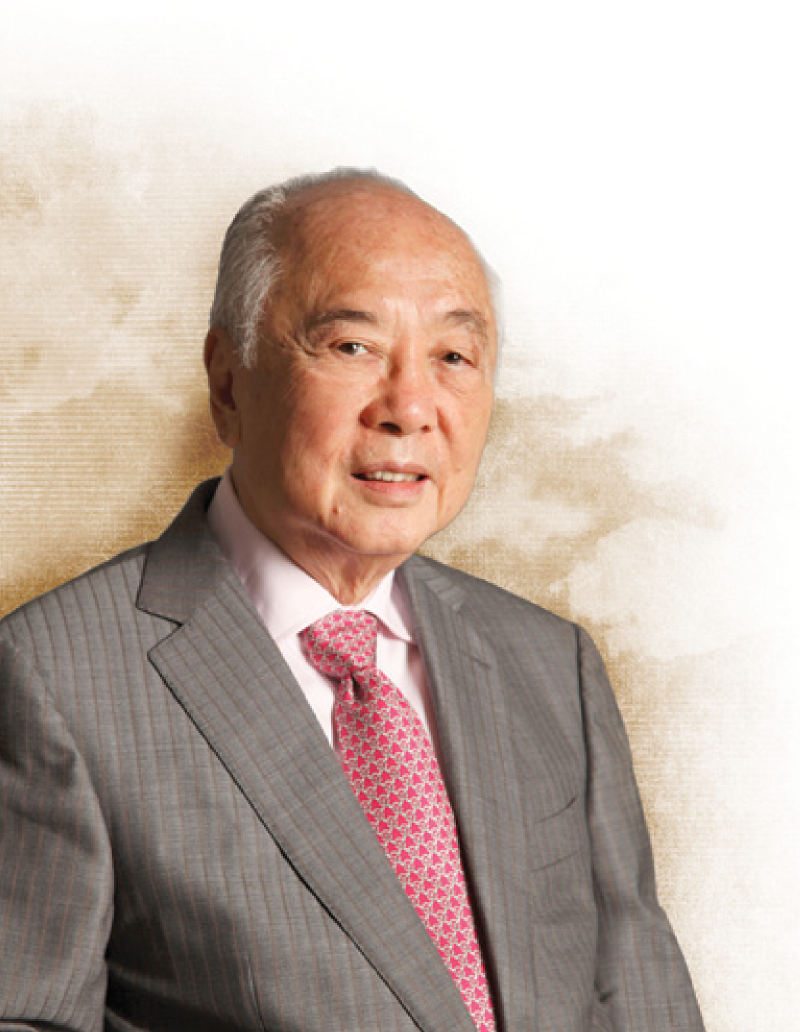
- Spottiswoode Residences, a 351-unit condominium, received TOP.
- PARKROYAL on Pickering was conferred the Design of the Year award at The President's Design Award 2013.

CHAIRMAN'S STATEMENT

2013 Review

The Singapore economy grew by 4.1% in 2013, higher than the 1.9% growth in 2012. Reflecting the impact of the various property cooling measures, a total of 14,948 new homes were sold in 2013, down from the record 22,197 units sold in 2012. Prices of private residential properties declined by 0.9% in fourth quarter 2013, the first quarterly decline since the first quarter of 2012. For the full year, prices increased by 1.1%, as compared to an increase of 2.8% in 2012. Rentals of office space turned around, rising by 1.3% compared to a decline of 1.3% in 2012 while rentals of retail space remained largely stable.

Total visitor arrivals in Singapore increased by 6.7% to a record 15.5 million from 14.4 million in 2012. Approximately 3,000 new rooms were added to the hotel room inventory in 2013. Average occupancy for the hotel industry remained at 86% while average room rate decreased marginally by 1% to $258.



Profit and Dividend

For the year ended 31 December 2013, pre-tax profit before fair value and other gains/(losses) was $427.3 million, a decrease of 3% compared with the profit of $439.7 million in 2012. The decrease was due mainly to unrealised currency exchange losses and start up costs incurred for newly opened properties. With the inclusion of fair value and other gains/(losses), profit before income tax was $952.0 million, a 1% decrease from the profit of $964.3 million in 2012. Group profit after tax and non-controlling interests for financial year 2013 was $785.8 million or a 3% reduction compared to the profit of $807.7 million in 2012.

The Group's shareholders' funds increased from $6.14 billion as at 31 December 2012 to $6.76 billion as at 31 December 2013. Consequently the net tangible asset per ordinary share increased to $8.73 as at 31 December 2013 from $7.94 as at 31 December 2012.

The Board recommends a first and final dividend of 15 cents per share (2012: a first and final dividend of 15 cents per share) and a special dividend of 5 cents per share to commemorate the 50th anniversary of the Company. Total dividend pay-out will amount to $154.2 million (2012: $115.5 million). The Board is proposing to amend the Articles of Association of the Company to facilitate the introduction of a scrip dividend scheme (the "Scheme"). When the Scheme is in place and the Board decides that it shall apply to any dividend to be paid, shareholders will have the option to elect to receive the dividend in cash and/or shares.

Corporate Developments

Acquisition of Residential Site at Sengkang West Way

In April 2013, wholly-owned subsidiary UOL Development (Sengkang) Pte. Ltd. (formerly known as Secure Development Pte. Ltd.) successfully tendered for the land parcel at Sengkang West Way for a sum of $262.1 million. The 99-year leasehold site with an area of 16,604 sqm will be developed into approximately 555 units of apartments. Sales of the project known as Riverbank@ Fernvale was launched in mid February 2014.

Sale of Land at Jalan Conlay, Kuala Lumpur, Malaysia

On 26 December 2013, Suasana Simfoni Sdn. Bhd., a 60%-owned subsidiary entered into an agreement for the sale of its freehold site at Jalan Conlay for a consideration of RM568 million ($218 million). Upon completion of the sale which is expected to take place by end of first quarter 2014, a pre-tax gain of approximately RM247 million ($95 million) will be recognised from the sale. UOL's share of the gain will be RM148 million ($57 million).

Conditional Joint Venture for hotel in Yangon, Myanmar

In October 2013, wholly-owned subsidiary, Pan Pacific Hospitality Pte. Ltd. ("PPH") entered into a conditional joint venture agreement with Shwe Taung Junction City Development Co., Ltd. and City Square Pte. Ltd. to form a joint venture company in Myanmar for the purpose of acquiring, developing and/or managing a 348-room hotel in Yangon, Myanmar. Subject to necessary regulatory approvals being obtained including those of the Myanmar Investment Commission, PPH will have an interest of 20% of the share capital of the joint venture company. The proposed hotel is intended to be managed by the Group as a "Pan Pacific" hotel for an initial 10 year term extendable for consecutive 10 year terms.

Privatisation of Pan Pacific Hotels Group Limited

During the year, Pan Pacific Hotels Group Limited ("PPHG") was successfully privatised and became a wholly-owned subsidiary following a proposed voluntary delisting at an exit offer price of $2.55 per PPHG share and the exercise of the Company's right of compulsory acquisition under Section 215(1) of the Companies Act. The privatisation allows the Company greater management flexibility to review the operations, management and financial position of PPHG. PPHG was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 2 October 2013.

PARKROYAL on Pickering and Pan Pacific Serviced Suites Beach Road

The 367-room PARKROYAL on Pickering opened on 16 January 2013 and has since garnered several accolades. Located close to the Raffles Place business district and within Chinatown, the hotel features an array of sky gardens and an exclusive rooftop lounge offering panoramic views of the city skyline. The hotel has performed well in its first year of operations. Also opened in 2013 are the newly completed 180-unit Pan Pacific Serviced Suites Beach Road and the column-free ballrooms and meeting rooms at PARKROYAL on Beach Road which can accommodate up to 860 guests in a single event.

Outlook for 2014

The Singapore economy is forecast to grow at between 2 and 4% in 2014. Demand for private residential properties is expected to moderate further in the face of a tighter immigration policy and the cumulative effect of the various cooling measures. Rentals of office space are expected to show modest growth while rentals of retail space are expected to remain largely stable. The performance of the Group's hotels in Singapore could be affected by the expected addition of another 3,000 hotel rooms in 2014 and a tight labour market. Performance of the Group's hotels outside Singapore is expected to show modest growth in line with the expected 5 to 6% growth in tourist arrivals for Asia and the Pacific region.

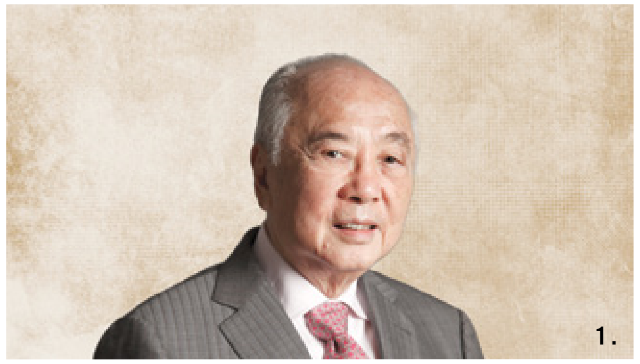
Acknowledgment

I am pleased to welcome Mr Tan Tiong Cheng who joined the Board on 29 May 2013, and Mr Bernold Olaf Schroeder who joined on 2 January 2014 as Chief Executive Officer (Hotels) in place of Mr Amedeo Patrick Imbardelli. I would like to thank Patrick for his contributions during the past five years.

I wish to thank my fellow board members for their valuable contributions during the year. On behalf of the Board, I would also like to thank the management and staff for their hard work, and our shareholders, business associates and customers for their continuing support.

Dr Wee Cho Yaw
CHAIRMAN
February 2014

BOARD OF DIRECTORS



1.

2.

1. WEE CHO YAW

Chairman

Dr Wee is the Chairman of the Company ("UOL") and its wholly-owned subsidiary, Pan Pacific Hotels Group Limited ("PPHG"), a company delisted from the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 2 October 2013. Dr Wee was appointed to the Board since 23 April 1973 and was last re-appointed as Director at UOL's Annual General Meeting held on 19 April 2013. Dr Wee, who is a non-executive and non-independent Director of UOL, is also the Chairman of the Executive Committee and a Member of the Nominating and Remuneration Committees respectively.

Dr Wee received Chinese high school education and is a career banker with more than 50 years of experience. Dr Wee is currently the Chairman Emeritus and Adviser of United Overseas Bank Limited and Far Eastern Bank Limited. He is also the Chairman of United Overseas Insurance Limited, Haw Par Corporation Limited, United Industrial Corporation Limited, Singapore Land Limited, Marina Centre Holdings Private Limited and Wee Foundation. He was previously the Chairman of United International Securities Limited from 1973 to December 2013.

Dr Wee is the Honorary President of the Singapore Chinese Chamber of Commerce & Industry, Singapore Federation of Chinese Clan Associations and Singapore Hokkien Huay Kuan. He is also the Pro-Chancellor of Nanyang Technological University.

Dr Wee received the inaugural Credit Suisse-Ernst & Young Lifetime Achievement Award in 2006 and was named Businessman of the Year twice at the Singapore Business Awards in 1990 and 2001. In 2008, Dr Wee was conferred an Honorary Doctor of Letters by the National University of Singapore for his accomplishments in banking, education and community leadership. He was conferred the Lifetime Achievement Award by The Asian Banker in 2009. In 2011, Dr Wee was conferred the Distinguished Service Order, Singapore's highest National Day Awards for his outstanding contributions in community work.

2. GWEE LIAN KHENG

Group Chief Executive

Mr Gwee has been with the UOL Group since 1973 and is the Group Chief Executive of UOL. Mr Gwee was appointed to the Board since 20 May 1987 and was last re-appointed as Director at UOL's Annual General Meeting held on 19 April 2013. Mr Gwee, who is an executive and non-independent Director, is also a Member of the Executive Committee.

Mr Gwee is also the Group Chief Executive of PPHG, a wholly-owned subsidiary of UOL which was delisted from the Official List of the SGX-ST on 2 October 2013. He is a Director of various subsidiaries of the UOL Group and a Director of United Industrial Corporation Limited and Singapore Land Limited.

Mr Gwee holds a Bachelor of Accountancy (Honours) degree from the University of Singapore. He is a Fellow of the Chartered Institute of Management Accountants and the Association of Chartered Certified Accountants in the United Kingdom, and the Institute of Singapore Chartered Accountants.

Mr Gwee was awarded the Pingat Bakti Masyarakat (PBM) Public Service Medal and the Bintang Bakti Masyarakat (BBM) Public Service Star.

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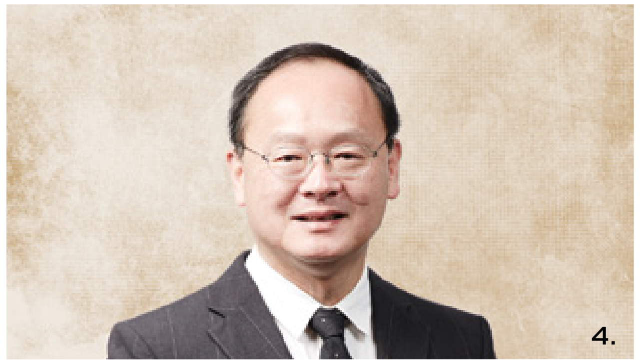

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3. LOW WENG KEONG

Mr Low Weng Keong was appointed to the Board of UOL since 23 November 2005. He was last re-elected as Director at UOL's Annual General Meeting held on 19 April 2013. Mr Low, who is an independent and non-executive Director, is the Chairman of the Audit and Risk Committee and Nominating Committee and is also a Member of the Executive Committee and Remuneration Committee.

Mr Low is an independent Director of Riverstone Holdings Limited, a Singapore-listed company and Sateri Holdings Limited, a company listed on the Hong Kong Stock Exchange. He is also a Director of the Singapore Institute of Accredited Tax Professionals Limited as well as the Confederation of Asian and Pacific Accountants Limited. He was a former Country Managing Partner of Ernst & Young, Singapore and a Past Global President and Chair of CPA Australia Limited. Mr Low was previously an independent Director of Unionmet (Singapore) Limited. Until 31 October 2013, he was an independent Director of PPHG, a wholly-owned subsidiary of UOL which was delisted from the Official List of the SGX-ST on 2 October 2013.

Mr Low is a Life Member of CPA Australia, a Fellow of the Institute of Chartered Accountants in England & Wales and the Institute of Singapore Chartered Accountants, an Associate of the Chartered Institute of Taxation (UK) and an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals.

4. WEE EE-CHAO

Mr Wee Ee-chao was appointed to the Board of UOL since 9 May 2006. He was last re-elected as Director at UOL's Annual General Meeting held on 19 April 2012. Mr Wee, who is a non-executive and non-independent Director, is also a Member of the Executive Committee.

Mr Wee has led the management of UOB-Kay Hian Holdings Limited for more than 25 years. He is currently the Chairman and Managing Director of UOB-Kay Hian Holdings Limited and a Director of most of the UOB-Kay Hian group of companies. Mr Wee manages Kheng Leong Company (Private) Limited which is involved in real estate development and investments and is a non-executive director of Haw Par Corporation Limited. Mr Wee is also the Chairman of UOB Kay Hian Securities (Thailand) Public Co Limited, a company listed on the Stock Exchange of Thailand. Until 16 October 2013, Mr Wee was a Director of PPHG, a wholly-owned subsidiary of UOL which was delisted from the Official List of the SGX-ST on 2 October 2013.

Mr Wee holds a Bachelor of Business Administration degree from the American University Washington D.C., USA.

BOARD OF DIRECTORS

5. WEE EE LIM

Mr Wee Ee Lim was appointed to the Board of UOL since 9 May 2006. He was last re-elected as Director at UOL's Annual General Meeting held on 19 April 2012. Mr Wee who is a non-executive and non-independent Director, is also a Member of the Audit and Risk Committee.

Mr Wee joined Haw Par Corporation Limited ("Haw Par") in 1986 and is currently the President and Chief Executive Officer of Haw Par. He is also a Director of United Industrial Corporation Limited, Singapore Land Limited, Hua Han Bio-Pharmaceutical Holdings Limited (a company listed on the Hong Kong Stock Exchange) and Wee Foundation. Until 31 October 2013, Mr Wee was a Director of PPHG, a wholly-owned subsidiary of UOL which was delisted from the Official List of the SGX-ST on 2 October 2013.

Mr Wee holds a Bachelor of Arts (Economics) degree from Clark University, USA.

6. WEE SIN THO

Mr Wee Sin Tho was appointed to the Board of UOL since 13 May 2011. He was last re-elected as Director at UOL's Annual General Meeting held on 19 April 2012. Mr Wee, who is an independent and non-executive Director, is also the Chairman of the Remuneration Committee.

Mr Wee is the Senior Advisor, Office of the President of the National University of Singapore and an independent Director of The National Art Gallery, Singapore, Farrer Way Pte Ltd, Asia Refuga Catalyst (Philanthropy) Ltd and Acru China+absolute Return Fund Limited. He also sits on the board of Keppel Telecommunications & Transportations Ltd, a Singapore-listed company. Until 20 April 2013, he was a Director of Hwa Hong Corporation Limited. Mr Wee was previously the Chief Executive Officer of HLG Capital Bhd, a holding company in Malaysia which was involved in asset management and stockbroking.

Mr Wee holds a Bachelor of Social Sciences (Honours) from the University of Singapore.

7. PONGSAK HOONTRAKUL

Dr Hoontrakul was appointed to the Board of UOL since 21 May 2008. He was last re-elected as Director at UOL's Annual General Meeting held on 19 April 2013. Dr Hoontrakul, who is a non-executive and independent Director, is also a Member of the Nominating Committee.

Dr Hoontrakul is a Member of the International Advisory Council of the Schulich School of Business, York University, Toronto, Canada. He is also a Member of the Advisory Panel for the International Association of Deposit Insurance, Switzerland.

Dr Hoontrakul was the Advisor to the Senate Committee for Fiscal, Banking and Financial Institutions, Parliamentary Committee for Economic Affairs and Parliamentary Committee for Justice and Human Rights, in Thailand. He also served as an independent Director of United Overseas Bank (Thai) Public Company Limited from 2005 to April 2008, and was the Chairman of the Audit Committee from 2005 to 2006. Until 1 May 2013, he was the Senior Research Fellow at Sasin Institute, Chulalongkorn University, Thailand.

Dr Hoontrakul received a Doctoral degree in Business Administration in the Finance Thammasat University, a Master in Business Administration from Sasin Institute, Chulalongkorn University and a Bachelor of Science degree in Industrial and System Engineering at San Jose State University, USA. He was the recipient of the Best Research Paper Award for ASEAN Scholars at the annual Asia Pacific Finance Association in 2001.

8. TAN TIONG CHENG

Mr Tan Tiong Cheng was appointed to the Board of UOL on 29 May 2013 as an independent and non-executive Director and a Member of the Audit and Risk Committee.

He is also an independent Director of SGX-listed companies, Heeton Holdings Limited and Straits Trading Co. Ltd. He is the Chairman of Knight Frank Pte Ltd. Over the last four decades, Mr Tan has amassed an extensive and in-depth knowledge of real estate, both in the public and private sectors.

Mr Tan is a Fellow of the Singapore Institute of Surveyors and Valuers, Fellow of the Association of Property and Facility Managers, and an Associate of the New Zealand Institute of Valuers. He is a member of the Valuation Review Board.

A Colombo Plan Scholar, Mr Tan graduated top of his class with a Diploma in Urban Valuation from the University of Auckland, New Zealand.

KEY MANAGEMENT EXECUTIVES

Yeo Bin Hong | Kwa Bing Seng | Chan Weng Khoon | Kam Tin Seah | Liam Wee Sin | Gwee Lian Kheng | Foo Thiam Fong, Wellington | Kwan Weng Foon | Yeong Sien Seu | Sofiah Koh

GWEE LIAN KHENG

Group Chief Executive

Information on Mr Gwee is found in the "Board of Directors" section of this report.

LIAM WEE SIN

President (Property)
UOL Group Limited

Mr Liam Wee Sin is currently the President (Property) of UOL Group Limited. Mr Liam joined UOL in 1993. He oversees the Group's property investment, property development, product, engineering, marketing and human resources departments. He also sits on the boards of several UOL subsidiaries.

Prior to joining UOL, Mr Liam spent eight years in the public sector handling architectural works and facilities management. He also worked with Jones Lang Wootton undertaking project management and consultancy. Mr Liam holds a Bachelor of Architecture degree from the National University of Singapore. He is a Member of URA Architecture and Urban Design Excellence Committee. He has previously served as an Executive Committee Member of the Real Estate Developers Association of Singapore, National Crime Prevention Council, Member of the Preservation of Monuments Board and URA Design Advisory Committee.

BERNOLD OLAF SCHROEDER

Chief Executive Officer (Hotels)
Pan Pacific Hotels Group

Mr Schroeder assumed the position of Chief Executive Officer of Pan Pacific Hotels Group on 2 January 2014. In this role, he is fully responsible for the Group's operations, strategy and performance.

Mr Schroeder brings with him over 20 years of executive management experience in the hotel industry. Prior to joining PPHG, Bernold was based in Shanghai as Chief Executive Officer of Jin Jiang International Hotels. He has also held senior management positions with Banyan Tree Hotels and Resorts, and worked with Hyatt Corporation in New York and Holiday Inn Asia Pacific in Hong Kong.

Mr Schroder received his education in the hospitality industry in Germany. He has completed executive programmes at Cornell University and Stamford University – Singapore Management University, and also holds a Director Certificate from the Thai Institute of Directors Association.

FOO THIAM FONG, WELLINGTON

Chief Financial Officer/
Group Company Secretary

Mr Foo joined UOL in 1977 and is the Chief Financial Officer/Group Company Secretary. He is responsible for the financial management and corporate secretarial matters of the Group and is a Director of several of UOL's subsidiaries. Mr Foo holds a Bachelor of Accountancy (Honours) degree from the University of Singapore. He is a Fellow of the Institute of Singapore Chartered Accountants and CPA Australia, and an Associate of both the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators.

Andreas Sungaimin | Dean Schreiber | Neo Soon Hup | Gwee Lian Kheng | Bernold Olaf Schroeder | Wee Wei Ling | Kevin Croley

NEO SOON HUP

Chief Financial Officer
Pan Pacific Hotels Group

Mr Neo has over 13 years of experience in auditing with Pricewaterhouse Coopers prior to joining PPHG in 2003. He was appointed Chief Financial Officer of PPHG in 2005 and is currently a Director of several of its subsidiaries. He is responsible for the Group's corporate finance, financial control, information technology system and information management, procurement and business development.

He is a Fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Chartered Secretaries and Administrators.

LISTING OF SENIOR MANAGEMENT

UOL Group

KAM TIN SEAH
Senior General Manager
(Investment & Strategic Development)

KWAN WENG FOON
Senior General Manager
(Development)

CHAN WENG KHOON
Senior General Manager
(Property & Engineering)

YEONG SIEN SEU
General Counsel/ Company Secretary

KWA BING SENG
General Manager
(Finance)

SOFIAH KOH
General Manager
(Human Resource)

YEO BIN HONG
Deputy General Manager
(Internal Audit)

Pan Pacific Hotels Group

WEE WEI LING
Executive Director
(Asset & Lifestyle)

DEAN SCHREIBER
Senior Vice President, Operations

KEVIN CROLEY
Senior Vice President,
Marketing & Sales

ANDREAS SUNGAIMIN
Senior Vice President,
Human Capital & Development

ORGANISATION CHART

- BOARD OF DIRECTORS
  - Audit & Risk Committee
    - Internal Audit
  - Group Chief Executive
    - President (Property)
      - Investment & Strategic Development
      - Project Development
      - Property & Engineering
      - Human Resource
      - Marketing
      - Product Development
      - Corporate Communications & Investor Relations
      - Corporate Social Responsibility
    - Chief Financial Officer & Group Company Secretary
      - Legal & Secretariat
      - Finance
      - Tax
      - Information Technology
      - Treasury
      - Risk Management
    - Chief Executive Officer (Hotels)
      - Finance, Information Technology & Performance Management
      - Hotel Operations
      - Marketing & Sales
      - Human Capital & Development
      - Development & Growth
      - Technical Services

AWARDS & ACCOLADES

CORPORATE

UOL Group Limited
- BCI Asia Top 10 Developer Awards (Singapore)

Pan Pacific Hotels Group Limited
- Brand Finance
  - *Top 100 Singapore brands (#43)*
- Randstad Award - #15 Employer Brand

BUILDING, DESIGN AND ARCHITECTURAL EXCELLENCE

Double Bay Residences, Singapore
- Skyrise Greenery Awards
  - *Skyrise Greenery Excellence Award*
- FIABCI Singapore Property Awards 2013 (High Rise) category

Nassim Park Residences, Singapore
- International Property Awards (Asia Pacific)
  - *Development Multiple Units Singapore (Highly Commended)*

Duchess Residences, Singapore
- International Property Awards (Asia Pacific)
  - *Best Landscape Architecture Singapore (5-Star)*
- BCA Construction Excellence Award (Residential category)

Katong Regency - UOL Edge Gallery, Singapore
- International Property Awards (Asia Pacific)
  - *Best Interior Design Show Home Asia Pacific (5-Star)*

Newton Suites, Singapore
- International Property Awards (Asia Pacific)
  - *Residential High-rise Development Singapore (Highly Commended)*

PRODUCT AND SERVICE EXCELLENCE

United Square Shopping Mall, Singapore
- 'We Welcome Families' Excellence Award by Businesses for Families Council

Pan Pacific Singapore
- Travel + Leisure's World's Best Awards
  - *World's Best Business Hotel Award*

Pan Pacific Manila
- World Travel Awards
  - *Philippines's Leading Business Hotel*

Pan Pacific Hotel and Serviced Suites Ningbo
- Golden Chair Awards, China MICE magazine
  - *Best New Hotel*

Pan Pacific Suzhou
- LifeStyle magazine's 2012-2013 China Hotel Awards
  - *Best MICE Hotel*

Pan Pacific Vancouver
- World Travel Awards
  - *Canada's Leading Hotel*

Pan Pacific Whistler Village Centre
- Condé Nast Traveler Readers' Choice Survey
  - *Top 15 Resorts in Canada (#12)*

Pan Pacific Sonargaon Dhaka
- World Luxury Hotel Awards
  - *Luxury Business Hotel (Country Winner)*

Pan Pacific Nirwana Bali Resort
- World Travel Awards
  - *Indonesia's Leading Golf Resort*

PARKROYAL on Pickering, Singapore
- President's Design Award 2013
  - *Design of the Year*
- South East Asia Property Awards
  - *Best Hotel Architectural Design*
- Skyrise Greenery Awards
  - *Outstanding Skyrise Greenery Project Award*
- International Hotel and Property Awards
  - *Hotel (Over 200 Rooms) category*
- FIABCI Singapore Property Awards 2013 (Hotel category)
- World Architecture News (WAN) Awards
  - *Hotel of the Year*

PARKROYAL Yangon
- World Travel Awards
  - *Myanmar's Leading Business Hotel*
- Tourism Alliance Awards
  - *Best 5-star Hotel of the Year, Myanmar*

PARKROYAL Melbourne Airport
- World Airport Awards
  - *Best Airport Hotel in Australia/Pacific*

PROPERTY INVESTMENTS

United Square

COMMERCIAL PROPERTIES

United Square

United Square is a mixed-use development comprising a shopping mall and an office tower. With a total lettable office space of 27,028 sqm and retail space of 19,676 sqm, United Square maintained high occupancy rates for office and retail at 95% and 97% respectively.

During the year, the mall revamped part of its first level to create more shop space and improve connectivity. The asset enhancement initiative not only enriched shoppers' experience, it also increased footfall to the mall.

United Square's focus as a Kids Learning Mall helped it to clinch the 'We Welcome Families' Excellence Award organised by The Businesses for Families Council for family-friendly measures.

As part of its corporate social responsibility programme, United Square together with Velocity@Novena Square, played host to 100 student-beneficiaries from The Straits Times School Pocket Money Fund in June, with each student given $100 worth of retail vouchers to shop as part of the mall's "Shop-for-a-Wish-Day" initiative.

Novena Square

Novena Square, conveniently located above Novena MRT Station, is a premier office and retail development in the city fringe. With a total lettable office space of 41,501 sqm and retail space of 16,121 sqm, Novena Square maintained high occupancy rates of 99% for its office tower and 99% for its retail mall respectively.

Velocity@Novena Square, the retail component, reinforced its sports identity with a raft of sports events, including Velocity B-Ball Battle and Velocity Beach Rush. Capitalising on the recent wave on cycling in Singapore, Velocity@ Novena Square staged the first stunt biking competition held in a mall in Singapore.

During the year, the mall was the preferred race kit collection point for 17 runs, including Energizer Night Trail Race 2013, Pocari Sweat 2013 and Mizuno Passion Wave Run 2013. Additionally, the Singapore Table Tennis Association selected Velocity@Novena Square as the venue for the finals of its Crocodile Cup. The mall was also chosen by Singapore Heritage Board as the exhibition location to showcase Singapore's sporting heritage as part of the Singapore HeritageFest 2013.

Odeon Towers

Odeon Towers has a total lettable office space of 18,403 sqm. For the year, occupancy was 100%.

Faber House

Faber House has a total lettable office space of 3,956 sqm. Occupancy was 100% for the year.


Velocity B-Ball Battle 2013

Shop-for-a-Wish Day

OPERATION HIGHLIGHTS

PROPERTY INVESTMENTS

One Upper Pickering

The 8,089 sqm office tower was fully leased to the Attorney-General's Chambers.

OneKM

Conveniently located on Tanjong Katong Road near the Paya Lebar MRT Interchange Station, OneKM is part of a mixed-use development. With 18,979 sqm of retail space, the mall will focus on lifestyle, education and gastronomy. Construction is expected to complete by June 2014 and the mall is targeted to open by September 2014.

OCCUPANCY RATE (%)

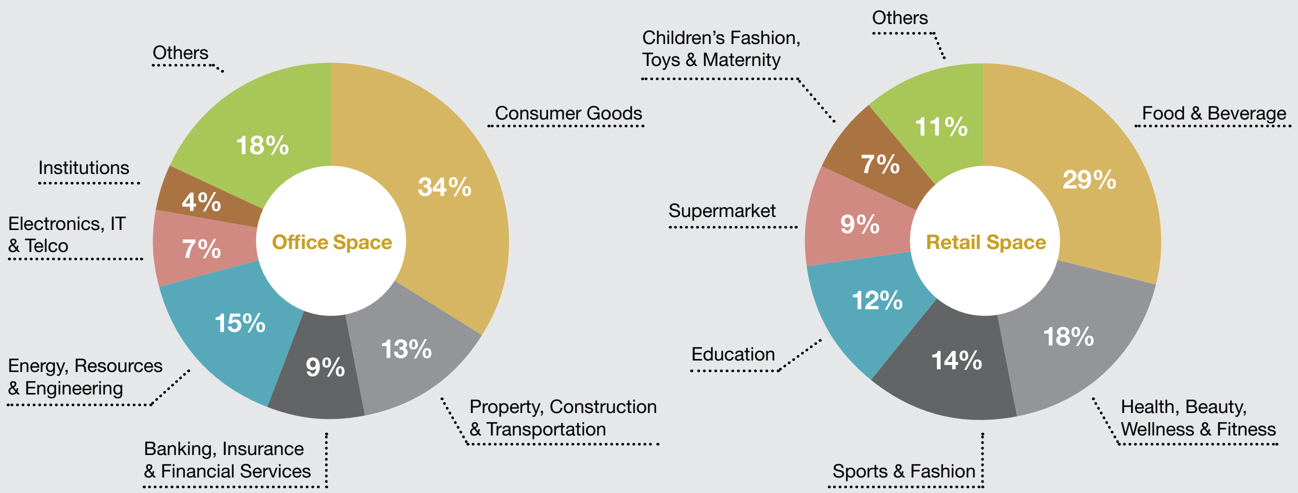
Office

Novena Square	99%
United Square	95%
Odeon Towers	100%
Faber House	100%
One Upper Pickering	100%

Shopping Malls

Velocity@Novena Square	99%
United Square	97%

COMMERCIAL TENANT MIX (%)




Pan Pacific Serviced Suites Beach Road

SERVICED SUITES

Pan Pacific Serviced Suites Orchard, Singapore

The 126-suite extended-stay property is located in the heart of Orchard Road and next to the Somerset MRT Station. Its prime location in Singapore's famous shopping district offers guests a host of shopping and dining options.

The occupancy rate remained at 92% in 2013, unchanged from 2012. Since its opening in 2008, the property has commanded one of the highest rental and occupancy rates in the premium extended-stay segment in Singapore.

Pan Pacific Serviced Suites Beach Road, Singapore

The 180-suite Pan Pacific Serviced Suites Beach Road, Singapore welcomed its first guests on 7 May 2013. Located next to the rich cultural districts of Haji Lane and Arab Street, and at the gateway to the Marina Bay Central Business District, the property represents modern luxurious living.

Within a short span after its opening, the property achieved an occupancy rate of over 70% in its third month of operation. During the year, the serviced suites achieved an occupancy rate of 60%.

PARKROYAL Serviced Suites Beach Road, Singapore

Held by subsidiary Pan Pacific Hotels Group, PARKROYAL Serviced Suites Beach Road, Singapore comprises 90 units of serviced suites featuring panoramic views of the sea or city skyline.

In 2013, the occupancy rates declined across the extended-stay Singapore market, while the serviced suites still managed to achieve a healthy occupancy rate of 83%.

PARKROYAL Serviced Suites Kuala Lumpur, Malaysia

Strategically located in the heart of Kuala Lumpur's Golden Triangle, the 287-suite property is surrounded by the city's premier shopping, entertainment and dining establishments. Nearby attractions include the famous food street Jalan Alor, Bintang Walk, and mega malls such as Suria KLCC, Starhill Gallery, Pavilion and Lot 10. Notwithstanding new competition in 2013, occupancy rose to 88% with a 6.4% increase in overall rates from 2012.

OPERATION HIGHLIGHTS

PROPERTY DEVELOPMENT

Thomson Three (Artist's Impression)

Replenishment of Landbank

In April 2013, the Group successfully tendered for the 99-year Sengkang West Way site. The site will be developed into a 555-unit condominium.

Thomson Three

Thomson Three, a 50% owned residential development, comprises 445 condominium units, three 21-storey blocks and 10 units of three-storey strata semi-detached houses. It was launched in September 2013 and the project achieved 78% sales as at 31 December 2013.

Completion of Projects

The year witnessed the successful completion of three developments. TOP was received in January 2013 for Terrene at Bukit Timah, a low-rise 172-unit development along Toh Tuck Road. In May 2013, TOP was obtained for Waterbank at Dakota, a high-rise 616-unit development along Dakota Crescent. Spottiswoode Residences, a high-rise 351-unit development on Spottiswoode Park Road obtained TOP in December 2013.

SALE AND COMPLETION STATUS OF LAUNCHED PROJECTS

Projects	No. of Units	% Sold (as at 31 Dec 2013)	% Complete (as at 31 Dec 2013)	Expected TOP Date
Terrene at Bukit Timah	172	100	100	Obtained
Waterbank at Dakota	616	100	100	Obtained
Spottiswoode Residences	351	99	100	Obtained
Archipelago	577	100	42	1Q2015
Katong Regency	244	100	18	2Q2015
Thomson Three	445	78	12	2Q2016
The Esplanade (海河华鼎)	522	88	85	2Q2014

Archipelago (Artist's Impression)

HOTEL OPERATIONS

PARKROYAL on Pickering

SINGAPORE

PARKROYAL on Beach Road

Located along the perimeters of the Central Business District, the 343-room hotel is in a neighbourhood featuring distinctive shops and ethnic cuisines. In 2013, the hotel's revenue per available room was 5% lower than 2012 due to 3% fall in occupancy and 2% decline in average room rate. The Ballrooms at PARKROYAL on Beach Road, a dedicated stand-alone meetings and events facility was opened on 26 August 2013.

PARKROYAL on Kitchener Road

Located in Singapore's vibrant cultural district Little India, the occupancy and revenue per available room for the 534-room PARKROYAL on Kitchener Road were 2% lower while average room rate was flat in 2013 as compared with 2012.

PARKROYAL on Pickering

PARKROYAL on Pickering opened on 16 January 2013. The 367-room hotel is located close to Raffles Place business district and within the rich heritage of Chinatown.

The 99-year leasehold property was awarded The President's Design Award 2013, FIABCI Singapore Property Awards 2013 (Hotel category) and Skyrise Greenery Awards 2013 – Outstanding Award. It has performed well in the first year of operations.

Pan Pacific Orchard

An elegant retreat in the heart of premium shopping belt Orchard Road, Pan Pacific Orchard's newly refurbished 206 rooms and improved leisure facilities serve as an excellent base for business and leisure travellers. A year after its $10 million refurbishment in 2012, the hotel occupancy was 10% higher with a revenue per available room gain of 7%. However, average room rate was 3% lower than previous year.

Marina Mandarin Singapore

The 575-room five-star hotel in the heart of the Marina Bay City, is owned by Aquamarina Hotel Private Limited, in which UOL has a 25% interest. Average occupancy and average room rate decreased by 3% and 6% respectively, while revenue per available room decreased 9% compared to the previous year.

Pan Pacific Singapore

The Group has a 22.67% equity interest in Marina Centre Holdings Pte Ltd, which owns the 790-room Pan Pacific Singapore. After the completion of its $80 million renovation in the third quarter of 2012, the hotel's revenue per available room rose by 84%.

SINGAPORE

Hotel Occupancy

2013	77%
2012	66%

Average Room Rate

2013	$253
2012	$240

Revenue Per Available Room

2013	$193
2012	$158

MALAYSIA

PARKROYAL Kuala Lumpur

Ideally located in the heart of Malaysia's capital and minutes away from the business, shopping and entertainment hub, the 426-room PARKROYAL Kuala Lumpur had benefitted from strong trading conditions in 2013. Revenue per available room grew 7%, due to higher occupancy of 6% and average room rate of 1%.

PARKROYAL Penang Resort

PARKROYAL Penang Resort is a perfect getaway resort along the Batu Ferringhi beach. Proliferation of low cost carriers and increasing affluence of the region's economy had propelled the 309-room resort to a strong performance in 2013. Both occupancy and average room rate grew 4%, giving rise to higher revenue per available room of 9% relative to the previous year.

VIETNAM

Sofitel Plaza Hanoi

PPHG has a 75% interest in Sofitel Plaza Hanoi which features 265 rooms and 56 serviced suites. The hotel commands a scenic view of the West Lake and Red River in Hanoi with convenient access to the central business district. Though the average occupancy increased 1% from 2012, average room rate decreased 2% compared to the preceding year, giving rise to a 2% decrease in revenue per available room.

PARKROYAL Saigon

The 186-room PARKROYAL Saigon Hotel, located five minutes away from Saigon's international airport, is the perfect venue for business and leisure travellers. During the year, hotel's revenue per available room declined 3% over the previous year, primarily due to a 5% decrease in average room rate. Vietnam's hotel market is facing an oversupply of hotel rooms and weighed down by challenging macroeconomic conditions.

PARKROYAL Kuala Lumpur

OPERATION HIGHLIGHTS

HOTEL OPERATIONS

Sofitel Saigon Plaza and Central Plaza, Ho Chi Minh City

PPHG has a 26% interest in the 286-room Sofitel Saigon Plaza which is conveniently located in the commercial precinct of District 1. The average occupancy increased 4% in 2013, while the average room rate grew 1%. The revenue per available room rose 5% compared to the preceding year.

MYANMAR

PARKROYAL Yangon

Situated in the heart of Yangon's cultural attractions, the 331-room PARKROYAL Yangon had a phenomenal year, riding on demand from both tourists and business travellers. Revenue per available room grew 40%, contributed by a 33% increase in average room rate and 5% growth in occupancy.

During the last quarter of 2013, the hotel commenced renovations for its restaurants and public area. The renovations are expected to complete in the third quarter of 2014.

SOUTHEAST ASIA (excluding Singapore)

Hotel Occupancy

2013	72%
2012	68%

Average Room Rate

2013	$141
2012	$133

Revenue Per Available Room

2013	$101
2012	$91

PARKROYAL Parramatta

AUSTRALIA

PARKROYAL Melbourne Airport

Located adjacent to the Melbourne Airport, the 276-room PARKROYAL Melbourne Airport is an excellent venue for meetings and conferences, as well as airport transfers. During the year, revenue per available room was 7% higher than 2012 due to 3% increase in occupancy and 4% increase in average room rate.

PARKROYAL Darling Harbour

During the year, the 340-room PARKROYAL Darling Harbour Sydney was re-designed and re-furbished. The hotel offers easy access to Sydney's most popular attraction with its convenient location on the city side of Darling Harbour. Since the completion of a six-month renovation in February 2013, PARKROYAL Darling Harbour's performance had surpassed previous year's performance with 33% growth in revenue per available room, contributed by 20% higher occupancy and 11% increase in average room rate.

PARKROYAL Parramatta

Recognised as one of Western Sydney's premier hotels, PARKROYAL Parramatta's close proximity to the Sydney Olympic Park and Rosehill Gardens Racecourse continue to drive tourism demand to the 196-room hotel. Both occupancy and average room rate were higher by 4%, resulting in growth in revenue per available room of 8%.

Pan Pacific Perth

Overlooking the Swan River and surrounded by historic gardens, the 486-room Pan Pacific Perth is a short walk from the city centre and offers easy access to a host of dining and entertainment options. In 2013, the hotel showed 10% decline in revenue per available room attributable to 3% lower occupancy and 8% drop in average room rate, affected by the slowdown in mining sector.

OCEANIA

Hotel Occupancy

2013	83%
2012	80%

Average Room Rate

2013	$244
2012	$244

Revenue Per Available Room

2013	$204
2012	$194

THE PEOPLE'S REPUBLIC OF CHINA

Pan Pacific Suzhou

Located in the "Venice of the East" with a backdrop of traditional gardens, the 481-room Pan Pacific Suzhou continues to operate in a highly competitive environment with the constant stream of new luxurious hotels being added to the local hotel scene. Revenue per available room dropped 16% due to 9% lower occupancy and 7% decline in average room rate compared to the preceeding year.

Pan Pacific Xiamen

Located in the heart of Xiamen's financial and entertainment district, the 385-room Pan Pacific Xiamen faced heightened competition during the year, exacerbated by lower corporate demand for rooms and function facilities. With an increasing number of four- and five-star hotels entering the hospitality market, the occupancy and average rate for the hotel was lower by 10% and 13% respectively in 2013, resulting in a drop of 21% in revenue per available room.

CHINA

Hotel Occupancy

2013	40%
2012	39%

Average Room Rate

2013	$97
2012	$108

Revenue Per Available Room

2013	$38
2012	$42

Pan Pacific Suzhou

OPERATION HIGHLIGHTS

HOTEL MANAGEMENT

In 2013, Pan Pacific Hotels Group (PPHG) became a wholly-owned subsidiary of UOL. The delisting exercise allowed the Group greater management flexibility to review the operations, management and financial position of PPHG and to evaluate opportunities which may present themselves to the Group. It will also result in savings on listing and compliance costs.

UOL also appointed Bernold Olaf Schroeder as PPHG's new Chief Executive Officer on 2 January 2014, replacing Amedeo Patrick Imbardelli. Mr Schroeder will lead PPHG and be responsible for the overall performance of the hotels, oversee business development and the growth of hotel management contracts.

As part of the ongoing branding campaign, PPHG continued to work on a $2 million campaign to revamp its "Pan Pacific" and PARKROYAL brands' and hotels' websites during the year. The new websites will be unveiled in mid 2014.

The Group also continued to raise its profile through industry partnerships and participation at major global travel events. It showcased its portfolio to key industry players at the 2013 ITB Asia, the region's largest tradeshow for the tourism industry with over 7,000 participants.

Pan Pacific Ningbo

Pan Pacific Yangon (Artist's Impression)

PAN PACIFIC HOTELS AND RESORTS

Pan Pacific Hotels and Resorts is a leading premium hotel brand comprising 21 hotels, resorts and serviced suites across Asia, Greater China, Oceania and North America, including those under development.

During the year, the Group signed a conditional joint venture agreement with Myanmar's Shwe Taung Group to develop Pan Pacific Yangon, the first "Pan Pacific" hotel in Myanmar, that is scheduled to open in 2017.

Looking ahead, the Group will be expanding its footprint in China with the scheduled opening of the 319-room Pan Pacific Hotel and Serviced Suites Tianjin later in 2014, its fifth "Pan Pacific" property in China, complementing the four other "Pan Pacific" properties in Ningbo, Xiamen and Suzhou. The opening of Pan Pacific Zhuhai in 2017 will further extend the brand's footprint in the country.

OPERATION HIGHLIGHTS

HOTEL MANAGEMENT

PARKROYAL HOTELS & RESORTS

The PARKROYAL portfolio comprises 17 upscale leisure and business hotels, resorts and serviced suites (including those in the pipeline) located in gateway cities across Australia, China, Indonesia, Malaysia, Myanmar, Singapore and Vietnam.

In Singapore, PARKROYAL on Pickering, the Group's first PARKROYAL Collection hotel with a sustainable "hotel-in-a-garden" design concept, was opened in January, while The Ballrooms at PARKROYAL on Beach Road, a standalone and expansive event facility, was launched in August.

In Australia, the completion of the multi-million refurbishment of PARKROYAL Darling Harbour in February has helped to rejuvenate the brand in Australia through refreshed interiors, improved guestrooms, enhanced Club Lounge facilities and the use of the latest hotel technology features.

During the year, the Group signed five management agreements to open PARKROYAL hotels in Australia, China, Indonesia and Myanmar over the next three years. Up first is PARKROYAL Nay Pyi Taw which will open in April 2014 as the second PARKROYAL in Myanmar. The brand will also make its debut in Indonesia and China in 2015 and 2017 respectively. PARKROYAL will further extend its presence in Australia with the opening of PARKROYAL Melbourne in 2016, the fourth PARKROYAL in the country.

PARKROYAL Darling Harbour

PORTFOLIO OVERVIEW

	Existing		Pipeline		Total	
	No. of hotels	No. of rooms	No. of hotels	No. of rooms	No. of hotels	No. of rooms
BY BRANDS						
Pan Pacific	18	5,476	3	967	21	6,443
PARKROYAL	12	3,685	5	1,461	17	5,146
Others	1	321	-	-	1	321
Total	**31**	**9,482**	**8**	**2,428**	**39**	**11,910**
BY OWNERSHIP TYPE						
Owned	19	5,870	1	319	20	6,189
Managed	12	3,612	7	2,109	19	5,721
Total	**31**	**9,482**	**8**	**2,428**	**39**	**11,910**


PARKROYAL Nay Pyi Taw (Artist's Impression)


PARKROYAL Darling Harbour (Lobby)

OVERSEAS PROJECTS & INVESTMENTS


Changfeng Project (Artist's Impression)

OVERSEAS PROJECTS

Shanghai

A 40:30:30 joint venture by the Group's wholly-owned subsidiary UOL Capital Investments Pte. Ltd., Singapore Land Limited and Kheng Leong Company (Private) Limited, the upcoming development is situated within the Changfeng Ecological Business Park. Designed by internationally renowned architectural firm Rogers Stirk Harbour + Partners, it is located about 5 km to the north-east of the Hongqiao Transportation Hub and less than 10 km from The Bund. The mixed-development can be developed into approximately 398 residential units and 8,000 sqm of retail component. Construction had commenced in third quarter of 2013.

Tianjin

The Esplanade (海河华鼎) in Tianjin is 90% owned by UOL Capital Investments Pte. Ltd. With a gross development area of approximately 154,600 sqm, the mixed-development comprises 522 residential apartments, a 319-room hotel, 17,075 sqm of office space and 6,164 sqm of retail space.

In 2013, 88% of the 522 residential units were sold and one of the two office towers was launched with 50% of the office units sold. As at December 2013, the project was 81% completed. The whole project is expected to obtain TOP by the second half of 2014.

Kuala Lumpur

The freehold property at Jalan Conlay near Kuala Lumpur City Centre was owned by Suasana Simfoni Sdn. Bhd., a 60% owned subsidiary by the Group. In the last quarter of the year, Suasana Simfoni entered into a sale and purchase agreement to sell the land to a third party at a price of RM568 million.


The Esplanade (海河华鼎), Tianjin (Artist's Impression)

INVESTMENTS IN SECURITIES

	Percentage Holdings in investee		Fair Value		Gross Dividend received	
	2013 %	2012 %	2013 $'m	2012 $'m	2013 $'m	2012 $'m
LISTED SECURITIES						
United Overseas Bank Limited	**2.3**	2.3	**768.2**	716.4	**25.3**	21.7
Others			**24.0**	18.0	**0.5**	0.6
			792.2	734.4	**25.8**	22.3
UNLISTED SECURITIES*			**64.8**	71.3	**1.6**	0.9
Total			**857.0**	805.7	**27.4**	23.2

* Includes United International Securities Limited which was delisted on 26 December 2013.

The fair value of the Group's available-for-sale securities increased from $805.7 million as at 31 December 2012 to $857.0 million as at 31 December 2013 due mainly to the increase in the share price of United Overseas Bank Limited. Overall, an unrealised gain of $44.1 million arising from changes in the fair value of investments has been credited to the fair value reserve account in 2013.

Dividend yield from investment in securities was 3.2% in 2013 (2012: 2.9%).

OPERATION HIGHLIGHTS

MANAGEMENT SERVICES & HUMAN RESOURCES

MANAGEMENT SERVICES

UOL Management Services Pte Ltd continues to provide property management services for the Group's various properties in Singapore. Project management and related services to the Group's development projects and properties are provided by another of the Group's wholly-owned subsidiary, UOL Project Management Services Pte. Ltd.

SPA/LIFESTYLE-RELATED OPERATIONS

St. Gregory

A total of 10 premium spas across Singapore, Malaysia, Japan, China and Vietnam are operated under the "St. Gregory" brand. An industry pioneer and a one-stop wellness centre, "St. Gregory" is renowned for its traditional healing therapies, comprehensive workout facilities, personal training programmes and fitness classes.

This year, the brand re-launched its flagship spa at PARKROYAL on Beach Road following a $1 million renovation. Located on the dedicated wellness floor of the hotel, St. Gregory launched its first Wellness Menu, reinforcing its philosophy of integrated lifestyle management.

Si Chuan Dou Hua Restaurant

Comprising a total of five restaurants in Singapore, Kuala Lumpur and Tokyo, "Si Chuan Dou Hua" is renowned as a pioneer of authentic Sichuan cuisine in Singapore.

In 2013, it achieved the Excellence Award in the Partners of People's Association – Corporate Partner category of the People's Association Community Spirit Award, a firm recognition for the work the restaurant does in giving back to the society it operates in.

Tian Fu Tea Room

Operating from three locations adjoined to "Si Chuan Dou Hua" in Singapore, "Tian Fu Tea Room" is a purveyor of Chinese tea appreciation, offering a wide selection of Chinese teas paired with exquisite handcrafted dim sum.

Tian Fu Tea Room (PARKROYAL on Beach Road)

UOL Townhall Meeting

HUMAN RESOURCE

We recognise the success of UOL relies on our people's passion, enterprising and innovative spirit. The Group has a human capital programme to develop, reward and care for our people.

For the second consecutive year, the wholly-owned subsidiary PPHG was recognised by Randstad as one of the top 20 employer brands in Singapore.

Rewarding Our People

To ensure that we reward our employees competitively and attract talents, the performance-based reward system and competitive pay structure continue to be the foundation of our compensation package.

Regular benchmarking of the reward system against the industry ensures UOL remains competitive and continues to retain and attract talents.

Developing Our People

Besides providing our employees with work-related training and courses, the Group organised regular lunch time talks on various topics like economic outlook, sustainable design in buildings and latest developments in industry-related regulations to widen our staff's knowledge.

Likewise, PPHG also reinforced its employees' learning through a five-step journey covering key aspects such as guest service, service recovery and brand promise delivery.

Caring For Our People

The Group has a programme in place to promote personal development and work-life balance. Initiatives include employee engagement sessions, flexible work arrangements and subsidised rates at our hotels.

After the kick-off of the Workplace Health Programme in November 2012, monthly talks covering topics related to stress management, ergonomics, healthy eating and other health topics were organised regularly for our employees.

STAKEHOLDERS COMMUNICATIONS

UOL is committed to cultivating strong and long-term relationships with its shareholders, investors, analysts, customers, media, regulators and the general public on a regular basis.

To uphold a high standard of corporate transparency and corporate disclosure, UOL provides timely and consistent releases of quarterly financial results, presentations, annual reports and other material announcements on both the Singapore Exchange and UOL corporate websites. The investor relations section on the Group's website is a key resource for corporate information and financial data. Investors can also sign up for investor alerts on the website to receive updates on announcements.

In addition to the quarterly financial materials, UOL also conducts various investor relations activities to facilitate open-communication dialogue between the Group and its institutional and retail investors. These activities include the quarterly earnings calls and the full-year results briefing for the management to update analysts and media of the Group's performance. Shareholders were given the opportunity to engage in open dialogue with the Board of Directors at the Annual General Meeting held on 19 April 2013 at Pan Pacific Singapore.

During the year, UOL met over 120 shareholders, potential investors and analysts through conferences and small group meetings. In order to increase the investors' understanding of the Group's performance, key developments and businesses, and to promote continued interest in the Group, it participated in the Bank of America Merrill Lynch ASEAN Stars Conference (March) and Nomura Investment Forum Asia (June) in 2013. The management also attended post-results investor luncheons hosted by UBS Securities and Macquarie Securities for their clients. Such meetings also provide a feedback channel for the management to gather and understand the views on UOL from the business community.

Throughout the year, UOL maintained regular communication with stakeholders and responded promptly to investor and media queries. In order for the investors to gain a better understanding of its new hotels, property investments and property developments, the Group organised site visits to PARKROYAL on Pickering, Pan Pacific Serviced Suites Beach Road and Thomson Three.

In the Governance and Transparency Index (GTI)—jointly conducted by NUS Business School's Centre for Governance, Institutions and Organizations and The Business Times—UOL was ranked 84th out of over 650 locally listed companies. The GTI assesses companies on their corporate governance disclosure and practices, timeliness, accessibility and transparency of their financial results announcement.

UOL's share price did well despite the continued uncertain global economic outlook in 2013. It closed the year at $6.19, up from $5.97 in 2012, representing an increase of 3.7%. This was better than the decline in the FTSE ST Real Estate Index (-9.7%) and flat performance of the STI Index (0.0%) for the corresponding period. The company's share price averaged $6.52 during the year, registering a low of $5.95 on 9 December 2013, and a high of $7.37 on 14 and 22 May 2013. The share's average daily turnover in 2013 was 1,141,887. By the end of 2013, UOL's market capitalisation was $4.8 billion, up from $4.6 billion a year ago. UOL has remained on the STI Reserve List since the semi-annual review in December 2013.

UOL has also remained on the FTSE EPRA/NAREIT Developed Index, FTSE EPRA/NAREIT Developed Dividend+ Index, FTSE EPRA/NAREIT Developed Pure Asia Index and FTSE EPRA/NAREIT Singapore Index since 2012. It was also added to the S&P Asia Property 40 Index in November 2013.

2013 SHARE PRICE PERFORMANCE

Source: Thomson ONE

FINANCIAL CALENDAR	2013	2012
Announcement of first quarter results	**10.05.13**	11.05.12
Announcement of second quarter results	**07.08.13**	10.08.12
Announcement of third quarter results	**08.11.13**	08.11.12
Announcement of unaudited full year results	**28.02.14**	28.02.13
Annual General Meeting	**22.04.14**	19.04.13
Book closure dates	**02.05.14**	02.05.13 to 03.05.13
First & final dividends payment date	**20.06.14**	10.05.13

Double Bay Residences

UOL believes in growing business and conducting operations in a responsible and sustainable manner. It strives to make sustainability an integral part of the management discipline and practices to safeguard the well-being and interests of its diverse stakeholders. Its wholly-owned hotel subsidiary, PPHG, is also committed to making a positive difference to the communities in which we operate in. As a Group, it will continue to focus on the three core areas in its drive to achieve excellence in its sustainability efforts: building the business, caring for the environment and serving the community.

BUSINESS

The Group believes in pursuing responsible management and business practices that are dynamic yet subject to rigorous ethical standards. It is committed to achieving product and service excellence for its residential homes, commercial offices, retail malls, hotels and serviced suites.

Enterprise-wide Risk Management

UOL's Enterprise-wide Risk Management (ERM) programme, first implemented in 2009, was further embedded into its businesses and operations during the year. Details of the ERM can be found in pages 171 to 172 of the Annual Report (Corporate Governance Report). With ERM, the Group has a system to deal with the evolving risks in the business and regulatory environment that it operates in, thereby enabling the Group to pursue a sustainable, long-term growth path.

Product and Service Excellence

The award-winning developments are testament to its values of design and quality excellence, all of which enhance the society we live in. For the residential portfolio, its Double Bay Residences was a winner in the High Rise category of FIABCI Singapore Property Awards 2013, while Duchess Residences won the Best Landscape Architecture Singapore (5-Star) in the International Property Awards (Asia Pacific). For the hospitality portfolio, PARKROYAL on Pickering clinched the Design of the Year Award at the President's Design Award 2013.

Code of Business Conduct

Guiding the Group is the Code of Business Conduct, which requires all employees to meet with stipulated legal and ethical standards. On a regular basis, employees will affirm their compliance with the Code of Business Conduct. It advocates openness, integrity and fairness to all employees and in the resolution of any issues they may encounter.

Whistle Blowing Policy

The objective of the Whistle Blowing Policy is to provide a channel for employees of the Group and external parties dealing with the employees to bring to the attention of the Head of Internal Audit any misdeeds or improprieties which may be committed by any employee of the Company or any of the UOL subsidiaries. The Head of Internal Audit will work closely with the Audit and Risk Commitee to investigate any complaints raised.

The Whistle Blowing Policy aims to encourage the reporting in good faith of any suspected improper conduct whilst protecting the Whistle Blowers from reprisals within the limits of the law. All cases reported are objectively investigated and appropriate remedial measures are taken where warranted.

Human Capital

The Group believes that people are the biggest asset. Apart from motivating and rewarding its employees with competitive compensation, it develops them through various training and mentorship programmes. The Group also takes pride in its culture of work-life balance and healthy lifestyle that it has cultivated in the organisation, which is another signal of its care for its employees. As a commitment to fair employment practices, it also signed the Employers' Pledge of Fair Employment Practices with the Tripartite Alliance for Fair Employment Practices.

Further, the Group provides equal employment opportunities and rewards its employees based on merit, qualifications, competence and performance without discrimination. Its global presence in particular, its hospitality arm, PPHG, provides the advantage of a diversified talent pool boasting different nationalities, age groups, backgrounds and skill-sets, enabling the contribution of broader and more enriching perspectives to the workplace.

UOL Group President (Property) Mr Liam Wee Sin (middle) receives the FIABCI Singapore Property Awards from Guest-of-Honour Acting Minister for Manpower, Mr Tan Chuan-Jin (right) and President, FIABCI Singapore & Regional President, FIABCI Asia Pacific, Dr Lim Lan Yuan (left).

ENVIRONMENT

UOL is committed to making a tangible difference to the environment. The goal is to build developments that are environmentally friendly. In the development projects, it seeks to harmonise the development with the surrounding environment to preserve the environment's inherent character and cultural heritage. In addition, UOL also institutes energy conservation measures in its projects.

PARKROYAL on Pickering, built with the aim to be the city's greenest hotel, won the Outstanding Skyrise Greenery Project Award, while Double Bay Residences garnered the Skyrise Greenery Excellence Award at the Skyrise Greenery Awards 2013. Both awards affirmed UOL's continued efforts in advocating green lifestyle and sustainability in its developments. UOL also won the BCI Asia Top 10 Developer for the third consecutive time where winners were those with the highest score in terms of sustainability and green building ratings.

Overseas hotels such as Pan Pacific Perth, PARKROYAL Melbourne Airport and PARKROYAL Parramatta implemented eco-friendly initiatives ranging from enforcing procurement policy that stipulates usage of recyclable storage containers to establishing green initiative programmes to reduce paper usage, promote recycling and working towards new energy efficient targets for 2014.

Pan Pacific Seattle was also recognised by Green Globe as a sustainability leader in the hospitality industry and named one of Washington's top 50 green businesses by Seattle Business magazine. The hotel purchases renewable energy credits to partially offset the energy usage for guest stays as part of its PanEarth sustainability programme.

Amazing race at Singapore Discovery Centre

COMMUNITY

UOL is committed to be an active corporate citizen that fulfills meaningful charitable causes for children, youth, education and sports. Education empowers children and youth with the skills and knowledge to become valued contributors to society, while sports builds confidence and aids character development. Through its support in such projects, UOL can nurture children and youths to realise their full potential.

During the year, UOL continued its longstanding partnership with CARE Singapore which reaches out to at-risk students from primary and secondary school levels. In July, staff volunteers brought 20 students from Telok Kurau Primary School students to the Underwater World on Sentosa for an educational trip on marine conservation. During the November school holidays, staff volunteers again accompanied 20 students from Teck Whye Secondary School to the Singapore Discovery Centre where they embarked on a journey to learn about social harmony and nation building.

Our two shopping malls, United Square and Velocity@ Novena Square, also played host to 100 student-beneficiaries from The Straits Times School Pocket Money Fund in June, with each student given $100 worth of retail vouchers to shop as part of the malls' "Shop-for-a-Wish Day" initiative.

Similarly, the Group's hospitality arm supported various local communities across the globe by providing job training and employment opportunities. PARKROYAL Darling Harbour, Sydney provided hospitality skills to long-term unemployed people through its comprehensive training and employment scheme. PARKROYAL Melbourne Airport worked with the local council on its "Local Jobs for Local People" campaign to promote job vacancies and recruit from the local community wherever possible. PARKROYAL Yangon also organised annual Youth Art Award competition, a reflection of the hotel's commitment to promote Myanmar art and culture by nurturing young aspiring artists.

Business Community

UOL was also a proud sponsor of the World Architecture Festival (WAF) 2013 for the second consecutive year which was held from 2 to 4 October at the Marina Bay Sands Singapore. The WAF is the world's largest festival and live awards programme for the global architecture community, dedicated to celebrating and sharing architectural excellence from across the globe.

Sustainability Roadmap

To spearhead the corporate-wide implementation of sustainability across UOL's core business segments, a sustainability committee was formed in 2011. With the President (Property) as Adviser, the committee comprises senior executives from across key departments such as Property & Engineering, Finance, Legal, Marketing, Human Resources and Corporate Communications. It is responsible for formulating, implementing and monitoring the Group's corporate social responsibility roadmap and its programmes.

During the year, the Committee launched eco-office initiatives like encouraging its employees to save energy and reduce paper usage in the office environment. Talks on cultivating personal green practices were also organised for employees to appreciate the importance of reducing today's consumption of natural resources to benefit future generations.

GEOGRAPHICAL PRESENCE

REGIONAL

Residential
MALAYSIA
Site at Jalan Conlay, Kuala Lumpur

Mixed Development
CHINA
The Esplanade (海河华鼎), Tianjin[1]
Changfeng, Shanghai[2]

Hotels/Serviced Suites
AUSTRALIA
Pan Pacific Perth
PARKROYAL Darling Harbour
PARKROYAL Melbourne Airport
PARKROYAL Parramatta

MALAYSIA
PARKROYAL Kuala Lumpur
PARKROYAL Serviced Suites Kuala Lumpur
PARKROYAL Penang

CHINA
Pan Pacific Xiamen
Pan Pacific Suzhou
Pan Pacific Ningbo
Pan Pacific Serviced Suites Ningbo

VIETNAM
PARKROYAL Saigon
Sofitel Saigon Plaza
Sofitel Plaza Hanoi

MYANMAR
PARKROYAL Yangon
Pan Pacific Yangon[3]

INDONESIA
Sari Pan Pacific Jakarta
Pan Pacific Nirwana Bali Resort

THAILAND
Pan Pacific Serviced Suites Bangkok

PHILIPPINES
Pan Pacific Manila

BANGLADESH
Pan Pacific Sonargaon Dhaka

NORTH AMERICA
Pan Pacific Seattle
Pan Pacific Vancouver
Pan Pacific Whistler Mountainside
Pan Pacific Whistler Village Centre

LEGEND
Managed hotels
Owned by the Group and managed by Third Parties

[1] Comprises residential units, offices, retail space and a hotel.
[2] Comprises residential units and retail space.
[3] 20% stake, opening in 2016.

SINGAPORE

Offices
1. Novena Square
2. United Square
3. Odeon Towers
4. Faber House
5. One Upper Pickering

Retail Malls
6. Velocity@Novena Square
7. United Square
8. OneKM[4]

Residential
9. Archipelago (Fully sold)[5]
10. Katong Regency (Fully sold)
11. Spottiswoode Residences
12. Thomson Three[5]
13. Seventy St. Patrick's
14. Riverbank@Fernvale

Hotels/Serviced Suites
15. Pan Pacific Orchard
16. Pan Pacific Singapore[6]
17. Pan Pacific Serviced Suites Orchard
18. Pan Pacific Serviced Suites Beach Road
19. PARKROYAL on Beach Road
20. PARKROYAL on Kitchener Road
21. PARKROYAL Serviced Suites Beach Road
22. PARKROYAL on Pickering
23. Marina Mandarin[7]

[4] Opening in 2014.
[5] 50% stake.
[6] 22.7% stake held through Marina Centre Holdings Pte Ltd.
[7] 25.0% stake held through Aquamarina Hotel Private Limited.

PROPERTY SUMMARY 2013

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2013 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
Investment Properties Owned by the Group								
FABER HOUSE 230 Orchard Road, Singapore 12-storey office building (excluding first storey which was sold)	1973	–	Freehold	3,956	48	100	85.2	100
ODEON TOWERS 331 North Bridge Road, Singapore 23-storey commercial building with 3 basement levels and a 2-storey podium block	1992 & 2003	–	999-Year Lease from 1827	18,403	167	100	387.3	100
UNITED SQUARE 101 Thomson Road, Singapore Retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks Shops Offices	 1982 & 2002 1982	1987	Freehold	 19,676 27,028	658	 97 95	993.4	100
NOVENA SQUARE 238/A/B Thomson Road, Singapore A commercial building above the Novena MRT station, comprising 2 blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks (excluding #01-38 which was sold) Shops Offices	 2000 2000	–	99-Year Lease from 1997	 16,121 41,501	491	 99 99	1,261.5	60
THE PLAZA 7500 Beach Road, Singapore Retained interests in a 32-storey tower block comprising restaurants, function rooms, shops, offices and serviced suites, and a 15-storey Pan Pacific Serviced Suites, Beach Road above the existing carpark block Shops & Offices	1974 & 1979	–		4,266		66	60.4	100
PARKROYAL SERVICED SUITES BEACH ROAD, SINGAPORE 90 serviced suites and 1 owner-occupied apartment	1979	–	99-Year Lease from 1968	6,125 & 165 respectively	449	83	80.8	100
PAN PACIFIC SERVICED SUITES BEACH ROAD, SINGAPORE 180 serviced suites	2013	–		8,100		60	132.0	100
ONE UPPER PICKERING 1 Upper Pickering Street, Singapore 15-storey office building with a roof terrace within a hotel and office development	2012	–	99-Year Lease from 2008	8,089	31	100	180.5	100
PAN PACIFIC SERVICED SUITES ORCHARD, SINGAPORE 96 Somerset Road, Singapore 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark	2008 (redeveloped)	1979	Freehold	8,821	41	92	149.0	100
PARKROYAL SERVICED SUITES KUALA LUMPUR Jalan Nagasari, Kuala Lumpur, Malaysia 31-storey serviced suite with 287 units and a carpark	2010	2005	Freehold	19,005	290	88	79.5	100
Hotels Owned and Managed by the Group								
PAN PACIFIC ORCHARD 10 Claymore Road, Singapore 21-storey hotel with 206 rooms	1995	2006	Freehold	17,597 *	82	77	182.0	100
PARKROYAL ON BEACH ROAD 7500C Beach Road, Singapore 7-storey hotel building with 343 rooms	1971 & 1979	–	99-Year Lease from 1968	22,047 *	35	80	196.0	100
PARKROYAL ON KITCHENER ROAD 181 Kitchener Road, Singapore Comprising a 5-storey podium with a basement and a 16-storey Y-shaped tower with 534 rooms	1976 & 1981	1989	Freehold	37,811 *	271	84	307.7	100
PARKROYAL ON PICKERING 3 Upper Pickering Street, Singapore 16-storey hotel building with 367 rooms	2012	–	99-Year Lease from 2008	21,301 *	75	75	325.0	100

PROPERTY SUMMARY 2013

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2013 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
Hotels Owned and Managed by the Group (continued)								
PAN PACIFIC XIAMEN Hubin North Road, Xiamen, The People's Republic of China Comprising two towers of 19-storey and 29-storey with 385 rooms, including a two-storey basement carpark	2005 (redeveloped)	2001	70-Year Lease from 1991	31,775 *	76	55	54.0	100
PAN PACIFIC SUZHOU Xinshi Road, Suzhou, Jiangsu, The People's Republic of China A 481-room hotel built in the Ming Dynasty style within a cluster of low-rise buildings	1998	2001	50-Year Lease from 1994	63,232 *	100	43	61.7	100
PARKROYAL SAIGON Nguyen Van Troi Street, Ho Chi Minh City, Vietnam Comprising 186 rooms in a 10-storey hotel building with a 9-storey extension wing and a 4-storey annex office building	1997	–	49-Year Lease from 1994	12,165 *	25	60	27.6	100
PARKROYAL YANGON At the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar 8-storey V-shaped tower comprising 331 rooms	1997	2001	50-Year Lease from 1997	17,700 *	140	76	62.8	95
PARKROYAL KUALA LUMPUR AND PRESIDENT HOUSE Jalan Sultan Ismail, Kuala Lumpur, Malaysia Comprising a 23-storey tower with a 6-storey podium and an annexed 8-storey carpark building, the 426-room hotel occupies the tower and part of the podium Hotel and President House Car Park Annexe	1974	1999	Freehold Leasehold, expiring in 2080	56,707 * 11,128 *	– 320	85	102.8	100
PARKROYAL PENANG RESORT Batu Ferringhi Beach, Penang, Malaysia 309-room 8-storey beachfront resort hotel	1990	1999	Freehold	31,502 *	147	72	63.0	100
PARKROYAL DARLING HARBOUR, SYDNEY 150 Day Street, Sydney, Australia 13-level hotel with 340 rooms	1991	1993	Freehold	24,126 *	58	85	102.5	100
PARKROYAL MELBOURNE AIRPORT Arrivals Drive, Melbourne Airport, Tullamarine, Victoria, Australia 6-level hotel with 276 rooms	2001	2011	Leasehold, expiring in 2047 (with an option to extend for a further 49 years subject to renewal of head lease)	20,584 *	–	87	103.6	100
PARKROYAL PARRAMATTA 30 Phillip Street, Parramatta, New South Wales, Australia 13-level hotel with 196 rooms	1986	1994	Freehold	16,694 *	176	82	38.9	100
PAN PACIFIC PERTH At the corner of Adelaide Terrace and Hill Street, Perth, Australia Comprising 486 rooms in a 23-storey hotel tower and a 4-level extension wing	1973	1995	Freehold	31,513 *	220	81	170.1	100
Hotels Owned by the Group and Managed by Third Parties								
SOFITEL PLAZA HANOI Thanh Nien Road, Hanoi, Vietnam 20-storey hotel with 265 rooms and 56 serviced apartments	1998	2001	48–Year Lease from 1993	39,250 *	45	68	78.2	75

PROPERTY SUMMARY 2013

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2013 Average Occupancy %	Present Capital Value ($m)	Effective percentage of Interest %
Other Properties Owned by the Group								
EUNOS WAREHOUSE COMPLEX 1 Kaki Bukit Road 2, Singapore Retained interests in 2 units of a 4-storey flatted warehouse	1983	–	60-Year Lease from 1982	1,134	–	–	3.2	100
THE PLAZA 7500A Beach Road, Singapore Owner-occupied corporate office and lobby	1979	–	99-Year Lease from 1968	1,824	–	–	22.1	100
CHINATOWN POINT 133 New Bridge Road, Singapore Owner-occupied back office for PARKROYAL on Pickering	1980	2008	99-Year Lease from 1980	223	–	–	4.6	100

	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Stage of Completion as at 31.12.2013 %	Expected Completion	Effective Percentage of Interest %
Properties under Construction						
ONEKM Tanjong Katong Road 3-storey commercial podium with a basement located within a proposed commercial/ residential development	2011	Freehold	18,979	64	2nd Quarter 2014	100
THE ESPLANADE (海河华鼎) Zhang Zi Zhong Road, Hong Qiao District,Tianjin, The People's Republic of China Hotel with 319 rooms Retail mall with basement carparks	2007	40-Year Lease from 2007	44,330 * 6,164 *	77 72	2nd Quarter 2014	90

	Type of Development	Tenure of Land	Approximate Gross Floor Area (sqm)	Site Area (sqm)	Sales Status as at 31.12.2013 %	Stage of Completion as at 31.12.2013 %	Expected Completion	Effective Percentage of Interest %
Properties for sale under development								
KATONG REGENCY Tanjong Katong Road 244 units of condominium apartments	Residential	Freehold	21,172	14,278	100	18	2nd Quarter 2015	100
SEVENTY ST. PATRICK'S St Patrick's Road 186 units of condominium apartments	Residential	Freehold	19,944	12,950	–	–	3rd Quarter 2016	100
RIVERBANK@FERNVALE Sengkang West Way 555 units of condominium apartments	Residential	99-Year leasehold commencing 10.7.2013	49,812	16,604	–	–	1st Quarter 2017	100
SITE AT JALAN CONLAY Kuala Lumpur, Malaysia Proposed 740 units of condominium apartments and 178 serviced apartments	Residential	Freehold	107,634	15,993	–	–	#	60

The site at Jalan Conlay was sold on 26 December 2013 to a third party for a total cash consideration of RM568 million ($218 million). The sale is expected to be completed by 1st quarter 2014.

	Type of Development	Tenure of Land	Approximate Gross Floor Area (sqm)	Site Area (sqm)	Sales Status as at 31.12.2013 %	Stage of Completion as at 31.12.2013 %	Expected Completion	Effective Percentage of Interest %
THE ESPLANADE (海河华鼎) Tianjin, The People's Republic of China								
522 units of condominium apartments	Residential	50-Year leasehold from 2007	81,479	10,684	88	90	2nd Quarter 2014	90
Two 11-storey office towers	Commercial	40-Year leasehold from 2007			25	85		

SIMPLIFIED GROUP FINANCIAL POSITION

TOTAL ASSETS OWNED

	2013 $m	2012 $m	2013 %	2012 %
Property, plant and equipment	**1,169**	1,130	**11**	12
Investment properties	**3,814**	3,343	**36**	35
Available-for-sale financial assets	**857**	806	**8**	8
Associated companies	**2,772**	2,639	**27**	28
Joint venture companies	**179**	149	**2**	2
Development properties	**900**	996	**9**	10
Other assets and cash	**730**	501	**7**	5
	10,421	9,564	**100**	100

TOTAL LIABILITIES OWED AND CAPITAL INVESTED

	2013 $m	2012 $m	2013 %	2012 %
Shareholders' funds	**6,760**	6,143	**65**	64
Non-controlling interests	**467**	576	**4**	6
Borrowings	**2,336**	2,174	**22**	23
Trade and other payables	**600**	441	**6**	5
Deferred income tax liabilities	**173**	176	**2**	2
Other liabilities	**85**	54	**1**	0
	10,421	9,564	**100**	100

FIVE-YEAR FINANCIAL SUMMARY

	2009 $'000	2010 $'000	2011 $'000	2012 $'000	2013 $'000
Group Revenue					
Property development	533,843	835,535	1,393,773	560,022	**409,984**
Hotel operations	294,485	325,089	360,038	377,721	**420,425**
Property investments	141,674	147,943	160,308	166,087	**180,241**
Investments	21,192	21,950	26,219	23,192	**27,446**
Management services	15,867	18,540	19,896	18,755	**20,512**
	1,007,061	1,349,057	1,960,234	1,145,777	**1,058,608**
Group Income Statement					
Property development	155,149	158,030	404,763	147,502	**133,235**
Property investments	100,572	102,452	112,650	119,702	**126,369**
Hotel operations	44,175	51,451	59,511	59,789	**66,310**
Investments	20,915	21,752	26,064	23,147	**27,402**
Management services	3,032	3,217	8,281	11,521	**11,757**
	323,843	336,902	611,269	361,661	**365,073**
Unallocated costs	(7,467)	(10,489)	(12,462)	(13,736)	**(14,381)**
Profit from operations	316,376	326,413	598,807	347,925	**350,692**
Finance income	3,887	3,512	2,768	11,112	**4,488**
Finance expense	(44,728)	(26,488)	(39,233)	(33,090)	**(42,815)**
Share of profit of associated companies excluding fair value (losses)/gains of associated companies' investment properties	154,372	247,786	165,928	114,115	**96,383**
Share of (losses)/gains of joint venture companies	-	-	(500)	(364)	**18,506**
Profit before fair value and other gains/(losses) and income tax	429,907	551,223	727,770	439,698	**427,254**
Other gains/(losses)	277,269	50,790	(19,731)	(24,995)	**23,813**
Fair value (losses)/gains on associated companies' investment properties	(66,102)	152,904	8,694	107,547	**91,459**
Fair value (losses)/gains on the Group's investment properties	(147,562)	134,863	187,222	442,097	**409,425**
Profit before income tax	493,512	889,780	903,955	964,347	**951,951**
Profit attributable to equity holders of the Company	424,178	755,939	678,572	807,675	**785,820**

FIVE-YEAR FINANCIAL SUMMARY

	2009 $'000	2010 $'000	2011 $'000	2012 $'000	2013 $'000
Group Statement of Financial Position					
Property, plant and equipment	1,096,866	980,523	1,090,066	1,130,024	**1,169,105**
Investment properties	2,027,476	2,261,613	2,838,328	3,342,754	**3,814,190**
Associated companies, joint venture companies, receivables and other assets (non-current)	1,448,250	2,118,658	2,512,045	2,782,693	**2,944,304**
Available-for-sale financial assets (non-current)	228,897	246,972	220,565	283,484	**274,854**
Intangibles	37,571	42,807	29,908	27,607	**26,117**
Deferred tax assets	5,099	3,651	4,338	3,789	**3,160**
Net current assets (excluding borrowings)	2,263,988	1,825,782	1,605,520	1,665,039	**1,660,264**
Non-current liabilities (excluding borrowings)	(233,027)	(241,815)	(203,926)	(342,555)	**(328,861)**
	6,875,120	7,238,191	8,096,844	8,892,835	**9,563,133**
Share capital	1,058,527	1,051,898	1,040,694	1,046,954	**1,050,897**
Reserves	3,089,706	3,585,077	4,243,279	5,095,658	**5,708,801**
Interests of the shareholders	4,148,233	4,636,975	5,283,973	6,142,612	**6,759,698**
Non-controlling interests	459,666	410,601	486,950	576,314	**467,272**
Borrowings	2,267,221	2,190,615	2,325,921	2,173,909	**2,336,163**
	6,875,120	7,238,191	8,096,844	8,892,835	**9,563,133**
Financial Ratios					
Basic earnings per ordinary share* (cents)	53.72	96.94	88.12	105.06	**102.01**
Gross dividend declared ($'000)	78,353	115,101	115,237	115,485	**154,176**
Gross dividend declared					
First and Final (cents)	10.0	10.0	10.0	15.0	**15.0**
Special (cents)	-	5.0	5.0	-	**5.0**
Cover (times)	5.4	6.5	5.9	7.0	**5.1**
Net tangible asset backing per ordinary share ($)					
Before accounting for surplus on revaluation of hotel properties	5.25	5.91	6.84	7.94	**8.73**
After accounting for surplus on revaluation of hotel properties	5.75	6.51	7.49	8.73	**9.71**
Gearing ratio	0.43	0.37	0.35	0.28	**0.28**

*Note : Basic earnings per ordinary share is calculated by reference to the weighted average number of ordinary shares in issue during the year.

SEGMENTAL PERFORMANCE ANALYSIS

Total Revenue By Business Segments

	2013 $'000	2013 %	2012 $'000	2012 %
Property development	**409,984**	**38.8**	560,022	48.9
Hotel operations	**420,425**	**39.7**	377,721	33.0
Property investments	**180,241**	**17.0**	166,087	14.5
Investments	**27,446**	**2.6**	23,192	2.0
Management services	**20,512**	**1.9**	18,755	1.6
	1,058,608	**100.0**	1,145,777	100.0

Adjusted EBITDA* By Business Segments

	2013 $'000	2013 %	2012 $'000	2012 %
Property development	**153,449**	**24.4**	169,684	26.9
Property investments	**310,289**	**49.3**	315,644	50.1
Hotel operations	**124,794**	**19.8**	108,526	17.2
Investments	**27,402**	**4.4**	23,147	3.7
Management services	**13,434**	**2.1**	13,178	2.1
	629,368	**100.0**	630,179	100.0

* Excludes unallocated costs, other gains/losses and fair value gains on investment properties

Total Assets By Business Segments

	2013 $'000	2013 %	2012 $'000	2012 %
Property development	**1,847,628**	**17.7**	1,760,165	18.4
Property investments	**6,373,371**	**61.2**	5,707,316	59.7
Hotel operations	**1,285,371**	**12.3**	1,233,336	12.9
Investments	**856,968**	**8.2**	805,748	8.4
Management services	**36,920**	**0.4**	29,594	0.3
	10,400,258	**99.8**	9,536,159	99.7
Unallocated assets	**21,190**	**0.2**	28,163	0.3
	10,421,448	**100.0**	9,564,322	100.0

Total Revenue By Geographical Segments

	2013 $'000	2013 %	2012 $'000	2012 %
Singapore	**772,820**	**73.0**	862,397	75.3
Australia	**135,910**	**12.8**	140,984	12.3
Malaysia	**57,099**	**5.4**	59,459	5.2
The People's Republic of China	**31,225**	**3.0**	27,899	2.4
Myanmar	**30,099**	**2.8**	22,248	1.9
Vietnam	**27,503**	**2.6**	28,794	2.5
Others	**3,952**	**0.4**	3,996	0.4
	1,058,608	**100.0**	1,145,777	100.0

Adjusted EBITDA* By Geographical Segments

	2013 $'000	2013 %	2012 $'000	2012 %
Singapore	**551,083**	**87.5**	552,597	87.7
Australia	**34,988**	**5.6**	32,982	5.2
Malaysia	**19,015**	**3.0**	18,698	3.0
Myanmar	**16,241**	**2.6**	11,270	1.8
Vietnam	**9,866**	**1.6**	11,522	1.8
The People's Republic of China	**(4,161)**	**(0.7)**	1,051	0.2
Others	**2,336**	**0.4**	2,059	0.3
	629,368	**100.0**	630,179	100.0

* Excludes unallocated costs, other gains/losses and fair value gains on investment properties

Total Assets By Geographical Segments

	2013 $'000	2013 %	2012 $'000	2012 %
Singapore	**9,039,415**	**86.7**	8,368,862	87.5
The People's Republic of China	**709,833**	**6.8**	538,831	5.6
Malaysia	**323,426**	**3.1**	294,207	3.1
Australia	**255,439**	**2.5**	287,308	3.0
Vietnam	**50,617**	**0.5**	49,881	0.5
Myanmar	**29,146**	**0.3**	12,549	0.2
Others	**13,572**	**0.1**	12,684	0.1
	10,421,448	**100.0**	9,564,322	100.0

VALUE-ADDED STATEMENT

	2013 $'000	2012 $'000
Sales of goods and services	**1,031,162**	1,122,585
Purchase of materials and services	**(611,327)**	(616,744)
Gross value added	**419,835**	505,841
Share of profit of associated companies	**187,842**	221,662
Share of profit/(loss) of joint venture companies	**18,506**	(364)
Income from investments and interest	**31,934**	26,912
Other gains/(losses)	**23,813**	(24,995)
Fair value gains on investment properties	**409,425**	442,097
Currency exchange differences	**(10,652)**	7,392
Total Value Added	**1,080,703**	1,178,545
Distribution of Value Added:		
To employees and directors		
Employees' salaries, wages and benefits	**176,184**	154,266
Directors' remuneration	**3,167**	3,157
	179,351	157,423
To government		
Corporate and property taxes	**92,869**	63,435
To providers of capital		
Interest expense	**51,761**	57,525
Dividend attributable to non-controlling interests	**32,022**	24,396
Dividend attributable to equity holders of the Company	**115,485**	115,237
	199,268	197,158
Total Value Added Distributed	**471,488**	418,016

VALUE-ADDED STATEMENT

	2013 $'000	2012 $'000
Retained in the business		
Depreciation	**56,298**	45,457
Retained earnings	**98,249**	263,805
	154,547	309,262
Non-production cost and income		
Bad debts	**148**	(139)
Income from investments and interest	**31,934**	26,912
Other gains/(losses)	**23,813**	(24,995)
Fair value gains on investment properties	**409,425**	442,097
Currency exchange differences	**(10,652)**	7,392
	454,668	451,267
	1,080,703	1,178,545
Productivity Ratios:	**$**	$
Value added per employee	**89,422**	105,692
Value added per $ employment costs	**2.34**	3.21
Value added per $ investment in property, plant and equipment and investment properties (before depreciation)		
– at cost	**0.14**	0.17
– at valuation	**0.08**	0.11
Value added per $ net sales	**0.41**	0.45

FINANCIAL CONTENTS

The directors have pleasure in submitting this report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2013.

Directors

The directors of the Company in office at the date of this report are as follows:

Wee Cho Yaw	-	Chairman
Gwee Lian Kheng	-	Group Chief Executive
Low Weng Keong		
Wee Ee-chao		
Wee Ee Lim		
Wee Sin Tho		
Pongsak Hoontrakul		
Tan Tiong Cheng		(appointed on 29 May 2013)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" on pages 75 to 77 of this report.

Directors' interests in shares or debentures

(a) The directors holding office at 31 December 2013 are also the directors holding office at the date of this report. Their interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings, were as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2013	**At 1.1.2013 or date of appointment, if later**	**At 31.12.2013**	**At 1.1.2013 or date of appointment, if later**
UOL Group Limited ("UOL")				
– Ordinary Shares				
Wee Cho Yaw	**3,388,151**	3,388,151	**241,786,442***	235,263,442*
Gwee Lian Kheng	**488,000**	388,000	**–**	–
Wee Ee-chao	**30,748***	30,748*	**93,788,530***	87,265,530*
Wee Ee Lim	**241,489**	241,489	**93,521,452***	86,998,452*
Wee Sin Tho	**100,000**	100,000	**–**	–
– Executives' Share Options				
Gwee Lian Kheng	**740,000**	720,000	**–**	–
Pan Pacific Hotels Group Limited ("PPHG")				
– Ordinary Shares				
Wee Cho Yaw	**–**	–	**–**	489,440,652*
Gwee Lian Kheng	**–**	171,000	**–**	315,000
Wee Ee-chao	**–**	–	**–**	892,500*
Tan Tiong Cheng	**–**	100,000	**–**	–

* Includes shares registered in the name of nominees.

Directors' interests in shares or debentures (continued)

(b) The directors' interests in the share capital of and options to subscribe for ordinary shares of the Company and related corporations, as recorded in the register of directors' shareholdings at 21 January 2014, were the same as those at 31 December 2013.

(c) Pursuant to Section 7 of the Companies Act (Cap. 50), Wee Cho Yaw is deemed to be interested in the shares of the subsidiaries of the Company.

(d) Save as disclosed above, none of the other directors holding office at 31 December 2013 has any interest in the ordinary shares and Executives' Share Options of the Company and the ordinary shares of PPHG and any other related corporations of the Company, as recorded in the register of directors' shareholdings.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Share options

UOL Group Executives' Share Option Scheme

(a) The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

(b) Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

The Exercise Price is equal to the average of the last dealt prices per share as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited for a period of 5 consecutive trading days immediately prior to the relevant Date of Grant.

(c) On 8 March 2013, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,318,000 ordinary shares in the Company (known as "the 2013 Options") at the exercise price of $6.55 per ordinary share. 1,318,000 options granted were accepted by the executives, including Gwee Lian Kheng. The total fair value of the options granted was estimated to be $2,333,000 using the Trinomial Tree Model.

The details of the options accepted are as follows:

	No. of employees	At exercise price of $6.55 per share
Executive Director	1	120,000
Other Executives	47	1,198,000
	48	1,318,000

Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

(d) Statutory information regarding the 2013 Options is as follows:

(i) The option period begins on 8 March 2014 and expires on 7 March 2023 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

(ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

Details of options granted in previous financial years were set out in the Report of the Directors for the respective financial years.

(e) Other information required by the Singapore Exchange Securities Trading Limited:

Pursuant to Rule 852 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is reported that during the financial year:

(i) The Remuneration Committee comprising the following directors administer the 2012 Scheme:

Wee Sin Tho	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
Low Weng Keong	Member	(Independent)

(ii) The details of options granted to a director of the Company, Gwee Lian Kheng, under the 2000 and 2012 Scheme are as follows:

Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2012	Options granted during the financial year	Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2013	Aggregate options exercised since commencement of the 2000 and 2012 Scheme to 31.12.2013	Aggregate options outstanding at 31.12.2013
1,200,000	120,000	1,320,000	580,000	740,000

(iii) Save as disclosed above, no options have been granted to controlling shareholders or their associates, parent group employees, and no employee has received 5% or more of the total options available under the 2012 Scheme. No options were granted at a discount during the financial year.

REPORT OF THE DIRECTORS (continued)
For the financial year ended 31 December 2013

Share options (continued)

Outstanding share options

At 31 December 2013, the holders of the Executives' Share Options include a director of the Company as disclosed under "Directors' interests in shares or debentures".

The holders of the Executives' Share Options have no right to participate by virtue of the options in any share issue of any other company in the Group.

During the financial year, 986,000 ordinary shares of the Company were issued upon the exercise of options by:

Holders of	Number of ordinary shares	Exercise price per share $
2004 Options	160,000	2.28
2006 Options	18,000	3.21
2007 Options	61,000	4.91
2008 Options	148,000	3.68
2010 Options	240,000	3.95
2011 Options	269,000	4.62
2012 Options	90,000	5.40
	986,000	

Unissued ordinary shares under options at 31 December 2013 comprise:

	At 1.1.2013	Options granted in 2013	Options exercised	Options forfeited	At 31.12.2013	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2004 Options	160,000	–	(160,000)	–	-	2.28	21.05.2005 to 20.05.2014
2005 Options	42,000	–	–	–	42,000	2.23	09.05.2006 to 08.05.2015
2006 Options	118,000	–	(18,000)	–	100,000	3.21	18.05.2007 to 17.05.2016
2007 Options	472,000	–	(61,000)	(12,000)	399,000	4.91	16.03.2008 to 15.03.2017
2008 Options	384,000	–	(148,000)	–	236,000	3.68	07.03.2009 to 06.03.2018
2009 Options	62,000	–	–	–	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	630,000	–	(240,000)	–	390,000	3.95	05.03.2011 to 04.03.2020
2011 Options	835,000	–	(269,000)	–	566,000	4.62	04.03.2012 to 03.03.2021
2012 Options	1,477,000	–	(90,000)	–	1,387,000	5.40	23.08.2013 to 22.08.2022
2013 Options	-	1,318,000	–	(60,000)	1,258,000	6.55	08.03.2014 to 07.03.2023
	4,180,000	1,318,000	(986,000)	(72,000)	4,440,000		

Audit & Risk Committee

The Audit & Risk Committee comprises three members as follows:

Independent and non-executive directors
Low Weng Keong - Chairman
Tan Tiong Cheng

Non-independent and non-executive director
Wee Ee Lim

The Audit & Risk Committee carries out the functions set out in the Companies Act (Cap.50). The terms of reference include reviewing the financial statements, the internal and external audit plans and audit reports, the scope and results of the internal audit procedures and proposals for improvements in internal controls, the cost effectiveness, independence and objectivity of the independent auditor and interested persons transactions.

In performing the functions, the Audit & Risk Committee has met with the internal and independent auditors and reviewed the overall scope of the internal and external audits and the assistance given by Management to the auditors.

The Audit & Risk Committee has nominated PricewaterhouseCoopers LLP for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

WEE CHO YAW	GWEE LIAN KHENG
Chairman	Director

28 February 2014

In the opinion of the directors,

(a) the income statements, statements of comprehensive income, statements of financial position and statements of changes in equity of the Company and of the Group and the consolidated statement of cash flows of the Group as set out on pages 81 to 164 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, of the results of the business and the changes in equity of the Company and of the Group for the financial year then ended; and the cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

WEE CHO YAW	GWEE LIAN KHENG
Chairman	Director

28 February 2014

Report on the Financial Statements

We have audited the accompanying financial statements of UOL Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 81 to 164, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2013, the consolidated income statement of the Group, the income statement of the Company, the consolidated statement of comprehensive income of the Group, the statement of comprehensive income of the Company, the consolidated statement of changes in equity of the Group and the statement of changes in equity of the Company and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the income statements, statements of comprehensive income, statements of financial position and statements of changes in equity of the Company and of the Group and the consolidated statement of cash flows of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, and of the results, changes in equity of the Company and of the Group, and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 28 February 2014

	Note	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Revenue	4	**1,058,608**	1,145,777	**358,655**	112,061
Cost of sales		**(536,617)**	(636,284)	**(2,294)**	(2,528)
Gross profit		**521,991**	509,493	**356,361**	109,533
Other income					
– Finance income	4	**4,488**	11,112	**8,047**	16,518
– Miscellaneous income	4	**12,708**	12,669	**2,602**	3,196
Expenses					
– Marketing and distribution		**(35,929)**	(37,404)	**(389)**	(400)
– Administrative		**(74,310)**	(66,203)	**(16,390)**	(14,745)
– Finance	7	**(42,815)**	(33,090)	**(21,995)**	(22,246)
– Other operating		**(73,768)**	(70,630)	**(1,466)**	(1,064)
Share of profit of associated companies	17,12	**187,842**	221,662	**–**	–
Share of profit/(loss) of joint venture companies	18,12	**18,506**	(364)	**–**	–
		518,713	547,245	**326,770**	90,792
Other gains/(losses)	8	**23,813**	(24,995)	**6,720**	9,943
Fair value gains on investment properties	20	**409,425**	442,097	**57,500**	34,410
Profit before income tax		**951,951**	964,347	**390,990**	135,145
Income tax expense	9(a)	**(70,487)**	(44,163)	**(2,720)**	12,166
Net profit		**881,464**	920,184	**388,270**	147,311
Attributable to:					
Equity holders of the Company		**785,820**	807,675	**388,270**	147,311
Non-controlling interests		**95,644**	112,509	**–**	–
		881,464	920,184	**388,270**	147,311
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	10				
– Basic		**102.01**	105.06		
– Diluted		**101.90**	104.88		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2013

	Note	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Net profit		**881,464**	920,184	**388,270**	147,311
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Fair value gains on available-for-sale financial assets	31(b)	**44,133**	164,730	**26,849**	123,589
Cash flow hedges					
– Fair value gains/(losses)	31(f)	**200**	(92)	**210**	(92)
– Transfer to income statement	31(f)	**(260)**	(42)	**(240)**	(42)
Currency translation differences arising from consolidation of foreign operations	31(e)	**(2,558)**	(20,604)	**–**	–
Share of other comprehensive income/(loss) of associated companies	31(a),(e)	**5,500**	(4,067)	**–**	–
Other comprehensive income, net of tax		**47,015**	139,925	**26,819**	123,455
Total comprehensive income		**928,479**	1,060,109	**415,089**	270,766
Total comprehensive income attributable to:					
Equity holders of the Company		**833,492**	950,289	**415,089**	270,766
Non-controlling interests		**94,987**	109,820	**–**	–
		928,479	1,060,109	**415,089**	270,766

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2013

	Note	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
ASSETS					
Current assets					
Cash and bank balances	11	**293,386**	260,061	**5,003**	11,092
Trade and other receivables	12	**377,733**	202,526	**7,890**	82,167
Derivative financial instrument	26	**616**	–	**616**	–
Development properties	13	**899,587**	995,915	**–**	–
Inventories	14	**703**	783	**–**	–
Available-for-sale financial assets	15	**582,102**	522,226	**564,070**	522,226
Other assets	16	**35,481**	12,045	**350**	1,286
Current income tax assets	9(b)	**110**	415	**–**	–
		2,189,718	1,993,971	**577,929**	616,771
Non-current assets					
Trade and other receivables	12	**159,287**	148,691	**829,602**	934,262
Derivative financial instrument	26	**–**	873	**–**	873
Available-for-sale financial assets	15	**274,854**	283,484	**81,388**	89,270
Investments in associated companies	17	**2,765,006**	2,633,129	**161,289**	161,289
Investments in joint venture companies	18	**20,011**	–	**–**	–
Investments in subsidiaries	19	**–**	–	**1,799,578**	1,519,419
Investment properties	20	**3,814,190**	3,342,754	**388,490**	330,990
Property, plant and equipment	21	**1,169,105**	1,130,024	**1,530**	1,627
Intangibles	22	**26,117**	27,607	**622**	866
Deferred income tax assets	29	**3,160**	3,789	**–**	–
		8,231,730	7,570,351	**3,262,499**	3,038,596
Total assets		**10,421,448**	9,564,322	**3,840,428**	3,655,367
LIABILITIES					
Current liabilities					
Trade and other payables	23	**446,890**	278,260	**78,184**	75,411
Current income tax liabilities	9(b)	**82,367**	50,672	**4,899**	5,842
Borrowings	24	**1,131,734**	659,069	**548,109**	178,212
Derivative financial instrument	26	**197**	–	**197**	–
Loans from non-controlling shareholders of subsidiaries (unsecured)	27	**16,917**	–	**–**	–
		1,678,105	988,001	**631,389**	259,465
Non-current liabilities					
Trade and other payables	23	**152,630**	163,021	**3,354**	3,612
Borrowings	24	**1,187,512**	1,504,883	**249,512**	748,451
Derivative financial instrument	26	**37**	162	**–**	162
Loans from non-controlling shareholders of subsidiaries (unsecured)	27	**–**	9,957	**–**	–
Provision for retirement benefits	28	**3,245**	2,942	**–**	–
Deferred income tax liabilities	29	**172,949**	176,430	**86,145**	79,097
		1,516,373	1,857,395	**339,011**	831,322
Total liabilities		**3,194,478**	2,845,396	**970,400**	1,090,787
NET ASSETS		**7,226,970**	6,718,926	**2,870,028**	2,564,580
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	30	**1,050,897**	1,046,954	**1,050,897**	1,046,954
Reserves	31	**855,311**	805,738	**437,773**	409,053
Retained earnings		**4,853,490**	4,289,920	**1,381,358**	1,108,573
		6,759,698	6,142,612	**2,870,028**	2,564,580
Non-controlling interests		**467,272**	576,314	**–**	–
Total equity		**7,226,970**	6,718,926	**2,870,028**	2,564,580

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2013

	Note	Attributable to equity holders of the Company					
		Share capital $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2013							
Beginning of financial year		**1,046,954**	**805,738**	**4,289,920**	**6,142,612**	**576,314**	**6,718,926**
Employee share option scheme							
– Value of employee services	31(a)	–	1,901	–	1,901	–	1,901
– Proceeds from shares issued	30	3,943	–	–	3,943	–	3,943
Dividends	32	–	–	(115,485)	(115,485)	(32,022)	(147,507)
Acquisition of interests from non-controlling shareholders		–	–	(110,797)	(110,797)	(171,124)	(281,921)
Issue of shares to non-controlling interests		–	–	–	–	2,093	2,093
Redemption of preference shares held by non-controlling shareholders		–	–	–	–	(2,976)	(2,976)
Share of an associated company's acquisition of interests from non-controlling shareholders	17	–	–	4,032	4,032	–	4,032
Total comprehensive income for the year		–	47,672	785,820	833,492	94,987	928,479
End of financial year		**1,050,897**	**855,311**	**4,853,490**	**6,759,698**	**467,272**	**7,226,970**
2012							
Beginning of financial year		**1,040,694**	**661,039**	**3,582,240**	**5,283,973**	**486,950**	**5,770,923**
Employee share option scheme							
– Value of employee services	31(a)	–	2,085	–	2,085	–	2,085
– Proceeds from shares issued	30	6,260	–	–	6,260	–	6,260
Dividends	32	–	–	(115,237)	(115,237)	(24,396)	(139,633)
Issue of shares to non-controlling interests		–	–	–	–	3,940	3,940
Share of an associated company's acquisition of interests from non-controlling shareholders	17	–	–	15,242	15,242	–	15,242
Total comprehensive income for the year		–	142,614	807,675	950,289	109,820	1,060,109
End of financial year		**1,046,954**	**805,738**	**4,289,920**	**6,142,612**	**576,314**	**6,718,926**

An analysis of movements in each category within "Reserves" is presented in Note 31.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2013

	Note	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
2013					
Beginning of financial year		**1,046,954**	**409,053**	**1,108,573**	**2,564,580**
Employee share option scheme					
– Value of employee services	31(a)	–	1,901	–	1,901
– Proceeds from shares issued	30	3,943	–	–	3,943
Dividends	32	–	–	(115,485)	(115,485)
Total comprehensive income for the year		–	26,819	388,270	415,089
End of financial year		**1,050,897**	**437,773**	**1,381,358**	**2,870,028**
2012					
Beginning of financial year		**1,040,694**	**283,513**	**1,076,499**	**2,400,706**
Employee share option scheme					
– Value of employee services	31(a)	–	2,085	–	2,085
– Proceeds from shares issued	30	6,260	–	–	6,260
Dividends	32	–	–	(115,237)	(115,237)
Total comprehensive income for the year		–	123,455	147,311	270,766
End of financial year		**1,046,954**	**409,053**	**1,108,573**	**2,564,580**

An analysis of movements in each category within "Reserves" is presented in Note 31.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2013

	2013 $'000	2012 $'000
Cash flows from operating activities		
Net profit	**881,464**	920,184
Adjustments for		
– Income tax expense	**70,487**	44,163
– Depreciation and amortisation	**58,835**	47,910
– (Write-back of)/allowance for impairment of loans and receivables - net	**(148)**	139
– Share of profit of associated companies	**(187,842)**	(221,662)
– Share of (profit)/loss of joint venture companies	**(18,506)**	364
– Unrealised translation losses/(gains)	**8,361**	(9,092)
– Net provision for retirement benefits	**477**	392
– Employee share option expense	**3,295**	998
– Dividend income and interest income	**(31,934)**	(26,912)
– Interest expense	**32,163**	33,090
– Fair value gains on investment properties	**(409,425)**	(442,097)
– Property, plant and equipment written off and net loss on disposals	**961**	3,539
– Negative goodwill on acquisition of interests in an associated company	**(3,509)**	(3,624)
– Write-back of impairment charge on property, plant and equipment	**(27,502)**	–
– Impairment charge on property, plant and equipment	**6,021**	33,318
– Gain on disposal of an available-for-sale financial asset	**–**	(4,699)
	383,198	376,011
Change in working capital		
– Receivables	**(12,601)**	24,317
– Development properties	**(62,929)**	125,156
– Derivative financial instrument	**257**	(119)
– Inventories	**80**	327
– Payables	**155,478**	68,499
	80,285	218,180
Cash generated from operations	**463,483**	594,191
Income tax paid	**(46,512)**	(74,801)
Retirement benefits paid	**(58)**	(135)
Release of fixed deposits pledged as security	**–**	6,000
Bank deposits pledged as security	**(63)**	(5,136)
Net cash provided by operating activities	**416,850**	520,119

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the financial year ended 31 December 2013

	Note	2013 $'000	2012 $'000
Cash flows from investing activities			
Proceeds from disposal of an available-for-sale financial asset		**–**	7,413
Redemption of preference shares held in an associated company		**14,000**	–
Proceeds from liquidation of a subsidiary		**47**	–
Proceeds from liquidation of an associated company		**–**	370
Payments for intangibles		**(1,079)**	(267)
Payments for interests in an associated company		**(16,491)**	(15,954)
Payment of deferred acquisition cost to a shareholder of an associated company		**(7,105)**	–
Payments for interests in a joint venture company		**(500)**	–
Loans to an associated company and joint venture companies		**(11,620)**	(77,811)
Payments to non-controlling shareholders for purchase of shares in a subsidiary		**(281,921)**	–
Repayment of loan by an associated company		**1,906**	–
Net proceeds from disposal of property, plant and equipment		**347**	3,884
Purchase of property, plant and equipment and investment properties		**(154,210)**	(237,908)
Interest received		**4,488**	3,720
Dividends received		**99,098**	78,943
Net cash used in investing activities		**(353,040)**	(237,610)
Cash flows from financing activities			
Proceeds from shares issued		**3,943**	6,260
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		**2,093**	3,940
Payment to non-controlling shareholder of a subsidiary for redemption of preference shares		**(2,976)**	–
Loans from non-controlling shareholders of subsidiaries		**7,307**	2,790
Repayment of loans from non-controlling shareholders of subsidiaries		**–**	(43,344)
Proceeds from unsecured fixed rate notes due 2015/2017		**–**	250,000
Repayment of unsecured fixed and floating rate notes due 2012		**–**	(250,000)
Proceeds from borrowings		**459,104**	617,282
Repayment of borrowings		**(303,129)**	(705,157)
Expenditure relating to bank borrowings		**(2,234)**	(5,150)
Interest paid		**(48,284)**	(53,000)
Dividends paid to equity holders of the Company		**(115,485)**	(115,237)
Dividends paid to non-controlling interests		**(32,022)**	(24,396)
Net cash used in financing activities		**(31,683)**	(316,012)
Net increase/(decrease) in cash and cash equivalents		**32,127**	(33,503)
Cash and cash equivalents at the beginning of the financial year		**254,925**	291,141
Effects of currency translation on cash and cash equivalents		**945**	(2,713)
Cash and cash equivalents at the end of the financial year	11(c)	**287,997**	254,925

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

UOL Group Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is as follows:

101 Thomson Road
#33-00 United Square
Singapore 307591

The principal activities of the Company are investments in properties, subsidiaries, associated companies and listed and unlisted securities. The principal activities of its subsidiaries are set out in Note 19.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain key accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2013

On 1 January 2013, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

Amendment to FRS 1 *Presentation of Items of Other Comprehensive Income*

The Group has adopted the amendment to FRS 1 Presentation of Items of Other Comprehensive Income on 1 January 2013. The amendment is applicable for annual periods beginning on or after 1 July 2012 (with early adoption permitted). It requires items presented in other comprehensive income to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future.

Amendment to FRS 1 *Presentation of Financial Statements – Clarification of the requirements for comparative information*

This amendment arose from Annual Improvements to FRSs issued by the Accounting Standards Council in August 2012. The amendment clarified that when an entity presents a balance sheet at the beginning of the preceding period, it need not present the related notes to that balance sheet if that balance sheet was required as a result of either:
– retrospective application of an accounting policy, or
– retrospective restatement or reclassification of items in the financial statements.

However, when an entity chooses to present FRS-compliant comparative financial statements in addition to the minimum comparatives required, the entity shall present related note information for those additional statements.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2013 (continued)

Amendment to FRS 107 *Disclosure-Offsetting Financial Assets and Financial Liabilities*

This amendment includes new disclosures to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This amendment does not have any impact on the accounting policies of the Group. The Group has incorporated the required disclosures into the financial statements.

FRS 113 *Fair Value Measurement*

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by FRS 113 into the financial statements.

2.2 Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of properties and goods and the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Revenue from property development – sale of development properties*

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - Agreements for the Construction of Real Estate, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties. The stage of completion is measured by reference to the physical surveys of construction work completed. No revenue is recognised for unsold units.

(b) *Revenue from hotel ownership and operations*

Revenue from the ownership and operation of hotels is recognised at the point at which the accommodation and related services are provided.

(c) *Revenue from hotel and other management services*

Revenue from hotel and other management services includes property and project management fees, hotel management fees, franchise fees and other related fees.

(i) Property and project management fees

Property and project management fees are recognised when services are rendered under the terms of the contract.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(c) Revenue from hotel and other management services (continued)

(ii) Hotel management fees

Management fees earned from hotels managed by the Group, usually under long-term contracts with the hotel owner, are recognised when services are rendered under the terms of the contract. The fees include a base fee, which is generally a percentage of hotel revenue, and/or an incentive fee, which is generally based on the hotel's profitability.

(iii) Franchise fees

Franchise fees received in connection with licensing of the Group's brand names, usually under long-term contracts with the hotel owner, are recognised when services are rendered under the terms of the agreement. The Group generally charges franchise fees as a percentage of hotel revenue.

(iv) Other related fees

Other related fees earned from hotels managed by the Group are recognised when services are rendered under the terms of the contract.

(d) Interest income

Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

(f) Revenue from property investments - rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the income statement.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on Acquisitions" for the accounting policy on goodwill subsequent to initial recognition.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to the income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the income statement.

Please refer to the paragraph "Investments in subsidiaries, joint venture companies and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in retained earnings.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint venture companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Joint venture companies are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. Investments in associated companies and joint venture companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(i) *Acquisitions*

Investments in associated companies and joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint venture companies represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' and joint venture companies' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies and joint venture companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture company equals to or exceeds its interest in the associated company or joint venture company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company or joint venture company.

Unrealised gains on transactions between the Group and its associated companies and joint venture companies are eliminated to the extent of the Group's interest in the associated companies and joint venture companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies and joint venture companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies and joint venture companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in the income statement.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in the income statement.

Please refer to the paragraph "Investments in subsidiaries, joint venture companies and associated companies" for the accounting policy on investments in associated companies and joint venture companies in the separate financial statements of the Company.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Certain leasehold land and buildings comprising hotel properties were subsequently revalued in 1985, in accordance with a valuation carried out by an independent professional firm of valuers on their existing use basis. However, a decision was then made that future valuations of hotel properties would not be recognised in the financial statements.

Freehold land is subsequently carried at cost less accumulated impairment losses. Leasehold land and buildings are subsequently carried at cost or valuation less accumulated depreciation and accumulated impairment losses.

(ii) *Properties under development*

Hotel property under development is carried at cost less accumulated impairment losses until construction is completed at which time depreciation will commence over its estimated useful life.

(iii) *Other property, plant and equipment*

Plant, equipment, furniture and fittings and motor vehicles are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iv) *Component of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the properties under development. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

(b) *Depreciation*

Freehold land, properties under development and renovation in progress are not depreciated. Leasehold land is amortised evenly over the term of the lease. Please refer to Note 21(e) for the lease period of each property.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings	50 years or period of the lease, whichever is shorter
Plant, equipment, furniture and fittings	3 to 20 years
Motor vehicles	5 to 7 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the income statement when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(d) *Disposals*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement. Any amount in revaluation reserve relating to that item is transferred to retained earnings directly.

2.5 Development properties

Development properties refer to properties developed for sale. Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is measured by reference to the physical surveys of construction work completed. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where the costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as properties for sale under development under "current assets". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under "trade and other payables".

Refer to Note 2.2(a) for revenue recognition of properties for sale under development.

2.6 Intangibles

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed.

Goodwill on acquisitions of subsidiaries and businesses prior to 1 January 2010 and on acquisition of associated companies and joint venture companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference ("negative goodwill") is recognised directly in the income statement as a gain from bargain purchase.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses. Goodwill on joint venture companies and associated companies are included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint venture companies include the carrying amount of goodwill relating to the entity sold.

2. Significant accounting policies (continued)

2.6 Intangibles (continued)

(b) *Acquired trademarks*

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful lives of 10 to 20 years.

(c) *Acquired computer software costs*

Acquired computer software costs are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software under development is not amortised. Other computer software costs are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful life of 3 to 5 years.

(d) *Contract acquisition costs*

Directly attributable costs incurred in the securing of management contracts or franchise agreements are capitalised as intangibles. These costs do not represent a physical asset which the Group has legal title to. They represent costs incurred to obtain a legal contractual right.

The directly attributable costs are amortised to the income statement using the straight-line method over the number of years of the management contract or franchise agreement they relate to. They are also reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each financial year. The effects of any revision are recognised in the income statement when the changes arise.

2.7 Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to the construction or development of properties. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under construction. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.8 Investment properties

Investment properties include those land and buildings or portions of buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in the income statement.

2. Significant accounting policies (continued)

2.8 Investment properties (continued)

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvements is recognised in the income statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

2.9 Investments in subsidiaries, associated companies and joint venture companies

Investments in subsidiaries, associated companies and joint venture companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(b) Intangibles
Property, plant and equipment
Investments in subsidiaries, associated companies and joint venture companies

Intangibles, property, plant and equipment and investments in subsidiaries, associated companies and joint venture companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(b) Intangibles
Property, plant and equipment
Investments in subsidiaries, associated companies and joint venture companies (continued)

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and bank balances" and deposits within "other assets" on the statement of financial position.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within twelve months after the end of the reporting period.

(b) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount in the fair value reserve relating to that asset is transferred to the income statement.

(c) Measurement

Financial assets are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Dividend income on available-for-sale financial assets are recognised separately in the income statement. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(d) *Impairment*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The impairment allowance is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) *Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.11(d)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in the fair value reserve is reclassified to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through the income statement.

(e) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs, in the Company's statement of financial position except when the fair value is determined to be insignificant.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

2. Significant accounting policies (continued)

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The Group has derivative financial instruments which are designated as cash flow hedges and derivative financial instruments which do not qualify for hedge accounting.

Cash flow hedge - Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to the income statement when the hedged interest expense on the borrowings is recognised in the income statement. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the income statement.

2. Significant accounting policies (continued)

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at the end of each reporting period. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Leases

(a) *When the Group is the lessee:*

The Group leases certain property, plant and equipment under operating leases.

(i) *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

(b) *When the Group is the lessor:*

The Group leases certain investment properties under operating leases.

Lessor – Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in the income statement when earned.

2. Significant accounting policies (continued)

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint venture companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.20 Provisions

Provisions for legal claims, asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the income statement as finance expense.

2. Significant accounting policies (continued)

2.20 Provisions (continued)

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise, except for changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs, which are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the income statement immediately.

2.21 Employee compensation

(a) *Post-employment benefits*

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the country in which it operates. These benefit plans are either defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to the length of service and earnings over the employees' period of employment; that benefit is discounted to determine the present value. The discount rate is the market yield at the end of reporting period on high quality corporate bonds or government bonds. Provision for employee retirement benefits is made in the financial statements so as to provide for the accrued liability at year end. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision for the defined benefit plan is not likely to be significant.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the present value of the defined benefit obligation, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

(b) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan under the 2012 Share Option Scheme. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

2.22 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated currency translation differences is reclassified to income statement, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented net in the income statement within "finance income" or "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "miscellaneous income".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(c) *Translation of Group entities' financial statements* (continued)

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to the income statement on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash and bank balances, short-term deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts and exclude bank deposits pledged as security. Bank overdrafts are presented as current borrowings on the balance sheet.

2.25 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company purchases its own ordinary shares and cancels them upon purchase, the consideration paid including any directly attributable incremental cost is deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

2.26 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3. Key accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Classification of the Group's serviced suites as investment property or property, plant and equipment*

Management applies judgement in determining the classification of the serviced suites owned by the Group. The key criteria used to distinguish the Group's serviced suites which are classified as investment properties and its other properties classified as property, plant and equipment, is the level of services provided to tenants of the serviced suites.

The Group's serviced suites have been classified as investment properties and the carrying amount at the end of the reporting period was $427,382,000 (2012: $402,858,000).

3. Key accounting estimates, assumptions and judgements (continued)

(b) *Other estimates and judgements applied*

The Group, on its own or in reliance on third party experts, also applies estimates, assumptions and judgements in the following areas:

(i) the determination of fair values of investment properties by independent professional valuers;
(ii) the assessment of adequacy of provision for income taxes;
(iii) the level of impairment of goodwill and the value of hotel properties;
(iv) the assessment of the stage of completion, extent of the construction costs incurred and the estimated total construction costs of development properties;
(v) the determination of the fair values of unquoted available-for-sale financial assets; and
(vi) the determination of fair value of options granted under the employee share option scheme.

These estimates, assumptions and judgements are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements within the next financial year.

4. Revenue, finance income and miscellaneous income

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Revenue from property development	**409,984**	560,022	**–**	–
Revenue from property investments	**180,241**	166,087	**17,352**	16,779
Gross revenue from hotel ownership and operations	**420,425**	377,721	**–**	–
Revenue from hotel and other management services	**20,512**	18,755	**–**	–
Dividend income from available-for-sale financial assets	**27,446**	23,192	**20,417**	17,124
Dividend income from subsidiaries	**–**	–	**297,107**	48,508
Dividend income from associated companies	**–**	–	**23,779**	29,650
Total revenue	**1,058,608**	1,145,777	**358,655**	112,061
Interest income				
– fixed deposits with financial institutions	**1,415**	1,499	**3**	–
– loans to subsidiaries	**–**	–	**8,039**	11,777
– loans to associated companies	**16**	104	**–**	–
– loan to joint venture companies	**2,947**	1,846	**–**	–
– others	**110**	271	**5**	29
	4,488	3,720	**8,047**	11,806
Currency exchange gains – net	**–**	7,392	**–**	4,712
Finance income	**4,488**	11,112	**8,047**	16,518
Fair value gains on derivative financial instruments	**158**	647	**158**	647
Other miscellaneous income	**12,550**	12,022	**2,444**	2,549
Miscellaneous income	**12,708**	12,669	**2,602**	3,196
	1,075,804	1,169,558	**369,304**	131,775

5. Expenses by nature

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cost of inventories sold	**39,070**	30,252	**–**	–
Depreciation of property, plant and equipment (Note 21)	**56,298**	45,457	**645**	457
Amortisation of intangibles [Note 22(a),(b),(c)]	**2,537**	2,453	**290**	270
Total depreciation and amortisation	**58,835**	47,910	**935**	727
Hospitality expenses	**62,542**	53,642	**–**	–
Property, plant and equipment written off and net loss on disposals	**961**	3,539	**–**	–
Auditors' remuneration paid/payable to:				
– auditor of the Company	**854**	797	**189**	233
– other auditors	**660**	789	**–**	–
Other fees paid/payable to:				
– auditor of the Company	**28**	25	**–**	–
– other auditors	**100**	113	**–**	–
Employees compensation (Note 6)	**178,598**	156,607	**12,026**	9,835
Rent paid to a subsidiary	**–**	–	**588**	423
Rent paid to other parties	**2,783**	2,471	**–**	–
Heat, light and power	**26,723**	27,121	**614**	743
Property tax	**22,382**	19,272	**1,426**	1,053
Development cost included in cost of sales	**267,217**	397,563	**–**	–
Advertising and promotion	**23,141**	26,299	**260**	409
Management fees	**739**	1,215	**95**	98
Repairs and maintenance	**15,461**	16,373	**676**	496
(Write-back of)/allowance for impairment of loans and receivables - net	**(148)**	139	**–**	–
Other expenses	**20,678**	26,394	**3,730**	4,720
Total cost of sales, marketing and distribution, administrative and other operating expenses	**720,624**	810,521	**20,539**	18,737

6. Employees compensation

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Wages and salaries	**162,644**	144,453	**17,759**	16,733
Employer's contribution to defined contribution plans including Central Provident Fund	**12,182**	10,764	**1,365**	1,312
Retirement benefits [Note 28(b)]	**477**	392	**–**	–
Share options granted to directors and employees	**3,295**	998	**2,451**	729
	178,598	156,607	**21,575**	18,774
Less: Recharged to subsidiaries	**–**	–	**(9,549)**	(8,939)
	178,598	156,607	**12,026**	9,835

7. Finance expense

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Interest expense:				
– bank loans, notes and overdrafts	**47,737**	52,962	**19,225**	21,458
– loans from non-controlling shareholders of subsidiaries	**–**	154	**–**	–
– finance lease liabilities	**315**	337	**–**	–
– bank facility fees	**3,709**	4,072	**750**	746
	51,761	57,525	**19,975**	22,204
Cash flow hedges, transfer from hedging reserve [Note 31(f)]	**260**	42	**240**	42
Less:				
Borrowing costs capitalised in development properties [Note 13(b)]	**(15,894)**	(17,457)	**–**	–
Borrowing costs capitalised in investment properties [Note 20(c)]	**(2,682)**	(2,817)	**–**	–
Borrowing costs capitalised in properties, plant and equipment [Note 21(b)]	**(1,282)**	(4,203)	**–**	–
	(19,858)	(24,477)	**–**	–
	32,163	33,090	**20,215**	22,246
Currency exchange losses – net	**10,652**	–	**1,780**	–
	42,815	33,090	**21,995**	22,246

8. Other gains/(losses)

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Negative goodwill on acquisition of interests in an associated company	**3,509**	3,624	**–**	–
Write-back of impairment charge on property, plant and equipment	**27,502**	–	**–**	–
Impairment charge on property, plant and equipment	**(6,021)**	(33,318)	**–**	–
Delisting expenses of a subsidiary	**(1,177)**	–	**(663)**	–
Gain on liquidation of a subsidiary	**–**	–	**8,627**	–
Gain on disposal of an available-for-sale financial asset	**–**	4,699	**–**	–
Gain on liquidation of an associated company	**–**	–	**–**	70
(Impairment charge)/reversal of impairment charge on investments in subsidiaries (Note 19)	**–**	–	**(1,244)**	9,873
	23,813	(24,995)	**6,720**	9,943

9. Income taxes

(a) Income tax expense

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Tax expense attributable to profit is made up of:				
– Profit for the financial year:				
Current income tax [Note (b) below]				
– Singapore	**70,543**	37,991	**3,421**	3,376
– Foreign	**9,993**	8,886	**–**	–
– Withholding tax paid	**501**	731	**1**	2
	81,037	47,608	**3,422**	3,378
Deferred income tax (Note 29)	**(15,270)**	12,724	**(59)**	69
	65,767	60,332	**3,363**	3,447
– (Over)/under provision in prior financial years:				
Current income tax [Note (b) below]				
– Singapore	**(1,780)**	(16,819)	**(643)**	(15,613)
– Foreign	**(32)**	202	**–**	–
	(1,812)	(16,617)	**(643)**	(15,613)
Deferred income tax (Note 29)	**6,532**	448	**–**	–
	4,720	(16,169)	**(643)**	(15,613)
	70,487	44,163	**2,720**	(12,166)

The tax expense on profit for the financial year differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Profit before income tax	**951,951**	964,347	**390,990**	135,145
Share of profit of associated companies, net of tax	**(187,842)**	(221,662)	**–**	–
Share of (profit)/loss of joint venture companies, net of tax	**(18,506)**	364	**–**	–
Profit before tax and share of (profit)/loss of associated companies and joint venture companies	**745,603**	743,049	**390,990**	135,145
Tax calculated at a tax rate of 17%	**126,753**	126,318	**66,468**	22,975
Effects of:				
– Singapore statutory stepped income exemption	**(545)**	(624)	**(26)**	(26)
– Tax rebates	**(563)**	–	**(30)**	–
– Different tax rates in other countries	**4,127**	697	**–**	–
– Income not subject to tax	**(81,332)**	(85,332)	**(69,263)**	(25,047)
– Expenses not deductible for tax purposes	**14,735**	17,448	**6,214**	5,545
– Utilisation of previously unrecognised tax losses	**(1,319)**	(2,750)	**–**	–
– Deferred tax assets not recognised in the current financial year	**3,911**	4,575	**–**	–
Tax charge	**65,767**	60,332	**3,363**	3,447

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2013

9. Income taxes (continued)

(b) Movements in current income tax (assets)/liabilities

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
At the beginning of the financial year	**50,257**	94,341	**5,842**	20,789
Currency translation differences	**(713)**	(274)	**–**	–
Income tax paid	**(46,512)**	(74,801)	**(3,722)**	(2,712)
Tax expense on profit [Note (a) above]				
– current financial year	**81,037**	47,608	**3,422**	3,378
– over provision in prior financial years	**(1,812)**	(16,617)	**(643)**	(15,613)
At the end of the financial year	**82,257**	50,257	**4,899**	5,842
Comprise:				
Current income tax assets	**(110)**	(415)	**–**	–
Current income tax liabilities	**82,367**	50,672	**4,899**	5,842
	82,257	50,257	**4,899**	5,842

10. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2013	2012
Net profit attributable to equity holders of the Company ($'000)	**785,820**	807,675
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**770,358**	768,783
Basic earnings per share (cents per share)	**102.01**	105.06

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2013, the Company's dilutive potential ordinary shares are its share options.

The weighted average number of shares in issue is adjusted as if all share options that are dilutive were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares was issued for no consideration. No adjustment is made to the net profit.

10. Earnings per share (continued)

(b) Diluted earnings per share (continued)

Diluted earnings per share attributable to equity holders of the Company are calculated as follows:

	2013	2012
Net profit attributable to equity holders of the Company ($'000)	**785,820**	807,675
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**770,358**	768,783
Adjustments for share options ('000)	**843**	1,280
Weighted average number of ordinary shares for diluted earnings per share ('000)	**771,201**	770,063
Diluted earnings per share (cents per share)	**101.90**	104.88

11. Cash and bank balances

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cash at bank and on hand	**153,926**	103,802	**4,990**	7,579
Fixed deposits with financial institutions	**139,460**	156,259	**13**	3,513
	293,386	260,061	**5,003**	11,092

(a) Included in cash and bank balances of the Group is an amount of $108,428,000 (2012: $139,410,000) maintained in Project Accounts. The funds in the Project Accounts can only be applied in accordance with Housing Developers (Project Account) Rules (1997 Ed.).

(b) Included in cash and bank balances of the Group is an amount of $1,066,000 (2012: $1,899,000) maintained in maintenance fund accounts for completed development properties. The funds in the maintenance fund accounts can only be applied for the upkeep of the completed development properties.

(c) For the purposes of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprised the following:

	The Group	
	2013 $'000	2012 $'000
Cash and bank balances (as above)	**293,386**	260,061
Less: Bank deposits pledged as security	**(5,389)**	(5,136)
Cash and cash equivalents per consolidated statement of cash flows	**287,997**	254,925

11. Cash and bank balances (continued)

(d) The fixed deposits with financial institutions for the Group and the Company mature on varying dates within 10 months (2012: 11 months) from the end of the financial year and have the following weighted average effective interest rates as at the end of the reporting period:

	The Group		The Company	
	2013 %	2012 %	2013 %	2012 %
Singapore Dollar	**0.1**	0.3	**0.2**	~
United States Dollar	**0.6**	1.1	**–**	–
Australian Dollar	**1.9**	2.3	**–**	–
Malaysian Ringgit	**2.8**	3.0	**–**	–
Vietnamese Dong	**4.8**	9.0	**–**	–
Chinese Renminbi	**1.5**	3.3	**–**	–
Indonesian Rupiah	**6.0**	6.0	**–**	–

~ Less than 0.05.

12. Trade and other receivables

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Current				
Trade receivables:				
– non-related parties	**368,309**	194,923	**681**	862
– subsidiaries	**–**	–	**399**	335
– associated companies	**1**	91	**–**	–
Less: Allowance for impairment of receivables – non-related parties	**(365)**	(540)	**–**	–
Trade receivables – net	**367,945**	194,474	**1,080**	1,197
Other receivables:				
– subsidiaries (non-trade)	**–**	–	**1,661**	9,000
– associated companies (non-trade)	**7,445**	4,171	**2**	1
– loans to subsidiaries (unsecured)	**–**	–	**5,000**	71,808
– loan to an associated company (unsecured)	**–**	1,906	**–**	–
– sundry debtors	**2,343**	1,975	**147**	161
Other receivables	**9,788**	8,052	**6,810**	80,970
	377,733	202,526	**7,890**	82,167
Non-current				
Other receivables:				
– subsidiaries (non-trade)	**–**	–	**9,239**	6,241
Loans to:				
– subsidiaries (unsecured)	**–**	–	**820,363**	928,021
– associated companies (unsecured)	**19**	–	**–**	–
– joint venture companies (unsecured)	**160,656**	149,055	**–**	–
Less: Share of loss of associated companies taken against loans to the associated companies	**(19)**	–	**–**	–
Less: Share of loss of joint venture companies taken against loans to the joint venture companies	**(1,369)**	(364)	**–**	–
	159,287	148,691	**829,602**	934,262
Total trade and other receivables	**537,020**	351,217	**837,492**	1,016,429

12. Trade and other receivables (continued)

(a) A write-back of allowance for impairment of receivables of $148,000 (2012: allowance for impairment of receivables of $139,000) has been included in the income statement.

(b) The non-trade amounts due from subsidiaries and associated companies are repayable on demand. The non-current loans to subsidiaries and joint venture companies have no fixed terms of repayment and are not expected to be repaid within twelve months from the end of the reporting period.

(c) The loans to subsidiaries and joint venture companies that are subordinated to the secured bank loans of the respective subsidiaries and joint venture companies are as follows:

	The Group		The Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Loans subordinated to secured bank loans:				
– Loans to subsidiaries	**–**	–	**113,138**	341,526
– Loans to joint venture companies	**160,656**	149,055	**–**	–
	160,656	149,055	**113,138**	341,526

(d) The fair values of non-current trade and other receivables are computed based on cash flows discounted using market borrowing rates. The fair values and market borrowing rates used are as follows:

	The Group		The Company		Borrowing rates	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**	**%**	**%**
Loans to subsidiaries:						
– Floating rate	**–**	–	**302,965**	466,186	**2.4**	2.3
– Interest-free	**–**	–	**510,358**	521,434	**2.4**	2.3
Loans to associated companies:						
– Fixed rate	**–**	1,906	**–**	–	**–**	5.3
– Interest-free	**19**	–	**–**	–	**2.4**	–
Loans to joint venture companies:						
– Floating rate	**160,656**	149,055	**–**	–	**1.9**	1.9
	160,675	150,961	**813,323**	987,620		

13. Development properties

	The Group	
	2013	**2012**
	$'000	**$'000**
Completed properties	**4,144**	–
Development properties in progress	**895,443**	995,915
	899,587	995,915

Details of development properties in progress are as follows:

Land, at cost	**767,503**	1,033,419
Development costs	**164,697**	287,157
Property taxes, interests and overheads	**51,052**	84,140
	983,252	1,404,716
Development profits recognised	**13,347**	262,478
Less: Progress billings	**(101,156)**	(671,279)
	895,443	995,915

(a) Development properties in progress where revenue is recognised as construction progresses are as follows:

	The Group	
	2013	**2012**
	$'000	**$'000**
Aggregate costs incurred and development profits recognised	**687,997**	1,264,159
Less: Progress billings	**(101,156)**	(671,278)
	586,841	592,881

(b) Borrowing costs of $15,894,000 (2012: $17,457,000) (Note 7) arising on financing specifically entered into for the development of properties were capitalised during the financial year.

(c) Bank borrowings and other banking facilities are secured on certain development properties of the Group amounting to $895,443,000 (2012: $995,914,000) [Note 24(b)].

13. Development properties (continued)

(d) Details of the Group's development properties in progress are as follows:

Property	Tenure of land	Stage of completion	Expected completion date	Site area/ gross floor area (sqm)	Effective interest in property
Katong Regency					
A residential development comprising 244 units of condominium apartments	Freehold	17.8%	2nd Quarter 2015	14,278/21,172	100%
Seventy St. Patrick's					
A residential development comprising 186 units of condominium apartments	Freehold	–	3rd Quarter 2016	12,950/19,944	100%
Riverbank@Fernvale					
A residential development comprising 555 units of condominium apartments	99-year leasehold	–	1st Quarter 2017	16,604/49,812	100%
Site at Jalan Conlay					
A proposed residential development comprising 740 units of condominium apartments and 178 serviced apartments in Kuala Lumpur, Malaysia	Freehold	–	Note (e) below	15,993/107,634	60%
The Esplanade (Hai He Hua Ding)					
A residential development comprising 522 units of condominium apartments and two 11-storey office towers in Tianjin, The People's Republic of China	50-year and 40-year leasehold for residential and commercial components respectively	86.5%	2nd Quarter 2014	10,684/81,479	90%

(e) On 15 November 2013, Suasana Simfoni Sdn. Bhd., a 60%-owned subsidiary of the Group, accepted a conditional offer from a non-related party to purchase its freehold land at Jalan Conlay Kuala Lumpur, Malaysia, for a total cash consideration of RM568 million ($218 million). The sale is expected to be completed by 1st quarter 2014. A pre-tax gain of approximately RM247 million ($95 million) will be recognised upon completion. The Group's share of the gain will be RM148 million ($57 million). As at 31 December 2013, the carrying value of the development amounted to RM293 million ($113 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2013

14. Inventories

	The Group 2013 $'000	The Group 2012 $'000
Food and beverages	**637**	694
Other supplies	**66**	89
	703	783

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $39,070,000 (2012: $30,252,000).

15. Available-for-sale financial assets

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
At the beginning of the financial year	**805,710**	623,398	**611,496**	467,611
Disposals	**–**	(2,714)	**–**	–
Fair value gains recognised in other comprehensive income [Note 31(b)]	**51,246**	185,026	**33,962**	143,885
At the end of the financial year	**856,956**	805,710	**645,458**	611,496
Less: Non-current portion	**(274,854)**	(283,484)	**(81,388)**	(89,270)
Current portion	**582,102**	522,226	**564,070**	522,226

At the end of the reporting period, available-for-sale financial assets included the following:

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Listed securities:				
– Equity shares - Singapore	**792,115**	748,691	**598,649**	554,477
Unlisted securities:				
– Equity shares - Singapore	**64,841**	57,019	**46,809**	57,019
	856,956	805,710	**645,458**	611,496

16. Other assets

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Deposits	**2,530**	1,967	**20**	15
Prepayments	**32,951**	10,078	**330**	1,271
	35,481	12,045	**350**	1,286

17. Investments in associated companies

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Equity investments at cost:				
At the beginning of the financial year			**161,289**	161,589
Liquidation of an associated company			**–**	(300)
At the end of the financial year			**161,289**	161,289
At the beginning of the financial year	**2,633,129**	2,438,141		
Additions	**20,000**	19,578		
Share of profit, net of tax	**187,861**	221,662		
Share of acquisition of interests from non-controlling shareholders	**4,032**	15,242		
Share of reserves of associated companies, net of tax [Note 31(a) and (e)]	**5,500**	(4,067)		
Distribution upon liquidation of an associated company	**–**	(370)		
Redemption of preference share by an associated company	**(14,000)**	–		
Dividends received, net of tax	**(71,652)**	(55,751)		
Currency translation differences	**136**	(1,306)		
At the end of the financial year	**2,765,006**	2,633,129		

(a) The summarised financial information of associated companies, not adjusted for the proportion ownership interest held by the Group was as follows:

	The Group	
	2013 $'000	2012 $'000
– Assets	**10,652,889**	10,023,771
– Liabilities	**1,647,064**	1,525,367
– Revenue	**894,560**	1,083,444
– Net profit	**536,176**	570,644

(b) There is no share of an associated company's contingent liabilities incurred jointly with other investors. Contingent liabilities relating to borrowings of an associated company in which the Group is severally liable (Note 33) amounted to $6,112,000 (2012: $6,617,000).

(c) The investments in associated companies of the Group and the Company include an investment in a listed company with carrying amounts and published price quotations as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Carrying amount	**2,184,123**	2,036,325	**49,006**	49,006
Published price quotation	**1,788,173**	1,700,260	**95,984**	92,106

No impairment in value of investment in this associated company has been made after having evaluated various qualitative and quantitative factors including whether the fall in its share price is within the normal volatility of the market, the period in which its share price has fallen below its carrying amount and the historical financial performance of the associated company.

17. Investments in associated companies (continued)

(d) The associated companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2013 %	Equity holding 2012 %	Accounting year end
United Industrial Corporation Limited ("UIC") [Note (e) below]	Property investment, development and management and information technology related products and services	Singapore	**2.35 by UOL and 41.31 by UEI**	2.35 by UOL and 40.94 by UEI	31 December
Marina Centre Holdings Pte Ltd	Hotelier and property investment	Singapore	**22.67 by UOL**	22.67 by UOL	31 December
Nassim Park Developments Pte. Ltd.	Property development	Singapore	**50 by UOL**	50 by UOL	31 December
Brendale Pte Ltd	Property development	Singapore	**30 by UOL**	30 by UOL	31 December
Aquamarina Hotel Private Limited	Hotelier	Singapore	**25 by UEI**	25 by UEI	31 December
Ardenis Pte Ltd	Investment holding	Singapore	**35 by UOD**	35 by UOD	31 December
Peak Venture Pte. Ltd.^	Dormant	Singapore	**40 by UCI**	40 by UCI	31 December
Premier Land Development Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December
Shanghai Jin Peng Realty Co. Ltd**	Property development	The People's Republic of China	**40 by UCI**	40 by UCI	31 December
Pilkon Development Company Limited*	Investment holding	The British Virgin Islands	**39.35 by PPHG**	39.35 by PPHG	31 December
PPHR (Thailand) Company Limited~	Marketing agent	Thailand	**48.97 by PPH**	48.97 by PPH	31 December

PricewaterhouseCoopers LLP Singapore is the auditor of all associated companies of the Group unless otherwise indicated.
* Not required to be audited under the laws of the country of incorporation.
~ Audited by Thana-Ake Advisory Limited, Thailand.
^ Audited by KPMG LLP, Singapore.
** Audited by Shanghai Xin Jia Hua Certified Public Accountants Co., Ltd.

The associated companies not audited by PricewaterhouseCoopers LLP Singapore are not significant associated companies as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2013.

(e) During the financial year, UEI acquired an additional 5,496,000 (2012: 6,028,000) shares in UIC which resulted in the Group beneficially owning an aggregate 602,078,565 (2012: 596,582,565) shares in UIC or approximately 43.66% (2012: 43.29%) of the total issued shares of UIC as at 31 December 2013.

18. Investments in joint venture companies

	The Group 2013 $'000	The Group 2012 $'000
At the beginning of the financial year	**–**	–
Additions	**500**	–
Share of profit, net of tax	**19,511**	–
At the end of the financial year	**20,011**	–

(a) The following amounts represent the Group's share of the assets and liabilities and income and expenses of the joint venture companies:

	The Group 2013 $'000	The Group 2012 $'000
Assets		
– Current assets	**326,194**	303,130
– Non-current assets	**382**	221
	326,576	303,351
Liabilities		
– Current liabilities	**(16,924)**	(9,861)
– Non-current liabilities	**(291,009)**	(293,854)
	(307,933)	(303,715)
Net assets/(liabilities)	**18,643**	(364)
Revenue	**128,973**	55,140
Expenses	**(106,675)**	(55,490)
Profit/(loss) before tax	**22,298**	(350)
Income tax	**(3,792)**	(14)
Profit/(loss) after tax	**18,506**	(364)
Proportionate interest in joint ventures' capital commitments	**113,856**	90,318

(b) The joint venture companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2013 %	Equity holding 2012 %	Accounting year end
United Venture Development (Bedok) Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December
United Venture Development (Thomson) Pte. Ltd. (formerly known as UVD Pte. Ltd.)	Property development	Singapore	**50 by UVI**	50 by UVI	31 December

PricewaterhouseCoopers LLP Singapore is the auditor of the joint venture companies.

19. Investments in subsidiaries

	The Company 2013 Cost $'000	2013 Market value $'000	2012 Cost $'000	2012 Market value $'000
Listed investment at cost	**–**	**–**	408,116	1,135,502
Unlisted investments at cost	**1,806,159**		1,116,640	
	1,806,159		1,524,756	
Less accumulated impairment charge:				
At the beginning of the financial year	**(5,337)**		(15,210)	
(Impairment charge)/reversal of impairment charge for the financial year [Note 8 and (a) below]	**(1,244)**		9,873	
At the end of the financial year	**(6,581)**		(5,337)	
	1,799,578		1,519,419	

(a) Impairment charge

Impairment charges and reversals of impairment charges were made to adjust the carrying values of certain of the Company's unlisted investments in subsidiaries to their recoverable amounts, taking into account the general economic and operating environments in which the relevant subsidiaries operate in.

The recoverable amount for the relevant subsidiaries was mainly estimated based on the fair value less cost to sell of the net assets as at the end of the reporting period. The carrying amounts of the net assets of the relevant subsidiaries approximate their fair values.

(b) The subsidiaries are:

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2013 $'000	Cost of investment 2012 $'000	Equity holding 2013 %	Equity holding 2012 %
Held by the Company						
Pan Pacific Hotels Group Limited ("PPHG") [Note (d) below]	Hotelier, property owner, rental of serviced suites and investment holding	Singapore	**690,038**	408,116	**100**	81.57
UOL Claymore Investment Pte. Ltd.	Hotelier	Singapore	**50,000**	50,000	**100**	100
UOL Somerset Investments Pte. Ltd.	Rental of serviced suites	Singapore	**75,000**	75,000	**100**	100
UOL Property Investments Pte Ltd	Property investment	Singapore	**76,006**	76,006	**100**	100
Novena Square Investments Ltd	Property investment	Singapore	**162,000**	162,000	**60**	60
Novena Square Development Ltd	Property investment	Singapore	**42,000**	42,000	**60**	60
UOL Development Pte Ltd	Property development	Singapore	**20,000**	20,000	**100**	100

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2013 $'000	Cost of investment 2012 $'000	Equity holding 2013 %	Equity holding 2012 %
Held by the Company (continued)						
UOL Development (Dakota) Pte. Ltd.	Property development	Singapore	**41,436**	41,436	**100**	100
Kings & Queens Development Pte. Ltd.	Property development	Singapore	**700**	700	**70**	70
Regency One Development Pte. Ltd.	Property development	Singapore	**800**	800	**80**	80
United Regency Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60
Duchess Walk Pte. Ltd.	Property development	Singapore	**700**	700	**70**	70
Secure Venture Development (Simei) Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60
UOL Residential Development Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100
UOL Development (St Patrick) Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100
UOL Development (Sengkang) Pte. Ltd. (formerly known as Secure Development Pte. Ltd.)	Property development	Singapore	**1,000**	~	**100**	100
UOL Management Services Pte Ltd	Property management services and property investment	Singapore	**2,041**	2,041	**100**	100
UOL Project Management Services Pte. Ltd.	Project management services	Singapore	**115**	115	**100**	100
UOL Treasury Services Pte. Ltd.	Treasury services	Singapore	**1,000**	1,000	**100**	100
UOL Development (Bartley) Pte. Ltd. (formerly known as UOL Overseas Investments Pte Ltd)	Investment holding	Singapore	**30,500**	30,500	**100**	100
UOL Equity Investments Pte Ltd ("UEI")	Investment holding	Singapore	**480,000**	480,000	**100**	100
UOL Overseas Development Pte. Ltd. ("UOD")	Investment holding	Singapore	**50,000**	50,000	**100**	100
UOL Capital Investments Pte. Ltd. ("UCI")	Investment holding	Singapore	**52,000**	52,000	**100**	100

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2013 $'000	Cost of investment 2012 $'000	Equity holding 2013 %	Equity holding 2012 %
Held by the Company (continued)						
UOL Venture Investments Pte. Ltd. ("UVI")	Investment holding	Singapore	**2,651**	2,651	**100**	100
Secure Venture Investments Limited ("SVIL")***	Investment holding	Hong Kong	**24,972**	24,972	**100**	100
Hotel Negara Limited	Liquidated on 6 March 2013	Singapore	**–**	1,519	**100**	100
			1,806,159	1,524,756		

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2013 %	Equity holding 2012 %
Held by subsidiaries				
Promatik Emas Sdn. Bhd.*	Property development	Malaysia	**55 by UOD**	55 by UOD
UOL Serviced Residences Sdn. Bhd.*	Rental of serviced suites	Malaysia	**100 by UOD**	100 by UOD
Suasana Simfoni Sdn. Bhd.*	Property development	Malaysia	**60 by UCI**	60 by UCI
Tianjin UOL Xiwang Real Estate Development Co., Ltd.*	Property development, hotelier and property investment	The People's Republic of China	**90 by UCI**	90 by UCI
UOL Business Consulting (Shanghai) Co., Ltd.@	Project management services	The People's Republic of China	**100 by UCI**	100 by UCI
United Venture Investment (Thomson) Pte. Ltd.	Investment holding	Singapore	**60 by UVI**	60 by UVI
Hua Ye Xiamen Hotel Limited*	Hotelier	The People's Republic of China	**100 by SVIL**	100 by SVIL
Parkroyal Kitchener Hotel Pte. Ltd. (formerly known as New Park Hotel (1989) Pte Ltd)	Hotelier	Singapore	**100 by PPHG**	100 by PPHG
Parkroyal Pickering Hotel Pte. Ltd. (formerly known as Hotel Plaza Property (Singapore) Pte. Ltd).	Hotelier and property investment	Singapore	**100 by PPHG**	100 by PPHG

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2013 %	Equity holding 2012 %
Held by subsidiaries (continued)				
Parkroyal Serviced Residences Pte. Ltd.	Management of serviced suites	Singapore	**100 by PPHG**	100 by PPHG
United Lifestyle Holdings Pte Ltd	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
St Gregory Spa Pte Ltd	Management and operator of health and beauty retreats and facilities	Singapore	**100 by PPHG**	100 by PPHG
Dou Hua Restaurants Pte Ltd	Operator of restaurants	Singapore	**100 by PPHG**	100 by PPHG
Pan Pacific Shared Services Centre Pte. Ltd.	Provision of accounting services to hotels and serviced suites within the Group	Singapore	**100 by PPHG**	100 by PPHG
Parkroyal International Pte. Ltd.	Managing and licensing of trademark	Singapore	**100 by PPHG**	100 by PPHG
Pan Pacific International Pte. Ltd.	Managing and licensing of trademark	Singapore	**100 by PPHG**	100 by PPHG
Garden Plaza Company Limited*	Hotelier	Vietnam	**100 by PPHG**	100 by PPHG
Success City Pty Limited*	Hotelier	Australia	**100 by PPHG**	100 by PPHG
Success Venture Investments (Australia) Ltd ("SVIA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG
Success Venture Pty Limited*	Trustee company	Australia	**100 by SVIA**	100 by SVIA
Success Venture Investments (WA) Limited ("SVIWA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG
HPL Properties (Malaysia) Sdn. Bhd. ("HPM")*	Investment holding	Malaysia	**100 by PPHG**	100 by PPHG
President Hotel Sdn Berhad ("PHSB")*	Hotelier	Malaysia	**66.67 by HPM and 33.33 by PPHG**	66.67 by HPM and 33.33 by PPHG
Grand Elite Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB
Grand Elite (Penang) Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2013 %	Equity holding 2012 %
Held by subsidiaries (continued)				
Hotel Investments (Suzhou) Pte. Ltd. ("HIS")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Suzhou Wugong Hotel Co., Ltd*	Hotelier	The People's Republic of China	**100 by HIS**	100 by HIS
Hotel Investments (Hanoi) Pte. Ltd. ("HIH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Westlake International Company*	Hotelier	Vietnam	**75 by HIH**	75 by HIH
YIPL Investment Pte. Ltd. ("YIPL")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Yangon Hotel Limited**	Hotelier	Myanmar	**95 by YIPL**	95 by YIPL
Pan Pacific Hospitality Holdings Pte. Ltd. ("PPHH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Pan Pacific Hospitality Pte. Ltd. ("PPH")	Manage and operate serviced suites and investment holding	Singapore	**100 by PPHH**	100 by PPHH
Pan Pacific Technical Services Pte. Ltd.	Provision of technical services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH
Pan Pacific Marketing Services Pte. Ltd.	Provision of marketing and related services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH
Pan Pacific Hotels and Resorts Pte. Ltd. ("PPHR")	Hotel manager and operator	Singapore	**100 by PPHH**	100 by PPHH
Pan Pacific Hotels and Resorts Japan Co., Ltd#	Hotel manager and operator	Japan	**100 by PPHR**	100 by PPHR
Pan Pacific (Shanghai) Hotels Management Co., Ltd.@	Hotel manager and operator	The People's Republic of China	**100 by PPHR**	100 by PPHR
Pan Pacific Hotels and Resorts America, Inc. ("PPHRA")#	Hotel manager and operator	United States of America	**100 by PPHR**	100 by PPHR
Pan Pacific Hotels and Resorts Seattle Limited Liability Co#	Hotel manager and operator	United States of America	**100 by PPHRA**	100 by PPHRA
PT. Pan Pacific Hotels & Resorts Indonesia****	Hotel manager and operator	Indonesia	**99 by PPHR and 1 by PPHRA**	99 by PPHR and 1 by PPHRA

19. Investments in subsidiaries (continued)

(c) The following unit trusts are held by:

Name of unit trusts	Principal activities	Country of business/ constitution	Units held 2013 %	Units held 2012 %
SVIA				
Success Venture (Darling Harbour) Unit Trust*	Hotelier	Australia	**100**	100
Success Venture (Parramatta) Unit Trust*	Hotelier	Australia	**100**	100
SVIWA				
Success Venture (WA) Unit Trust*	Hotelier	Australia	**100**	100

PricewaterhouseCoopers LLP Singapore is the auditor of all subsidiaries of the Group unless otherwise indicated.

~ Less than $1,000.
* Audited by PricewaterhouseCoopers firms outside Singapore.
** Audited by Myanmar Vigour Company Limited.
*** Audited by RSM Nelson Wheeler.
**** Audited by Kanaka Puradiredja, Robert Yogi Dan Suhartono.
@ Audited by Shanghai LSC Certified Public Accountants Co., Ltd.
# Not required to be audited under the laws of the country of incorporation.

The subsidiaries not audited by PricewaterhouseCoopers LLP Singapore or PricewaterhouseCoopers firms outside Singapore are not significant subsidiaries as defined under Rule 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2013.

(d) During the financial year, the Company acquired additional shares in PPHG pursuant to the voluntary delisting of PPHG and exit offer to acquire all of PPHG's remaining issued ordinary shares not held by the Company.

20. Investment properties

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
At the beginning of the financial year	**3,342,754**	2,838,328	**330,990**	296,580
Currency translation differences	**(547)**	(3,944)	**–**	–
Additions	**62,558**	64,978	**–**	–
Transfer from property, plant and equipment (Note 21)	**–**	33,015	**–**	–
Transfer to development properties	**–**	(31,720)	**–**	–
Fair value gains recognised in income statement	**409,425**	442,097	**57,500**	34,410
At the end of the financial year	**3,814,190**	3,342,754	**388,490**	330,990

(a) The investment properties are leased to non-related parties [Note 34(c)] and related parties [Note 36(a)] under operating leases.

(b) Bank borrowings are secured on certain investment properties of the Group amounting to $1,860,527,000 (2012: $1,751,052,000) [Note 24(b)].

20. Investment properties (continued)

(c) Borrowing costs of $2,682,000 (2012: $2,817,000) (Note 7) arising on financing specifically entered into for investment properties under construction were capitalised during the financial year.

(d) The following amounts are recognised in the income statements:

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Rental income (Note 4)	**180,241**	166,087	**17,352**	16,779
Direct operating expenses arising from investment properties that generated rental income	**25,041**	24,461	**2,294**	2,528

The Group and the Company do not have any investment properties that do not generate rental income other than OneKM and The Esplanade (Hai He Hua Ding) which are undergoing construction.

(e) The details of the Group's investment properties at 31 December 2013 were:

			Tenure of land
Faber House	–	retained interests in a 12-storey office building and a 48-lot carpark at Orchard Road, Singapore	Freehold
Odeon Towers	–	a 23-storey commercial building with 3 basement levels and a 2-storey podium block at North Bridge Road, Singapore	999-year leasehold from 1827
United Square	–	a retail-cum-office building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks at Thomson Road, Singapore	Freehold
Novena Square	–	retained interests in a commercial building comprising two blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks at Thomson Road, Singapore	99-year lease from 1997
The Plaza	–	retained interests in a 32-storey tower block comprising restaurants, function rooms, shops, offices and 90 units of serviced suites (PARKROYAL Serviced Suites Beach Road) at Beach Road, Singapore	99-year lease from 1968
	–	a 15-storey building comprising 180 units of serviced suites (Pan Pacific Serviced Suites Beach Road) above the existing carpark block at Beach Road, Singapore	99-year lease from 1968
Pan Pacific Serviced Suites Orchard	–	a 16-storey tower block comprising 126 units of serviced suites, restaurants and a basement carpark at Somerset Road, Singapore	Freehold
One Upper Pickering	–	a 15-storey office building with a roof terrace and plant levels within a hotel and office development at Upper Pickering Street, Singapore	99-year lease from 2008
OneKM	–	a 3-storey commercial podium with a basement located within a proposed commercial/residential development at Tanjong Katong Road, Singapore	Freehold
PARKROYAL Serviced Suites Kuala Lumpur	–	a 31-storey serviced suite with 287 units and a carpark at Jalan Nagasari, Kuala Lumpur, Malaysia	Freehold
The Esplanade (Hai He Hua Ding)	–	an ongoing commercial development comprising basement carparks and a retail mall on the 1st to 3rd storey in Tianjin, People's Republic of China	40-year lease from 2007

20. Investment properties (continued)

(f) Fair value hierarchy

Description	Fair value measurements at 31 December 2013 using significant unobservable inputs (Level 3) $'000
Recurring fair value measurements	
Singapore:	
– Shops	813,700
– Offices	2,154,580
– Serviced Suites	351,157
– Shops under construction	365,600
Malaysia:	
– Serviced Suites	76,226
China:	
– Shops under construction	52,927

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the group's investment properties semi-annually based on the properties' highest and best use.

Changes in Level 3 fair values as assessed by the external valuers are reviewed by the Group Chief Executive and the Chief Financial Officer and are presented at the relevant Board meetings for approval.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's completed investment properties have been generally derived using one or more of the following valuation approach:

(i) the Direct Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant input to the valuation approach would be the adopted value per square feet.

(ii) the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value. Significant inputs to the valuation approach would be the growth rate, capitalisation rate and discount rate.

(iii) the Income Method approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth and over the unexpired lease term. The most significant input to the valuation approach would be the capitalisation rate.

The Group has two investment properties, OneKM and The Esplanade (Hai He Hua Ding) which are undergoing development. The valuation technique for such properties undergoing development uses as a starting point, the Direct Comparison Method and/or the Income Method to derive the fair value of the properties, as if the development was already completed at balance sheet date. The estimated costs of development such as construction costs, professional fees, financial and holding charges on land and construction, developer's profit, cost of sale, promotion expenses, legal fees and development charge payable are then deducted to arrive at the residual land value which would represent what a prudent developer would pay for the site with all its potentialities. The costs expended up to the balance sheet date are then added onto the land value to arrive at the valuation of these investment properties under development.

20. Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value at 31 December 2013 ($'000)	Valuation technique(s)	Unobservable inputs[@]	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Singapore					
Shops	813,700	Direct Comparison Method	– Adopted value per square feet	$1,400 to $2,400 ($1,900)	The higher the adopted value, the higher the fair value.
		Income Method	– Capitalisation rate	4% to 5% (5%)	The lower the capitalisation rate, the higher the fair value.
Offices	2,154,580	Direct Comparison Method	– Adopted value per square feet	$1,400 to $2,400 ($2,200)	The higher the adopted value, the higher the fair value.
		Income Method	– Capitalisation rate	4% to 5% (4%)	The lower the capitalisation rate, the higher the fair value.
Serviced Suites	351,157	Discounted Cash Flow Method	– Growth rate	3% to 3% (3%)	The higher the growth rate, the higher the fair value.
			– Discount rate – Capitalisation rate	7% to 8% (7%) 5% to 6% (5%)	The higher the discount rate or capitalisation rate, the lower the fair value.
		[#]Direct Comparison Method	– Adopted value per square feet	$1,200 ($1,200)	The higher the adopted value, the higher the fair value.
Shops under construction	365,600	Residual land value + Costs expended up to balance sheet date	Estimated costs and time to completion	$783 psf 0.5 year	The higher the estimated costs and time to completion, the lower the fair value.
			Estimated profit margin required to hold and develop property to completion	10%	The higher the profit margin required, the lower the fair value.
Malaysia					
Serviced Suites	76,226	Discounted Cash Flow Method	– Growth rate	5% (5%)	The higher the growth rate, the higher the fair value.
			– Discount rate – Capitalisation rate	9% (9%) 7% (7%)	The higher the discount rate or capitalisation rate, the lower the fair value.

20. Investment properties (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value at 31 December 2013 ($'000)	Valuation technique(s)	Unobservable inputs@	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
China					
Shops under construction	52,927	Residual land value + Costs expended up to balance sheet date	Estimated costs and time to completion	$43 psf 0.25 year	The higher the estimated costs and time to completion, the lower the fair value.
			Estimated profit margin required to hold and develop property to completion	5%	The higher the profit margin required, the lower the fair value.

\# Only applicable for PARKROYAL Serviced Suites which is situated inside The Plaza (Block A).
@ There were no significant inter-relationships between unobservable inputs except that under the Discounted Cash Flow Method, the discount rate should conceptually approximate the summation of the capitalisation rate and the growth rate.

The valuations are estimated by independent professional valuers based on market conditions as at 31 December 2013. The estimates are largely consistent with the budgets and other financial projections developed internally by the Group based on management's experience and knowledge of market conditions.

21. Property, plant and equipment

	Land and buildings		Plant, equipment, furniture	Motor	Properties under	Renovation	
	Freehold $'000	Leasehold $'000	and fittings $'000	vehicles $'000	development $'000	in progress $'000	Total $'000
The Group							
Cost							
At 1 January 2013	426,595	643,281	403,638	1,675	90,176	10,858	1,576,223
Currency translation differences	(17,072)	(6,707)	(9,100)	45	4,493	(87)	(28,428)
Additions	487	3,994	35,323	620	53,922	1,270	95,616
Disposals	(239)	(634)	(9,671)	(307)	–	(12)	(10,863)
Reclassification	2,583	(5,969)	52,894	–	(38,725)	(10,783)	–
At 31 December 2013	412,354	633,965	473,084	2,033	109,866	1,246	1,632,548
Accumulated depreciation and impairment							
At 1 January 2013	69,984	140,185	220,364	1,507	14,159	–	446,199
Currency translation differences	(3,830)	47	(5,183)	30	918	–	(8,018)
Charge for the financial year	5,110	10,093	40,930	165	–	–	56,298
Disposals	(88)	(572)	(8,602)	(293)	–	–	(9,555)
(Write-back of impairment charge)/impairment charge (Note 8)	–	(27,502)	–	–	6,021	–	(21,481)
Reclassification	–	(702)	702	–	–	–	–
At 31 December 2013	71,176	121,549	248,211	1,409	21,098	–	463,443
Net book value at 31 December 2013	**341,178**	**512,416**	**224,873**	**624**	**88,768**	**1,246**	**1,169,105**

21. Property, plant and equipment (continued)

	Land and buildings		Plant, equipment, furniture	Motor	Properties under	Renovation	
	Freehold $'000	Leasehold $'000	and fittings $'000	vehicles $'000	development $'000	in progress $'000	Total $'000
The Group (continued)							
Cost							
At 1 January 2012	433,138	355,759	347,459	2,054	332,663	8,110	1,479,183
Currency translation differences	(6,729)	(14,389)	(10,782)	(105)	(2,179)	(282)	(34,466)
Additions	273	186	34,458	29	134,758	10,246	179,950
Transfer to investment properties (Note 20)	–	–	–	–	(33,015)	–	(33,015)
Disposals	(79)	(3,510)	(9,897)	(303)	(1,640)	–	(15,429)
Reclassification	(8)	305,235	42,400	–	(340,411)	(7,216)	–
At 31 December 2012	426,595	643,281	403,638	1,675	90,176	10,858	1,576,223
Accumulated depreciation and impairment							
At 1 January 2012	66,621	77,459	203,758	1,679	39,600	–	389,117
Currency translation differences	(1,857)	(3,063)	(8,707)	(60)	–	–	(13,687)
Charge for the financial year	5,246	7,495	32,526	190	–	–	45,457
Disposals	(26)	(365)	(7,313)	(302)	–	–	(8,006)
Impairment charge (Note 8)	–	19,159	–	–	14,159	–	33,318
Reclassification	–	39,500	100	–	(39,600)	–	–
At 31 December 2012	69,984	140,185	220,364	1,507	14,159	–	446,199
Net book value at 31 December 2012	356,611	503,096	183,274	168	76,017	10,858	1,130,024

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company			
Cost			
At 1 January 2013	4,307	188	4,495
Additions	450	100	550
Disposals	(74)	(188)	(262)
At 31 December 2013	4,683	100	4,783
Accumulated depreciation			
At 1 January 2013	2,689	179	2,868
Charge for the financial year	621	24	645
Disposals	(72)	(188)	(260)
At 31 December 2013	3,238	15	3,253
Net book value at 31 December 2013	**1,445**	**85**	**1,530**

21. Property, plant and equipment (continued)

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company (continued)			
Cost			
At 1 January 2012	3,405	188	3,593
Additions	1,101	–	1,101
Disposals	(199)	–	(199)
At 31 December 2012	4,307	188	4,495
Accumulated depreciation			
At 1 January 2012	2,469	141	2,610
Charge for the financial year	419	38	457
Disposals	(199)	–	(199)
At 31 December 2012	2,689	179	2,868
Net book value at 31 December 2012	1,618	9	1,627

(a) At 31 December 2013, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was $1,964,663,000 (2012: $1,913,210,000) and the net book value was $1,137,641,000 (2012: $1,106,059,000). The valuations were carried out by firms of independent professional valuers on an open market existing use basis. The surplus on valuation of these hotel properties amounting to $827,022,000 (2012: $807,151,000) has not been incorporated in the financial statements.

(b) Borrowing costs of $1,282,000 (2012: $4,203,000) (Note 7) arising on financing specifically entered into for the property under development were capitalised during the financial year.

(c) Bank borrowings and other banking facilities are secured on certain hotel properties of the Group [Note 24(b)] amounting to $1,026,221,000 (2012: $940,679,000).

(d) The carrying amounts of leasehold land and building held under finance leases are $4,222,000 (2012: $4,749,000) (Note 25) at the end of the reporting period.

(e) The details of the Group's properties in property, plant and equipment at 31 December 2013 were:

		Tenure of land	Remaining lease term
PARKROYAL on Beach Road	– a 343-room hotel at Beach Road, Singapore	99-year lease from 1968	54 years
PARKROYAL on Kitchener Road	– a 534-room hotel at Kitchener Road, Singapore	Freehold	–
PARKROYAL on Pickering	– a 367-room hotel at Upper Pickering Street, Singapore	99-year lease from 2008	94 years
Pan Pacific Orchard	– a 206-room hotel at Claymore Road, Singapore	Freehold	–
Eunos Warehouse Complex	– retained interests in 2 units of a 4-storey flatted warehouse at Kaki Bukit Road, Singapore	60-year lease from 1982	29 years
PARKROYAL Darling Harbour, Sydney	– a 340-room hotel at Darling Harbour, Sydney, Australia	Freehold	–

21. Property, plant and equipment (continued)

(e) The details of the Group's properties in property, plant and equipment at 31 December 2013 were: (continued)

		Tenure of land	Remaining lease term
PARKROYAL Parramatta	– a 196-room hotel at Parramatta, Australia	Freehold	–
Pan Pacific Perth	– a 486-room hotel and carpark at Adelaide Terrace, Perth, Australia	Freehold	–
PARKROYAL Kuala Lumpur and President House	– a 426-room hotel and a 6-storey podium office block at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Freehold	–
	– a 320-lot carpark at Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Leasehold expiring in 2080	67 years
PARKROYAL Penang Resort	– a 309-room resort hotel at Jalan Batu Ferringhi, Penang, Malaysia	Freehold	–
PARKROYAL Saigon	– a 186-room hotel and 4-storey annex block at Nguyen Van Troi Street, Ho Chi Minh City, Vietnam	49-year lease from 1994	30 years
Sofitel Plaza Hanoi	– a 265-room hotel and 56 serviced suites at Thanh Nien Road, Hanoi, Vietnam	48-year lease from 1993	28 years
Pan Pacific Suzhou	– a 481-room hotel at Xinshi Road, Suzhou, Jiangsu, The People's Republic of China	50-year lease from 1994	31 years
Pan Pacific Xiamen	– a 385-room hotel at Hubin North Road, Xiamen, The People's Republic of China	70-year lease from 1991	48 years
PARKROYAL Yangon	– a 331-room hotel at the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar	50-year lease from 1997	34 years
PARKROYAL Melbourne Airport	– a 276-room hotel opposite Melbourne Airport, Australia	50-year lease from 1997 with an option to extend for a further 49 years subject to renewal of head lease	33+48 years

(f) The details of the Group's properties under development at 31 December 2013 were:

Property	Tenure of land	Remaining lease term	Stage of completion	Expected completion date	Site area/ gross floor area (sqm)	Effective interest in property
The Esplanade (Hai He Hua Ding)						
A 319-room hotel in Tianjin, The People's Republic of China	40-year lease from 2007	34 years	77%	2nd Quarter 2014	6,881/ 44,330	90%

(g) The write-back of impairment charge of $27,502,000 and impairment charge of $6,021,000 was in respect of PARKROYAL on Pickering and Pan Pacific Tianjin respectively. In 2012, the impairment charge of $33,318,000 was in respect of Pan Pacific Tianjin and PARKROYAL Melbourne Airport. The write-back of impairment charge/impairment charges were due to the carrying values of the properties exceeding/below the fair values as appraised by professional valuers.

22. Intangibles

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Trademarks [Note (a) below]	**10,176**	10,903	**–**	–
Computer software costs [Note (b) below]	**4,284**	4,790	**622**	866
Contract acquisition costs [Note (c) below]	**455**	712	**–**	–
Goodwill arising on consolidation [Note (d) below]	**11,202**	11,202	**–**	–
	26,117	27,607	**622**	866

(a) Trademarks

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cost				
At the beginning and end of the financial year	**15,045**	15,045	**–**	–
Accumulated amortisation				
At the beginning of the financial year	**4,142**	3,402	**–**	–
Amortisation for the financial year	**727**	740	**–**	–
At the end of the financial year	**4,869**	4,142	**–**	–
Net book value	**10,176**	10,903	**–**	–

(b) Computer software costs

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cost				
At the beginning of the financial year	**7,620**	7,474	**1,394**	1,289
Currency translation differences	**(48)**	(121)	**–**	–
Additions	**1,079**	267	**46**	105
Disposals	**(75)**	–	**–**	–
At the end of the financial year	**8,576**	7,620	**1,440**	1,394
Accumulated amortisation				
At the beginning of the financial year	**2,830**	1,375	**528**	258
Currency translation differences	**(34)**	(15)	**–**	–
Amortisation for the financial year	**1,571**	1,470	**290**	270
Disposals	**(75)**	–	**–**	–
At the end of the financial year	**4,292**	2,830	**818**	528
Net book value	**4,284**	4,790	**622**	866

22. Intangibles (continued)

(c) Contract acquisition costs

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cost				
At the beginning of the financial year	**1,209**	1,221	**–**	–
Currency translation differences	**(34)**	(12)	**–**	–
At the end of the financial year	**1,175**	1,209	**–**	–
Accumulated amortisation				
At the beginning of the financial year	**497**	257	**–**	–
Currency translation differences	**(16)**	(3)	**–**	–
Amortisation for the financial year	**239**	243	**–**	–
At the end of the financial year	**720**	497	**–**	–
Net book value	**455**	712	**–**	–

(d) Goodwill arising on consolidation

	The Group	
	2013 $'000	2012 $'000
At the beginning and end of the financial year	**11,202**	11,202

Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units ("CGUs") identified according to countries of operation and business segment. A segment-level summary of the goodwill allocation is analysed as follows:

	Hotel operations	
	2013 $'000	2012 $'000
Singapore	**10,371**	10,371
Malaysia	**831**	831
	11,202	11,202

The recoverable amount of the above CGU was determined based on fair value less cost to sell calculations. The fair value less cost to sell reflects the best estimate of the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The fair values were determined by independent professional valuers using the cash flows projections of 5 to 10 years (2012: 5 to 10 years) which were prepared based on the expected future market trend.

Key assumptions used for fair value less cost to sell calculations:

	Malaysia %	Singapore %
2013		
Growth rate	**2.3**	**5.2**
Discount rate	**9.0**	**8.0**
2012		
Growth rate	2.4	7.0
Discount rate	9.0	8.7

23. Trade and other payables

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Current				
Trade payables:				
– non-related parties	**223,425**	103,357	**1,001**	1,039
Other payables:				
– rental and other deposits	**44,107**	21,197	**1,354**	1,043
– accrued interest payable	**9,163**	9,175	**5,384**	5,477
– retention monies	**24,345**	23,835	**26**	26
– accrued development expenditure	**37,355**	5,001	**–**	–
– accruals for completed projects	**33,292**	23,984	**–**	–
– accrued operating expenses	**60,991**	74,094	**7,907**	7,147
– sundry creditors	**9,824**	13,384	**2,270**	2,132
– deferred revenue	**4,388**	4,205	**–**	–
– subsidiaries (non-trade)	**–**	–	**101**	101
– non-controlling shareholders (non-trade)	**–**	28	**–**	–
	223,465	174,903	**17,042**	15,926
Loans from subsidiaries	**–**	–	**60,141**	58,446
	446,890	278,260	**78,184**	75,411
Non-current				
Deferred revenue	**117,976**	122,181	**–**	–
Rental deposits	**28,384**	24,013	**3,354**	3,612
Retention monies	**6,270**	16,827	**–**	–
	152,630	163,021	**3,354**	3,612
Total trade and other payables	**599,520**	441,281	**81,538**	79,023

(a) The loans from subsidiaries and non-trade amounts due to subsidiaries and non-controlling shareholders are unsecured and interest-free.

(b) The carrying amounts of rental deposits and retention monies approximate their fair values.

(c) Deferred revenue relates to advance rental in respect of an operating lease and the amount is recognised in the income statement on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2013

24. Borrowings

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Current				
Bank loans (secured)	**152,672**	147,340	**–**	–
Bank loans (unsecured)	**678,918**	511,399	**248,259**	178,212
2.5% unsecured fixed rate notes due 2014 [Note (a) below]	**299,850**	–	**299,850**	–
Finance lease liabilities (Note 25)	**294**	330	**–**	–
	1,131,734	659,069	**548,109**	178,212
Non-current				
Bank loans (secured)	**827,099**	747,527	**–**	–
Bank loans (unsecured)	**106,973**	204,125	**–**	199,639
2.5% unsecured fixed rate notes due 2014 [Note (a) below]	**–**	299,550	**–**	299,550
2.493% unsecured fixed rate notes due 2015 [Note (a) below]	**174,763**	174,588	**174,763**	174,588
3.043% unsecured fixed rate notes due 2017 [Note (a) below]	**74,749**	74,674	**74,749**	74,674
Finance lease liabilities (Note 25)	**3,928**	4,419	**–**	–
	1,187,512	1,504,883	**249,512**	748,451
Total borrowings	**2,319,246**	2,163,952	**797,621**	926,663

(a) Medium term note

On 1 July 2010, the Company established a S$1 billion Multicurrency Medium Term Note Programme (the "Programme"). Under the Programme, the Company may issue Notes (the "Notes") denominated in Singapore Dollars and/or any other currencies agreed with the dealers. The Notes may be issued on a syndicated or non-syndicated basis and will rank pari passu with all other unsecured obligations. Each series of Notes may be issued in one or more tranches, on the same or different terms such as issue dates, interest rates, maturities, etc. as agreed between the Company and the relevant dealers.

(b) Securities granted

The bank loans are secured by mortgages on certain subsidiaries' bank deposits, hotel properties, investment properties and development properties; and/or assignment of all rights and benefits with respect to the properties. The carrying amounts of bank deposits, hotel properties, investment properties and development properties which have been pledged as securities are as follows:

	The Group 2013 $'000	The Group 2012 $'000
Bank deposits	**5,389**	5,136
Hotel properties	**1,026,221**	940,679
Investment properties	**1,860,527**	1,751,052
Development properties	**895,443**	995,914
	3,787,580	3,692,781

24. Borrowings (continued)

(c) Effective interest rates

The weighted average effective interest rates of floating rate borrowings at the end of the reporting period were as follows:

The Group

	2013 SGD %	2013 USD %	2013 RMB %	2013 MYR %	2013 AUD %	2012 SGD %	2012 USD %	2012 RMB %	2012 MYR %	2012 AUD %
Bank loans (secured)	**1.4**	**–**	**7.3**	**3.9**	**4.0**	1.5	–	7.3	3.8	4.6
Bank loans (unsecured)	**1.3**	**1.2**	**–**	**4.0**	**–**	1.4	1.0	–	4.5	–

The Company

	2013 SGD %	2012 SGD %
Bank loans (unsecured)	**1.3**	1.4

(d) The fair values of non-current secured and unsecured bank loans approximate their carrying values except for the unsecured fixed rate notes. The fair values of the unsecured fixed rate notes computed based on cash flows discounted using market borrowing rates at the end of the reporting period were as follows:

	The Group and the Company 2013 $'000	The Group and the Company 2012 $'000	Borrowing rates 2013 %	Borrowing rates 2012 %
2.50% unsecured fixed rate notes due 2014	**301,748**	304,450	**1.3**	1.5
2.493% unsecured fixed rate notes due 2015	**177,558**	178,775	**1.5**	1.6
3.043% unsecured fixed rate notes due 2017	**77,267**	79,630	**2.1**	1.8
	556,573	562,855		

25. Finance lease liabilities

The Group leases certain leasehold land and building from non-related parties under finance leases. The lease approximates the useful life of the building and the lease agreement has renewal clauses at the end of the lease term.

	The Group 2013 $'000	The Group 2012 $'000
Minimum lease payments due		
– Not later than one year	**295**	331
– Between one and five years	**1,179**	1,326
– Later than five years	**22,844**	26,025
	24,318	27,682
Less: Future finance charges	**(20,096)**	(22,933)
Present value of finance lease liabilities	**4,222**	4,749

25. Finance lease liabilities (continued)

The present values of finance lease liabilities are analysed as follows:

	The Group 2013 $'000	The Group 2012 $'000
Not later than one year (Note 24)	**294**	330
Later than one year (Note 24)		
– Between one and five years	**1,175**	1,322
– Later than five years	**2,753**	3,097
	3,928	4,419
Total	**4,222**	4,749

26. Derivative financial instrument

	The Group Contract notional amount $'000	The Group Fair value Asset $'000	The Group Fair value Liability $'000	The Company Contract notional amount $'000	The Company Fair value Asset $'000	The Company Fair value Liability $'000
2013						
Cash-flow hedges						
– Interest rate swaps	200,000	–	234	150,000	–	197
Non-hedging instrument						
– Interest rate swap	100,000	616	–	100,000	616	–
	300,000	616	234	250,000	616	197
Less: Current portion	(250,000)	(616)	(197)	(250,000)	(616)	(197)
Non-current portion	**50,000**	**–**	**37**	**–**	**–**	**–**
2012						
Cash-flow hedges						
– Interest rate swaps	150,000	–	162	150,000	–	162
Non-hedging instrument						
– Interest rate swap	100,000	873	–	100,000	873	–
Non-current portion	250,000	873	162	250,000	873	162

The cash-flow hedges - Interest rate swaps are transacted to hedge variable interest expense on borrowings payable between January 2014 and November 2015. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings.

27. Loans from non-controlling shareholders of subsidiaries (unsecured)

The loans from non-controlling shareholders of subsidiaries are interest-free and the fair value computed based on cash flows discounted using market borrowing rates at the end of the reporting period of 3.9% (2012: 3.8%) was $16,599,000 (2012: $8,715,000).

The loans have no fixed terms of repayment and loans which are not expected to be repaid within the next twelve months from the end of the reporting period are classified as non-current.

28. Provision for retirement benefits

	The Group 2013 $'000	2012 $'000
Non-current	**3,245**	2,942

(a) A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to length of service and earnings over the employees' year of employment. Provision for post-employment benefit obligations is made in the financial statements so as to provide for the accrued liability at the end of the reporting period. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision are not likely to be significant. The most recent revaluation was at 31 December 2013.

(b) The movements during the financial year recognised in the statement of financial position were as follows:

	The Group 2013 $'000	2012 $'000
At the beginning of the financial year	**2,942**	2,758
Benefits paid	**(58)**	(135)
Charged to income statement (Note 6)	**477**	392
Currency translation differences	**(116)**	(73)
At the end of the financial year	**3,245**	2,942

(c) The expense recognised in the income statement may be analysed as follows:

	The Group 2013 $'000	2012 $'000
Current service cost	**176**	209
Interest on obligation	**280**	179
Actuarial loss	**21**	4
Expense recognised in the income statement	**477**	392

The charge to the income statement was included in "Administrative expenses" in the income statement.

(d) The principal actuarial assumptions used in respect of the Group's defined benefit plan were as follows:

	The Group 2013 %	2012 %
Discount rate	**5.8**	6.2
Future salary increase	**6.9**	6.5
Inflation rate	**3.5**	3.5
Normal retirement age (years)		
– Male	**60**	55
– Female	**60**	50

29. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statements of financial position as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Deferred income tax assets				
– to be recovered within one year	**(283)**	(100)	**–**	–
– to be recovered after one year	**(2,877)**	(3,689)	**–**	–
	(3,160)	(3,789)	**–**	–
Deferred income tax liabilities				
– to be settled within one year	**117,086**	119,229	**81,972**	74,859
– to be settled after one year	**55,863**	57,201	**4,173**	4,238
	172,949	176,430	**86,145**	79,097

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At the beginning of the financial year	**172,641**	139,573	**79,097**	58,759
Currency translation differences	**(1,215)**	(373)	**–**	–
Tax (credit)/charge to:				
– income statement [Note 9(a)]	**(15,270)**	12,724	**(59)**	69
– equity [Note 31(b),(f)]	**7,101**	20,269	**7,107**	20,269
Under provision in prior financial year [Note 9(a)]	**6,532**	448	**–**	–
At the end of the financial year	**169,789**	172,641	**86,145**	79,097

Deferred income tax credited/(charged) against equity (Note 31) during the financial year are as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Fair value reserves [Note 31(b)]	**7,113**	20,296	**7,113**	20,296
Hedging reserve [Note 31(f)]	**(12)**	(27)	**(6)**	(27)
	7,101	20,269	**7,107**	20,269

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $20,144,000 (2012: $18,091,000) at the end of the reporting period which can be carried forward and used to offset against future taxable income subject to those subsidiary companies meeting certain statutory requirements in their respective countries of incorporation. Tax losses incurred by subsidiaries of $16,070,000 (2012: $9,506,000) can be carried forward for a period of up to five years subsequent to the year of the loss, while the remaining tax losses have no expiry date.

29. Deferred income taxes (continued)

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

The Group

Deferred income tax liabilities

	Fair value gains on available-for-sale financial assets $'000	Accelerated tax depreciation $'000	Fair value gains on hotel properties and investment properties $'000	Unremitted foreign income, interest and dividends $'000	Deferred development profit $'000	Other temporary differences $'000	Total $'000
2013							
At the beginning of the financial year	77,297	40,843	3,160	909	55,726	(1,505)	176,430
Currency translation differences	–	(1,113)	(158)	–	–	37	(1,234)
Tax charge/(credit) to income statement	–	2,803	10,068	129	(22,089)	(271)	(9,360)
Tax charge to equity	7,113	–	–	–	–	–	7,113
At the end of the financial year	**84,410**	**42,533**	**13,070**	**1,038**	**33,637**	**(1,739)**	**172,949**
2012							
At the beginning of the financial year	57,001	40,102	2,885	714	43,862	(653)	143,911
Currency translation differences	–	(443)	(4)	–	–	16	(431)
Tax charge/(credit) to income statement	–	1,184	279	195	11,864	(868)	12,654
Tax charge to equity	20,296	–	–	–	–	–	20,296
At the end of the financial year	77,297	40,843	3,160	909	55,726	(1,505)	176,430

Deferred income tax assets

	Fair value losses on derivative financial instruments $'000	Excess of depreciation over capital allowances $'000	Tax losses $'000	Provisions $'000	Total $'000
2013					
At the beginning of the financial year	(27)	(1,961)	(1,701)	(100)	(3,789)
Currency translation differences	–	–	19	–	19
Tax charge/(credit) to income statement	–	–	805	(183)	622
Tax credit to equity	(12)	–	–	–	(12)
At the end of the financial year	**(39)**	**(1,961)**	**(877)**	**(283)**	**(3,160)**
2012					
At the beginning of the financial year	–	(1,961)	(803)	(1,574)	(4,338)
Currency translation differences	–	–	58	–	58
Tax (credit)/charge to income statement	–	–	(956)	1,474	518
Tax credit to equity	(27)	–	–	–	(27)
At the end of the financial year	(27)	(1,961)	(1,701)	(100)	(3,789)

29. Deferred income taxes (continued)

The Company

Deferred income tax liabilities

	Fair value gains on available-for-sale financial assets $'000	Accelerated tax depreciation $'000	Total $'000
2013			
At the beginning of the financial year	74,858	4,266	79,124
Tax credit to income statement	–	(59)	(59)
Tax charge to equity	7,113	–	7,113
At the end of the financial year	**81,971**	**4,207**	**86,178**
2012			
At the beginning of the financial year	54,562	4,197	58,759
Tax charge to income statement	–	69	69
Tax charge to equity	20,296	–	20,296
At the end of the financial year	74,858	4,266	79,124

Deferred income tax assets

	Fair value loss on derivative financial instruments $'000	Total $'000
2013		
At the beginning of the financial year	(27)	(27)
Tax credit to equity	(6)	(6)
At the end of the financial year	**(33)**	**(33)**
2012		
At the beginning of the financial year	–	–
Tax credit to equity	(27)	(27)
At the end of the financial year	(27)	(27)

30. Share capital of UOL Group Limited

	Number of shares '000	Amount $'000
2013		
At the beginning of the financial year	769,897	1,046,954
Proceeds from shares issued:		
– to holders of share options	986	3,943
At the end of the financial year	**770,883**	**1,050,897**
2012		
At the beginning of the financial year	768,248	1,040,694
Proceeds from shares issued:		
– to holders of share options	1,649	6,260
At the end of the financial year	769,897	1,046,954

(a) All issued ordinary shares have no par value and are fully paid.

(b) During the financial year, the Company issued 986,000 (2012: 1,649,000) ordinary shares pursuant to the options under the UOL 2000 and 2012 Share Option Scheme. The newly issued shares rank pari passu in all respects with the previously issued shares.

UOL Group Executives' Share Option Scheme

The UOL Group Executives' Share Option Scheme ("the 2000 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 23 May 2000. The 2000 Scheme was replaced by a new scheme ("the 2012 Scheme") which was approved by the shareholders of the Company at the Annual General Meeting held on 19 April 2012. The termination of the 2000 Scheme and the adoption of the 2012 Scheme will not affect the rights of the holders of the options granted under the 2000 Scheme.

Under the terms of the 2012 Scheme, the total number of shares granted shall not exceed 10% of the issued share capital of the Company (excluding treasury shares, if any) and the executives may exercise the options by giving notice in writing to the Company in the prescribed form during the option period, accompanied by remittance of the amount of the Exercise Price.

The Exercise Price is equal to the average of the last dealt prices per share as determined by reference to the daily official list published by the Singapore Exchange Securities Trading Limited for a period of 5 consecutive trading days immediately prior to the relevant Date of Grant.

On 8 March 2013, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,318,000 ordinary shares in the Company (known as "the 2013 Options") at the exercise price of $6.55 per ordinary share. 1,318,000 options granted were accepted.

Statutory information regarding the 2013 Options is as follows:

(i) The option period begins on 8 March 2014 and expires on 7 March 2023 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

(ii) The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

(iii) Except as set out in Rule 12.2 and subject to Rule 10 of the Rules of the 2012 Scheme, an option does not confer on a participant any right to participate in any new shares of the Company.

30. Share capital of UOL Group Limited (continued)

UOL Group Executives' Share Option Scheme (continued)

Movements in the number of ordinary shares outstanding under options at the end of the financial year and their exercise prices were as follows:

The Group and the Company	At the beginning of the financial year	Options granted during the financial year	Options exercised during the financial year	Options forfeited during the financial year	At the end of the financial year	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2013							
2004 Options	160,000	–	(160,000)	–	–	2.28	21.05.2005 to 20.05.2014
2005 Options	42,000	–	–	–	42,000	2.23	09.05.2006 to 08.05.2015
2006 Options	118,000	–	(18,000)	–	100,000	3.21	18.05.2007 to 17.05.2016
2007 Options	472,000	–	(61,000)	(12,000)	399,000	4.91	16.03.2008 to 15.03.2017
2008 Options	384,000	–	(148,000)	–	236,000	3.68	07.03.2009 to 06.03.2018
2009 Options	62,000	–	–	–	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	630,000	–	(240,000)	–	390,000	3.95	05.03.2011 to 04.03.2020
2011 Options	835,000	–	(269,000)	–	566,000	4.62	04.03.2012 to 03.03.2021
2012 Options	1,477,000	–	(90,000)	–	1,387,000	5.40	23.08.2013 to 22.08.2022
2013 Options	–	1,318,000	–	(60,000)	1,258,000	6.55	08.03.2014 to 07.03.2023
	4,180,000	**1,318,000**	**(986,000)**	**(72,000)**	**4,440,000**		
2012							
2003 Options	42,000	–	(42,000)	–	–	2.05	27.06.2004 to 26.06.2013
2004 Options	160,000	–	–	–	160,000	2.28	21.05.2005 to 20.05.2014
2005 Options	42,000	–	–	–	42,000	2.23	09.05.2006 to 08.05.2015
2006 Options	234,000	–	(116,000)	–	118,000	3.21	18.05.2007 to 17.05.2016
2007 Options	722,000	–	(230,000)	(20,000)	472,000	4.91	16.03.2008 to 15.03.2017
2008 Options	659,000	–	(267,000)	(8,000)	384,000	3.68	07.03.2009 to 06.03.2018
2009 Options	291,000	–	(229,000)	–	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	963,000	–	(333,000)	–	630,000	3.95	05.03.2011 to 04.03.2020
2011 Options	1,365,000	–	(432,000)	(98,000)	835,000	4.62	04.03.2012 to 03.03.2021
2012 Options	–	1,477,000	–	–	1,477,000	5.40	23.08.2013 to 22.08.2022
	4,478,000	1,477,000	(1,649,000)	(126,000)	4,180,000		

Out of the outstanding options for 4,440,000 (2012: 4,180,000) shares, options for 3,182,000 (2012: 2,703,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise was $6.81 (2012: $5.43) per share.

The fair value of options granted on 8 March 2013 (2012: 23 August 2012), determined using the Trinomial Tree Model was $2,333,000 (2012: $2,201,000). The significant inputs into the model were share price of $6.69 (2012: $5.35) at the grant date, exercise price of $6.55 (2012: $5.40), standard deviation of expected share price returns of 34.52% (2012: 36.69%), option life from 8 March 2014 to 7 March 2023 (2012: 23 August 2013 to 22 August 2022), annual risk-free interest rate of 0.97% (2012: 0.90%) and dividend yield of 2.21% (2012: 2.20%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last three years.

31. Reserves

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Composition:				
Share option reserve [Note (a) below]	**12,499**	10,253	**11,362**	9,461
Fair value reserve [Note (b) below]	**537,343**	493,154	**425,977**	399,128
Asset revaluation reserve [Note (c) below]	**38,118**	38,118	**–**	–
Capital reserves [Note (d) below]	**293,580**	293,580	**–**	–
Currency translation reserve [Note (e) below]	**(26,035)**	(29,233)	**–**	–
Hedging reserve [Note (f) below]	**(194)**	(134)	**(164)**	(134)
Others	**–**	–	**598**	598
	855,311	805,738	**437,773**	409,053

Revaluation and capital reserves are non-distributable.

(a) Share option reserve

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At the beginning of the financial year	**10,253**	7,853	**9,461**	7,376
Employee share option scheme:				
– Value of employee services	**1,901**	2,085	**1,901**	2,085
Share of associated company (Note 17)	**345**	315	**–**	–
At the end of the financial year	**12,499**	10,253	**11,362**	9,461

(b) Fair value reserve

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At the beginning of the financial year	**493,154**	328,414	**399,128**	275,539
Fair value gains on available-for-sale financial assets (Note 15)	**51,246**	185,026	**33,962**	143,885
Deferred tax on fair value gains (Note 29)	**(7,113)**	(20,296)	**(7,113)**	(20,296)
	44,133	164,730	**26,849**	123,589
Less: Amount attributable to non-controlling interests	**56**	10	**–**	–
	44,189	164,740	**26,849**	123,589
At the end of the financial year	**537,343**	493,154	**425,977**	399,128

(c) Asset revaluation reserve

	The Group	
	2013 $'000	2012 $'000
At the beginning and end of the financial year	**38,118**	38,118

The asset revaluation reserve of the Group does not take into account the surplus of $827,022,000 (2012: $807,151,000) arising from the revaluation of the hotel properties of the Group [Note 21(a)].

31. Reserves (continued)

(d) Capital reserves

Composition of capital reserves is as follows:

	The Group	
	2013 $'000	2012 $'000
Transfer from asset revaluation reserve for bonus issue of shares by a subsidiary	**55,846**	55,846
Share premium in a subsidiary attributable to the Group	**13,360**	13,360
Goodwill on consolidation	**997**	997
Acquisitions of associated companies (See below)	**223,377**	223,377
	293,580	293,580

The capital reserves arising from the acquisitions of associated companies relate to the increase in the fair value of identifiable net assets and liabilities of the investee companies attributable to the Group's previously held interest in those investee companies on the date they became associated companies.

(e) Currency translation reserve

	The Group	
	2013 $'000	2012 $'000
At the beginning of the financial year	**(29,233)**	(6,926)
Net currency translation differences of financial statements of foreign subsidiaries and borrowings designated as hedges against foreign subsidiaries	**(2,558)**	(20,604)
Share of associated company (Note 17)	**5,155**	(4,382)
	2,597	(24,986)
Less: Amount attributable to non-controlling interests	**601**	2,679
	3,198	(22,307)
At the end of the financial year	**(26,035)**	(29,233)

(f) Hedging reserve

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At the beginning of the financial year	**(134)**	–	**(134)**	–
Fair value gains/(losses)	**188**	(119)	**204**	(119)
Deferred tax on fair value (Note 29)	**12**	27	**6**	27
	200	(92)	**210**	(92)
Transfer to income statement				
– Finance expense (Note 7)	**(260)**	(42)	**(240)**	(42)
	(60)	(134)	**(30)**	(134)
At the end of the financial year	**(194)**	(134)	**(164)**	(134)

The hedging reserve comprised the effective portion of the accumulated net change in the fair value of interest rate swaps for hedged transactions that had not occurred.

32. Dividends

	The Group and the Company 2013 $'000	2012 $'000
Final one-tier dividend paid in respect of the previous financial year of 15.0 cents (2012: 10.0 cents) per share	**115,485**	76,825
Special one-tier dividend paid in respect of the previous financial year of nil (2012: 5.0 cents) per share	**–**	38,412
	115,485	115,237

At the forthcoming Annual General Meeting on 22 April 2014, a final one-tier dividend of 15.0 cents per share amounting to a total of $115,632,000 and a special one-tier dividend of 5.0 cents per share amounting to a total of $38,544,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2014.

33. Contingent liabilities

The Company has guaranteed the borrowings of subsidiaries amounting to $537,082,000 (2012: $333,185,000). The borrowings of subsidiaries were denominated in Singapore Dollar except for the amounts of $95,299,000 (2012: $81,938,000) and $11,423,000 (2012: $21,918,000) which were denominated in United States Dollar and Malaysian Ringgit respectively.

At the end of the reporting period, the Group has given a guarantee of $6,112,000 (2012: $6,617,000) in respect of banking facilities granted to an associated company.

The Company has also given undertakings to provide financial support to certain subsidiaries.

The directors are of the view that no material losses will arise from these contingent liabilities.

34. Commitments

(a) Capital and other commitments

Expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	The Group 2013 $'000	2012 $'000
Expenditure contracted for:		
– property, plant and equipment	**21,838**	57,944
– development properties	**294,839**	175,687
– investment properties	**47,520**	73,732
	364,197	307,363

34. Commitments (continued)

(a) Capital and other commitments (continued)

On 26 October 2013, the Group's wholly-owned subsidiary, Pan Pacific Hospitality Pte. Ltd. ("PPH") entered into a conditional joint venture agreement with Shwe Taung Junction City Development Co., Ltd. and City Square Pte. Ltd., in relation to the formation of a joint venture company in Myanmar for the purpose of acquiring, constructing, developing and/or managing a 348-room hotel located in the Junction City mixed use development along Shwedagon Pagoda Road in the prime city centre of Yangon, Myanmar.

Subject to the receipt of all necessary regulatory approvals from the relevant Myanmar authorities and other conditions as agreed between the joint venture partners, each of the joint venture partners will contribute to the initial paid-up share capital of the joint venture Company in accordance with its respective shareholding proportion. PPH will have an interest of 20% of the share capital of the joint venture company. The Group's commitment for the project, which includes shareholder's loans and capital contributions, amounts up to a maximum of US$25,000,000. This joint venture company is not expected to have any material impact on the Group's net tangible assets per share or earnings per share.

(b) Operating lease commitments – where a group company is a lessee

The Group and the Company lease various premises from non-related parties and subsidiaries under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are analysed as follows:

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Not later than one year	**1,487**	1,383	**–**	518
Later than one year but not later than five years	**3,575**	2,123	**–**	–
Later than five years	**14,453**	4,646	**–**	–
	19,515	8,152	**–**	518

(c) Operating lease commitments – where a group company is a lessor

The Group and the Company lease out retail and office space to non-related parties under non-cancellable operating agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are analysed as follows:

	The Group 2013 $'000	The Group 2012 $'000	The Company 2013 $'000	The Company 2012 $'000
Not later than one year	**135,771**	117,821	**15,826**	15,482
Later than one year but not later than five years	**198,606**	183,004	**15,789**	22,267
	334,377	300,825	**31,615**	37,749

34. Commitments (continued)

(c) Operating lease commitments – where a group company is a lessor (continued)

The future minimum lease payments receivable under non-cancellable operating leases exclude the portion of lease payments receivable which are computed based on a percentage of the revenue of some of the lessees. The contingent lease payments received during the financial year and recognised in the Group's and the Company's revenue from property investments were $3,128,000 (2012: $3,844,000) and $10,000 (2012: $24,000) respectively.

35. Financial risk management

Financial risk factors

The Board of Directors provides guidance for overall risk management. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. When necessary, the Group uses financial instruments such as interest rate swaps, currency forwards and foreign currency borrowings to hedge certain financial risk exposures.

(a) Market risk

(i) Currency risk

The Group operates in the Asia Pacific region and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB") and United States Dollar ("USD"). As the entities in the Group transact substantially in their functional currency, the Group's exposure to currency risk is not significant.

The Group has a number of investments in foreign subsidiaries and associated companies whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's subsidiaries and associated companies in Australia, Malaysia, Myanmar, The People's Republic of China ("PRC") and Vietnam are managed through borrowings, as far as is reasonably practical, in foreign currencies which broadly match those in which the net assets are denominated or in currencies that are freely convertible.

35. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	Others $'000	Total $'000
The Group							
2013							
Financial assets							
Cash and bank balances	137,594	26,121	11,558	40,765	70,981	6,367	293,386
Available-for-sale financial assets	856,956	–	–	–	–	–	856,956
Trade and other receivables	521,659	3,046	6,395	2,736	1,387	1,797	537,020
Derivative financial instrument	616	–	–	–	–	–	616
Other assets - deposits	556	108	1,400	418	3	45	2,530
	1,517,381	29,275	19,353	43,919	72,371	8,209	1,690,508
Financial liabilities							
Borrowings	(1,960,409)	(139,719)	(112,022)	(42,285)	(64,811)	–	(2,319,246)
Trade and other payables	(198,489)	(3,914)	(14,404)	(35,991)	(217,489)	(6,869)	(477,156)
Derivative financial instrument	(234)	–	–	–	–	–	(234)
Loans from non-controlling shareholders of subsidiaries	–	–	–	(16,917)	–	–	(16,917)
	(2,159,132)	(143,633)	(126,426)	(95,193)	(282,300)	(6,869)	(2,813,553)
Net financial (liabilities)/ assets	(641,751)	(114,358)	(107,073)	(51,274)	(209,929)	1,340	(1,123,045)
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	641,770	(7,774)	107,641	51,367	209,939	(1,358)	1,001,585
Add: Firm commitments and highly probable forecast transactions in foreign currencies	312,892	2,099	530	564	47,731	381	364,197
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	(312,892)	(2,099)	(530)	(564)	(47,731)	(381)	(364,197)
Currency exposure	**19**	**(122,132)**	**568**	**93**	**10**	**(18)**	**(121,460)**

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	Others $'000	Total $'000
The Group							
2012							
Financial assets							
Cash and bank balances	172,436	12,718	10,931	20,888	37,323	5,765	260,061
Available-for-sale financial assets	805,710	–	–	–	–	–	805,710
Trade and other receivables	330,479	3,306	5,496	7,348	2,436	2,152	351,217
Derivative financial instrument	873	–	–	–	–	–	873
Other assets - deposits	1,517	89	–	298	14	49	1,967
	1,311,015	16,113	16,427	28,534	39,773	7,966	1,419,828
Financial liabilities							
Borrowings	(1,678,473)	(221,150)	(138,733)	(54,054)	(71,542)	–	(2,163,952)
Trade and other payables	(209,477)	(2,806)	(14,718)	(13,299)	(67,280)	(7,315)	(314,895)
Derivative financial instrument	(162)	–	–	–	–	–	(162)
Loans from non-controlling shareholders of subsidiaries	–	–	–	(9,957)	–	–	(9,957)
	(1,888,112)	(223,956)	(153,451)	(77,310)	(138,822)	(7,315)	(2,488,966)
Net financial (liabilities)/ assets	(577,097)	(207,843)	(137,024)	(48,776)	(99,049)	651	(1,069,138)
Less: Net financial assets/ (liabilities) denominated in the respective entities' functional currencies	577,114	(7,234)	137,532	48,858	99,057	(931)	854,396
Add: Firm commitments and highly probable forecast transactions in foreign currencies	227,414	375	904	828	77,513	329	307,363
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	(227,414)	(375)	(904)	(828)	(77,513)	(329)	(307,363)
Currency exposure	17	(215,077)	508	82	8	(280)	(214,742)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2013

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group does not have significant exposure to currency risk other than USD. Assuming that USD changes against SGD by 5% (2012: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax will be as follows:

	The Group Increase/(Decrease) 2013 $'000	2012 $'000
USD against SGD		
– strengthens	**(5,068)**	(8,926)
– weakens	**5,068**	8,926

The Company's revenue, purchases and borrowings were contracted or denominated in Singapore Dollar which is the functional and presentation currency of the Company, except for bank borrowings of $44,420,000 (2012: $139,212,000) as at the end of the reporting period which were denominated in USD. Assuming that the USD changes against SGD by 5% (2012: 5%), with all other variables including tax rate being held constant, the effects on the profit after tax of the Company will be as follows:

	The Company Increase/(Decrease) 2013 $'000	2012 $'000
USD against SGD		
– strengthens	**(1,843)**	(5,777)
– weakens	**1,843**	5,777

(ii) *Price risk*

The Group and the Company are exposed to equity securities price risk due to their investments in quoted securities listed in Singapore, which have been classified in the consolidated statement of financial position as available-for-sale financial assets.

Based on the portfolio of quoted equity securities held by the Group and the Company as at 31 December 2013, if prices for equity securities listed in Singapore change by 10% (2012: 10%) with all other variables including tax rate being held constant, the fair value reserve will be higher/lower by $69,622,000 (2012: $65,991,000) and $50,276,000 (2012: $46,570,000) for the Group and the Company respectively.

(iii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Group and the Company monitor closely the changes in interest rates on borrowings and when appropriate, manage their exposure to changes in interest rates by entering into borrowings on a fixed rate basis over a longer term.

The Group's and the Company's variable-rate financial assets and liabilities for which effective hedges have not been entered into, are denominated mainly in SGD and USD. If the SGD and USD interest rates increase/decrease by 1% (2012: 1%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower/higher by $10,880,000 (2012: $9,553,000) and $2,572,000 (2012: $3,472,000) respectively as a result of higher/lower interest expense on these borrowings.

35. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's and the Company's major classes of financial assets subject to credit risks are loans and receivables which include cash and bank balances. For trade and other receivables, the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history, and obtaining sufficient security such as deposits and bankers' guarantees where appropriate to mitigate credit risk. Bank deposits were mainly placed with financial institutions which have high credit ratings.

Credit exposure to an individual customer or counterparty is generally restricted by credit limits that are approved by the respective management at the entity level based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and by Group management.

The Group's and the Company's maximum exposure to credit risk on corporate guarantees provided to banks on subsidiaries' loans are disclosed in Note 33.

The credit risk of trade and other receivables based on the information provided to key management is as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
By geographical areas				
Singapore	**520,764**	333,252	**813,539**	992,391
Australia	**5,910**	5,083	**20**	1
Vietnam	**1,104**	1,328	**117**	121
Malaysia	**5,451**	7,262	**6**	2
PRC	**1,319**	2,345	**23,809**	23,914
Myanmar	**1,537**	1,090	**1**	–
Others	**935**	857	**–**	–
	537,020	351,217	**837,492**	1,016,429
By operating segments				
Property development	**497,262**	311,205	**242,821**	414,761
Property investments	**12,422**	13,232	**144,283**	152,112
Hotel operations	**13,077**	18,263	**34,367**	24,146
Management services	**14,259**	8,517	**398**	279
Investments	**–**	–	**415,623**	425,131
	537,020	351,217	**837,492**	1,016,429

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

35. Financial risk management (continued)

(b) Credit risk (continued)

(ii) *Financial assets that are past due and/or impaired*

The age analysis of trade and other receivables past due but not impaired is as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Past due 0 to 3 months	**6,236**	8,432	**26**	121
Past due 3 to 6 months	**270**	200	**–**	5
Past due over 6 months	**1,077**	9,476	**–**	6
	7,583	18,108	**26**	132

The carrying amount of trade and other receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Gross amount	**365**	560	**–**	–
Less: Allowance for impairment	**(365)**	(540)	**–**	–
	–	20	**–**	–
Beginning of financial year	**540**	430	**–**	–
Currency translation difference	**(23)**	(2)	**–**	–
(Write-back of allowance)/allowance made – net	**(148)**	139	**–**	–
Allowance utilised	**(4)**	(27)	**–**	–
End of financial year	**365**	540	**–**	–

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year $'000	Between 1 to 2 years $'000	Between 2 to 5 years $'000
The Group			
2013			
Trade and other payables	442,502	18,451	16,203
Derivative financial instruments	98	281	–
Borrowings	1,165,922	747,243	465,762
Loans from non-controlling shareholders of subsidiaries	16,917	–	–
Financial guarantees for borrowings of associated companies	–	–	6,112
	1,625,439	**765,975**	**488,077**

35. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year $'000	Between 1 to 2 years $'000	Between 2 to 5 years $'000
The Group			
2012			
Trade and other payables	274,055	25,410	15,430
Derivative financial instruments	–	177	–
Borrowings	700,536	710,163	839,259
Loans from non-controlling shareholders of subsidiaries	–	–	9,957
Financial guarantees for borrowings of associated companies	–	–	6,617
	974,591	735,750	871,263
The Company			
2013			
Trade and other payables	78,184	2,196	1,158
Derivative financial instruments	98	–	–
Borrowings	561,110	178,813	78,089
Financial guarantees for borrowings of subsidiaries and associated companies	429,659	4,000	103,423
	1,069,051	**185,009**	**182,670**
2012			
Trade and other payables	75,411	1,609	2,003
Derivative financial instruments	–	177	–
Borrowings	195,432	512,909	256,901
Financial guarantees for borrowings of subsidiaries and associated companies	311,268	21,918	–
	582,111	536,613	258,904

The Group and the Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities and the ability to close market positions at a short notice.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and aim to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may, subject to the necessary approvals from the shareholders, the lending bank, other creditors and/or the regulatory authorities, adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required under their note issuance programmes to maintain a gearing ratio of not exceeding 200% (2012: 200%). The Group's and the Company's strategies, which were unchanged from 2012, are to maintain gearing ratios below 150%.

35. Financial risk management (continued)

(d) Capital risk (continued)

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings (including loans from non-controlling shareholders of subsidiaries) less cash and bank balances.

	The Group 2013	The Group 2012	The Company 2013	The Company 2012
Net debt ($'000)	**2,042,777**	1,913,848	**792,618**	915,571
Total equity ($'000)	**7,226,970**	6,718,926	**2,870,028**	2,564,580
Gearing ratio	**28%**	28%	**28%**	36%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2013 and 2012.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents our assets and liabilities measured at fair value:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2013				
The Group				
Assets				
Available-for-sale financial assets				
– Equity securities	792,115	18,032	46,809	856,956
– Derivative financial instrument	–	616	–	616
Liabilities				
– Derivative financial instrument	–	(234)	–	(234)
The Company				
Assets				
Available-for-sale financial assets				
– Equity securities	598,649	–	46,809	645,458
– Derivative financial instrument	–	616	–	616
Liabilities				
– Derivative financial instrument	–	(197)	–	(197)

35. Financial risk management (continued)

(e) Fair value measurements (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2012				
The Group				
Assets				
Available-for-sale financial assets				
– Equity securities	748,691	–	57,019	805,710
– Derivative financial instrument	–	873	–	873
Liabilities				
– Derivative financial instrument	–	(162)	–	(162)
The Company				
Assets				
Available-for-sale financial assets				
– Equity securities	554,477	–	57,019	611,496
– Derivative financial instrument	–	873	–	873
Liabilities				
– Derivative financial instrument	–	(162)	–	(162)

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at the end of each reporting period. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of certain unquoted available-for-sale financial assets is calculated using the net asset value method. These investments are classified as Level 2.

Other available-for-sale financial assets of the Group and the Company where the fair value is calculated using a significant unobservable input is classified as Level 3. In the valuation model, the net asset value of the available-for-sale financial assets is multiplied by a discount factor. The discount factor is derived from the average of quoted prices of a basket of similar instruments against their net asset value. The discount factor applied for 2013 was 22% (2012: 5%). If the discount factor increases/decreases by 5% points (2012: 5% points), the fair value of the Level 3 unquoted available-for-sale financial assets will decrease/increase by $3,011,000 (2012: $3,001,000).

35. Financial risk management (continued)

(e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments:

	The Group and the Company	
	2013 $'000	2012 $'000
At the beginning of the financial year	**57,019**	39,919
Fair value (losses)/gains recognised in other comprehensive income	**(10,210)**	17,100
At the end of the financial year	**46,809**	57,019

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group and the Company for similar financial instruments. The fair value of current borrowings approximates their carrying amount.

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the financial years ended 31 December 2013 and 2012 except for a transfer of an available-for-sale financial asset from Level 1 to Level 2 as the investee was no longer listed on the Singapore Exchange Securities Trading Limited and is in the process of winding up by way of members' voluntary liquidation as at 31 December 2013.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 15 and Note 26 to the financial statements, except for the following:

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Loans and receivables	**832,936**	613,245	**842,515**	1,027,536
Financial liabilities at amortised cost	**2,813,319**	2,488,804	**879,159**	1,005,686

36. Related party transactions

(a) In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant transactions between the Group and related parties during the financial year on terms agreed between the parties concerned:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Transactions with directors and their associates				
Proceeds from sale of development properties	**1,793**	3,029	**–**	–
Rental received	**1,254**	2,072	**403**	340
Transactions with associated companies and joint venture companies				
Fees received for management of development properties	**2,559**	1,120	**–**	–
Fees received for management of hotels	**6,565**	3,440	**–**	–
Fees received for operation of spas	**275**	515	**–**	–
Accounting and corporate secretarial fee received	**425**	405	**120**	120
Commission received	**1,042**	1,569	**–**	–
Interest receivable on loans to associated companies and joint venture companies	**2,962**	1,950	**–**	–
Purchase of computers	**358**	1,451	**268**	589
Expenses for hotel and function room facilities	**19**	293	**19**	52
Handover fees received for completed development properties	**138**	–	**–**	–
Transactions with non-controlling shareholders of subsidiaries with significant influence				
Proceeds from sale of development properties	**–**	1,683	**–**	–
Payment of development costs	**1,580**	1,816	**–**	–

36. Related party transactions (continued)

(b) Key management personnel compensation is analysed as follows:

	The Group	
	2013 $'000	2012 $'000
Salaries and other short-term employee benefits	**5,750**	6,099
Directors' fees	**947**	982
Post-employment benefits – contribution to CPF	**124**	142
Share options granted	**595**	590
	7,416	7,813

Total compensation to directors of the Company included in above amounted to $3,167,000 (2012: $3,157,000).

37. Group segmental information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Chairman, the Group Chief Executive and two other Board members of the Company.

The Exco considers the operations from both a business and geographic segment perspective. The Group's four key business segments operate in various geographical areas. The property development and property investment activities of the Group are concentrated in Singapore with some ongoing development projects in Malaysia and People's Republic of China ("PRC").

The hotel operations of the Group are located in Singapore, Australia, Vietnam, Malaysia, PRC and Myammar and key asset and profit contributions are from the hotels in Singapore and Australia.

The Group's investments segment relates to the investments in equity shares in Singapore.

The Group also provides management services to companies and hotels in Singapore and overseas. These operations are not significant to the Group and have been included in the "others" segment column.

37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2013 is as follows:

			Hotel operations					
	Property development $'000	Property investments $'000	Singapore $'000	Australia $'000	Others $'000	Investments $'000	Others $'000	Total $'000
2013								
Revenue								
Total segment sales	409,984	186,239	151,990	135,910	132,940	398,807	48,815	1,464,685
Inter-segment sales	–	(5,998)	(415)	–	–	(371,361)	(28,303)	(406,077)
Sales to external parties	409,984	180,241	151,575	135,910	132,940	27,446	20,512	1,058,608
Adjusted EBITDA	153,449	310,289	49,304	34,988	40,502	27,402	13,434	629,368
Depreciation and amortisation	(90)	(4,089)	(21,150)	(13,765)	(18,146)	–	(1,595)	(58,835)
Other gains/(losses)	–	3,509	26,325	–	(6,021)	–	–	23,813
Fair value gains on investment properties	–	409,425	–	–	–	–	–	409,425
Share of profit of associated companies	1,618	179,831	5,705	–	606	–	82	187,842
Share of profit of joint venture companies	18,506	–	–	–	–	–	–	18,506
Segment assets	1,847,628	6,373,371	655,116	255,439	374,816	856,968	36,920	10,400,258
Unallocated assets								21,190
Total assets								10,421,448
Total assets include:								
Investment in associated companies	189,440	2,530,890	38,389	–	6,001	–	286	2,765,006
Investment in joint venture companies	20,011	–	–	–	–	–	–	20,011
Additions during the financial year to:								
– property, plant and equipment	–	7,579	31,198	8,593	45,009	–	3,237	95,616
– investment properties	–	62,558	–	–	–	–	–	62,558
– intangibles	7	52	59	23	26	–	912	1,079
Segment liabilities	786,305	441,707	345,104	122,834	45,907	90	10,444	1,752,391
Unallocated liabilities								1,442,087
Total liabilities								3,194,478

37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2012 is as follows:

			Hotel operations					
	Property development $'000	Property investments $'000	Singapore $'000	Australia $'000	Others $'000	Investments $'000	Others $'000	Total $'000
2012								
Revenue								
Total segment sales	560,022	172,362	109,636	140,984	127,513	161,962	45,109	1,317,588
Inter-segment sales	–	(6,275)	(412)	–	–	(138,770)	(26,354)	(171,811)
Sales to external parties	560,022	166,087	109,224	140,984	127,513	23,192	18,755	1,145,777
Adjusted EBITDA	169,684	315,644	36,147	32,982	39,397	23,147	13,178	630,179
Depreciation and amortisation	(54)	(3,784)	(10,832)	(12,368)	(19,309)	–	(1,563)	(47,910)
Other gains/(losses)	–	3,624	–	(19,159)	(14,159)	4,699	–	(24,995)
Fair value gains on investment properties	–	442,097	–	–	–	–	–	442,097
Share of profit of associated companies	22,492	192,158	6,317	–	601	–	94	221,662
Share of loss of joint venture companies	(364)	–	–	–	–	–	–	(364)
Segment assets	1,760,165	5,707,316	616,661	287,308	329,367	805,748	29,594	9,536,159
Unallocated assets								28,163
Total assets								9,564,322
Total assets include:								
Investment in associated companies	248,913	2,342,773	35,541	–	5,697	–	205	2,633,129
Additions during the financial year to:								
– property, plant and equipment	–	35,357	91,257	18,963	33,846	–	527	179,950
– investment properties	–	64,978	–	–	–	–	–	64,978
– intangibles	–	91	–	–	164	–	12	267
Segment liabilities	510,700	599,779	210,294	137,028	44,840	85	6,219	1,508,945
Unallocated liabilities								1,336,451
Total liabilities								2,845,396

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the income statements.

The Exco assesses the performance of the operating segments based on a measure of Earnings before interest, tax, depreciation and amortisation excluding the effects of fair value and other gains and losses which are not operational in nature ("adjusted EBITDA"). Finance income and finance expenses are not allocated to segments, as these types of activities are driven by the Group's treasury function, which manages the cash position of the Group.

37. Group segmental information (continued)

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	2013 $'000	2012 $'000
Adjusted EBITDA for reportable segments	**629,368**	630,179
Depreciation and amortisation	**(58,835)**	(47,910)
Other gains/(losses)	**23,813**	(24,995)
Fair value gains on investment properties	**409,425**	442,097
Unallocated costs	**(13,493)**	(13,046)
Finance income	**4,488**	11,112
Finance expense	**(42,815)**	(33,090)
Profit before income tax	**951,951**	964,347

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of these financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Exco monitors the development properties, property, plant and equipment, intangible assets, inventories, receivables, operating cash and investment properties attributable to each segment. All assets are allocated to reportable segments other than tangible and intangible assets at corporate level and current and deferred income tax assets.

	2013 $'000	2012 $'000
Segment assets for reportable segments	**10,400,258**	9,536,159
Unallocated:		
Cash and bank balances	**14,935**	18,848
Derivative financial instruments	**616**	873
Receivables and other assets	**384**	1,927
Current income tax assets	**110**	415
Property, plant and equipment	**1,378**	1,468
Intangibles	**607**	843
Deferred income tax assets	**3,160**	3,789
	10,421,448	9,564,322

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of these financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than accruals for expenses and borrowings at corporate level, current and deferred income tax liabilities and derivative financial instruments.

	2013 $'000	2012 $'000
Segment liabilities for reportable segments	**1,752,391**	1,508,945
Unallocated:		
Other payables	**16,206**	15,194
Current income tax liabilities	**82,367**	50,672
Borrowings	**1,170,331**	1,093,993
Derivative financial instruments	**234**	162
Deferred income tax liabilities	**172,949**	176,430
	3,194,478	2,845,396

37. Group segmental information (continued)

Revenue from major products and services

Revenue from external customers are derived mainly from the Group's property development, property investments, hotel operations, investment holdings and management services. A breakdown of the revenues from external customers for each of these categories is shown in Note 4.

Geographical information

The Group's five business segments operate in six main geographical areas. In Singapore, where the Company is located, the areas of operation of the Group are principally hotel operations, property development, property investments and investment holdings. The Group also engages in the provision of management services in Singapore and in various overseas locations.

The main activities in Australia, Vietnam, Malaysia, PRC and Myanmar consist of hotel operations, operation of serviced suites and investment holdings. The Group also engages in property development in Malaysia and PRC.

Revenue and non-current assets (excluding financial instruments and deferred income tax assets) are shown by the geographical areas where the assets are located.

	Revenue	
	2013 $'000	2012 $'000
Singapore	**772,820**	862,397
Australia	**135,910**	140,984
Vietnam	**27,503**	28,794
Malaysia	**57,099**	59,459
PRC	**31,225**	27,899
Myanmar	**30,099**	22,248
Others	**3,952**	3,996
	1,058,608	1,145,777

	Non-current assets	
	2013 $'000	2012 $'000
Singapore	**6,918,153**	6,272,432
Australia	**236,436**	271,002
Vietnam	**42,996**	42,350
Malaysia	**167,838**	171,256
PRC	**418,710**	366,630
Myanmar	**8,065**	7,442
Others	**2,231**	2,402
	7,794,429	7,133,514

There is no single external customer who contributes 10 per cent or more of the Group's revenue during the financial years ended 31 December 2013 and 2012.

38. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2014 or later periods and which the Group has not early adopted:

- FRS 110 *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 110 replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess.

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities.

The management anticipates that the adoption of the above FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

39. Subsequent events

On 15 January 2014, a subsidiary of the Group was awarded the tender for a land parcel at Upper Paya Lebar Road designated for high rise private residential development at a tender price of $392,300,000.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of UOL Group Limited on 28 February 2014.

The Company is committed in its continuing efforts to achieve high standards of corporate governance and business conduct so as to enhance long-term shareholder value and safeguard the interests of its stakeholders. It has adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore on 2 May 2012 ("**Code**").

This report sets out the corporate governance practices that have been adopted by the Company with reference to the principles and guidelines of the Code, as well as the explanation for any deviation from any guideline of the Code.

STATEMENT OF COMPLIANCE

The Board of Directors (the "**Board**") of the Company confirms that for the financial year ended 31 December 2013 the Company has generally adhered to the principles and guidelines as set out in the Code.

BOARD MATTERS

The Board's Conduct of its Affairs

The principal responsibilities of the Board are to:

1. review the Company's strategic business plans, taking into account sustainability and environmental issues;
2. review and approve the corporate policies, budgets and financial plans of the Company;
3. monitor financial performance including approval of the annual and interim financial reports;
4. establish a framework of good corporate governance, values and ethics to safeguard shareholders' interests and the Group's assets;
5. oversee and review the processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance;
6. approve major funding proposals, investments, acquisitions and divestment proposals;
7. review management performance and the resources needed for the Company to meet its objectives; and
8. plan succession for the Board and key management personnel and the remuneration policies.

To facilitate effective oversight, certain functions of the Board have been delegated to various board committees, which review and make recommendations to the Board on specific areas. Notwithstanding the delegation, the Board remains ultimately responsible for all matters which have been reserved in its terms of reference. The management team ("**Management**") also has clear directions on the matters which must be approved by the Board. In this regard, the Board will review and approve all material transactions, including investments, acquisitions and disposals, exceeding specified limits.

There are currently four standing Board Committees appointed by the Board, namely:

Executive Committee
Nominating Committee
Remuneration Committee
Audit and Risk Committee

The Board has conferred upon the Executive Committee ("**EXCO**") and the Group Chief Executive ("**GCE**") certain discretionary limits and powers for capital expenditure, budgeting, treasury and investment activities and human resource management. The levels of authorisation required for specified transactions are specified in the EXCO's terms of reference adopted by the Board.

The EXCO and the GCE are assisted by Management in the daily operations and administration of the business activities of the UOL group of companies ("**Group**") and the effective implementation of the Group's strategies. The GCE in turn issues a chart of authority and limits for capital expenditure, budgets, investment and other activities for Management's compliance.

In addition to the GCE, the key personnel leading the Management are the President (Property) ("**President**"), Chief Executive Officer (Hotels) ("**CEO Hotels**") and Chief Financial Officer ("**CFO**"). The President, CEO Hotels and CFO have no familial relationship with each other, the Chairman or the GCE.

The EXCO currently comprises four members, namely:

Wee Cho Yaw, Chairman
Gwee Lian Kheng
Wee Ee-chao
Low Weng Keong

The EXCO is chaired by the Chairman of the Board and has been given certain authority and functions such as the formulation and review of policies, approval of investments, overall planning and review of budgets, strategy as well as dealing with business of an urgent, important or extraordinary nature whilst the GCE is responsible for the day-to-day management, operations and administration of the Group.

The Directors discharge their duties and responsibilities in the interests of the Company. At the Board meetings, the Directors not only review the financial performance of the Company, but also participate in discussions of matters relating to corporate governance as well as business operations, risks and transactions undertaken by the Company.

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Company's Articles of Association ("**Articles**") allow a board meeting to be conducted by way of telephonic and video-conferencing. The attendance of Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, is disclosed on page 175.

New Directors receive comprehensive induction on their joining the Board. They are provided with information on the corporate background, key personnel, core businesses, group structure, financial statements of the Group and their scope of duties and responsibilities. They are also briefed on the Group's businesses and operations. All Directors are appointed to the Board by way of a formal letter of appointment. Guidance is also given to all Directors on regulatory requirements concerning disclosure of interests and restrictions on dealings in securities.

At the Company's cost and through the Company Secretaries, training is made available to Directors on the Company's business and governance practices, updates/developments in the regulatory framework affecting the Company including those organised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Singapore Institute of Directors. This aims to give Directors a better understanding of the Group's businesses and allows them to integrate into their roles and duties. From time to time, the Company keeps the Directors apprised of any new laws, regulations and changing commercial risks affecting the Group.

Board Composition and Guidance

Currently, four of the eight-member Board are independent.

With half of the Board comprising independent Directors and such independent Directors having the requisite experience, expertise and standing, the Board is able to exercise objective judgment independently from its 10% shareholders and Management, and no individual or small group of individuals dominate the Board's decision-making process.

The Articles allow for a maximum of twelve directors. The Board considers the current board size to be appropriate, taking into account the nature and scope of the Group's businesses and operations.

The current Board comprises persons who possess diverse corporate experiences and as a group, provide an appropriate balance and diversity of skills, experience, qualifications and core competencies necessary to manage the Company and contribute effectively to the Company.

Chairman and GCE

The Company has a separate Chairman and GCE as it believes that a distinctive separation of responsibilities between the Chairman and the GCE will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making in the best interest of the Company and its shareholders. The Chairman and the GCE have no familial relationship with each other.

The Chairman provides leadership to the Board and ensures that Board meetings are held as and when necessary. He sets the meeting agenda in consultation with the GCE and ensures that Directors are provided with accurate, timely and clear information. He further ensures that adequate time is provided for each agenda item included in the Board papers to be reviewed and debated at the Board meetings. Finally, the Chairman facilitates the communications between the Board and Management and between the non-independent and independent Directors.

On the other hand, the GCE has the executive responsibility for the overall operations and administration of the Group.

While the Chairman is non-independent, the Company is of the view that it is not necessary to appoint a lead independent director as the independent Directors are able to function effectively and provide objective feedback to the Chairman. The Company believes that there are sufficient channels of open communications and access to any of the independent Directors by any shareholder without the presence of the other Directors. Where necessary, the independent Directors also have the discretion to meet without the presence of the other Directors and they are able to provide their feedback to the Chairman after such meetings. The independent Directors chairing the Audit and Risk Committee, Nominating Committee and Remuneration Committee have sufficient standing and authority to look into any matter which the Chairman, the GCE or the CFO fails to resolve.

Board Membership

The Nominating Committee ("**NC**") currently comprises three non-executive Directors of whom two are independent. The NC members are:

Low Weng Keong, Chairman
Wee Cho Yaw
Pongsak Hoontrakul

Based on its written terms of reference which set out clearly its authority and duties, the NC will make its recommendations to the Board on all board appointments, evaluate the performance of the Board and its committees, review the adequacy of the Board's training and professional development programmes, and review the Board's succession plans for Directors, in particular, for the Chairman and the GCE.

The independence of the Board is also reviewed annually by the NC. The NC has adopted the Code's definition of what constitutes an independent director in its review. The independent non-executive Directors are Low Weng Keong, Pongsak Hoontrakul, Wee Sin Tho and Tan Tiong Cheng. Each NC member has abstained from deliberations in respect of his own assessment.

Tan Tiong Cheng is the Chairman of Knight Frank Pte Ltd and the Group engages the Knight Frank group of companies to provide various real estate-related services, in respect of which the fees payable exceed S$200,000 in the financial year ending 31 December 2013. The NC regards Tan Tiong Cheng as an independent Director because he is able to maintain his objectivity and independence at all times in the discharge of his duties as Director of the Company and the NC's views were endorsed by the Board, with Tan Tiong Cheng abstaining. Tan Tiong Cheng has no influence or control over the Company or Management in the selection and appointment processes leading to the Knight Frank group companies being appointed to provide the said services.

The NC will review rigorously the independence of any Director who has served on the Board beyond nine years from the date of his/her first appointment.

Where a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. Taking into account the Directors' number of listed company board representations and other principal committees and the contributions made by the Directors, the NC is satisfied that the Directors have given sufficient time and attention to the affairs of the Company. The Board does not set any prescribed maximum number of listed company board representations which any Director may hold. It is restrictive and not practical to do so, given the demands and commitments on the individual Director will vary for each Director and each Director will be best able to assess if he/she is able to discharge his/her duties as a Director of the Company effectively.

The Company does not have any alternate Directors appointed to the Board.

The NC makes recommendations to the Board on all board appointments and re-appointments. Suitable candidates are identified through contacts and recommendations, and nominated for appointment through an objective and comprehensive selection process. Where necessary, external consultants may be engaged to assist in the search and selection process. In recommending to the Board any re-nomination and re-election of existing Directors, the NC takes into consideration the Directors' contribution and performance at Board meetings, including attendance, preparedness, participation and candour.

Directors of or over 70 years of age are required to be re-appointed every year at the Annual General Meeting ("**AGM**") under Section 153(6) of the Companies Act (Cap 50, Singapore Statutes) ("**Companies Act**") before they can continue to act as a Director. The NC, with each member abstaining in respect of his own re-appointment, has recommended to the Board that Wee Cho Yaw and Gwee Lian Kheng be nominated for re-appointment at the forthcoming AGM.

Article 94 of the Articles also requires one-third of the Directors, or the number nearest to one-third, to retire from office by rotation at every AGM. These Directors may offer themselves for re-election if eligible. The NC has recommended that Wee Ee Lim and Wee Sin Tho who retire by rotation pursuant to this Article, be nominated for re-election.

New directors are appointed by way of a board resolution after the NC recommends their appointment for approval by the Board. Pursuant to Article 99 of the Articles, new directors submit themselves for re-election at the AGM immediately following their appointment. During the year, the NC had recommended the appointment of a new Director, Tan Tiong Cheng. The NC has recommended that the new Director, who retires pursuant to this Article, be nominated for re-election as well.

Key information regarding the Directors' academic qualifications and principal commitments are set out on pages 176 to 177. In addition, information on shareholdings in the Company held by each Director is set out in the "Report of the Directors" section of the Annual Report.

Information relating to Directors who are nominated for re-appointment or re-election including any relationships between such Directors, and the other Directors, the Company or its 10% shareholders, are set out as notes accompanying the relevant resolutions.

Board Performance

The NC has assessed, on an annual basis, the contributions of the Chairman and each Director to the effectiveness of the Board and evaluated the performance of the Board as a whole and its Board Committees. In evaluating the performance of the Board as a whole, the NC has adopted certain quantitative indicators which include return on equity, return on assets and the Company's share price performance. These performance criteria allow the Company to make comparisons with its industry peers and are linked to long-term shareholder value. For consistency in assessment, the selected performance criteria are not changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the NC, in its consultation with the Board, will justify such changes. In the assessment of the Board Committees, the NC considered, inter alia, the frequency of Board Committee meetings and the matters considered by the Board Committees, and in assessing the contributions of the Chairman and each Director to the effectiveness of the Board, the NC takes into account various factors including the size and composition of the Board, the conduct of the Board meetings, the Director's attendance at the Board and Board Committee meetings, the rigour of debate and discussion at the Board meetings, the knowledge, experience and inputs provided by each Director. The Chairman shall review the NC's evaluation and act, where appropriate and in consultation with the NC, to propose new members to be appointed to the Board or seek the resignation of directors.

Access to Information

Currently, Directors receive regular financial and operational reports on the Group's businesses and briefings during its quarterly Board meetings. In addition, management reports comparing actual performance with budget and highlighting key performance indicators, as well as accounts and reports on the financial performance of the Group are provided to Directors. Relevant Management staff make the appropriate presentations and answer any query from Directors at Board meetings. Directors who require additional information may approach Management staff directly and independently. Such access to information is intended to enable the Directors to make informed decisions to discharge their duties and responsibilities.

Company Secretary

Under the direction of the Chairman, both Company Secretaries are responsible for ensuring good information flow within the Board and Board Committees and between Management and non-executive Directors, advising the Board on all governance matters, facilitating the induction of new Directors and assisting with professional development as required.

Directors have separate and independent access to the advice and services of the Company Secretaries and may, either individually or as a group, in the furtherance of their duties and where necessary, obtain independent professional advice at the Company's expense.

The Company Secretaries attend all Board meetings and ensure that all Board procedures are followed. The Company Secretaries, together with Management, ensure that the Company complies with all applicable statutory and regulatory rules. The minutes of all Board and Board Committee meetings are circulated to the Board. The appointment and removal of the Company Secretaries are subject to the approval of the Board as a whole.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

The Remuneration Committee ("**RC**") currently comprises three non-executive Directors of whom two are independent. The RC members are:

Wee Sin Tho, Chairman
Wee Cho Yaw
Low Weng Keong

The RC is currently chaired by an independent Director. The RC's written terms of reference set out the role and responsibilities of the RC. The RC is responsible for ensuring a formal procedure for developing the policy on executive remuneration and for fixing the remuneration packages for Directors and key management personnel. The RC reviews and recommends for the Board's endorsement the specific remuneration package for each Director and the key management personnel which covers all aspects of remuneration, including without limitation, Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. The RC aims to be fair and avoids rewarding poor performance. It also administers the UOL 2012 Share Option Scheme and such other incentive schemes as may be approved by shareholders from time to time. None of the RC members is involved in the deliberation on any remuneration, compensation or form of benefit to be granted to himself.

The RC members are familiar with executive remuneration/compensation matters as they manage their own businesses and/or are serving on the boards of other listed companies. The RC has access to appropriate expert advice where necessary. For Financial Year 2013, no remuneration consultant was appointed to review the Directors' remuneration.

The RC has reviewed the Company's obligations arising in the event of termination of the executive Director's and key management personnel's contracts of service and ensures that such contracts contain fair and reasonable termination clauses which are not overly generous.

Level and Mix of Remuneration

In determining remuneration packages, the RC takes into consideration industry practices and norms in compensation and the need for remuneration to be linked with the long-term interest and risk policies of the Company. There are appropriate measures in place to assess the performance of the executive Director and key management personnel.

In relation to Directors, the performance-linked elements of the remuneration packages for the executive Director and key management personnel, which constitute a significant and appropriate proportion of the entire package, are designed to align their interests with those of shareholders and the long-term success of the Company and take into account the risk policies of the Company. In this regard, the executive Director and key management personnel are eligible for share options under the UOL 2012 Share Options Scheme and are encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability.

For non-executive Directors, their remuneration is appropriate to their level of contribution, taking into account factors such as effort and time spent as well as their respective responsibilities.

The Board recommends the fees to be paid to Directors for shareholders' approval annually. The fees are divided on the basis that Directors with additional duties as members or chairmen of Board Committees would receive a higher portion of the total fees.

Gwee Lian Kheng, the only executive Director of the Company, has an employment contract with the Company which may be terminated by either party giving three months' notice. His remuneration package includes a variable bonus element (which is substantially linked to the performance of the Company) and share options of the Company.

Currently, the Company does not have and does not deem it appropriate to have, any contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

The RC reviews and makes recommendations to the Board on Directors' fees and allowances. RC members abstain from deliberations in respect of their remuneration.

The Company has disclosed the remuneration of the Directors in the Remuneration Report on pages 178 to 179. Details of the share options granted to Gwee Lian Kheng, GCE and the only executive Director, during the year are also disclosed on page 75. The Company does not believe it to be in its interest to fully disclose the exact remuneration of the GCE having regard to the confidential nature of staff remuneration matters.

Disclosure on Remuneration

In relation to employees of the Group, the remuneration policy of the Company seeks to align the interests of such employees with those of the Company as well as to ensure that remuneration is commercially attractive to attract, retain and motivate employees. The typical remuneration package comprises both fixed and variable components, with base salary making up the fixed component and the variable component in the form of a performance bonus and/or share options. The report on the remuneration of the top five key management personnel (who are not Directors) of the Company is disclosed on page 179.

Details of the UOL 2000 and 2012 Share Option Schemes are disclosed on pages 75 to 77.

Save as disclosed in page 179, no employee who is an immediate family member of a Director or the GCE was paid more than S$50,000 during the year under review. "Immediate family member" means spouse, child, adopted child, step-child, brother, sister and parent.

ACCOUNTABILITY AND AUDIT

Accountability

The Company announces in advance when quarterly and annual financial results will be released and ensures the financial results are released to its shareholders in a timely manner.

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects, including interim and other price sensitive public reports and reports to regulators, if required.

The Board ensures that adequate steps are taken for compliance with legislative and regulatory requirements, including requirements under the listing rules of SGX-ST, by establishing written policies and procedures.

Management provides to members of the Board for their endorsement, annual budgets and targets, and management accounts on a regular basis and as and when the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

Risk Management and Internal Controls

Internal Controls

The Board is responsible for the governance of risk and it recognises the importance of sound internal controls and risk management practices as part of good corporate governance. It has delegated the Audit and Risk Committee ("**ARC**") to assist the Board in the oversight of the internal controls and risk management system within the Group.

The ARC reviews and the Board endorses the Company's levels of risk tolerances and risk policies taking into account the Company's strategic and business objectives. The Board is responsible for ensuring that Management designs, implements and monitors the risk management and internal controls system to safeguard shareholders' investments and the assets of the Group.

The Board has received assurances from the GCE and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and on the effectiveness of the Company's risk management and internal controls systems.

Based on the internal controls currently in place, the work undertaken by the internal and external auditors, the assurances from the GCE and CFO as well as reviews by the ARC and the Board, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal financial, operational and compliance controls are adequate and effective as at 31 December 2013. The Board is also of the opinion that the Group's internal controls and risk management system provide reasonable but not absolute assurance that the Group will not be adversely affected by the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities or other events arising from the business environment which the Group operates in.

Risk Management System

The Group has in place controls and various guidelines and strategies to manage risks and safeguard its businesses. The current measures of the Group include the enterprise-wide risk management programme ("**ERM Programme**") which the Group has put in place since 2009. The ERM Programme, which consolidates the Group's risk management practices in an enterprise-wide framework, would enable Management to have a formal structure to:

1. evaluate the risk appetite of the Group;
2. identify the key risks which the Group faces and the current controls and strategies for the Group to manage and/or mitigate these risks;
3. assess the effectiveness of the current controls and strategies and determine if further risk treatment plans are needed in line with best practices;
4. provide assurance in terms of sign-offs by the relevant Management staff for the key risks and controls under his/her respective charge and purview; and
5. set up and monitor key risk indicators ("**KRIs**") so that Management can evaluate and respond to risks that have a material impact on the Group's businesses and operations as and when they arise and take mitigating steps as necessary.

This ERM Programme is substantively in line with the best practices including those contained in the Risk Governance Guidance for Listed Boards ("**Risk Governance Guide**"). The Risk Governance Guide was released by the Corporate Governance Council on 10 May 2012 and sets out various guidelines and best practices for enterprise risk management.

Key management staff in both the property and hospitality businesses of the Group have actively participated in the ERM Programme and have acquired an adequate understanding of ERM concepts, methodologies and tools to enable them to manage risks in their respective areas of work. Further, the Company has set up a Group ERM Committee comprising senior members of Management to oversee the direction, implementation and running of the ERM Programme. The Group ERM Committee reports to the ARC on a half-yearly basis on the ERM Programme.

Management reviews and is accountable for the key risks, both existing and emerging, the current controls and the KRIs on a regular basis and takes necessary measures to address and mitigate key risks. Management will continue to reinforce the "risk-aware" culture within the Group and to progressively cascade the ERM Programme down to all levels of the Group's businesses and operations. The ARC is updated by Management half-yearly or more frequently as needed, on the progress of the ERM Programme and the key risks and risk management controls and treatment plans. The Board reviews annually the adequacy and effectiveness of the Company's risk management and internal control system.

The above measures will ensure a cohesive and comprehensive ERM Programme which employees of the Group can collectively participate in and contribute to, so as to enhance the Group's internal controls and enable the Group to remain sustainable in the long term.

The key risks identified can be broadly grouped as financial risks, operational risks, compliance risks, information technology risks and investment risks.

Financial Risks

The Group is exposed to a variety of financial risks, including interest rate, foreign currency, credit and liquidity risks. The management of financial risks is outlined under Note 35 of the Notes to the Financial Statements.

Operational Risks

The Group's operational risk framework is designed to ensure that operational risks are continually identified, managed and mitigated. This framework is implemented at each operating unit and in the case of the Group's hotels, operational risks are monitored at the Group level by the Group's asset management team. The Group's development projects as well as investment and hotel properties are subject to operational risks that are common to the respective industries and to the particular countries in which the projects as well as investment and hotel properties are situated. It is recognised that risks can never be entirely eliminated and the Group must always weigh the cost and benefit in managing risks. The Group uses insurance as a tool to transfer and/or mitigate certain portions of risks, and maintains insurance covers at appropriate levels after taking into account the cost of cover and risk profiles of the businesses. Complementing the Management's role is the Internal Audit function which provides an independent perspective on the controls that help to mitigate major operational risks. Management reviews and implements further improvements to the current measures as and when any concern is identified from the ERM Programme.

Compliance Risks

The Group ensures compliance risks are adequately addressed as part of the risk management framework. The relevant policies and procedures are put in place to address compliance with the relevant laws and regulations in Singapore, including the SGX-ST listing requirements, as well as the laws and regulations of the jurisdictions where the Group operates in. Management is kept apprised of relevant changes to the law and regulations and takes adequate steps to ensure continuing compliance. In addition, the Company has in place a Code of Business Conduct which has been adopted since 2006 which all employees are required to comply with.

Information Technology ("IT") Risks

As IT risks are potentially disruptive to the Group's businesses, the operating and maintenance of the Group's IT systems and software are identified as part of the Group's essential operations and processes. The Group implements adequate measures to safeguard any critical failure of its IT systems and conducts regular reviews and testing.

Investment Risks

The Board and the EXCO have overall responsibility for determining the level and type of business risk that the Group undertakes. The Group has a dedicated Investment Department that evaluates all new investment opportunities based on the criteria set out by the Board and the EXCO. All major investment proposals are submitted to the EXCO and the Board, as the case may be, for approval. Ongoing performance monitoring and asset management of new and existing investments are performed by the Group. In addition, Management continually determines under the ERM Programme, if further measures could be implemented to monitor, analyse and to the extent possible, mitigate the respective country, operational and compliance risks in respect of which current and future investment projects are located.

AUDIT AND RISK COMMITTEE ("ARC")

The ARC comprises three members who have many years of recent and related accounting and financial management expertise and experience. All the ARC members are non-executive Directors, and a majority of them (including the ARC Chairman) are independent. The ARC members are:

Low Weng Keong, Chairman
Wee Ee Lim
Tan Tiong Cheng

The ARC carries out the functions set out in the Code and the Companies Act. The written terms of reference include reviewing the financial statements and any announcements relating to the Company's financial performance, the internal and external audit plans and audit reports, the external auditors' evaluation of the system of internal accounting controls, the scope and results of the internal audit procedures, the cost-effectiveness, independence and objectivity of the external auditors, and interested person transactions. The ARC also reviews and reports to the Board annually on the adequacy and effectiveness of the Company's internal controls.

In performing the functions, the ARC has met with the internal and external auditors, without the presence of Management, at least annually and reviewed the overall scope of the internal and external audits and the assistance given by Management to the auditors.

The ARC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of Management, and full discretion to invite any Director or executive officer to attend its meetings. It has reasonable resources to enable it to discharge its functions properly.

The ARC has reviewed and is satisfied with the independence and objectivity of the external auditors and has approved the remuneration and terms of engagement of PricewaterhouseCoopers LLP. It recommends to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment by the shareholders. In its review, the ARC has taken into account the non-audit services provided by the external auditors and is of the opinion that these services do not affect the auditors' independence.

As stated above, the Company has in place the Code of Business Conduct which has been adopted since 2006. The Code of Business Conduct is disseminated to employees who are required to affirm their compliance with the said code annually.

In relation to the Code, a whistle-blowing policy ("**Whistle-Blowing Policy**") has been put in place to encourage and provide a channel to employees and any other persons to report, in good faith and in confidence, concerns about possible fraud, improprieties in financial reporting or other matters. The objective of such an arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The Company has disclosed in its corporate web-site the contact details of the Deputy General Manager (Group Internal Audit) so that employees and any other persons may report their concerns to him under the Whistle-Blowing Policy. The Deputy General Manager (Group Internal Audit) will be responsible for investigating any concerns raised and reports his findings to the ARC independent of Management.

In addition, the ARC is also responsible for assisting the Board in terms of the oversight of the internal controls and risk management system within the Group (see Risk Management and Internal Controls above).

Internal Audit

The Deputy General Manager (Group Internal Audit) reports directly to the ARC and administratively to the GCE. The Internal Audit Department aims to meet or exceed the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. As part of its audit activities, the Internal Audit Department reviews all interested party transactions and ensure that the necessary controls are in place and are complied with.

The Internal Audit function is adequately resourced, comprises persons with relevant qualifications and experience and has appropriate standing within the Group. The Deputy General Manager (Group Internal Audit), who joined the Group in October 1997, holds a Bachelor of Accountancy (Honours) Degree from the Nanyang Technological University. He is also a non-practising member of the Institute of Singapore Chartered Accountants and a Member of the Institute of Internal Auditors (Singapore).

The ARC has reviewed and is satisfied with the adequacy and effectiveness of the Internal Audit function.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

The Company makes timely disclosures to shareholders via SGXNET on the SGX-ST in accordance with the SGX-ST listing requirements on any changes in the Company or its business which would likely materially affect the price or value of the Company's shares.

Shareholders have the opportunity to participate effectively in and vote at the general meetings of shareholders and may appoint up to two proxies, under the Articles, to attend and vote on their behalf. Shareholders, who hold shares in the Company through corporations which provide nominee/custodial services and who provide satisfactory evidence of their share ownership, are allowed to attend and observe the general meetings of shareholders. The Company will review the issue allowing such corporations to appoint more than two proxies if and when the relevant provisions of the Companies Act have been amended.

At the general meetings, shareholders are briefed on the poll voting procedures and the resolutions that they are voting on.

COMMUNICATION WITH SHAREHOLDERS

The Group engages in regular, effective and fair communication with its shareholders through the quarterly release of the Group's results, the timely release of material information through SGXNET of SGX-ST and the publication of the Annual Report. Shareholders and investors can also access information on the Company at its website at www.uol.com.sg which is updated regularly.

Further, the Company's Investor Relations team engages the investment community through regular dialogues and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate development and financial performances as well as to solicit and understand the views of shareholders.

Conduct of Shareholder Meetings

The Company encourages greater shareholder participation at its AGMs and allows shareholders the opportunity to communicate their views on various matters affecting the Company.

A shareholder of the Company may appoint up to two proxies to attend and vote in his/her place at general meetings. Barring unforeseen circumstances, all Directors and in particular, the Chairpersons of the EXCO, NC, RC and ARC, as well as senior management personnel will be available to address questions at general meetings. The external auditors are also present to address any shareholders' query on the conduct of audit and the preparation of the Auditors' Report.

The Code recommends that there should be separate resolutions at general meetings on each substantially separate issue. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications.

For greater corporate transparency, the Company has implemented electronic poll voting since 2012. Under this approach, each shareholder would vote on each of the resolution by poll, instead of by hand, thereby enabling the shareholders and proxies present at the AGM to vote on a one-share, one-vote basis. The results of the voting for each resolution were broadcast at the AGM and announced on SGXNET after the AGM. The Company intends to continue with electronic poll voting for the forthcoming AGM.

In line with maintaining communication with shareholders, as and when briefings on the Company's performance and financial results are conducted for analysts and the media, the Company will disclose the presentation materials on SGXNET.

The Company does not have a formal dividend policy. Historically, the Company has for the last 4 years declared dividends at the rate of approximately 20-50% of the profit after tax and minority interest and excluding fair value gains and other non-cash exceptional gains. Barring any unforeseen circumstances, the Company will endeavour to declare dividends at sustainable rates.

DEALINGS IN SECURITIES

Pursuant to Listing Rule 1207(19) on Dealings in Securities, the Company issues annually, with such updates as may be necessary from time to time, a circular to its Directors and employees who are prohibited from dealing in the listed securities of the Group:

1. from two weeks to one month, as the case may be, before the announcement of the Group's quarterly and full-year financial results and ending on the date of announcement of the results; or
2. at any time they are in possession of unpublished material price sensitive information.

Directors and employees are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the prohibited periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

NAME OF DIRECTOR	Number of meetings attended in 2013				
	BOARD	EXCO	ARC	RC	NC
Wee Cho Yaw	4	1		2	3
Gwee Lian Kheng	4	1			
Low Weng Keong	4	1	5		3
Wee Ee-chao	3	1			
Wee Ee Lim	4		5		
Wee Sin Tho	4			1	
Pongsak Hoontrakul	4				
Tan Tiong Cheng (appointed as director and member of ARC on 29.05.2013)	2		3		
Alan Choe Fook Cheong (retired on 19.04.2013)	1		1	1	1
Number of meetings held in 2013	4	1	5	2	3

PARTICULARS OF DIRECTORS

Name of Director/ Academic & Professional Qualifications	Age	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-appointed/ re-elected	Board appointment Executive/ Non-executive Independent/ Non-independent
Wee Cho Yaw Chinese high school; Honorary Doctor of Letters, National University of Singapore	84	EXCO – Chairman RC – Member NC – Member	23.04.1973 19.04.2013	Non-executive Non-independent
Gwee Lian Kheng Bachelor of Accountancy (Hons), University of Singapore; Fellow of the Chartered Institute of Management Accountants, the Association of Chartered Certified Accountants (UK) and the Institute of Singapore Chartered Accountants	73	EXCO – Member	20.05.1987 19.04.2013	Executive Non-independent
Low Weng Keong Life Member of CPA Australia, Fellow of the Institute of Chartered Accountants in England & Wales and the Institute of Singapore Chartered Accountants; Associate of the Chartered Institute of Taxation (UK), Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals	61	ARC – Chairman NC – Chairman EXCO – Member RC – Member	23.11.2005 19.04.2013	Non-executive Independent
Wee Ee-chao Bachelor of Business Administration, American University, Washington DC, USA	59	EXCO – Member	09.05.2006 19.04.2012	Non-executive Non-independent
Wee Ee Lim Bachelor of Arts (Economics), Clark University, USA	52	ARC – Member	09.05.2006 19.04.2012	Non-executive Non-independent
Wee Sin Tho Bachelor of Social Sciences (Hons), University of Singapore	65	RC – Chairman	13.05.2011 19.04.2012	Non-executive Independent

PARTICULARS OF DIRECTORS (continued)

Name of Director/ Academic & Professional Qualifications	Age	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-appointed/ re-elected	Board appointment Executive/ Non-executive Independent/ Non-independent
Pongsak Hoontrakul Doctoral degree (Business Administration), Finance Thammasat University; Master in Business Administration, Sasin Institute, Chulalongkorn University; Bachelor of Science (Industrial and System Engineering), San Jose State University, USA	53	NC – Member	21.05.2008 19.04.2013	Non-executive Independent
Tan Tiong Cheng Diploma in Urban Valuation, University of Auckland, New Zealand; Fellow of the Singapore Institute of Surveyors and Valuers and the Association of Property and Facility Managers; Associate of the New Zealand Institute of Valuers	63	ARC – Member	29.05.2013	Non-executive Independent

Notes :
1) Directors' shareholdings in the Company and related corporations, please refer to pages 74 and 75.
2) Directorships or Chairmanships in other listed companies and other major appointments, both present and over the preceding 3 years, please refer to pages 28 to 31.

REMUNERATION REPORT

The following table shows a breakdown (in percentage terms) of the remuneration of and details of share options granted to directors and key employees for the year ended 31 December 2013:

Remuneration bands	Salary %	Bonuses %	Directors' fees %	Share option grants[1] %	Defined contribution plans %	Others %	Total remuneration %	Share option grants[2] number
Directors								
$2,250,000 to $2,500,000								
Gwee Lian Kheng	30	58	3	8	–	1	100	120,000
Below $250,000								
Wee Cho Yaw	–	–	100	–	–	–	100	–
Low Weng Keong	–	–	100	–	–	–	100	–
Wee Ee-chao	–	–	100	–	–	–	100	–
Wee Ee Lim	–	–	100	–	–	–	100	–
Wee Sin Tho	–	–	100	–	–	–	100	–
Pongsak Hoontrakul	–	–	100	–	–	–	100	–
Tan Tiong Cheng	–	–	100	–	–	–	100	–
Alan Choe Fook Cheong[3]	–	–	100	–	–	–	100	–
Key employees								
$1,500,000 to $1,750,000								
Amedeo Patrick Imbardelli[4] *(President and CEO, Pan Pacific Hotels Group Limited (“PPHG”))*	55	13	3	4	5	20	100	40,000
$1,250,000 to $1,500,000								
Liam Wee Sin *(President (Properties), UOL Group Limited ("UOL"))*	34	50	1	9	1	5	100	80,000
$750,000 to $1,000,000								
Dean Schreiber *(Senior Vice President, Hotel Operations, PPHG)*	60	10	–	7	6	17	100	28,000
$500,000 to $750,000								
Foo Thiam Fong Wellington *(Chief Financial Officer, UOL)*	48	29	4	14	1	4	100	54,000
Neo Soon Hup *(Chief Financial Officer, PPHG)*	58	21	2	13	2	4	100	42,000

1 Fair value of share options is estimated using the Trinomial Tree model at date of grant.
2 Refers to options granted on 8 March 2013 under the UOL 2012 Share Option Scheme to subscribe for ordinary shares in the capital of the Company. The options may be exercised at any time during the option period from 8 March 2014 to 7 March 2023 at the offer price of S$6.55 per ordinary share. Further details of the UOL 2012 Share Option Scheme are disclosed on pages 75 to 77.
3 Resigned with effect from 19 April 2013.
4 Resigned with effect from 30 November 2013.

REMUNERATION REPORT (continued)

Total remuneration paid to the top five key management personnel set out above amounted to $5,012,000 for the year ended 31 December 2013.

Mr Gwee Lian Kheng, an executive director of the Company, has an employment contract with the Company which may be terminated by either party giving three months' notice. His remuneration package includes a variable bonus element (which is substantially linked to the performance of the Company) and share options of the Company.

Details of the UOL 2012 Share Option Scheme can be found under the "Report of the Directors" section of this Annual Report.

Remuneration of immediate family members of directors

The remuneration of employees who are immediate family members of directors is as follows:

$450,000 to $500,000

Wee Wei Ling
(Executive Director (Asset & Lifestyle), PPHG, daughter of Dr Wee Cho Yaw and sister of Mr Wee Ee-chao and Mr Wee Ee Lim)

$100,000 to $150,000

Jonathan Eu
(Investment Manager, UOL, grandson of Dr Wee Cho Yaw)

Gwee Lian Chok
(Senior SAP Data Administrator, UOL, brother of Mr Gwee Lian Kheng)

Except as disclosed above, there were no employees of the Company and its subsidiaries who are immediate family members of directors or the CEO and whose remuneration exceeded $50,000 during the financial year ended 31 December 2013.

Name of interested person	**Aggregate value of all interested person transactions during the financial year under review** (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) **$'000**
1 Loof Pte. Ltd., a company owned by an associate of a director	
- receipt of rental and service income	308
2 United Venture Development (Thomson) Pte. Ltd. and United Venture Development (Bedok) Pte. Ltd., joint ventures with an associate of a director	
- receipt of joint marketing fees	1,042
3 United Venture Development (Thomson) Pte. Ltd. and United Venture Development (Bedok) Pte. Ltd., joint ventures with an associate of director	
- investment in and provision of loan	12,546

MATERIAL CONTRACTS

Except as disclosed under the section on Interested Person Transactions above and in Note 36 (Related Party Transactions) of the Notes to the Financial Statements, there were no other material contracts of the Company or its subsidiaries involving the interests of the Group Chief Executive (as defined in the SGX-ST Listing Manual), each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting entered into since the end of the previous financial year.

Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

SIZE OF SHAREHOLDINGS

RANGE	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	13,977	55.22	2,419,113	0.31
1,000 - 10,000	9,367	37.01	30,764,809	3.99
10,001 - 1,000,000	1,941	7.67	88,630,932	11.50
1,000,001 AND ABOVE	25	0.10	649,068,300	84.20
TOTAL :	**25,310**	**100.00**	**770,883,154**	**100.00**

LOCATION OF SHAREHOLDERS

COUNTRY	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
SINGAPORE	21,731	85.86	756,023,364	98.07
MALAYSIA	3,046	12.03	12,495,907	1.62
OTHERS	533	2.11	2,363,883	0.31
TOTAL :	**25,310**	**100.00**	**770,883,154**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	NAME	NO. OF SHARES	%
1.	C. Y. WEE & COMPANY PRIVATE LIMITED	106,562,587	13.82
2.	WEE INVESTMENTS (PTE) LIMITED	93,503,090	12.13
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	85,053,612	11.03
4.	DBS NOMINEES (PRIVATE) LIMITED	81,837,102	10.62
5.	TYE HUA NOMINEES (PRIVATE) LIMITED	74,345,209	9.64
6.	DBSN SERVICES PTE. LTD.	68,631,745	8.90
7.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	59,663,553	7.74
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	40,066,979	5.20
9.	RAFFLES NOMINEES (PTE) LIMITED	7,450,519	0.97
10.	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	4,268,419	0.55
11.	KAH MOTOR CO SDN BHD	3,398,345	0.44
12.	WEE CHO YAW	3,388,151	0.44
13.	HO HAN LEONG CALVIN	2,763,860	0.36
14.	KWEE SIU MIN @ SUDJASMIN KUSMIN OR DIANAWATI TJENDERA	2,397,000	0.31
15.	SUNRISE TEXTILE ACCESSORIES (PTE.) LTD	2,011,000	0.26
16.	NGEE ANN DEVELOPMENT PTE LTD	2,000,000	0.26
17.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,695,917	0.22
18.	PHILLIP SECURITIES PTE LTD	1,661,863	0.22
19.	UOB NOMINEES (2006) PRIVATE LIMITED	1,303,459	0.17
20.	DOMITIAN INVESTMENT PTE LTD	1,287,000	0.17
	TOTAL:	**643,289,410**	**83.45**

Based on information available to the Company as at 3 March 2014, approximately 52% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual is complied with.

SUBSTANTIAL SHAREHOLDERS OF UOL GROUP LIMITED

as shown in the Register of Substantial Shareholders

		NO. OF SHARES FULLY PAID			
	NAME	DIRECT INTEREST	DEEMED INTEREST	TOTAL	%[1]
1.	Wee Cho Yaw	3,388,151	241,511,584 [2]	244,899,735	31.77
2.	Wee Ee Cheong	300,534	200,158,264 [3]	200,458,798	26.00
3.	C. Y. Wee & Company Private Limited	106,562,587	–	106,562,587	13.82
4.	Wee Ee-chao	30,748	93,785,757 [4]	93,816,505	12.17
5.	Wee Ee Lim	241,489	93,520,192 [5]	93,761,681	12.16
6.	Wee Investments (Pte) Limited	93,503,090	–	93,503,090	12.13
7.	United Overseas Bank Limited ("UOB")	–	75,297,898 [6]	75,297,898	9.77
8.	Schroders plc	–	48,756,406	48,756,406	6.32
9.	Haw Par Corporation Limited	–	41,428,805 [7]	41,428,805	5.37

Notes:

1 As a percentage of the issued share capital of the Company, comprising 770,883,154 shares

2 Dr Wee Cho Yaw's deemed interest in the shares arises as follows:
(a) 106,562,587 shares held by C. Y. Wee & Company Private Limited
(b) 93,503,090 shares held by Wee Investments (Pte) Limited
(c) 41,428,805 shares which Haw Par Corporation Limited is deemed to be interested in
(d) 17,102 shares held by Kheng Leong Company (Private) Limited

3 Mr Wee Ee Cheong's deemed interest in the shares arises as follows:
(a) 106,562,587 shares held by C. Y. Wee & Company Private Limited
(b) 93,503,090 shares held by Wee Investments (Pte) Limited
(c) 75,485 shares held by E. C. Wee Pte Ltd
(d) 17,102 shares held by Kheng Leong Company (Private) Limited

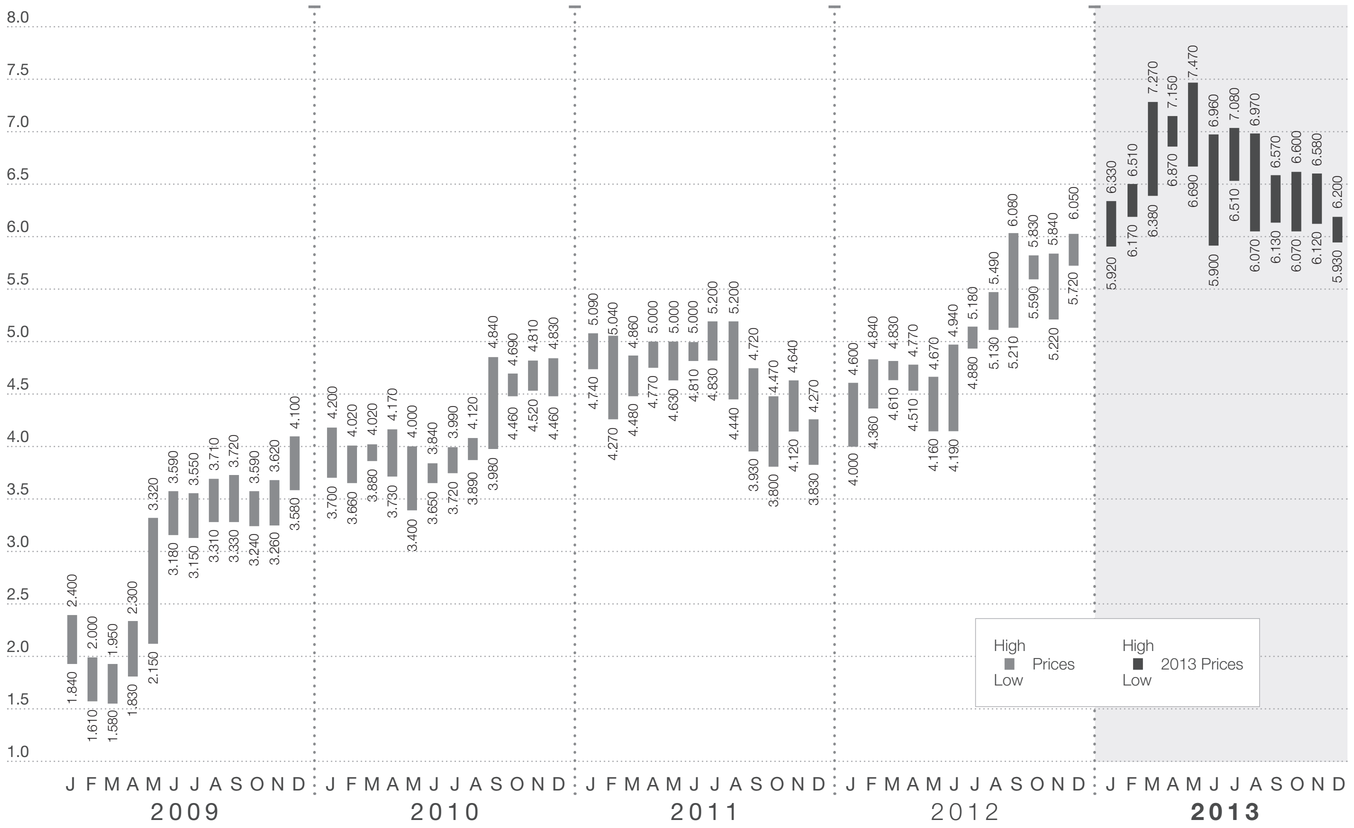
4 Mr Wee Ee-chao's deemed interest in the shares arises as follows:
(a) 93,503,090 shares held by Wee Investments (Pte) Limited
(b) 265,565 shares held by Protheus Investment Holdings Pte Ltd
(c) 17,102 shares held by Kheng Leong Company (Private) Limited

5 Mr Wee Ee Lim's deemed interest in the shares arises as follows:
(a) 93,503,090 shares held by Wee Investments (Pte) Limited
(b) 17,102 shares held by Kheng Leong Company (Private) Limited

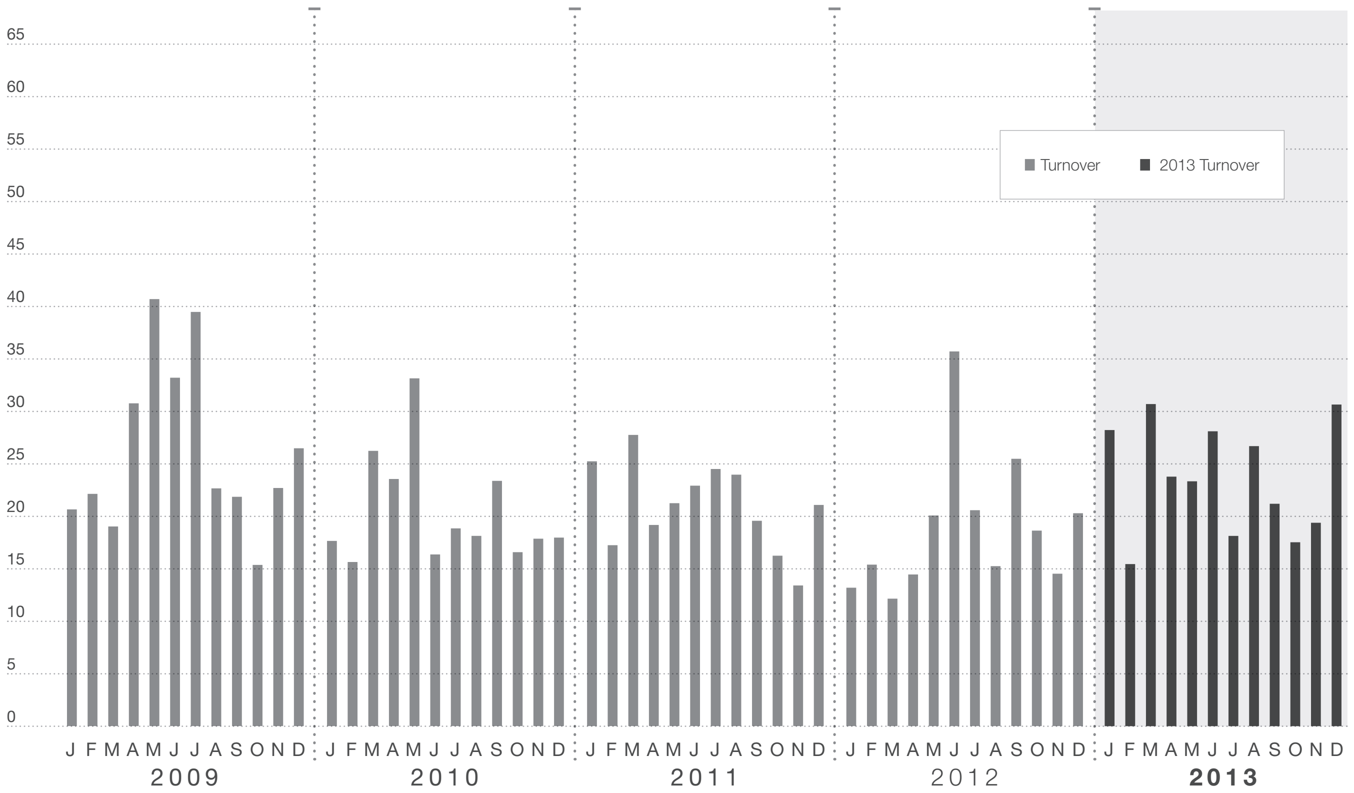
6 UOB's deemed interest in the shares arises as follows:
(a) 74,282,898 shares held in the name of Tye Hua Nominees (Private) Limited for the benefit of UOB
(b) 1,015,000 shares held by UOB Asset Management Ltd ("UOBAM") as client portfolios managed by UOBAM (Discretionary)

7 Haw Par Corporation Limited's deemed interest in the shares arises as follows:
(a) 26,561,931 shares held by Haw Par Investment Holdings Private Limited
(b) 10,527,246 shares held by Haw Par Capital Pte Ltd
(c) 1,747,053 shares held by Pickwick Securities Private Limited
(d) 643,656 shares held by Haw Par Equities Pte Ltd
(e) 1,424,981 shares held by Straits Maritime Leasing Private Limited
(f) 300,000 shares held by Haw Par Trading Pte Ltd
(g) 223,938 shares held by M & G Maritime Services Pte. Ltd.

SHARE PRICE ($)



TURNOVER (million)



Notice is hereby given that the 51st Annual General Meeting of the Company will be held at PARKROYAL on Beach Road, Grand Ballroom, 7500 Beach Road, Singapore 199591 on Tuesday, 22 April 2014, at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

Resolution 1 To receive and adopt the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2013.

Resolution 2 To declare a first and final tax exempt (one-tier) dividend of 15 cents per ordinary share and a special (one-tier) dividend of 5 cents per ordinary share for the year ended 31 December 2013.

Resolution 3 To approve Directors' fees of S$580,000 for 2013 (2012 : S$498,750).

Resolution 4 To re-appoint Dr Wee Cho Yaw, pursuant to Section 153(6) of the Companies Act, Cap. 50, as Director of the Company to hold such office until the next Annual General Meeting of the Company.

Resolution 5 To re-appoint Mr Gwee Lian Kheng, pursuant to Section 153(6) of the Companies Act, Cap. 50, as Director of the Company to hold such office until the next Annual General Meeting of the Company.

Resolution 6 To re-elect Mr Wee Ee Lim, who retires by rotation pursuant to Article 94 of the Company's Articles of Association, as Director of the Company.

Resolution 7 To re-elect Mr Wee Sin Tho, who retires by rotation pursuant to Article 94 of the Company's Articles of Association, as Director of the Company.

Resolution 8 To re-elect Mr Tan Tiong Cheng, who was appointed during the year and retires pursuant to Article 99 of the Company's Articles of Association, as Director of the Company.

Resolution 9 To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without amendments, the following resolutions as a Special Resolution:

Resolution 10 "That the Articles of Association of the Company be amended in the manner and to the extent as set out in the Appendix to the Letter to Shareholders dated 31 March 2014."

To consider and, if thought fit, to pass with or without amendments, the following resolutions as Ordinary Resolutions:

Resolution 11 "That approval be and is hereby given to the Directors of the Company to offer and grant options in accordance with the regulations of the UOL 2012 Share Option Scheme (the "**2012 Scheme**") and to allot and issue such number of shares as may be issued pursuant to the exercise of share options under the 2012 Scheme, provided always that the aggregate number of shares to be issued pursuant to the 2012 Scheme shall not exceed ten per cent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time."

Resolution 12 "That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

Resolution 13 "That subject to and contingent upon the passing of Resolution 10, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares as may be required to be allotted and issued pursuant to the application of the UOL Scrip Dividend Scheme ("**Scheme**")."

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Yeong Sien Seu
Secretaries

Singapore, 31 March 2014

Notes

A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 101 Thomson Road, #33-00 United Square, Singapore 307591 not less than 48 hours before the time for holding the Meeting.

Notes to Resolutions

1. In relation to **Resolution 4**, Dr Wee Cho Yaw will, upon re-appointment, continue as the Chairman of the Board of Directors and the Executive Committee, and as a member of the Remuneration and Nominating Committees. He is considered a non-independent director. Dr Wee is the father of Mr Wee Ee-chao and Mr Wee Ee Lim, who are both Directors and substantial shareholders of the Company. Dr Wee is also the father of Mr Wee Ee Cheong, substantial shareholder of the Company. Please refer to the 'Board of Directors' section of the Company's Annual Report 2013 for information on the current directorships in other listed companies and other principal commitments of Dr Wee.

2. In relation to **Resolution 5**, Mr Gwee Lian Kheng will, upon re-appointment, continue as a member of the Executive Committee. He is considered a non-independent director. There are no relationships (including immediate family relationships) between Mr Gwee and the other Directors, the Company or its 10% shareholders* save that he is employed by the Company as Group Chief Executive. Please refer to the 'Board of Directors' section of the Company's Annual Report 2013 for information on the current directorships in other listed companies and other principal commitments of Mr Gwee.

   * "10% shareholder" is a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 10% of the total votes attached to all the voting shares in the Company. "Voting shares" exclude treasury shares.

3. In relation to **Resolution 6**, Mr Wee Ee Lim will, upon re-election, continue as a member of the Audit and Risk Committee. He is considered a non-independent director. Mr Wee is the son of Dr Wee Cho Yaw, Chairman and substantial shareholder of the Company. Mr Wee is also the brother of Mr Wee Ee-chao, Director and substantial shareholder of the Company and Mr Wee Ee Cheong, substantial shareholder of the Company. Please refer to the 'Board of Directors' section of the Company's Annual Report 2013 for information on the current directorships in other listed companies and other principal commitments of Mr Wee.

4. In relation to **Resolution 7**, Mr Wee Sin Tho will, upon re-election, continue as the Chairman of the Remuneration Committee. He is considered an independent director. Please refer to the 'Board of Directors' section of the Company's Annual Report 2013 for information on the current directorships in other listed companies and other principal commitments of Mr Wee.

5. In relation to **Resolution 8**, Mr Tan Tiong Cheng will, upon re-election, continue as a member of the Audit and Risk Committee. He is considered an independent director. Please refer to the 'Board of Directors' section of the Company's Annual Report 2013 for information on the current directorships in other listed companies and other principal commitments of Mr Tan.

6. **Resolution 10** is to propose amendments to the Articles of Association of the Company in the manner and to the extent as set out in the Appendix to the Letter to Shareholders dated 31 March 2014.

7. **Resolution 11** is to empower the Directors to offer and grant options and to issue shares in the share capital of the Company pursuant to the 2012 Scheme, which was approved at the Annual General Meeting of the Company on 19 April 2012. A copy of the Rules governing the 2012 Scheme is available for inspection by shareholders during normal office hours at the Company's Registered Office.

8. **Resolution 12** is to empower the Directors from the date of that meeting until the next Annual General Meeting to issue, or agree to issue shares and/or grant instruments that might require shares to be issued, up to an amount not exceeding fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (calculated as described) of which the total number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (calculated as described).

9. **Resolution 13** is to authorise the Directors to issue ordinary shares pursuant to the Scheme should the Company decide to apply the Scheme to any dividend declared by the Company from the date of this Annual General Meeting until the next Annual General Meeting.

PROXY FORM
Annual General Meeting

UOL GROUP LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 196300438C

IMPORTANT: FOR CPF INVESTORS ONLY
1. For investors who have used their CPF monies to buy UOL Group Limited's shares, this Report is sent to them at the request of their CPF Approved Nominee and is sent SOLELY FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company's Registrar (Please see Note No. 9 on the reverse).

I/We,____________________(Name)____________________(NRIC/Passport/Co.Reg.No(s))
of____(Address)
being a member/members of UOL GROUP LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of shares	%

and/or (please delete as appropriate)

			No. of shares	%

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the 51st Annual General Meeting of the Company (the "AGM") to be held at PARKROYAL on Beach Road, Grand Ballroom, 7500 Beach Road, Singapore 199591, on Tuesday, 22 April 2014 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated below. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

Note: The Chairman of the Meeting will be exercising his right under Article 61(a) of the Articles of Association of the Company to demand a poll in respect of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, such resolutions at the AGM will be voted on by way of poll.

No.	Resolution	No. of Votes For *	No. of Votes Against *
Ordinary Business			
1	Adoption of Financial Statements and Reports of the Directors and the Auditors		
2	Declaration of a First and Final Dividend and a Special Dividend		
3	Approval of Directors' Fees		
4	Re-appointment of Dr Wee Cho Yaw as Director		
5	Re-appointment of Mr Gwee Lian Kheng as Director		
6	Re-election of Mr Wee Ee Lim as Director		
7	Re-election of Mr Wee Sin Tho as Director		
8	Re-election of Mr Tan Tiong Cheng as Director		
9	Re-appointment of PricewaterhouseCoopers LLP as Auditors		
Special Business			
10	Proposed Amendments to the Articles of Association		
11	Authority for Directors to Issue Shares (Share Option)		
12	Authority for Directors to Issue Shares (General)		
13	Authority for Directors to Issue Shares (UOL Scrip Dividend Scheme)		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this ________ day of ________ 2014

Shares in:	Total No. of Shares Held
(a) Depository Register	
(b) Register of Members	
Total	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Save for members which are nominee companies, a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings (expressed as a percentage of the whole) to be represented by each proxy.
2. This instrument of proxy must be signed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate, signed by its duly authorised officer or attorney or executed under its common seal.
3. A body corporate which is a member may also appoint by resolution of its directors or other governing body, an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote on behalf of such body corporate.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate all the Shares held by you.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the AGM.
6. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company at 101 Thomson Road, #33-00 United Square, Singapore 307591, not less than 48 hours before the time fixed for holding the AGM.
7. Any alteration made in this form must be initialled by the person who signs it.
8. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of the CPF Investors who wish to attend the AGM as Observers are requested to submit in writing, a list with details of the investors' names, NRIC/passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, at least 48 hours before the time fixed for holding the AGM.

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PROXY FORM

Please
Affix
Postage
Stamp

The Company Secretary

UOL GROUP LIMITED

101 THOMSON ROAD

#33-00 UNITED SQUARE

SINGAPORE 307591

3rd fold here

Fold this flap for sealing

UOL
华业集团

Company Registration No.: 196300438C
101 Thomson Road, #33-00 United Square, Singapore 307591
Tel: (65) 6255 0233   Fax: (65) 6252 9822

www.uol.com.sg