

STRONG FOUNDATIONS STRATEGIC GOALS



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We have a resilient track record of over 50 years, backed by strong foundations and well-mapped strategies. Our building blocks of success are achieved through our foresight and focus on growing the three core businesses of property development, property investments and hotel operations.



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Cover: OneKM
This Page: Pan Pacific Serviced Suites Beach Road and The Plaza

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 Limited (UOL) 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 over 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 architectural and quality excellence is reflected in all our developments, winning us prestigious prizes such as the FIABCI Prix d'Excellence Award, 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 30 hotels in Asia, Oceania and North America with over 9,800 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.





ROBUST DRIVERS REWARDING RETURNS

We have a robust business model to broaden our income drivers in response to market changes. We continue to explore investment opportunities, both in Singapore and overseas, for market diversification and sustainable growth to enhance shareholder value.

*Seventy Saint Patrick's
(artist's impression)*





DISTINCTIVE PRODUCTS DYNAMIC BRANDS

We have built a reputation for creating distinctive and innovative products. Therefore, we are able to leverage our brand equity to extend our geographical footprint.

PARKROYAL on Pickering





UNDERLYING RESILIENCE UNIFYING STRENGTHS

We have a resilient business model that considers the environment and communities we operate in. With a combination of sound business practices and high standards of corporate governance, we aim to build a socially responsible company.

Novena Square

FINANCIAL HIGHLIGHTS

UOL
GROUP
LIMITED

Revenue

\$1.36b

Rose 29% from FY2013's \$1.06b

Profit Before Income Tax

\$837.0m

Decreased 12% from FY2013's \$952.0m

Net Attributable Profit

\$686.0m

Decreased 13% from FY2013's \$785.8m

Dividend Per Share

15 cents

First and final of 15 cents (FY2013's dividend was 20 cents)

Earnings Per Share

88 cents

Decreased 14% from FY2013's \$1.02

Two-year Financial Highlights	2014 \$'000	2013 \$'000	Increase/ (Decrease) %
For the financial year			
Revenue	1,360,719	1,058,608	29
Profit before income tax	836,966	951,951	(12)
Profit after income tax and non-controlling interests	685,996	785,820	(13)
Return on equity (%)	8.98	11.63	(23)
At 31 December			
Share capital	1,151,512	1,050,897	10
Reserves	977,032	855,311	14
Retained earnings	5,514,185	4,853,490	14
Shareholders' funds	7,642,729	6,759,698	13
Total assets	11,848,461	10,421,448	14
Per ordinary share			
Basic earnings before fair value and other gains (cents)	51.0	44.7	14
Basic earnings (cents)	88.0	102.0	(14)
Gross dividend declared (cents)	15.0	20.0	(25)
Dividend cover (times)	5.8	5.1	14
Net tangible asset backing (\$)	9.68	8.73	11

Return On Equity

8.98%

Decreased 23% from FY2013's 11.63%

Gearing Ratio

0.34

Increased 21% from FY2013's 0.28

Interest Cover Ratio

15x

Improved from FY2013's 12x

Shareholders' Funds

\$7.64b

Increased 13% from FY2013's \$6.76b

Total Assets

\$11.85b

Increased 14% from FY2013's \$10.42b

Quarterly Result	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter		Total	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Revenue										
2014	408,776	30	213,618	16	433,542	32	304,783	22	1,360,719	100
2013	247,784	23	304,313	29	261,846	25	244,665	23	1,058,608	100
Profit before income tax										
2014	191,106	23	242,699	29	124,306	15	278,855	33	836,966	100
2013	92,601	10	516,679	54	113,074	12	229,597	24	951,951	100
Net profit										
2014	154,980	20	231,066	31	108,533	14	265,696	35	760,275	100
2013	77,672	9	501,038	57	98,823	11	203,931	23	881,464	100
Profit after income tax and non-controlling interests										
2014	120,825	18	211,722	31	102,567	15	250,882	36	685,996	100
2013	71,688	9	431,395	55	93,514	12	189,223	24	785,820	100
Basic earnings per ordinary share (in cents)										
2014	15.7	18	27.4	31	13.2	15	31.7	36	88.0	100
2013	9.3	9	56.0	55	12.1	12	24.5	24	102.0	100

BUSINESS AT A GLANCE

UOL
GROUP
LIMITED

Revenue by Business Segment



The Group's key revenue drivers are property development, property investments and hotel operations.

- 50% Property Development
- 15% Property Investments
- 32% Hotel Operations
- 1% Management Services
- 2% Investments

Profit From Operations by Business Segment



- 37% Property Development
- 34% Property Investments
- 18% Hotel Operations
- 4% Management Services
- 7% Investments

Revenue

\$1.36b

Increase mainly from property development revenue

+29%
(y-o-y)

Pre-tax Profit (Before Fair Value and Other Gains)

\$515.2m

Increase mainly due to higher profits from all segments, lower finance expenses and higher share of profits from associated and joint venture companies

+21%
(y-o-y)

Net Attributable Profit

\$686.0m

Decrease mostly due to lower fair value gains

-13%
(y-o-y)

Return On Equity

8.98%

-23%
(y-o-y)

Property Development

Revenue (+65%)

2014	\$675.9m
2013	\$410.0m

Profit from Operations (+10%)

2014	\$146.5m
2013	\$133.2m

UOL is committed to design and quality excellence as reflected in its award-winning residential homes.

Key Facts

- Sale of 493 residential units with a total value of more than \$581 million
- Launched two projects – Riverbank@Fernvale and Seventy Saint Patrick's
- Acquired land parcel on Upper Paya Lebar Road for a sum of \$392.3 million
- Completed sale of the freehold land at Jalan Conlay for a consideration of RM568 million (\$220 million)
- Clinched Prince Charles Crescent site through a 70:30 joint venture for a sum of \$463.1 million
- Acquired the site on Bishopsgate in London, United Kingdom for a sum of £97 million (\$201 million)

Property Investments

Revenue (+10%)

2014	\$198.2m
2013	\$180.2m

Profit from Operations (+9%)

2014	\$137.3m
2013	\$126.4m

UOL's 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 98,970 sqm
- Two themed shopping malls – Velocity@Novena Square and United Square, with a total net lettable area of 35,505 sqm
- Opened third themed mall, OneKM, with a total net lettable area of 19,429 sqm
- Four serviced suites properties – Pan Pacific Serviced Suites Orchard, Pan Pacific Serviced Suites Beach Road, PARKROYAL Serviced Suites, Singapore and PARKROYAL Serviced Suites Kuala Lumpur totalling 683 units
- Largest single stakeholder, owning 43.9% stake of listed company United Industrial Corporation Limited (UIC)
- Holds 22.7% stake in Marina Centre Holdings Pte Ltd which has interests in Marina Square Shopping Mall, Mandarin Oriental, Marina Mandarin and Pan Pacific Singapore

Hotel Operations

Revenue (+4%)

2014	\$437.6m
2013	\$420.4m

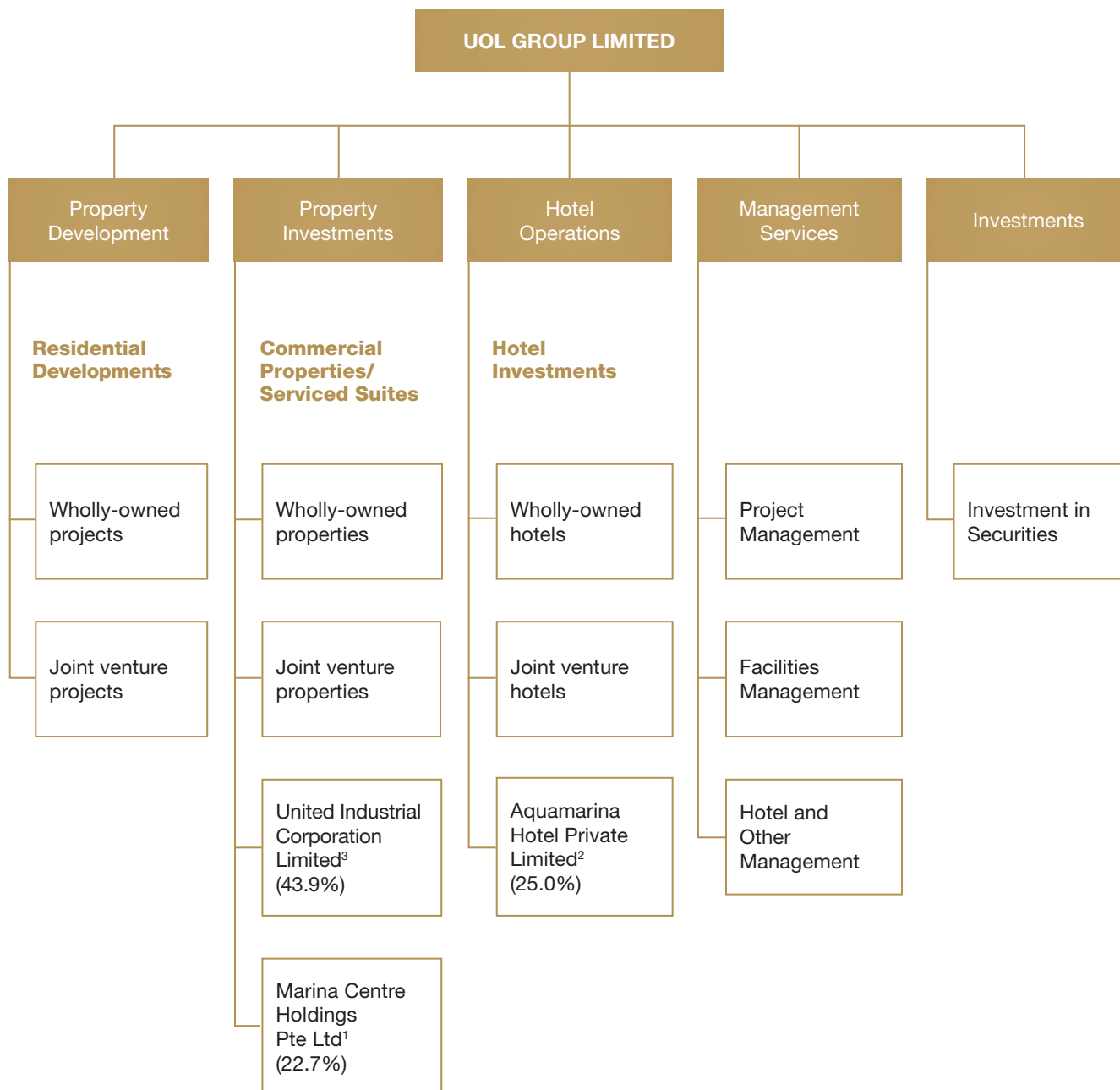
Profit from Operations (+10%)

2014	\$72.6m
2013	\$66.3m

Through PPHG, UOL owns "Pan Pacific" and PARKROYAL brands. PPHG owns and/or manages over 30 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 16 hotels, resorts and serviced suites, including those under development
- PARKROYAL Nay Pyi Taw and Pan Pacific Tianjin were officially opened
- PPHG signed a management agreement with Gagasan Langkawi Sdn. Bhd to open PARKROYAL Langkawi Resort, which features 253 rooms and nine villas
- PPHG opened new Global Sales Office in Beijing, complementing its existing one in Shanghai
- Holds 25.0% stake in Aquamarina Hotel Private Limited which owns Marina Mandarin



Notes:

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.

³ Listed on the Singapore Exchange.

BOARD OF DIRECTORS

Wee Cho Yaw
Chairman

Gwee Lian Kheng
Group Chief Executive

Low Weng Keong

Wee Ee-chao

Wee Ee Lim

Tan Tiong Cheng

Wee Sin Tho

Pongsak Hoontrakul

EXECUTIVE COMMITTEE

Wee Cho Yaw
Chairman

Gwee Lian Kheng

Low Weng Keong

Wee Ee-chao

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 (UOL)

Neo Soon Hup
Chief Financial Officer (PPHG)

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

BNP Paribas

REGISTERED OFFICE

101 Thomson Road
#33-00 United Square
Singapore 307591
Telephone : 6255 0233
Facsimile : 6252 9822
Website : www.uol.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory
Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Telephone : 6536 5355
Facsimile : 6536 1360

HIGHLIGHTS

UOL
GROUP
LIMITED



UOL Board of Directors and senior management celebrated UOL's 50th anniversary with the employees at PARKROYAL on Beach Road



The largest mall in Paya Lebar Central, OneKM not only brings convenience to people living and working in the precinct, but also injects vibrancy into the area

In 2014, UOL celebrated its golden jubilee. While embracing Singapore's next phase 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. From residential launches, shopping mall and hotel openings to site acquisitions, it continued to take pride in achieving excellence.

JANUARY

- UOL was awarded the 99-year leasehold Upper Paya Lebar Road site which can accommodate a 17-storey project with about 800 residential units.

FEBRUARY

- The Board proposed a special dividend of five cents on top of the first and final dividend of 15 cents a share to commemorate the Group's 50th anniversary.
- Riverbank@Fernvale, a 555-unit 99-year leasehold condominium in Sengkang, was launched.

MARCH

- Celebrating UOL's 50th anniversary, the Group's three shopping malls – United Square, Velocity@Novena Square and OneKM - jointly held the UOL Group 50th Anniversary Draw.

APRIL

- UOL was awarded the Prince Charles Crescent site through a 70:30 joint venture with Kheng Leong Company (Private) Limited. The site can be developed into an approximately 663-unit condominium.
- PARKROYAL Nay Pyi Taw opened its doors in the capital of Myanmar. The 90-room hotel is strategically located within the vicinity of the Myanmar International Convention Centre which is the official venue of government meetings.

JUNE

- As part of UOL's anniversary celebrations, the Group partnered Very Special Arts Singapore (VSA) to install art pieces painted by artists with disabilities at the pedestrian underpass connecting United Square and Velocity@Novena Square. The initiative was supported by the National Arts Council and Land Transport Authority. UOL also raised more than \$30,000 to support VSA's programmes.
- UOL sponsored World Cities Summit 2014, an exclusive and premier platform for government leaders and industry experts to address challenges of liveable and sustainable cities.

JULY

- PPHG opened new Global Sales Office in Beijing, complementing its existing one in Shanghai to grow its share of the Chinese travel market.



Seventy Saint Patrick's (artist's impression) is a 186-unit low-rise freehold condominium located near the upcoming Thomson-East Coast Line, offering accessibility and convenience



Pan Pacific Tianjin offers travellers a comfortable stay with a scenic view of the Haihe River and a range of business and recreational facilities

AUGUST

- UOL acquired the site on Bishopsgate in London, paving the way for PPHG to debut the “Pan Pacific” brand in Europe. The mixed development will comprise a hotel, residential apartments and a retail component.
- Conditions in PPHG’s joint venture agreement with Shwe Taung Junction City Development Co., Ltd and City Square Pte. Ltd., were fulfilled. The joint venture company City Square Hotel Co. Ltd. was incorporated to acquire, construct, develop and/or manage the first Pan Pacific hotel, the 348-room Pan Pacific Yangon, located in Yangon, Myanmar.
- The first UOL Sustainability Report 2013 was launched to document the Group’s journey towards building a more sustainable company and creating value for its stakeholders.
- PARKROYAL on Pickering won Gold in the Hotel category at the 2014 FIABCI World Prix d’Excellence Awards, while Waterbank at Dakota, Terrene at Bukit Timah and Pan Pacific Serviced Suites Beach Road, Singapore won in the Residential (High Rise), Residential (Low Rise) and Hotel categories respectively at the FIABCI Singapore Property Awards 2014.

SEPTEMBER

- UOL celebrated its golden jubilee with Chairman Wee Cho Yaw gracing the occasion. Group Chief Executive Gwee Lian Kheng was also recognised for his 40 years of dedicated service at the celebratory event.

- Over half of the 186 units of Seventy Saint Patrick’s, a low-rise freehold condominium in the east, were sold at a weekend private launch.
- UOL launched the first-of-its-kind mobile showflat for Riverbank@Fernvale. Bringing the showflat to customers, the vehicle travelled to several locations over two weeks in Singapore.

OCTOBER

- UOL sponsored the World Architecture Festival (WAF)’s World Building of the Year Award for the third consecutive year. WAF is the largest festival and live awards programme for the global architecture community.
- Pan Pacific Tianjin was opened. The 319-room hotel is situated along the iconic Haihe River with close proximity to vital commercial districts and key tourist attractions.

NOVEMBER

- UOL opened its third mall, OneKM, the largest shopping mall in Paya Lebar Central. There are more than 150 shops over a net lettable area of 19,429 sqm.



2014 REVIEW

The Singapore economy grew by 2.9% in 2014, slower than the 4.4% growth in 2013. Sales of new homes continued to decline, with 7,316 homes sold in 2014 as against the sales in 2013 of 14,948 homes. Home prices fell by about 4% in 2014 caused by the cumulative effects of the various property cooling measures including the application of the Total Debt Servicing Ratio to property loans. Office rents grew by 9.8% on the back of limited supply while rentals of retail space remained largely stable.

Total visitor arrivals in Singapore decreased by 3.1% to 15.1 million from the record 15.6 million in 2013. This is the first year-on-year decline since 2009 during the global financial crisis. Arrivals from China declined 24.2% as the disappearance of flight MH370 and the impact of China's tourism law had a dampening effect on Chinese travel to the region. Average occupancy for the hotel industry declined marginally to 85.5% while average room rate was largely unchanged at \$258.

PROFIT AND DIVIDEND

For the year ended 31 December 2014, pre-tax profit before fair value and other gains (including those of

associated companies) was \$515.2 million, an increase of 21% compared with the profit of \$427.3 million in 2013. The increase was due mainly to (i) one-off gain from the sale of the land at Jalan Conlay, Kuala Lumpur, Malaysia; (ii) full year's contribution from the PARKROYAL on Pickering and Pan Pacific Serviced Suites Beach Road; and (iii) higher share of profit from associated and joint venture companies. With the inclusion of fair value and other gains, profit before income tax was \$837.0 million, a 12% decrease from the profit of \$952.0 million in 2013. Group profit after tax and non-controlling interests for financial year 2014 was \$686.0 million or a 13% reduction compared to the profit of \$785.8 million in 2013.

The Group's shareholders' funds increased from \$6.76 billion as at 31 December 2013 to \$7.64 billion as at 31 December 2014. Consequently the net tangible asset per ordinary share increased to approximately \$9.68 as at 31 December 2014 from \$8.73 as at 31 December 2013.

The Board recommends a first and final dividend of 15 cents per share (2013: a first and final dividend of 15 cents and a special dividend of 5 cents per share). Total dividend pay-out will amount to about \$118.1 million (2013: \$154.2 million).

CORPORATE DEVELOPMENTS

Acquisition of Residential Site at Upper Paya Lebar Road, Singapore

In January 2014, wholly-owned subsidiary UOL Development (Bartley) Pte. Ltd. (formerly known as UOL Overseas Investments Pte Ltd) successfully tendered for the land parcel at Upper Paya Lebar Road for a sum of \$392.3 million. The 99-year leasehold site with an area of 20,077.6 sqm will be developed into approximately 797 units of apartment. Sales of the project known as Botanique at Bartley is expected to be launched in the second quarter of 2015.

Acquisition of Residential Site at Prince Charles Crescent, Singapore

In April 2014, the Company's wholly-owned subsidiary UOL Venture Investments Pte. Ltd. and Kheng Leong Company (Private) Limited successfully tendered for the land parcel at Prince Charles Crescent for a sum

of \$463.1 million. The 99-year leasehold property with a site area of 24,964.3 sqm can be developed into approximately 663 units of apartment. A subsidiary, Secure Venture Development (Alexandra) Pte. Ltd. in which the Company has a 70% equity interest, was incorporated to undertake the proposed development.

Acquisition of Land at Bishopsgate, London

The Group made its first foray into the United Kingdom with the acquisition in August 2014 of a 3,200 sqm prime freehold site on Bishopsgate in the City of London at a price of £97 million (\$201 million). The site, which is in the central financial district of London, is near the Liverpool Street Station and the future Crossrail Station which is part of the East-West railway linking the whole of Greater London. The site, which has a gross floor area of approximately 52,255 sqm, has consent for an iconic 43-storey tower comprising 109 residential units for sale, a 190-room hotel and a retail component. Application has been made to intensify the number of guest rooms and residential apartments. The Group intends to operate the hotel under its flagship “Pan Pacific” hotel brand.

Establishment of \$1 billion Multicurrency Medium Term Note Programme by UOL Treasury Services Pte. Ltd. Unconditionally and Irrevocably Guaranteed by the Company

In November 2014, wholly-owned subsidiary UOL Treasury Services Pte. Ltd. (“UTS”) established a \$1 billion multicurrency medium term note programme (the “Programme”), unconditionally and irrevocably guaranteed by the Company. The setting up of the Programme will give the Group greater flexibility to tap an alternative source of funding as and when the need arises. To date, UTS has not issued any notes under the Programme.

Sale of Land at Jalan Conlay

The sale of the freehold land at Jalan Conlay for a consideration of RM568 million (\$220 million) by 60%-owned subsidiary Suasana Simfoni Sdn. Bhd. was completed on 25 March 2014. UOL’s share of the after tax gain was approximately RM114 million (\$44 million).

Joint Venture for Hotel in Yangon

Following the receipt of the requisite approvals from the relevant Myanmar authorities, City Square Hotel Co. Ltd. (“City Square Hotel”), a joint venture between wholly-owned subsidiary Pan Pacific Hospitality Pte. Ltd. (“PPH”), Shwe Taung Junction City Development Co., Ltd. and City Square Pte. Ltd., was incorporated in Myanmar for the purpose of developing a 348-room hotel in Yangon, Myanmar. The initial share capital of City Square Hotel is US\$37.5 million, of which PPH shall contribute its 20% share amounting to US\$7.5 million in aggregate as and when called. The proposed hotel will be managed by the Group’s hotel arm as a “Pan Pacific” hotel.

OUTLOOK FOR 2015

The global economy is expected to grow at an uneven pace while the forecast is for the Singapore economy to grow at between 2 and 4% in 2015. Buying sentiment for new homes is expected to remain muted on the back of rising interest costs and the effects of the various cooling measures. With limited new supply in 2015, office rents are expected to continue to grow. Retail rents could moderate in the face of rising occupancy costs and competition from online shopping. The outlook for hotels in Singapore and Asia Pacific remains challenging.

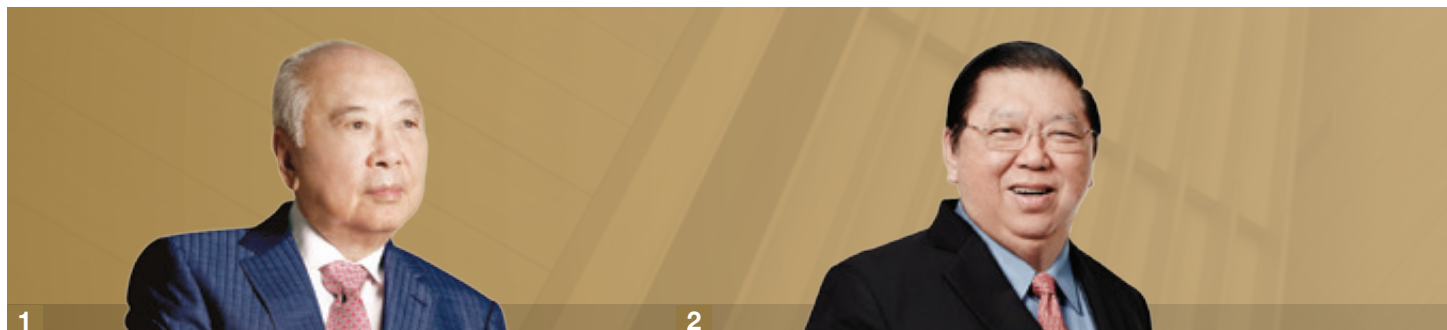
ACKNOWLEDGEMENT

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

DR WEE CHO YAW

CHAIRMAN

February 2015



1. WEE CHO YAW

Chairman

Dr Wee is the Chairman of UOL. He was appointed to the Board on 23 April 1973 and was last re-appointed as Director at UOL's Annual General Meeting held on 22 April 2014. 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. He remains as the Chairman of PPHG, a wholly-owned subsidiary of UOL. PPHG was delisted from the Singapore Exchange Securities Trading Limited ("SGX-ST") on 2 October 2013.

Dr Wee is 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, Marina Centre Holdings Private Limited and Wee Foundation. Dr Wee is the pro-chancellor of Nanyang Technological University and honorary president of the Singapore Chinese Chamber of Commerce & Industry, Singapore Federation of Chinese Clan Associations and Singapore Hokkien Huay Kuan.

He was the chairman of United International Securities Limited from 1973 to December 2013. Until 7 October 2014, Dr Wee was the chairman of Singapore Land Limited, which was delisted from the SGX-ST on 25 August 2014.

Dr Wee received a Chinese high school education, and is a career banker with more than 50 years of experience. 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. In 2014, Dr Wee was also conferred the Honorary Doctor of Letters by the Nanyang Technological University for his outstanding achievements in the Singapore business community, his enduring contributions to the Chinese community and his long-standing support and contributions to education. He was a recipient of 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. He was also conferred the Lifetime Achievement Award by The Asian Banker in 2009 and the Distinguished Service Order, Singapore's National Day Awards in 2011 for his outstanding contributions in community work.

2. GWEE LIAN KHENG

Group Chief Executive

Mr Gwee is the Group Chief Executive of UOL and PPHG. He has been employed with UOL since 1973.

Mr Gwee was appointed to the Board on 20 May 1987 and was last re-appointed as Director at UOL's Annual General Meeting held on 22 April 2014. Mr Gwee is an executive and non-independent Director and a Member of the Executive Committee.

Mr Gwee holds directorships in various UOL subsidiaries and is a director of United Industrial Corporation Limited. Until 26 August 2014, Mr Gwee was a director of Singapore Land Limited, which was delisted from the SGX-ST on 25 August 2014.

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 (United Kingdom), the Association of Chartered Certified

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Accountants (United Kingdom), and the Institute of Singapore Chartered Accountants.

Mr Gwee received the Asia Pacific Hotelier of the Year award in 2003 and the Hotel Legends Hall of Fame Award at the 11th Australian New Zealand Pacific Hotel Industry Conference in 2011.

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

3. LOW WENG KEONG

Mr Low was appointed to the Board on 23 November 2005 and was last re-elected as Director at UOL's Annual General Meeting held on 19 April 2013. As an independent and non-executive Director, Mr Low chairs 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 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 formerly a country managing partner of Ernst & Young, Singapore, and a past chairman and president of CPA Australia. Mr Low was previously an independent director of Unionmet (Singapore) Limited and PPHG.

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

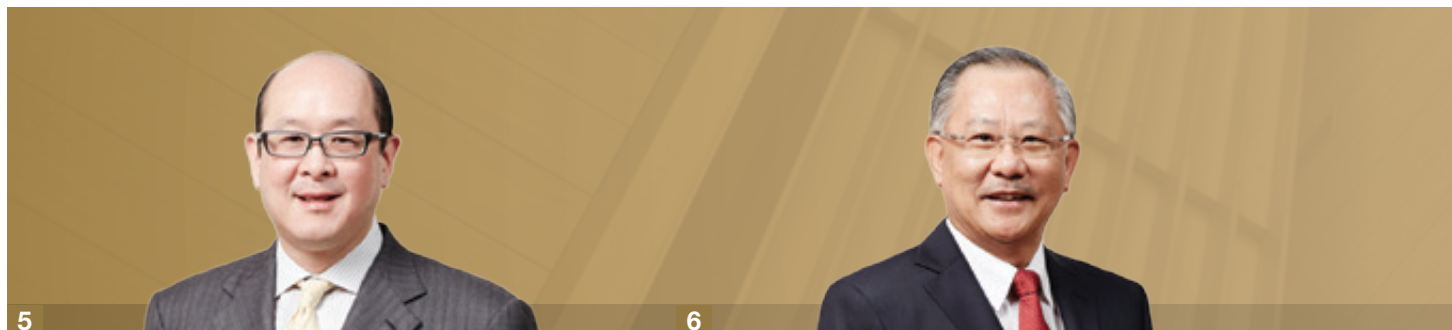
(United Kingdom) and an accredited tax adviser of the Singapore Institute of Accredited Tax Professionals.

4. WEE EE-CHAO

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

Mr Wee is currently the chairman and managing director of UOB-Kay Hian Holdings Limited and holds directorships in most of the UOB Kay Hian group of companies. He has led the management of UOB-Kay Hian Holdings Limited for more than 25 years. Mr Wee also 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. Mr Wee was previously a director of PPHG.

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



5. WEE EE LIM

Mr Wee was appointed to the Board on 9 May 2006 and was last re-elected as Director at UOL's Annual General Meeting held on 22 April 2014. He is a non-executive and non-independent Director and a Member of the Audit and Risk Committee.

Mr Wee joined Haw Par Corporation Limited in 1986 and is currently its president and chief executive officer. He is also a director of United Industrial Corporation Limited, Hua Han Bio-Pharmaceutical Holdings Limited (a company listed on the Hong Kong Stock Exchange) and Wee Foundation. Mr Wee was previously a director of Singapore Land Limited and PPHG.

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

6. TAN TIONG CHENG

Mr Tan was appointed to the Board on 29 May 2013 and was last re-elected as Director at UOL's Annual General Meeting on 22 April 2014. He is an independent and non-executive Director and a Member of the Audit and Risk Committee.

Mr Tan is an independent director of Heeton Holdings Limited and Straits Trading Co. Ltd. He is also 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.

A Colombo Plan Scholar, Mr Tan graduated top of his class with a Diploma in Urban Valuation from the University of Auckland, New Zealand. Mr Tan is a fellow of the Singapore Institute of Surveyors and Valuers, a 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.



7. WEE SIN THO

Mr Wee was appointed to the Board on 13 May 2011 and was last re-elected as Director at UOL's Annual General Meeting held on 22 April 2014. He is an independent and non-executive Director and the Chairman of the Remuneration Committee.

Mr Wee is the senior adviser of the Office of the President of the National University of Singapore and an independent director of the National Gallery Singapore, Farrer Way Pte Ltd, Leap Philanthropy Ltd and Acru China+Absolute Return Fund Limited. He also sits on the board of directors of Keppel Telecommunications & Transportations Ltd. 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 is involved in asset management and stockbroking.

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

8. PONGSAK HOONTRAKUL

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

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

Dr Hoontrakul was the adviser 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. Until April 2008, he served as an independent director of United Overseas Bank (Thai) Public Company Limited. Until 1 May 2013, he was also a senior research fellow at Sasin Institute, Chulalongkorn University, Thailand.

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

KEY MANAGEMENT EXECUTIVES

As at 2 March 2015

UOL
GROUP
LIMITED



*Foo Thiam Fong
Wellington*

*Liam
Wee Sin*

*Gwee
Lian Kheng*

*Bernold Olaf
Schroeder*

*Neo
Soon Hup*

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 joined the Group in 1993 and is currently the President (Property) of UOL Group Limited. He heads the Group’s investment, property development, product, engineering, marketing, finance and human resources departments. He is also a Board Member of several UOL subsidiaries.

Prior to joining UOL, Mr Liam spent eight years in the public sector overseeing architectural works and facilities management. He also worked with Jones Lang Wootton, taking on project management and consultancy work.

Mr Liam is the Executive Committee Member of the Real Estate Developers’ Association of Singapore. An advocate of good design, Mr Liam is a member of URA Architecture and Urban Design Excellence Committee. Previously, he had also served as a member of URA Design Advisory Committee, Preservation of Monuments Board and National Crime Prevention Council.

Mr Liam holds a Bachelor of Architecture degree from the National University of Singapore (NUS). He attended the Stanford-NUS Executive Programme in 2000.

BERNOLD OLAF SCHROEDER

*Chief Executive Officer (Hotels)
Pan Pacific Hotels Group Limited*

Mr Schroeder was appointed Chief Executive Officer of Pan Pacific Hotels Group Limited on 2 January 2014. With over 20 years of executive management experience in the hotel industry, Mr Schroeder oversees the Group’s operations, strategy and performance. Before his current appointment, Mr Schroeder 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 Schroeder received his education in the hospitality industry in Germany and has completed executive programmes at Cornell University and Stanford-NUS. He also holds a director certificate from the Thai Institute of Directors Association.

FOO THIAM FONG WELLINGTON

*Chief Financial Officer/Group Company Secretary
UOL Group Limited*

Mr Foo is the Chief Financial Officer/Group Company Secretary. He has been with UOL since 1977. Mr Foo leads the Group's finance and legal and secretariat departments. He is a director of several UOL subsidiaries.

Mr Foo holds a Bachelor of Accountancy (Honours) degree from the University of Singapore and 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.

NEO SOON HUP

*Chief Financial Officer
Pan Pacific Hotels Group Limited*

Mr Neo was appointed Chief Financial Officer of Pan Pacific Hotels Group Limited in 2005 and is currently a director of several of its subsidiaries. He oversees the Group's corporate finance, financial control, information technology system and information management, procurement and business development.

Mr Neo built up 13 years of experience in auditing at PricewaterhouseCoopers before joining the Group in 2003. 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 LIMITED

CHAN WENG KHOON

Senior General Manager (Property & Engineering)

KAM TIN SEAH

Senior General Manager (Investment & Strategic Development)

KWAN WENG FOON

Senior General Manager (Development)

HAUW KHENG LIP

General Manager (Marketing)

KOH AI LANE SOFIAH

General Manager (Human Resource)

KWA BING SENG

General Manager (Finance)

DAVID WILLIAM MCLEOD

General Manager (Project Development)

WONG KUAN YUEN ANTHONY

General Manager (Marketing)

YEONG SIEN SEU

General Counsel/Company Secretary

YEO BIN HONG

Deputy General Manager (Internal Audit)

PAN PACIFIC HOTELS GROUP LIMITED

WEE WEI LING

Executive Director (Asset & Lifestyle)

ERIK ANDEROUARD

Senior Vice President (Operations)

KEVIN CROLEY

Senior Vice President (Marketing & Sales)

ANDREAS SUNGAIMIN

Senior Vice President (Human Capital & Development)



Double Bay Residences

CORPORATE

UOL GROUP LIMITED

- Brand Finance
 - *Top 100 Singapore Brands 2014 (#40)*

PAN PACIFIC HOTELS GROUP LIMITED

- Randstad Award 2014
 - *#19 Employer Brand*

PRODUCT, DESIGN AND ARCHITECTURAL EXCELLENCE

DOUBLE BAY RESIDENCES, SINGAPORE

- BCA Construction Excellence Award 2014
 - *Residential Buildings – \$1800/m² and Above category*

RIVERBANK@FERNVALE, SINGAPORE

- BCA Green Mark Awards 2014 – Gold
- BCA Universal Design Mark Awards 2014 – Gold (Design)

TERRENE AT BUKIT TIMAH, SINGAPORE

- FIABCI Singapore Property Awards 2014
 - *Residential (Low Rise) category*

THOMSON THREE, SINGAPORE

- International Property Awards (Asia Pacific 2014)
 - *Highly Commended – Residential High-rise Development Singapore*

WATERBANK AT DAKOTA, SINGAPORE

- FIABCI Singapore Property Awards 2014
 - *Residential (High Rise) category*

PAN PACIFIC SERVICED SUITES BEACH ROAD, SINGAPORE

- FIABCI Singapore Property Awards 2014
 - *Winner, Hotel category*



Waterbank at Dakota

PARKROYAL ON PICKERING, SINGAPORE

- 2014 FIABCI World Prix d'Excellence Awards
 - *World Gold Winner, Hotel category*
- BEI Asia Awards 2014
 - *Asia Green Building Award (Retail/Hospitality)*
- 2014 International Architecture Awards
 - *Commercial Architecture Award*

PARKROYAL ON KITCHENER ROAD, SINGAPORE

- BCA Green Mark Awards 2014 – Platinum

SERVICE EXCELLENCE

PAN PACIFIC PERTH, AUSTRALIA

- 2014 Australian Hotels Association (WA) Accommodation Industry Awards
 - *Marketed Accommodation Award*

PARKROYAL ON PICKERING, SINGAPORE

- 2014 World Luxury Hotel Awards
 - *Country Winner, Luxury New Hotel*
- 2014 Business Traveller Asia Pacific Awards
 - *Best New Business Hotel in Asia-Pacific*

PARKROYAL YANGON, MYANMAR

- 2014 World Travel Awards
 - *Myanmar's Leading Business Hotel*
- 2014 World Luxury Hotel Awards
 - *Country Winner, Luxury Hotel*

PARKROYAL DARLING HARBOUR, SYDNEY, AUSTRALIA

- 2014 HM Awards – Upscale Property

PROPERTY INVESTMENTS

COMMERCIAL PROPERTIES

UNITED SQUARE

Located in the heart of the Novena district, United Square is a 33-storey mixed-use development comprising an office tower and a shopping mall. With a total lettable office space of 27,004 sqm and retail space of 19,414 sqm, United Square maintained high occupancy rates for office and retail at 95% and 98% respectively.

As a kids learning mall, United Square continued to attract children and parents with a series of children-related activities and events during the year. To kick-start the mall's events, the popular fashion doll Barbie celebrated her 55th birthday with shoppers. During the June school holidays, over eight different characters made their appearances at Nickelodeon's Slime Cup Event. Thomas and Friends also entertained the children

throughout the holiday season. The mall also brought in the first ever Geronimo Stilton 'live' show in Asia. Concluding the year were over 12 characters from Dora the Explorer, Tamagotchi and Friends, and The Little Big Club performing to a full house audience daily. Attractive redemption programmes also encouraged spending at the mall.

As part of UOL's year-long 50th anniversary celebrations, it partnered VSA to provide people with disabilities the chance to display their artworks in the pedestrian underpass linking United Square and Velocity@Novena Square.

NOVENA SQUARE

Conveniently located above Novena MRT station, Novena Square is a premier office and retail development in the city fringe. With a total lettable office space of 41,580 sqm and retail space of 16,091 sqm, Novena Square maintained high occupancy rates of 98% for its office tower and 99% for its retail mall.

In 2014, the retail component Velocity@Novena Square reinforced its sports identity by introducing some new sports events and maintaining popular signature events. Capitalising on the popularity of stunt biking, Velocity@Novena Square brought back the stunt biking competition with more local and overseas participants. The event not only attracted cycling enthusiasts but also brought new shoppers to the mall.

In conjunction with the FIFA World Cup 2014, Velocity@Novena Square took soccer to another level by staging the first vertical soccer performance in Singapore where soccer was played on a 15-metre high wall. Live soccer match screenings at the mall and the extended opening hours of some food outlets had encouraged spending. The ever-popular Velocity B-ball Battle created a splash within the basketball community by having an unprecedented 92 teams taking part in the competition, almost doubling the number of participating teams in 2013.



Novena Square is a premium office and retail development which has maintained high occupancy rates in 2014



Singapore's first ever vertical soccer performance was held at Velocity@Novena Square

During the year, Velocity@Novena Square continued to be a preferred venue for race kit collection for runs including Marina 21km Run, OSIM Extreme Trail, NS Home Team Real Run, Salomon City Trail Run, Mizuno Wave Run and Race Against Cancer. The Singapore Table Tennis Association also selected the mall as the venue for the finals of its Crocodile Cup, whereas Singapore Heritage Board held an exhibition showcasing the history of car racing in Singapore as part of its yearly HeritageFest 2014. The National Art Gallery also launched its SG50 celebratory event - Portraits of the People, where Singaporeans would sketch their portraits on a tablet and the collection will be incorporated into the Art Connector, a walkway that links City Hall MRT station to the National Art Gallery.

ONEKM

OneKM was officially opened on 30 November 2014 by Associate Professor Fatimah Lateef, Member of Parliament for Marine Parade GRC. UOL's third mall is the largest in Paya Lebar Central, which is Singapore's new commercial hub outside the Central Business District.

Positioned as a one-stop family mall for knowledge, gastronomy and leisure pursuits, OneKM serves to



UOL's third mall, OneKM, was officially opened in November 2014

provide variety and convenience to residents and workers in the area, as well as residents of the soon to be completed Katong Regency condominium above it. With the nearby Paya Lebar MRT interchange station on the East-West and Circle lines and major expressways, the mall also expects to draw shopper traffic from other neighbourhoods. OneKM has over 150 shops spanning over 19,429 sqm of retail space. It has enjoyed occupancy rate of 88% since its opening.

Even before the official opening, there was a myriad of weekly entertainment events and activities such as MediaCorp's block-buster drama serial cast's meet-and-greet session, MediaCorp Radio's charity drive with deejays appearance and character live shows for children at the mall. Redemption programmes also encouraged spending.

As part of its corporate social responsibility programme, during the opening weekend, OneKM hosted 30 low-income families from South East Community Development Council. Each family was given \$100 worth of shopping vouchers to spend at the mall. VSA was also sponsored a space to make and sell handicraft merchandise to raise funds.

PROPERTY INVESTMENT

ODEON TOWERS

Odeon Towers has a total lettable office space of 18,341 sqm. The occupancy rate for the year is 98%.

FABER HOUSE

Faber House has a total lettable office space of 3,956 sqm with an occupancy rate of 91%.

ONE UPPER PICKERING

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

Occupancy Rate (%)

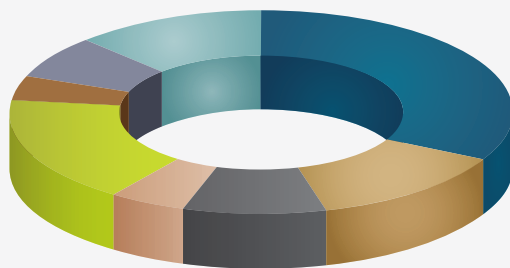
Office

United Square	95%
Novena Square	98%
Odeon Towers	98%
Faber House	91%
One Upper Pickering	100%

Shopping Mall

United Square	98%
Velocity@Novena Square	99%
OneKM	88%

Commercial Tenant Mix (%)



Office Space



Retail Space

SERVICED SUITES

PAN PACIFIC SERVICED SUITES ORCHARD, SINGAPORE

Located in the heart of Orchard Road, Singapore's premium shopping belt, and next to the Somerset MRT station, the 126-suite extended-stay Pan Pacific Serviced Suites Orchard offers guests travel convenience and access to a host of shopping and dining options.

In the second half of 2014, 26 of the property's executive suites were converted into one-bedroom suites to meet the increasing demand of the market. The conversion led to an 8% decline in occupancy to 84% in 2014, while average daily rate increased by 2% from the year before. To date, the property still commands one of the highest rental and occupancy rates in the premium extended-stay segment in Singapore since its opening in 2008.

PAN PACIFIC SERVICED SUITES BEACH ROAD, SINGAPORE

The 180-suite Pan Pacific Serviced Suites Beach Road is located next to the rich cultural districts of Haji Lane and Arab Street, and is the gateway to the Marina Bay Central Business District. The property's occupancy rate rose to 85% in 2014, from 60% from the year before, with a 2% decline in average daily rate.

The representation of modern luxurious living, Pan Pacific Serviced Suites Beach Road was named Winner in the Hotel category at the 2014 FIABCI Singapore Property Awards which recognises the best developments in the real estate arena.

PARKROYAL SERVICED SUITES, SINGAPORE

Located along Beach Road and occupying the 18th to 22nd level of The Plaza, PARKROYAL Serviced Suites features panoramic views of the Marina Bay skyline, the recently built Singapore Sports Hub and Singapore National Stadium. The 90-suite property is also well-connected to cultural attractions and a diverse range of retail and dining offerings.

In 2014, even though demand for extended-stay accommodation declined across the Singapore market, PARKROYAL Serviced Suites still managed to achieve a healthy occupancy rate of 87%, up from 83% from the year before, and a growth of 1% in average daily rate.



Pan Pacific Serviced Suites Beach Road in Singapore is located next to a rich cultural district

PARKROYAL SERVICED SUITES KUALA LUMPUR, MALAYSIA

Strategically located in the heart of Kuala Lumpur's Golden Triangle, the 287-suite PARKROYAL Serviced Suites Kuala Lumpur is surrounded by the city's premier shopping, entertainment and dining establishments.

Occupancy rate declined by 3% to 85% compared with the previous year, but the 2014 average daily rate was higher than the previous year by 9%.

PROPERTY DEVELOPMENT



Riverbank@Fernvale (artist's impression) is a premium waterfront development located next to Punggol Reservoir and parks for residents to enjoy a variety of outdoor activities

LAND ACQUISITIONS AND RESIDENTIAL DEVELOPMENTS

REPLENISHMENT OF LANDBANK

In January 2014, the Group successfully tendered for the land parcel on Upper Paya Lebar Road, which is near the Bartley MRT station. The 99-year site can accommodate approximately 797 residential units.

Through a 70:30 joint venture, the Group also won the tender for the 99-year Prince Charles Crescent site, which can yield an approximately 663-unit condominium.

The Group made its first foray into the United Kingdom with the acquisition of a freehold mixed-use site on

Bishopsgate in London, which can yield approximately 109 residential units.

RIVERBANK@FERNVALE

The 555-unit condominium was launched in February 2014. The development consists of four 19-storey blocks with full facilities and a roof sky terrace. It enjoys direct access to a future riverside park connector. The project achieved 50% sales as at 31 December 2014.

SEVENTY SAINT PATRICK'S

In September 2014, the 186-unit freehold project was launched and it achieved 73% sales as at 31 December 2014. The site is in the prestigious District 15 and near the future Thomson-East Coast line.

Sale and Completion Status of Launched Projects

Projects	No. of Units	% Sold (as at 31 Dec 2014)	% Complete (as at 31 Dec 2014)	Actual/Expected TOP Date
Singapore				
Archipelago	577	99	87	1Q2015
Katong Regency	244	100	55	2Q2015
Thomson Three	445	96	34	2Q2016
Seventy Saint Patrick's	186	73	30	3Q2016
Riverbank@Fernvale	555	50	18	1Q2017
The People's Republic of China				
The Esplanade (海河华鼎)	570	91	100	4Q2014



The 577-unit Archipelago (artist's impression) nestled within the lush greenery of Bedok reservoir will obtain TOP in 2015

HOTEL OPERATIONS

SINGAPORE

PARKROYAL ON BEACH ROAD

The 343-room hotel is located along the perimeter of the Central Business District and in a neighbourhood featuring distinctive shops and ethnic cuisines. In 2014, the hotel's revenue per available room was 6% higher than in 2013 primarily due to a 6% increase in average room rate. In early 2015, the hotel completed renovation of rooms on two floors to enhance guest experience.

PARKROYAL ON KITCHENER ROAD

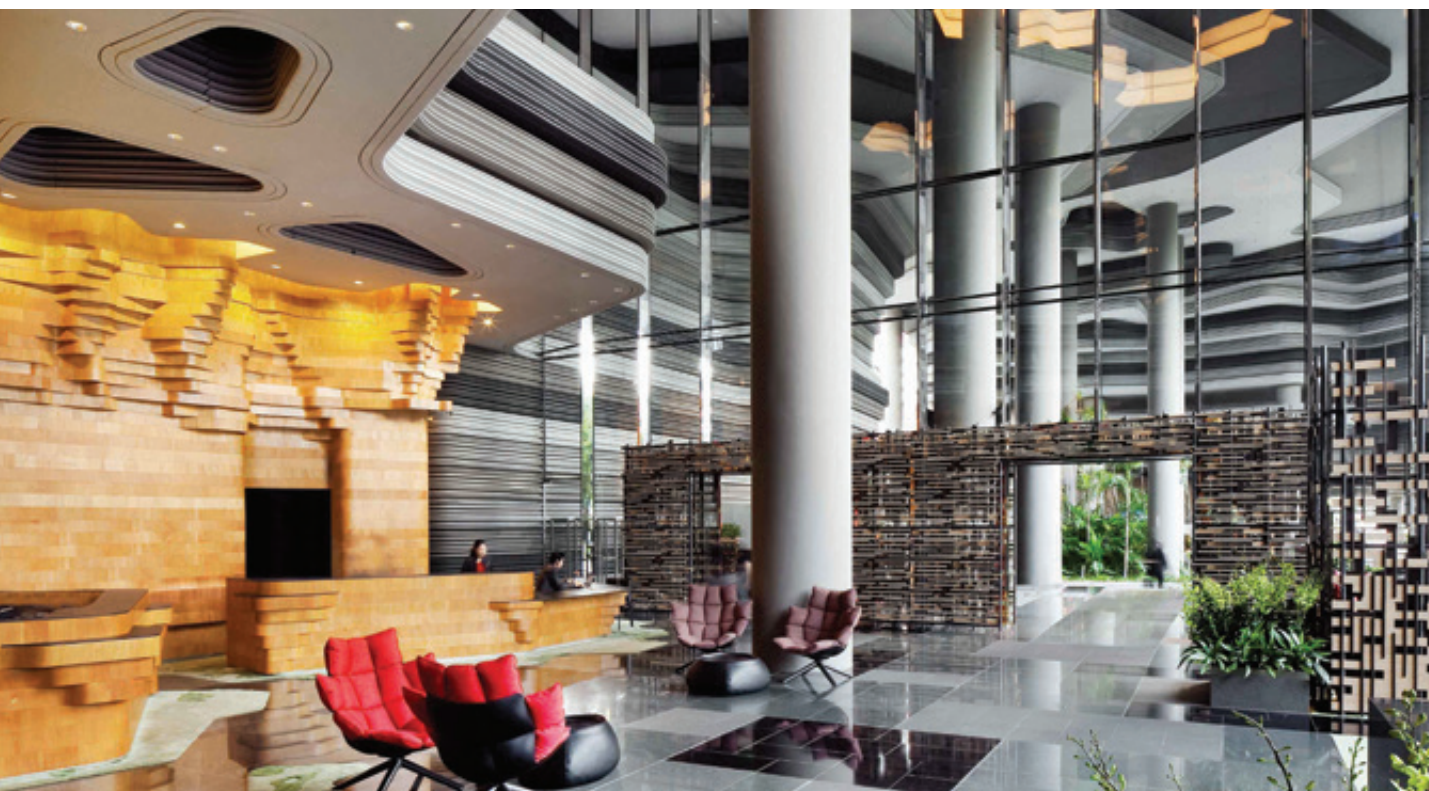
The 532-room PARKROYAL on Kitchen Road is situated in Singapore's vibrant cultural enclave Little India. The revenue per available room was 3% lower than the previous year due to a 1% lower occupancy and a 2% drop in average room rate. This was due to lower corporate demand.

PARKROYAL ON PICKERING

Since its opening in January 2013, the 367-room PARKROYAL on Pickering has won awards for its "hotel in a garden" design and environmentally-friendly features. The hotel is located close to the financial district in Raffles Place and within the rich heritage Chinatown area. During its second year of operations in 2014, the hotel revenue per available room rose 23% due to a 11% higher occupancy and a 11% increase in average room rate.

PAN PACIFIC ORCHARD

An elegant retreat in the heart of Orchard Road, Pan Pacific Orchard's 206 rooms and leisure facilities serve as an excellent base for business and leisure travellers. In 2014, the hotel occupancy and average room rate were respectively 6% and 5% higher than in 2013, thus leading to a revenue per available room gain of 11%.



PARKROYAL on Pickering's awe-inspiring design saw it clinch the World Gold Winner at the prestigious 2014 FIABCI World Prix d'Excellence Awards



Pan Pacific Orchard is well-received by both business and leisure travellers

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 and has a 50% interest in Marina Mandarin and Mandarin Oriental. Overlooking the iconic Marina Bay and strategically located at the gateway to the Central Business District, Pan Pacific Singapore's revenue per available room was 18% higher than in 2013 due to a 12% gain in occupancy and a 5% increase in average room rate.

MARINA MANDARIN SINGAPORE

The 575-room five-star Marina Mandarin Singapore lies in the heart of the Marina Bay City. It is owned by Aquamarine Hotel Private Limited, in which UOL has a direct 25% interest. Average occupancy and revenue per available room both increased by 4% as compared with the previous year.

MALAYSIA

PARKROYAL KUALA LUMPUR

Well located in the heart of Malaysia's capital and minutes away from the business, shopping and entertainment hub, the 426-room PARKROYAL Kuala Lumpur's revenue per available room was 3% higher than in 2013 primarily due to higher average room rate of 3%.

PARKROYAL PENANG RESORT

The 309-room PARKROYAL Penang Resort is a perfect getaway resort along the Batu Ferringhi beach for all holiday-makers. The hotel's occupancy declined 1% in

2014 while average room rate rose 3%, thus leading to an increase in revenue per available room of 2%. Initially off to a strong start in 2014, the resort was affected by lower arrivals arising from the negative impact of several aviation incidents in the 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. In 2014, the hotel achieved 6% growth in occupancy and 1% increase in average room rate, leading to a 7% gain in revenue per available room.

SOFITEL SAIGON PLAZA AND CENTRAL PLAZA, HO CHI MINH CITY

PPHG has a 26% interest in the 286-room Sofitel Saigon Plaza which adjoins Central Plaza, a 16-storey office building. They are conveniently located in the busy commercial precinct of District 1. Revenue per available room rose 5% due to higher average room rate.

PARKROYAL SAIGON

Located five minutes away from Ho Chi Minh City's international airport, the 186-room PARKROYAL Saigon is the perfect choice of stay for business and leisure travellers. During the year, the hotel's occupancy rose 6% as it was able to capitalise on its proximity to the international airport. Even though the average room rate declined 3%, there was a 4% gain in revenue per available room over the previous year.

MYANMAR

PARKROYAL YANGON

The 333-room PARKROYAL Yangon is located right in the heart of Yangon's cultural attractions. Its revenue per available room decreased 10% in 2014 due to a 7% drop in occupancy and a 3% lower average room rate. The hotel was affected by the increased room supply in the city and a decline in international tourist arrivals.

In 2014, the hotel completed its renovations for the restaurants and public area. The renovation for the guest rooms is expected to be completed by the second quarter of 2015.

HOTEL OPERATIONS

OCEANIA

PARKROYAL MELBOURNE AIRPORT

Located close 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 9% higher than in 2013 due to a 7% increase in occupancy and a 2% increase in average room rate.

PARKROYAL DARLING HARBOUR

The 340-room PARKROYAL Darling Harbour Sydney offers easy access to Sydney's most popular attraction with its convenient location on the city side of Darling Harbour. Following the completion of a refurbishment the year before, revenue per available room for 2014 grew 5% over 2013, contributed by 3% higher occupancy and 2% increase in average room rate.

PARKROYAL PARRAMATTA

Recognised as one of Western Sydney's premier hotels, PARKROYAL Parramatta's close proximity to the Rosehill Gardens Racecourse continues to drive tourism demand to the 196-room hotel. Occupancy grew 4% while average room rate was higher by 3%, resulting in growth in revenue per available room of 7%.

The local authority has approved the 90-room extension project at PARKROYAL Parramatta, which is likely to begin in the first quarter of 2015 and complete towards the middle of 2016.

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 it offers easy access to a host of dining and entertainment options. In 2014, the hotel



PARKROYAL Darling Harbour in Sydney is conveniently located just minutes away from the city's popular sights and attractions



Pan Pacific Suzhou is flanked by traditional gardens, in a city steeped in Chinese artistry, culture and tradition

market continued to be weighed down by the decline in the mining sector which is not sufficiently offset by the drive led by Perth City to grow leisure demand. In 2014, Pan Pacific Perth showed a 4% decline in revenue per available room, attributable to a 6% lower average room rate, partially offset by 1% increase in occupancy.

The hotel has embarked on the renovation of the guest rooms on selected floors in late December 2014 and this is expected to complete by the second quarter of 2015.

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. In 2014, the hotel focused on targeting local leisure travellers from the surrounding cities. It managed to achieve growth of 3% in revenue per available room due to improved average room rate of 2% compared with the preceding year. However, the overall results

were affected by the lacklustre performance of the restaurants, bars and events due to the steep decline in entertainment and corporate activities.

PAN PACIFIC XIAMEN

During the third quarter of 2014, Pan Pacific Xiamen completed the conversion of hotel rooms into 25 serviced apartments to cater to extended-stay guests, in addition to the 329 hotel rooms for short-stay customers. Located in the heart of Xiamen's financial and entertainment district, Pan Pacific Xiamen managed to grow its occupancy by 13%, buoyed by stable demand growth in the city. The revenue per available room in 2014 rose by 12%.

PAN PACIFIC TIANJIN

Pan Pacific Tianjin opened in the fourth quarter of 2014. Located along the scenic Haihe River, the 319-unit property seeks to meet the needs of both short-term and extended-stay travellers with 289 exquisitely furnished guestrooms with either a city or river view, and 30 well-appointed serviced suites with full kitchenette and laundry facilities.

HOTEL MANAGEMENT

In 2014, PPHG strengthened the global presence of its “Pan Pacific” and PARKROYAL brands with two new hotel openings and the securing of three managed pipeline properties.

To deliver a more dynamic user experience for online booking, PPHG invested \$2 million to revamp its websites for the two brands. The refreshed websites were launched in April, featuring intuitive design, richer content, simplified booking process and a best rate guarantee. Mobile experiences are also optimised and available in three languages - English, Chinese and Japanese.



The 126-suite Pan Pacific Serviced Suites Orchard, Singapore is located along Orchard Road, which offers the best of the country's shopping and dining options

To grow its share of the growing Chinese travel market, PPHG opened a new Global Sales Office in Beijing in June. The new office complements the Shanghai Global Sales Office to expand the Group's customer reach and drive business to its properties within and outside China. PPHG's Global Sales network now spans Singapore, Shanghai, Sydney, Tokyo, New York, San Francisco, London and Beijing.

The Group's sales teams led the effort to showcase the hotels and serviced suites portfolio and connect with customers around the world. PPHG partnered the Singapore Tourism Board, Singapore Airlines and Destination Asia magazine to host one of the largest Meetings, Incentive Travel, Conventions and Exhibitions (MICE) familiarisation trips to Singapore, reaching out to over 60 event organisers from North America, Europe and Australia. In addition, the Group organised its Customer Connection Week in seven cities across Australia, Japan and China, and participated in major travel trade shows such as ITB Asia in Singapore, Australasian Hotel Industry Conference & Exhibition in Melbourne and Global Business Travel Association Convention in Los Angeles.

During the year, PPHG continuously sought to raise the profile of its brands among influential external stakeholders and target audiences. In partnership with Travel Agent University in North America, which is the largest professional travel community with close to 40,000 members, the Group launched an online training programme to enhance travel agents' understanding of the “Pan Pacific” brand. A year-long inflight advertising campaign with leading carriers Singapore Airlines, Cathay Pacific and Qantas, was also implemented to create and maintain awareness of the Group's brands and properties.

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, Europe and North America, including those under development.

In November, the Group extended its footprint in China with the opening of the 319-room Pan Pacific Tianjin. With five “Pan Pacific” hotels and serviced suites in Tianjin, Xiamen, Ningbo and Suzhou, China is now PPHG’s largest overseas operating market.

Outside Asia, UOL’s purchase of the site on Bishopsgate in London’s central financial district, intended for a luxury new-build hotel, residential and retail development, has paved the way for the brand to make its European debut.

PARKROYAL HOTELS & RESORTS

The PARKROYAL portfolio comprises 16 upscale leisure and business hotels, resorts and serviced suites located in gateway cities across Australia, Indonesia, Malaysia, Myanmar, Singapore and Vietnam, including those under development.

The launch of the 90-room PARKROYAL Nay Pyi Taw in April made PARKROYAL the first international hotel brand to establish a presence in Myanmar’s capital, Nay Pyi Taw. Also in Myanmar, PARKROYAL Yangon embarked on renovations of its guestrooms, dining outlets and public spaces to deliver an improved guest experience. The phased refurbishment is expected to be completed in 2015. In August 2014, the joint venture with Shwe Taung Junction City Development Co., Ltd and City Square Pte. Ltd., for Pan Pacific Yangon was established.

During the year, the Group added two projects to the brand’s pipeline with the signing of management agreements for PARKROYAL hotels in Melbourne and Langkawi. PARKROYAL Melbourne and PARKROYAL Langkawi Resort will be the brand’s fourth property in Australia and Malaysia respectively.



PARKROYAL Penang Resort is the perfect relaxation destination located along the picturesque Batu Ferringhi beach

HOTEL PORTFOLIO

Portfolio Overview

	Existing		Pipeline		Total	
	Number of hotels	Number of rooms	Number of hotels	Number of rooms	Number of hotels	Number of rooms
By Brands						
Pan Pacific	19	5,764	2	538	21	6,302
PARKROYAL	13	3,775	3	768	16	4,543
Others	1	321	-	-	1	321
Total	33	9,860	5	1,306	38	11,166
By Ownership Type						
Owned	20	6,158	1	190	21	6,348
Managed	13	3,702	4	1,116	17	4,818
Total	33	9,860	5	1,306	38	11,166

Singapore

Hotel Occupancy

2014	82%
2013	76%

Average Room Rate

2014	\$265
2013	\$252

Revenue Per Available Room

2014	\$217
2013	\$193

Oceania

Hotel Occupancy

2014	86%
2013	83%

Average Room Rate

2014	\$228
2013	\$230

Revenue Per Available Room

2014	\$197
2013	\$192

Southeast Asia (excluding Singapore)

Hotel Occupancy

2014	72%
2013	72%

Average Room Rate

2014	\$141
2013	\$138

Revenue Per Available Room

2014	\$101
2013	\$99

The People's Republic of China

Hotel Occupancy

2014	41%
2013	40%

Average Room Rate

2014	\$95
2013	\$98

Revenue Per Available Room

2014	\$39
2013	\$39

OVERSEAS PROJECTS & INVESTMENTS

OVERSEAS PROJECTS

SHANGHAI

The Changfeng project is 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. Designed by internationally renowned architectural firm Rogers Stirk Harbour + Partners, the development is situated within the Changfeng Ecological Business Park, and is 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 4,000 sqm of net lettable area for the retail component. Construction had commenced in the third quarter of 2013.

TIANJIN

The Esplanade (海河华鼎) in Tianjin is 90% owned by UOL Capital Investments Pte. Ltd. The mixed development with a gross development area of approximately 157,464 sqm comprises 522 residential apartments, 48 office units, a 319-room hotel and 6,164 sqm of lettable retail space.

As at end 2014, 96% of the 522 residential units were sold and one of the two office towers was launched with 71% of the units sold. As at December 2014, the project was 100% completed.

INVESTMENT IN SECURITIES

	Percentage Holdings in investee		Fair Value		Gross Dividend received	
	2014 %	2013 %	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Listed Securities						
United Overseas Bank Limited	2.3	2.3	908.8	768.2	27.3	25.3
Others			25.2	24.0	0.6	0.5
			934.0	792.2	27.9	25.8
Unlisted Securities						
			54.8	64.8	0.9	1.6
Total			988.8	857.0	28.8	27.4

The fair value of the Group's listed securities increased from \$792.2 million as at 31 December 2013 to \$934.0 million as at 31 December 2014 due mainly to the increase in the share price of United Overseas Bank Limited. The fair value of unlisted securities has decreased following the liquidation of United International Securities Limited in 2014. Overall, an unrealised gain of \$115.6 million (2013: \$44.1 million) arising from changes in the fair value of investments has been credited to the fair value reserve account in 2014.

Dividend yield from investment in securities was 2.9% in 2014 (2013: 3.2%).

MANAGEMENT SERVICES & HUMAN RESOURCE

MANAGEMENT SERVICES

UOL Management Services Pte Ltd provides property management services to 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"

Operating a total of nine premium spas across Singapore, Malaysia, China and Vietnam, "St. Gregory" is an integrated lifestyle management brand renowned for its

traditional healing therapies, comprehensive workout facilities, personal training programmes and fitness classes.

"SI CHUAN DOU HUA"

Expanding its footprint in the region, "Si Chuan Dou Hua" opened its sixth restaurant at PARKROYAL Yangon in February 2014, adding to its stable of outlets in Singapore, Kuala Lumpur and Tokyo.

TIAN FU TEA ROOM

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



"Si Chuan Dou Hua" at PARKROYAL Yangon is the latest addition to the restaurant's portfolio

HUMAN RESOURCE

At UOL, developing people is part of its business strategy. The Group commits itself to the retention of its valued employees by according competitive remuneration, healthy and safe work environment for career and personal development, as well as work-life balance.

For the third consecutive year, PPHG was recognised by Randstad as one of the top 20 employer brands in Singapore. Results from “Our People, Voices and Views” survey of over 6,000 associates across the Group’s properties and offices worldwide revealed an increase in the overall results with 80% of hotels exceeding the 85% satisfaction target.

REWARDING PEOPLE

In light of the tight labour market, talent retention and attraction remains a key focus of UOL. Performance-based reward system and competitive pay structure form the foundation of employees’ compensation packages. The Group achieves this through active participation in industry surveys, engagement of the expertise and knowledge of compensation and benefits experts, and the adoption of an objective appraisal system and process.

DEVELOPING PEOPLE

A group-wide learning and development road map is in place to address the targeted training needs of its employees. UOL sponsors courses for its employees to upgrade their skill set.

The “Pan Pacific” and PARKROYAL Service Excellence programme continues to train associates on key aspects such as guest service, service recovering and brand promise delivery. A pilot run of the cluster Service Excellence programme was organised for the Singapore hotels and serviced suites, with the intention to roll it out across PPHG.



UOL organises townhall meetings to strengthen engagement between senior management and employees

PPHG also launched the “On the Job Skills Training” module to educate departmental and operational trainers on a consistent training approach, and the “Group Training Techniques” module to provide additional skills on group training and facilitation to departmental trainers and management teams.

CARING FOR PEOPLE

UOL has programmes in place to foster *esprit de corps* in the Group. They include townhall meetings, team building workshops, workhealth promotion programmes, long service awards and festive celebrations.

Exercise classes such as Yoga, Pilates and Zumba were also arranged within the office premises for employees to participate.

UOL Group Limited (“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 corporate governance 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 (“Board”) of the Company confirms that for the financial year ended 31 December 2014, 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 and matters, including without limitation any expenditure, budget and variance, investment, acquisition or disposal which exceed specified limits.

There are currently four standing Board Committees appointed by the Board, namely:

- Executive Committee (“EXCO”)
- Nominating Committee (“NC”)
- Remuneration Committee (“RC”)
- Audit and Risk Committee (“ARC”)

The Board has conferred upon the 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 family relationship with each other, the Chairman or the GCE.

The EXCO currently comprises four Members, namely:

- Wee Cho Yaw, Chairman
- Gwee Lian Kheng
- Low Weng Keong
- Wee Ee-chao

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 and land acquisitions, overall planning and review of budgets and land acquisitions, strategies as well as dealing with business of 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 EXCO and the Board meet, when circumstances require, to discuss, review and approve matters relating to the business, transactions, management, operations and administration of the Group. In addition to conducting meetings, resolutions in writing, together with reports and transaction documents, are also circulated to the EXCO and the Board for their review and approval, as and when the circumstances require. Notwithstanding the above, the Board conducts regular scheduled meetings on a quarterly basis. The ARC schedules approximately four to six meetings annually, whilst the NC and RC meet at least once a year. The Company’s Articles of Association (“Articles”) allow meetings of the Board and Board Committees 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, are disclosed on page 55.

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. Directors are provided with opportunities to attend courses and talks on Board matters organised by professional and reputable organisations, including 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. The external auditors would also brief and update ARC Members on developments in accounting and governance standards and issues which have a direct impact on financial statements.

Board Composition and Guidance

Currently, four of the eight-member Board are independent. Details relating to the review of independence of our Board is set out in the paragraph "Board Membership" on pages 45 to 46.

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 12 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 Board takes cognizance of the importance of diversity in terms of the Board composition and conducts annual reviews. The current Board comprises persons who individually and as a group, have an appropriate balance and diversity of skills, experience, qualifications, core competencies and knowledge of the Company necessary to manage the Company and contribute effectively to the Company. The Board will continue to review its composition and diversity. Board appointment will continue to be based on merit and diversity factors (such as skills, experience, qualifications, core competencies, age, gender, and race).

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 family 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 ARC, NC and RC have sufficient standing and authority to look into any matter which the Chairman, the GCE or the CFO fails to resolve.

Board Membership

The 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, Tan Tiong Cheng, Wee Sin Tho, and Pongsak Hoontrakul. 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 ended 31 December 2014. 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.

For the financial year ended 31 December 2014, the effectiveness and independence of Low Weng Keong who has served on the Board beyond nine years was subjected to particularly rigorous scrutiny. Despite his long period of service, the NC found and recommended to the Board that Low Weng Keong has at all times, expressed his individual viewpoints, exercised strong independence in character and judgment whilst discharging his duties as a Member of the Board and Board Committees, and acted objectively in the best interests of the Company and its Shareholders. The NC also took into account Low Weng Keong's contribution as a Board and Board Committee Member and his valuable insights on the Group's businesses developed over his term of service as a Director. The Board, having considered the NC's recommendations, deems Low Weng Keong as independent and agrees that his years of service have not compromised his independence or ability to discharge his duties as a Member to the Board and Board Committees.

In view of the above, the independent Directors constitute half of the Board.

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 on and commitments of each Director varies, and each Director will be best able to assess if he is able to discharge his 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 NC 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, with each NC Member abstaining in respect of his own re-appointment, has recommended that Low Weng Keong and Wee Ee-chao who retire by rotation pursuant to this Article, be nominated for re-election.

Key information regarding the Directors' academic qualifications and principal commitments are set out on pages 56 to 57. 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 reviews 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. Directors have separate and independent access to the advice and services of the Company Secretaries and they 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. Such access to information is intended to enable the Directors to make informed decisions to discharge their duties and responsibilities.

Company Secretaries

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. The Company Secretaries would from time to time, circulate to the Board, articles and press releases relevant to the Directors and Group's business, and material announcements issued to/by SGX-ST and the Accounting & Corporate Regulatory Authority. The Company Secretaries keep the Board informed of relevant laws and regulations, industry issues, practices and trends pertaining to corporate governance affecting the Board.

At least one of the Company Secretaries attends all Board and Board Committee 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 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 the financial year ended 31 December 2014, 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, Gwee Lian Kheng, 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 in relation to 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 58 to 59. Details of the share options granted to Gwee Lian Kheng, GCE and the only executive Director, during the financial year ended 31 December 2014 are also disclosed on pages 58 and 84.

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. In general, the Group sets and reviews the key performance indicators of our employees on an annual basis and remuneration package of each employee is dependent on achieving these annual targets. The key performance indicators of each employee vary in accordance with his designation and responsibilities within the Group. In general, the report on the remuneration of the top five key management personnel (who are not Directors) of the Company is disclosed on page 58.

Details of the UOL 2000 and 2012 Share Option Schemes are disclosed on pages 83 to 85.

Save as disclosed in page 59, 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, information technology and compliance controls are adequate and effective as at 31 December 2014.

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, chaired by the GCE, 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, 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 performance 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. The 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,

the 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

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 the Management, at least annually and reviewed the overall scope of the internal and external audits and the assistance given by the 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 the 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.

PricewaterhouseCoopers LLP is the Company's current external auditors. In accordance with Rule 1207(6) of the SGX Listing Manual, details of the aggregate amount of fees paid to the PricewaterhouseCoopers LLP and the breakdown of fees payable in respect of audit and non-audit services can be found under Note 5 of the Notes to the Financial Statements. Further to the above, the Company also complies with Rules 712(a) and 715 of the SGX Listing Manual.

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. 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. It recommends to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment by the Shareholders.

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 ensures that the necessary controls are in place and 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) 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 consider allowing such corporations to appoint more than two proxies when the relevant provisions of the Companies Act have been amended pursuant to the Companies (Amendment) Bill (Bill No. 25/2014, Singapore).

At the general meetings, Shareholders are briefed on the poll voting procedures and the resolutions that they are voting on. Notices of general meetings of Shareholders are issued within the periods prescribed under the SGX Listing Manual.

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. Announcements of the Group's results are released and annual reports are issued within the periods prescribed under the SGX Listing Manual. Shareholders and investors can also access information

on the Company at its website at www.uol.com.sg which is updated regularly, and subscribe to email alerts made available on the Company's website for latest updates from the Company.

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. The notices of general meetings setting out the agenda are despatched to the Shareholders with the annual reports, explanatory notes and if necessary, letters to shareholders on the items of special businesses, at least 14 days before the general meetings are called to pass ordinary resolutions or 21 days before general meetings are called to pass special resolutions.

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 Shareholder's query on the conduct of audit and the preparation of the Auditors' Report. At least one of the Company Secretaries attends all Shareholders' meetings to ensure that procedures under the Articles and the SGX Listing Manual are followed. The Company Secretaries prepare the minutes of the general meetings. Results of the general meetings are also released as an announcement via SGXNET.

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 four 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. The payment of dividends are communicated to Shareholders in announcements released through SGXNET. The Board is recommending the declaration and payment of a first and final tax exempt (one-tier) dividend of 15 cents per ordinary share for the financial year ended 31 December 2014 at the forthcoming AGM.

DEALINGS IN SECURITIES

Pursuant to Listing Rule 1207(19) on Dealings in Securities, the Company issues circulars, memorandums, notifications and updates, on a regular basis and as-and-when required, to its Directors and employees to prohibit the dealing in listed securities of the Company in the following periods:

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 when 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.

Further to the above, the Company issues announcements at least two weeks and one month before announcing the Group's quarterly and full-year financial results respectively to provide notice of when such financial results will be released.

Attendance at Board and Board Committee Meetings

Name of Director	Number of meetings attended in 2014				
	Board	EXCO	ARC	RC	NC
Wee Cho Yaw	4	1	N.A.	1	1
Gwee Lian Kheng	4	1	N.A.	N.A.	N.A.
Low Weng Keong	3	1	6	1	1
Wee Ee-chao	3	1	N.A.	N.A.	N.A.
Wee Ee Lim	4	N.A.	6	N.A.	N.A.
Tan Tiong Cheng	4	N.A.	6	N.A.	N.A.
Wee Sin Tho	2	N.A.	N.A.	1	N.A.
Pongsak Hoontrakul	4	N.A.	N.A.	N.A.	1
Number of meetings held in 2014	4	1	6	1	1

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, Honorary Doctor of Letters, Nanyang Technological University, Singapore	85	EXCO – Chairman RC – Member NC – Member	23.04.1973 22.04.2014	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	74	EXCO – Member	20.05.1987 22.04.2014	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	62	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	60	EXCO – Member	09.05.2006 19.04.2012	Non-executive Non-independent
Wee Ee Lim Bachelor of Arts (Economics), Clark University, USA	53	ARC – Member	09.05.2006 22.04.2014	Non-executive Non-independent

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
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	64	ARC – Member	29.05.2013 22.04.2014	Non-executive Independent
Wee Sin Tho Bachelor of Social Sciences (Hons), University of Singapore	66	RC – Chairman	13.05.2011 22.04.2014	Non-executive Independent
Pongsak Hoontrakul Doctoral degree (Business Administration in Finance), Thammasat University; Master in Business Administration, Sasin Institute, Chulalongkorn University; Bachelor of Science (Industrial and System Engineering), San Jose State University, USA	54	NC – Member	21.05.2008 19.04.2013	Non-executive Independent

Notes:

- 1 Directors' shareholdings in the Company and related corporations, please refer to pages 82 and 83.
- 2 Directorships or Chairmanships in other listed companies and other major appointments, both present and over the preceding three years, please refer to pages 18 to 21.

REMUNERATION REPORT

The following table shows a breakdown (in percentage terms) of the remuneration and details of share options granted to Directors and key management personnel for the year ended 31 December 2014:

Name	Total remuneration \$'000	Salary %	Bonuses %	Directors' fees ¹ %	Share option grants ² %	Defined contribution plans %	Others %	Total remuneration %	Share option grants ³ number
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REMUNERATION OF DIRECTORS

Gwee Lian Kheng	2,412	30	58	3	6	–	3	100	120,000
Wee Cho Yaw	124	–	–	100	–	–	–	100	–
Low Weng Keong	110	–	–	100	–	–	–	100	–
Wee Ee-chao	50	–	–	100	–	–	–	100	–
Wee Ee Lim	60	–	–	100	–	–	–	100	–
Tan Tiong Cheng	60	–	–	100	–	–	–	100	–
Wee Sin Tho	60	–	–	100	–	–	–	100	–
Pongsak Hoontrakul	50	–	–	100	–	–	–	100	–

Name	Salary %	Bonuses %	Directors' fees ¹ %	Share option grants ² %	Defined contribution plans %	Others %	Total remuneration %	Share option grants ³ number
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REMUNERATION OF KEY MANAGEMENT PERSONNEL

\$1,250,000 to \$1,500,000								
Liam Wee Sin President (Property), UOL	34	51	2	5	1	7	100	60,000
Bernold Olaf Schroeder Chief Executive Officer (Hotels), PPHG	58	16	–	–	6	20	100	–
\$500,000 to \$750,000								
Foo Thiam Fong Wellington Chief Financial Officer/Group Company Secretary, UOL	51	26	5	10	1	7	100	54,000
Neo Soon Hup Chief Financial Officer, PPHG	64	16	3	9	3	5	100	42,000
\$250,000 to \$500,000								
Erik Anderouard⁴ Senior Vice President (Operations), PPHG	55	10	–	–	6	29	100	–

Notes:

- Directors' fees are subject to approval by the shareholders at the relevant annual general meetings and includes fees payable by subsidiaries.
- Fair value of share options is estimated using the Trinomial Tree model at date of grant.
- Refers to options granted on 12 March 2014 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 12 March 2015 to 11 March 2024 at the offer price of \$6.10 per ordinary share.
- Joined on 1 August 2014.

Total remuneration paid to the top five key management personnel set out above amounted to \$4,174,000 for the financial year ended 31 December 2014.

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 grant of 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:

- (a) Remuneration band of \$400,000 to \$450,000
 - 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)
- (b) Remuneration band of \$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 Chief Executive Officer and whose remuneration exceeded \$50,000 during the financial year ended 31 December 2014.

UOL is committed to treating all its Stakeholders fairly and keeping them updated on the Group's financial and operational performance in a timely and consistent manner.

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

UOL also conducts various investor relations activities to facilitate open communication between the Group and its institutional and retail investors. The quarterly earnings calls and full-year results conference allowed the management to brief analysts and media on the Group's performance and outlook. At the Annual General Meeting held on 22 April 2014, Shareholders were able to engage in a dialogue with the Board.

In 2014, UOL met over 170 shareholders, potential investors and analysts through conferences, one-on-one meetings and small group meetings. In order to increase the investing community's understanding of UOL's performance, key developments and business, and to promote continued interest in the Group, it participated in the DBS Vickers Pulse of Asia, Nomura Investment Forum Asia, Macquarie ASEAN Conference and Morgan Stanley Thirteenth Asia Pacific Summit in 2014. The Management also attended post-results investor luncheons hosted by UBS Securities and CIMB Securities for their clients. During the year, Morgan Stanley initiated coverage on UOL, bringing the number of brokerage firms offering research coverage on the Group to 10.

UOL maintains regular communication with Stakeholders, responding to investor and media queries via telephone, email and direct meetings. The Group also publishes a quarterly newsletter "UOL Channel", which is also available on its website, for Stakeholders to be kept abreast of the latest developments in UOL. In order for the investment community to gain a better understanding of its property developments, the Group organised site visits to Seventy Saint Patrick's and Riverbank@Fernvale for fund managers and analysts.

In the Governance and Transparency Index (GTI) 2014 - an annual index ranking exercise jointly conducted by NUS Business School's Centre for Governance, Institutions and Organizations and The Business Times - UOL was ranked 52nd out of over 640 locally listed companies, up from 84th in 2013. The GTI assesses companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcement.

UOL's share price did well despite the soft property market in Singapore and uncertain global economic outlook in 2014. It closed the year at \$6.96, up from \$6.19 in 2013, representing an increase of 12.4%. This was better than the increase in the FTSE ST Real Estate Index (6.8%) and the increase in STI Index (6.2%) for the corresponding period. The Company's share price averaged \$6.39 during the year, registering a low of \$5.74 on 3 February 2014, and a high of \$7.03 on 29 December 2014. The share's average daily turnover in 2014 was 806,734. At the end of 2014, UOL's market capitalisation was \$5.5 billion, up from \$4.8 billion a year ago. UOL has remained on the STI Reserve List.

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 has also remained on the S&P Asia Property 40 Index since 2013.

2014 Share Price Performance



FINANCIAL CALENDAR	2014	2013
Announcement of first quarter results	07.05.14	10.05.13
Announcement of second quarter results	08.08.14	07.08.13
Announcement of third quarter results	11.11.14	08.11.13
Announcement of unaudited full year results	26.02.15	28.02.14
Annual General Meeting	22.04.15	22.04.14
Books closure date	30.04.15	02.05.14
First & final dividends payment date	16.06.15	20.06.14

SUSTAINABILITY

Corporate social responsibility (CSR) is one of UOL's core values. As a property developer, the Group recognises its responsibility to conduct its operations in a sustainable manner and contribute positively to the well-being of the community where it operates. The Group also discloses its CSR efforts through communication platforms such as reports, newsletters, corporate website and intranet.

To commemorate the Group's 50th anniversary, UOL launched its first sustainability report, covering its economic, environment and social performance in accordance with the latest Global Reporting Initiatives (GRI) G4 Guidelines. A priority in sustainability governance in UOL is to integrate material issues into existing management systems. The key material issues include carbon footprint, compliance and fair competition, corruption and bribery, health and safety, product quality, profitability, sustainable growth, talent retention and water consumption. They will feed into UOL's ISO 14001 environmental management system and the Group expects to be ISO 14001 certified in 2015.

BUSINESS

UOL places high importance on managing the business with integrity and strives to embed sustainability into its governance and operations. The Group also prides itself for leveraging design and innovation to achieve product and service excellence across its portfolio of residential homes, office towers, shopping malls, hotels and serviced suites.

ENTERPRISE-WIDE RISK MANAGEMENT

UOL's Enterprise-wide Risk Management (ERM) programme was established in 2009. The ERM programme incorporates sustainability risks, using the approach recommended by GRI and AA1000AS frameworks. The Group Risk Management Committee, chaired by the Group Chief Executive and comprising senior members of the Management team oversees the direction, implementation and running of the ERM programme. More information on ERM and its functions can be found on page 49 to 52 of the Annual Report (Corporate Governance Report). With a robust risk management framework in place to manage business risks, UOL is positioned to pursue a sustainable and long-term growth plan.

PRODUCT AND SERVICE EXCELLENCE

UOL has earned many awards and accolades over the years for its developments, demonstrating its commitment towards design, innovation and quality excellence.

During the year, Riverbank@Fernvale won Gold at the BCA Green Mark Awards 2014 and Gold (Design) at the BCA Universal Design Mark Awards 2014. Terrene at Bukit Timah was the winner in the Residential (Low Rise) category at the FIABCI Singapore Property Awards 2014.

For hospitality, PARKROYAL on Pickering won several awards including World Gold Winner (Hotel category) at the 2014 FIABCI World Prix d'Excellence Awards and Commercial Architecture Award at the 2014 International Architecture Awards. Pan Pacific Serviced Suites Beach Road won in the Hotel category at the FIABCI Singapore Property Awards 2014.

CODE OF BUSINESS CONDUCT

The values of fairness, integrity and openness are highly regarded at UOL. Its employees are expected to embrace and practise these values in their daily work. To set the right corporate mindset and culture, employees regularly affirm their compliance with the Code of Business Conduct.

WHISTLE-BLOWING POLICY

UOL's Whistle-blowing Policy provides well-defined and accessible channels for investigation of any reported cases of suspected improper conduct by any employees of UOL or any of the UOL subsidiaries. The Head of Internal Audit works closely with the Audit and Risk Committee to investigate reported matters of misdeed or impropriety, and remedial measures are taken where warranted. Throughout the process, the whistle blowers are protected from reprisals within the limits of the law.

HUMAN CAPITAL

With a firm conviction that people are vital to business sustainability, UOL is focused on building a motivated and engaged workforce. Besides rewarding employees with competitive compensation, the Group invests in training and mentorship programmes to develop employees to their full potential. The Group also takes care of the health of its employees. During the year, it continued to promote work-life balance and healthy lifestyle by organising recreational and fitness activities for its employees. In celebration of its 50th anniversary,



Riverbank@Fernvale (artist's impression) won Gold and Gold (Design) at BCA's Green Mark Awards and Universal Design Mark Awards respectively

UOL also held the annual gala dinner at PARKROYAL on Beach Road to thank employees for their contributions.

With a global workforce mainly from its hospitality arm of PPHG, UOL is committed to be a workplace of choice for its diversified employees.

ENVIRONMENT

UOL remains committed to protecting the environment by incorporating sustainable features into its developments and ensuring compliance with environmental, health and safety requirements in its operations. The Group encourages greenery and conservation within its projects to preserve the environment's inherent character and cultural heritage. UOL also aims to minimise carbon footprint by improving operational efficiency, which also translates into energy and water savings.

UOL's projects continue to earn accolades for incorporating environmentally-friendly features. PARKROYAL on Kitchener Road was the second hotel in the Group, after PARKROYAL on Pickering, to receive the Building Construction and Authority's Green Mark Platinum award, which is the highest rating for green buildings in Singapore. The hotel was also the seventh in the country to receive this prestigious award. The installations of energy-saving electrical systems and LED lightings, upgrading of water fittings to enhance usage efficiency, and maximisation of waste recycling efforts are some of the key retrofits which enabled the hotel to meet the awarding standard. At the same time, PARKROYAL on Pickering continued to clinch environment-related awards during the year, including BEI Asia Awards 2014's Asia Green Building Awards (Retail/Hospitality Buildings).

PPHG also pledged global support for Earth Hour with its hotels, resorts and serviced suites across the globe switching off or dimming their lights for one hour on 29 March 2014. Other activities to further promote the energy conservation message were also organised at in-house dining outlets and in the lobbies.

COMMUNITY

UOL takes pride in being an active corporate citizen that supports various meaningful charitable causes for children, youth, education and sports, which are its core community development pillars. Education empowers children and youth with the skills and knowledge to become valued contributors to society, while sports builds confidence and aids character development.

In June, as part of UOL's year-long celebration of its 50th anniversary, the Group partnered Very Special Arts Singapore (VSA) to showcase art works by artists with disabilities. Supported by the National Arts Council and Land Transport Authority, a 200-foot long mural entitled "A Kaleidoscope of Colours" was installed on each side of the wall in the pedestrian underpass linking United Square (kids' learning mall) and Velocity@Novena Square (sports mall). Mr Sam Tan, Minister of State, Prime Minister's Office and Ministry of Culture, Community and Youth, was present to officiate the art installation.

The two themed malls also sponsored a space each for VSA to hold a painting exhibition. Funds were raised from the sale of paintings, charity auctions with items donated by the mall tenants, as well as canvassing of donations by student volunteers. UOL helped raise more than \$30,000 in support of VSA's programmes.

Beyond monetary contributions, staff volunteerism is also encouraged at UOL. In October, staff volunteers led a group of 29 primary school students from CARE Singapore, UOL's longtime partner, to explore nature at the Dairy Farm Nature Park. The volunteers played a key role in inculcating the conservation message to these vulnerable children, so that they will grow up and become caring and responsible adults.

Not forgetting the older generation who contributed to the growth of Singapore, in February, some 50 elderly residents from the Asian Women's Welfare Association (AWWA) Community Home for Senior Citizens were accompanied by the management team and staff volunteers to enjoy an eight-course Chinese New Year luncheon at PARKROYAL on Kitchener Road. The event brought cheer to these residents who had no family support.

As a property developer, UOL also seeks to create value with its space by sponsoring charitable events. When



UOL commissioned 18 art pieces by VSA artists and reproduced them into a mural, which was installed on each side of the wall in the pedestrian underpass that links its two malls in Novena



UOL (left) and PPHG (right) management representatives celebrated Chinese New Year with residents from the AWWA Community Home



UOL volunteers and children of CARE Singapore had a fun-filled day at the Dairy Farm Nature Park

UOL opened its new mall OneKM in November, VSA was sponsored a space to make and sell handcraft merchandise as part of its fund-raising efforts. During the opening weekend, OneKM collaborated with South East Community Development Council and hosted 30 low-income families from the MacPherson PAP Community Foundation. Each family was given \$100 worth of shopping voucher, and they were treated to a wonderful performance by The Little Big Club at the end of the day.

PPHG, the hospitality arm of UOL, also focused strongly on its CSR efforts. Pan Pacific Singapore entered into a partnership with global food safety and security company Sealed Air to provide basic sanitation for disadvantaged households through the recycling and donation of used soaps. Over 1,000 bars of soap were sanitised, refreshed and distributed to underprivileged families in the first three months. The production of recycled soaps also helps to create employment opportunities for these poor families, apart from reducing wastage for the hotel.

Pan Pacific and PARKROYAL hotels in Singapore came together during the year to raise funds for the expansion of Assisi Hospice through the charity's annual Fun Day. In line with the event's kampong theme, its associates

sold 1,000 pieces of Pan Pacific's signature sausages and 1,000 sticks of satay with the sales proceeds going towards the hospice's in-patient care, home and day care services.

Down Under, the team at PARKROYAL Parramatta challenged themselves to take 10,000 steps every day in September in support of "Steptember", a charity run organised by the Cerebral Palsy Alliance. Every dollar raised went towards equipment purchase, therapy and research into groundbreaking treatments, thereby allowing the Alliance to provide much-needed services, support and care for kids and adults living with cerebral palsy.

BUSINESS COMMUNITY

UOL was a proud sponsor of the World Cities Summit 2014, an exclusive and premier platform for government leaders and industry experts to address challenges of liveable and sustainable cities. For the third consecutive year, UOL supported the World Architecture Festival (WAF) by sponsoring the World Building Award. 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.

GEOGRAPHICAL PRESENCE

UOL
GROUP
LIMITED



REGIONAL

Mixed Development**CHINA**

The Esplanade (海河华鼎), Tianjin¹
Changfeng, Shanghai²

UNITED KINGDOM

Bishopsgate, London³

Hotels/Service Suites**AUSTRALIA**

Pan Pacific Perth
PARKROYAL Darling Harbour
PARKROYAL Melbourne Airport
PARKROYAL Parramatta
PARKROYAL Melbourne⁴

MALAYSIA

PARKROYAL Kuala Lumpur
PARKROYAL Serviced Suites
Kuala Lumpur
PARKROYAL Penang
PARKROYAL Langkawi⁴

CHINA

Pan Pacific Xiamen
Pan Pacific Suzhou
Pan Pacific Tianjin
Pan Pacific Ningbo
Pan Pacific Serviced Suites Ningbo

VIETNAM

PARKROYAL Saigon
Sofitel Saigon Plaza
Sofitel Plaza Hanoi

MYANMAR

PARKROYAL Yangon
PARKROYAL Nay Pyi Taw
Pan Pacific Yangon⁵

UNITED KINGDOM

Bishopsgate, London⁶
(to be operated under the
“Pan Pacific” brand)

INDONESIA

Sari Pan Pacific Jakarta
Pan Pacific Nirwana Bali Resort
PARKROYAL Rainbow Hills Bogor Resort⁷

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

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

- ¹ Comprises residential units, offices, retail space and Pan Pacific Tianjin.
- ² Comprises residential units and retail space.
- ³ Comprises residential units, retail space and a hotel.
- ⁴ Opening in 2017.
- ⁵ 20% stake, opening in 2017.
- ⁶ Opening in 2019.
- ⁷ 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

Residential

9. Archipelago⁸
10. Katong Regency (Fully sold)
11. Spottiswoode Residences (Fully sold)
12. Thomson Three⁹
13. Seventy Saint Patrick's
14. Riverbank@Fernvale
15. Botanique at Bartley
16. Prince Charles Crescent site

Hotels/Service Suites

17. Pan Pacific Orchard
18. Pan Pacific Singapore⁹
19. Pan Pacific Serviced Suites Orchard
20. Pan Pacific Serviced Suites Beach Road
21. PARKROYAL on Beach Road
22. PARKROYAL on Kitchener Road
23. PARKROYAL Serviced Suites, Singapore
24. PARKROYAL on Pickering
25. Marina Mandarin¹⁰

⁸ 50% stake.

⁹ 22.7% stake held through Marina Centre Holdings Pte Ltd.

¹⁰ 25.0% stake held through Aquamarina Hotel Private Limited.

PROPERTY SUMMARY 2014

UOL
GROUP
LIMITED

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2014 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	39	91	90.5	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	18,341	167	98	408.6	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	1982 & 2002							
Shops	1982	1987	Freehold	19,414	658	98	1,039.1	100
Offices	1982			27,004		95		
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	2000	–	99-year lease from	16,091	491	99	1,324.8	60
Offices	2000		1997	41,580		98		
ONEKM 11 Tanjong Katong Road, Singapore 3-storey commercial podium with a basement located within a commercial/residential development	2014	2011	Freehold	19,429	267	88	457.6	100
THE PLAZA 7500 Beach Road, Singapore Retained interests in a 32-storey tower block comprising restaurants, a function room, shops, offices and serviced suites, and a 15-storey Pan Pacific Serviced Suites, Beach Road above the existing carpark block								
Shops & Offices	1974 & 1979	–		4,311		82	64.5	100
PARKROYAL SERVICED SUITES, SINGAPORE 90 serviced suites and 1 owner-occupied apartment	1979	–	99-year lease from 1968	6,125 & 165 respectively	449	87	81.3	100
PAN PACIFIC SERVICED SUITES BEACH ROAD, SINGAPORE 180 serviced suites	2013	–		8,100		85	132.0	100

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2014 Average Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
INVESTMENT PROPERTIES OWNED BY THE GROUP (CONTINUED)								
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	187.6	100
THE ESPLANADE (海河华鼎) No. 1, Zhang Zi Zhong Road, Hong Qiao District, Tianjin, The People's Republic of China 3-storey retail mall with basement car parks within a commercial/residential development	2014	2007	40-year lease from 2007	6,164	513	–	73.3	90
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	84	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	85	82.8	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*	77	82	184.0	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	213.0	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 532 rooms	1976 & 1981	1989	Freehold	37,811*	271	83	330.0	100

PROPERTY SUMMARY 2014

UOL
GROUP
LIMITED

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2014 Average Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
HOTELS OWNED AND MANAGED BY THE GROUP (CONTINUED)								
PARKROYAL ON PICKERING 3 Upper Pickering Street, Singapore 16-storey hotel building with 367 rooms	2012	–	99-year lease from 2008	21,301*	75	83	359.0	100
PAN PACIFIC XIAMEN Hubin North Road, Xiamen, The People's Republic of China Comprising two towers of 19-storey and 29-storey with 329 hotel rooms and 25 serviced apartments, including a two-storey basement carpark	2005 (redeveloped)	2001	70-year lease from 1991	31,775*	76	62	55.6	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
PAN PACIFIC TIANJIN No. 1, Zhang Zi Zhong Road, Hong Qiao District, Tianjin, The People's Republic of China Hotel with 289 rooms and 30 serviced apartments	2014	2007	40-year lease from 2007	48,427*	116	16	118.2	90
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 6-storey annex office building	1997	–	49-year lease from 1994	12,165*	25	63	28.8	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 333 rooms	1997	2001	50-year lease from 1998	17,700*	140	70	68.8	100
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	1974	1999	Freehold Leasehold, expiring in 2080	56,707*	–	85	101.8	100
Car Park Annexe				11,128*	320			

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2014 Average Occupancy %	Present Capital Value (\$m)	Effective percentage of Interest %
HOTELS OWNED AND MANAGED BY THE GROUP (CONTINUED)								
PARKROYAL PENANG RESORT Batu Ferringhi Beach, Penang, Malaysia 309-room 8-storey beachfront resort hotel	1990	1999	Freehold	31,502*	147	71	64.0	100
PARKROYAL DARLING HARBOUR, SYDNEY 150 Day Street, Sydney, Australia 13-level hotel with 340 rooms	1991	1993	Freehold	24,126*	58	88	119.3	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*	–	93	99.9	100
PARKROYAL PARRAMATTA 30 Phillip Street, Parramatta, New South Wales, Australia 13-level hotel with 196 rooms	1986	1994	Freehold	16,694*	176	85	41.9	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	82	152.6	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	72	81.6	75
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	–	–	23.1	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

PROPERTY SUMMARY 2014

UOL
GROUP
LIMITED

	Purchased	Tenure of Land	Approximate Net Saleable Area (sqm)	Stage of Completion as at 31.12.2014 %	Expected Completion	Effective percentage of Interest %
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PROPERTIES UNDER CONSTRUCTION

BISHOPSGATE SITE

150 Bishopsgate, London
Hotel with proposed 190 rooms
Proposed 109 units of
residential apartments
Retail component

			15,886	–	3 rd	
2014	Freehold		13,551	–	Quarter	100
			1,569	–	2019	

Type of Development	Tenure of Land	Approximate Gross Floor Area (sqm)	Site Area (sqm)	Sales Status as at 31.12.2014 %	Stage of Completion as at 31.12.2014 %	Expected Completion	Effective percentage of Interest %
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PROPERTIES FOR SALE UNDER DEVELOPMENT

KATONG REGENCY

Tanjong Katong Road
244 units of condominium
apartments

Residential	Freehold	21,172	14,278	100	55	2 nd Quarter 2015	100
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SEVENTY SAINT PATRICK'S

St Patrick's Road
186 units of condominium
apartments

Residential	Freehold	19,944	12,950	73	30	3 rd Quarter 2016	100
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RIVERBANK@FERNVALE

Sengkang West Way
555 units of condominium
apartments

Residential	99-Year leasehold commencing 10.7.2013	49,812	16,604	50	18	1 st Quarter 2017	100
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BOTANIQUE AT BARTLEY

Upper Paya Lebar Road
797 units of condominium
apartments

Residential	99-Year leasehold commencing 14.4.2014	61,839	20,078	–	–	1 st Quarter 2018	100
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PRINCE CHARLES CRESCENT SITE

Prince Charles Crescent
663 units of condominium
apartments

Residential	99-Year leasehold commencing 21.7.2014	57,668	24,964	–	–	2 nd Quarter 2018	70
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SIMPLIFIED GROUP FINANCIAL POSITION

ANNUAL
REPORT
2014

Total Assets Owned



	2014 \$m	2013 \$m	2014 %	2013 %
Property, plant and equipment	1,241	1,169	11	11
Investment properties	4,080	3,814	34	36
Available-for-sale financial assets	989	857	8	8
Associated companies	3,171	2,765	27	27
Joint venture companies	229	186	2	2
Development properties	1,715	900	14	9
Other assets and cash	423	730	4	7
	11,848	10,421	100	100

Total Liabilities Owed and Capital Invested



	2014 \$m	2013 \$m	2014 %	2013 %
Shareholders' funds	7,643	6,760	64	65
Non-controlling interests	488	467	4	4
Borrowings	3,029	2,336	26	22
Trade and other payables	436	600	4	6
Deferred income tax liabilities	174	173	1	2
Other liabilities	78	85	1	1
	11,848	10,421	100	100

FIVE-YEAR FINANCIAL SUMMARY

UOL
GROUP
LIMITED

	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000
Group Revenue					
Property development	835,535	1,393,773	560,022	409,984	675,881
Hotel operations	325,089	360,038	377,721	420,425	437,574
Property investments	147,943	160,308	166,087	180,241	198,206
Investments	21,950	26,219	23,192	27,446	28,798
Hotel and other management services	18,540	19,896	18,755	20,512	20,260
	1,349,057	1,960,234	1,145,777	1,058,608	1,360,719
Group Income Statement					
Property development	158,030	404,763	147,502	133,235	146,526
Property investments	102,452	112,650	119,702	126,369	137,296
Hotel operations	51,451	59,511	59,789	66,310	72,581
Investments	21,752	26,064	23,147	27,402	28,764
Hotel and other management services	3,217	8,281	11,521	11,757	15,060
	336,902	611,269	361,661	365,073	400,227
Unallocated costs	(10,489)	(12,462)	(13,736)	(14,381)	(14,892)
Profit from operations	326,413	598,807	347,925	350,692	385,335
Finance income	3,512	2,768	11,112	4,488	5,466
Finance expense	(26,488)	(39,233)	(33,090)	(42,815)	(34,009)
Share of profit of associated companies excluding fair value gains of associated companies' investment properties	247,786	165,928	114,115	96,383	119,776
Share of (loss)/profit of joint venture companies	–	(500)	(364)	18,506	38,590
Profit before fair value and other gains/(losses) and income tax	551,223	727,770	439,698	427,254	515,158
Other gains/(losses)	50,790	(19,731)	(24,995)	23,813	25,552
Fair value gains on associated companies' investment properties	152,904	8,694	107,547	91,459	78,408
Fair value gains on the Group's investment properties	134,863	187,222	442,097	409,425	217,848
Profit before income tax	889,780	903,955	964,347	951,951	836,966
Profit attributable to equity holders of the Company	755,939	678,572	807,675	785,820	685,996

	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000
Group Statement of Financial Position					
Property, plant and equipment	980,523	1,090,066	1,130,024	1,169,105	1,241,180
Investment properties	2,261,613	2,838,328	3,342,754	3,814,190	4,080,214
Associated companies, joint venture companies, receivables and other assets (non-current)	2,118,658	2,512,045	2,782,693	2,944,304	3,239,511
Available-for-sale financial assets (non-current)	246,972	220,565	283,484	274,854	340,272
Intangibles	42,807	29,908	27,607	26,117	25,677
Deferred tax assets	3,651	4,338	3,789	3,160	3,623
Net current assets (excluding borrowings)	1,825,782	1,605,520	1,665,039	1,660,264	2,561,037
Non-current liabilities (excluding borrowings)	(241,815)	(203,926)	(342,555)	(328,861)	(332,073)
	7,238,191	8,096,844	8,892,835	9,563,133	11,159,441
Share capital	1,051,898	1,040,694	1,046,954	1,050,897	1,151,512
Reserves	3,585,077	4,243,279	5,095,658	5,708,801	6,491,217
Interests of the shareholders	4,636,975	5,283,973	6,142,612	6,759,698	7,642,729
Non-controlling interests	410,601	486,950	576,314	467,272	488,170
Borrowings	2,190,615	2,325,921	2,173,909	2,336,163	3,028,542
	7,238,191	8,096,844	8,892,835	9,563,133	11,159,441
Financial Ratios					
Basic earnings per ordinary share* (cents)	96.94	88.12	105.06	102.01	88.00
Gross dividend declared (\$'000)	115,101	115,237	115,485	154,172	118,084
Gross dividend declared					
First and final (cents)	10.0	10.0	15.0	15.0	15.0
Special (cents)	5.0	5.0	–	5.0	–
Cover (times)	6.6	5.9	7.0	5.1	5.8
Net tangible asset backing per ordinary share (\$)					
Before accounting for surplus on revaluation of hotel properties	5.91	6.84	7.94	8.73	9.68
After accounting for surplus on revaluation of hotel properties	6.51	7.49	8.73	9.71	10.75
Gearing ratio	0.37	0.35	0.28	0.28	0.34

* 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

UOL
GROUP
LIMITED

Total Revenue By Business Segments

	2014 \$'000	%	2013 \$'000	%
Property development	675,881	49.7	409,984	38.8
Hotel operations	437,574	32.2	420,425	39.7
Property investments	198,206	14.5	180,241	17.0
Investments	28,798	2.1	27,446	2.6
Management services	20,260	1.5	20,512	1.9
	1,360,719	100.0	1,058,608	100.0

Adjusted Ebitda* By Business Segments

	2014 \$'000	%	2013 \$'000	%
Property development	185,192	26.6	153,449	24.4
Property investments	333,189	47.9	310,289	49.3
Hotel operations	131,656	18.9	124,794	19.8
Investments	28,764	4.1	27,402	4.4
Management services	17,263	2.5	13,434	2.1
	696,064	100.0	629,368	100.0

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

Total Assets By Business Segments

	2014 \$'000	%	2013 \$'000	%
Property development	2,434,157	20.5	1,847,628	17.7
Property investments	6,981,736	58.9	6,373,371	61.2
Hotel operations	1,370,187	11.6	1,285,371	12.3
Investments	988,807	8.3	856,968	8.2
Management services	41,767	0.4	36,920	0.4
	11,816,654	99.7	10,400,258	99.8
Unallocated assets	31,807	0.3	21,190	0.2
	11,848,461	100.0	10,421,448	100.0

Total Revenue By Geographical Segments

	2014 \$'000	%	2013 \$'000	%
Singapore	646,275	47.5	772,820	73.0
Malaysia	278,226	20.4	57,099	5.4
The People's Republic of China	243,633	17.9	31,225	3.0
Australia	132,070	9.7	135,910	12.8
Myanmar	28,090	2.1	30,099	2.8
Vietnam	28,705	2.1	27,503	2.6
Others	3,720	0.3	3,952	0.4
	1,360,719	100.0	1,058,608	100.0

Adjusted Ebitda* By Geographical Segments

	2014 \$'000	%	2013 \$'000	%
Singapore	509,422	73.2	551,083	87.5
Malaysia	116,856	16.8	19,015	3.0
Australia	32,744	4.7	34,988	5.6
Myanmar	13,770	2.0	16,241	2.6
Vietnam	11,034	1.6	9,866	1.6
The People's Republic of China	11,197	1.6	(4,161)	(0.7)
United Kingdom	(1,105)	(0.2)	-	-
Others	2,146	0.3	2,336	0.4
	696,064	100.0	629,368	100.0

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

Total Assets By Geographical Segments

	2014 \$'000	%	2013 \$'000	%
Singapore	10,507,856	88.7	9,039,415	86.7
The People's Republic of China	590,066	5.0	709,833	6.8
Australia	239,255	2.0	255,439	2.5
United Kingdom	205,868	1.7	-	-
Malaysia	187,027	1.6	323,426	3.1
Vietnam	48,909	0.4	50,617	0.5
Myanmar	36,683	0.3	29,146	0.3
Others	32,797	0.3	13,572	0.1
	11,848,461	100.0	10,421,448	100.0

VALUE-ADDED STATEMENT

UOL
GROUP
LIMITED

	2014 \$'000	2013 \$'000
Sales of goods and services	1,331,921	1,031,162
Purchase of materials and services	(604,486)	(611,327)
Gross value added	727,435	419,835
Share of profit of associated companies	198,184	187,842
Share of profit of joint venture companies	38,590	18,506
Income from investments and interest	34,264	31,934
Other gains	25,552	23,813
Fair value gains on investment properties	217,848	409,425
Currency exchange differences	(8,662)	(10,652)
Total Value Added	1,233,211	1,080,703
Distribution of Value Added:		
To employees and directors		
Employees' salaries, wages and benefits	181,043	176,184
Directors' remuneration	2,926	3,227
	183,969	179,411
To government		
Corporate and property taxes	100,533	92,869
To providers of capital		
Interest expense	50,311	51,761
Dividend attributable to non-controlling interests	35,027	32,022
Dividend attributable to equity holders of the Company	154,172	115,485
	239,510	199,268
Total Value Added Distributed	524,012	471,548

	2014 \$'000	2013 \$'000
Retained in the business		
Depreciation	57,168	56,298
Retained earnings	383,114	98,249
	440,282	154,547
Non-production cost and income		
Bad debts	(85)	148
Income from investments and interest	34,264	31,934
Other gains	25,552	23,813
Fair value gains on investment properties	217,848	409,425
Currency exchange differences	(8,662)	(10,652)
	268,917	454,668
	1,233,211	1,080,703
Productivity Ratios:	\$	\$
Value added per employee	152,215	89,434
Value added per \$ employment costs	3.95	2.34
Value added per \$ investment in property, plant and equipment and investment properties (before depreciation)		
– at cost	0.20	0.14
– at valuation	0.13	0.08
Value added per \$ net sales	0.55	0.41





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REPORT OF THE DIRECTORS

For the Financial Year Ended 31 December 2014

UOL
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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 2014.

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		
Tan Tiong Cheng		
Wee Sin Tho		
Pongsak Hoontrakul		

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 83 to 85 of this report.

Directors' interests in shares or debentures

- (a) The directors holding office at 31 December 2014 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 31.12.2014	At 1.1.2014	At 31.12.2014	At 1.1.2014
UOL Group Limited ("UOL")				
- Ordinary Shares				
Wee Cho Yaw	3,497,094	3,388,151	254,752,082*	241,786,442*
Gwee Lian Kheng	503,000	488,000	-	-
Wee Ee-chao	31,735*	30,748*	102,004,146*	93,788,530*
Wee Ee Lim	249,253	241,489	101,728,570	93,521,452
Wee Sin Tho	103,215	100,000	-	-
Tan Tiong Cheng	50,000	-		
- Executives' Share Options				
Gwee Lian Kheng	860,000	740,000	-	-

* Includes shares registered in the name of nominees.

- (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 2015, were the same as those at 31 December 2014.

REPORT OF THE DIRECTORS

For the Financial Year Ended 31 December 2014

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Directors' interests in shares or debentures (continued)

- (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 2014 has any interest in the ordinary shares and Executives' Share Options of the Company 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 12 March 2014, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,253,000 ordinary shares in the Company (known as "the 2014 Options") at the exercise price of \$6.10 per ordinary share. 1,253,000 options granted were accepted by the executives, including Gwee Lian Kheng. The total fair value of the options granted was estimated to be \$1,491,000 using the Trinomial Tree Model.

The details of the options accepted are as follows:

	No. of employees	At exercise price of \$6.10 per share
Executive Director	1	120,000
Other Executives	45	1,133,000
	46	1,253,000

REPORT OF THE DIRECTORS

For the Financial Year Ended 31 December 2014

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Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

(d) Statutory information regarding the 2014 Options is as follows:

- (i) The option period begins on 12 March 2015 and expires on 11 March 2024 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 administers 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 31.12.2013	Options granted during the financial year	Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2014	Aggregate options exercised since commencement of the 2000 and 2012 Scheme to 31.12.2014	Aggregate options outstanding at 31.12.2014
1,320,000	120,000	1,440,000	580,000	860,000

(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

For the Financial Year Ended 31 December 2014

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Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

Outstanding Share Options

At 31 December 2014, 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, 742,000 ordinary shares of the Company were issued upon the exercise of options by:

Holders of	Number of ordinary shares	Exercise price per share \$
2005 Options	42,000	2.23
2007 Options	93,000	4.91
2008 Options	36,000	3.68
2010 Options	81,000	3.95
2011 Options	166,000	4.62
2012 Options	274,000	5.40
2013 Options	50,000	6.55
	<u>742,000</u>	

Unissued ordinary shares under options at 31 December 2014 comprise:

	At 1.1.2014	Options granted in 2014	Options exercised	Options forfeited	At 31.12.2014	Exercise/ Subscription price/\$	Option period
Executives' Share Options							
2005 Options	42,000	–	(42,000)	–	–	2.23	09.05.2006 to 08.05.2015
2006 Options	100,000	–	–	–	100,000	3.21	18.05.2007 to 17.05.2016
2007 Options	399,000	–	(93,000)	–	306,000	4.91	16.03.2008 to 15.03.2017
2008 Options	236,000	–	(36,000)	–	200,000	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	390,000	–	(81,000)	–	309,000	3.95	05.03.2011 to 04.03.2020
2011 Options	566,000	–	(166,000)	–	400,000	4.62	04.03.2012 to 03.03.2021
2012 Options	1,387,000	–	(274,000)	(40,000)	1,073,000	5.40	23.08.2013 to 22.08.2022
2013 Options	1,258,000	–	(50,000)	(95,000)	1,113,000	6.55	08.03.2014 to 07.03.2023
2014 Options	–	1,253,000	–	(29,000)	1,224,000	6.10	12.03.2015 to 11.03.2024
	<u>4,440,000</u>	<u>1,253,000</u>	<u>(742,000)</u>	<u>(164,000)</u>	<u>4,787,000</u>		

REPORT OF THE DIRECTORS

For the Financial Year Ended 31 December 2014

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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

Chairman

GWEE LIAN KHENG

Director

26 February 2015

STATEMENT BY DIRECTORS

For the Financial Year Ended 31 December 2014

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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 89 to 187 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 2014, 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
Chairman

GWEE LIAN KHENG
Director

26 February 2015

INDEPENDENT AUDITOR'S REPORT

To The Members of UOL Group Limited

UOL
GROUP
LIMITED

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 89 to 187, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, 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 2014, 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, 26 February 2015

INCOME STATEMENTS

For the Financial Year Ended 31 December 2014

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	Note	The Group		The Company	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue	4	1,360,719	1,058,608	52,316	358,655
Cost of sales		(779,545)	(535,394)	(2,136)	(2,294)
Gross profit		581,174	523,214	50,180	356,361
Other income					
– Finance income	4	5,466	4,488	6,439	8,047
– Miscellaneous income	4	13,368	12,708	2,864	2,602
Expenses					
– Marketing and distribution		(56,040)	(37,152)	(574)	(389)
– Administrative		(73,449)	(74,310)	(16,402)	(16,390)
– Finance	7	(34,009)	(42,815)	(16,284)	(21,995)
– Other operating		(79,718)	(73,768)	(1,607)	(1,466)
Share of profit of associated companies	17,12	198,184	187,842	–	–
Share of profit of joint venture companies	18,12	38,590	18,506	–	–
		593,566	518,713	24,616	326,770
Other gains	8	25,552	23,813	1,509	6,720
Fair value gains on investment properties	20	217,848	409,425	21,310	57,500
Profit before income tax		836,966	951,951	47,435	390,990
Income tax expense	9(a)	(76,691)	(70,487)	(1,351)	(2,720)
Net profit		760,275	881,464	46,084	388,270
Attributable to:					
Equity holders of the Company		685,996	785,820	46,084	388,270
Non-controlling interests		74,279	95,644	–	–
		760,275	881,464	46,084	388,270
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	10				
– Basic		88.00	102.01		
– Diluted		87.92	101.90		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2014

UOL
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LIMITED

	Note	The Group		The Company	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net profit		760,275	881,464	46,084	388,270
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)	115,615	44,133	85,498	26,849
Liquidation of an available-for-sale financial asset	31(b)	(7,456)	–	–	–
Cash flow hedges					
– Fair value gains	31(f)	1,082	200	270	210
– Transfer to income statement	31(f)	(379)	(260)	(106)	(240)
Currency translation differences arising from consolidation of foreign operations	31(e)	5,224	(2,558)	–	–
Share of other comprehensive income of an associated company	31(a),(e)	2,852	5,500	–	–
Other comprehensive income, net of tax		116,938	47,015	85,662	26,819
Total comprehensive income		877,213	928,479	131,746	415,089
Total comprehensive income attributable to:					
Equity holders of the Company		801,176	833,492	131,746	415,089
Non-controlling interests		76,037	94,987	–	–
		877,213	928,479	131,746	415,089

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

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	Note	The Group		The Company	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	11	286,506	293,386	2,849	5,003
Trade and other receivables	12	247,557	377,733	46,936	7,890
Derivative financial instrument	26	35	616	–	616
Development properties	13	1,715,211	899,587	–	–
Inventories	14	802	703	–	–
Available-for-sale financial assets	15	648,514	582,102	648,514	564,070
Other assets	16	19,261	35,481	213	350
Current income tax assets	9(b)	98	110	–	–
		2,917,984	2,189,718	698,512	577,929
Non-current assets					
Trade and other receivables	12	77,374	159,287	782,512	829,602
Derivative financial instrument	26	578	–	323	–
Available-for-sale financial assets	15	340,272	274,854	111,748	81,388
Investments in associated companies	17	3,104,327	2,765,006	162,259	161,289
Investments in joint venture companies	18	57,232	20,011	–	–
Investments in subsidiaries	19	–	–	1,800,714	1,799,578
Investment properties	20	4,080,214	3,814,190	409,800	388,490
Property, plant and equipment	21	1,241,180	1,169,105	1,349	1,530
Intangibles	22	25,677	26,117	318	622
Deferred income tax assets	29	3,623	3,160	–	–
		8,930,477	8,231,730	3,269,023	3,262,499
Total assets		11,848,461	10,421,448	3,967,535	3,840,428
LIABILITIES					
Current liabilities					
Trade and other payables	23	281,731	446,890	325,472	78,184
Current income tax liabilities	9(b)	75,216	82,367	3,499	4,899
Borrowings	24	1,291,883	1,131,734	511,878	548,109
Derivative financial instrument	26	–	197	–	197
Loan from non-controlling shareholder of a subsidiary (unsecured)	27	–	16,917	–	–
		1,648,830	1,678,105	840,849	631,389
Non-current liabilities					
Trade and other payables	23	153,996	152,630	2,038	3,354
Borrowings	24	1,682,501	1,187,512	74,824	249,512
Derivative financial instrument	26	–	37	–	–
Loan from non-controlling shareholder of a subsidiary (unsecured)	27	54,158	–	–	–
Provision for retirement benefits	28	3,813	3,245	–	–
Deferred income tax liabilities	29	174,264	172,949	100,118	86,145
		2,068,732	1,516,373	176,980	339,011
Total liabilities		3,717,562	3,194,478	1,017,829	970,400
NET ASSETS		8,130,899	7,226,970	2,949,706	2,870,028
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	30	1,151,512	1,050,897	1,151,512	1,050,897
Reserves	31	977,032	855,311	524,924	437,773
Retained earnings		5,514,185	4,853,490	1,273,270	1,381,358
		7,642,729	6,759,698	2,949,706	2,870,028
Non-controlling interests		488,170	467,272	–	–
Total equity		8,130,899	7,226,970	2,949,706	2,870,028

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2014

UOL
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Attributable to equity holders of the Company						
Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
2014						
Beginning of financial year	1,050,897	855,311	4,853,490	6,759,698	467,272	7,226,970
Profit for the year	–	–	685,996	685,996	74,279	760,275
Other comprehensive income for the year	–	115,180	–	115,180	1,758	116,938
Total comprehensive income for the year	–	115,180	685,996	801,176	76,037	877,213
Employee share option scheme						
– Value of employee services	31(a)	–	1,489	–	1,489	–
– Proceeds from shares issued	30	3,577	–	–	3,577	–
Dividends	32	–	–	(154,172)	(154,172)	(35,027)
Issue of shares under scrip dividend scheme	30	97,038	–	–	97,038	–
Acquisition of interests from non-controlling shareholders		–	–	821	821	(1,595)
Issue of shares to non-controlling interests		–	–	–	–	300
Liquidation of subsidiaries		–	–	–	–	(1,607)
Redemption of preference shares held by non-controlling shareholders		–	–	–	–	(17,210)
Share of an associated company's acquisition of interests from non-controlling shareholders	17	–	5,052	128,050	133,102	–
Total transactions with owners, recognised directly in equity	100,615	6,541	(25,301)	81,855	(55,139)	26,716
End of financial year	1,151,512	977,032	5,514,185	7,642,729	488,170	8,130,899
2013						
Beginning of financial year	1,046,954	805,738	4,289,920	6,142,612	576,314	6,718,926
Profit for the year	–	–	785,820	785,820	95,644	881,464
Other comprehensive income for the year	–	47,672	–	47,672	(657)	47,015
Total comprehensive income for the year	–	47,672	785,820	833,492	94,987	928,479
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)	(32,022)
Acquisition of interests from non-controlling shareholders		–	–	(110,797)	(110,797)	(171,124)
Issue of shares to non-controlling interests		–	–	–	–	2,093
Redemption of preference shares held by non-controlling shareholders		–	–	–	–	(2,976)
Share of an associated company's acquisition of interests from non-controlling shareholders	17	–	–	4,032	4,032	–
Total transactions with owners, recognised directly in equity	3,943	1,901	(222,250)	(216,406)	(204,029)	(420,435)
End of financial year	1,050,897	855,311	4,853,490	6,759,698	467,272	7,226,970

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 2014

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	Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
2014					
Beginning of financial year		1,050,897	437,773	1,381,358	2,870,028
Profit for the year		–	–	46,084	46,084
Other comprehensive income for the year		–	85,662	–	85,662
Total comprehensive income for the year		–	85,662	46,084	131,746
Employee share option scheme					
– Value of employee services	31(a)	–	1,489	–	1,489
– Proceeds from shares issued	30	3,577	–	–	3,577
Dividends	32	–	–	(154,172)	(154,172)
Issue of shares under scrip dividend scheme	30	97,038	–	–	97,038
Total transactions with owners, recognised directly in equity		100,615	1,489	(154,172)	(52,068)
End of financial year		1,151,512	524,924	1,273,270	2,949,706
2013					
Beginning of financial year		1,046,954	409,053	1,108,573	2,564,580
Profit for the year		–	–	388,270	388,270
Other comprehensive income for the year		–	26,819	–	26,819
Total comprehensive income for the year		–	26,819	388,270	415,089
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 transactions with owners, recognised directly in equity		3,943	1,901	(115,485)	(109,641)
End of financial year		1,050,897	437,773	1,381,358	2,870,028

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2014

UOL
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LIMITED

	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Net profit	760,275	881,464
Adjustments for		
– Income tax expense	76,691	70,487
– Depreciation and amortisation	59,972	58,835
– Allowance/(write-back of allowance) for impairment of loans and receivables – net	85	(148)
– Share of profit of associated companies	(198,184)	(187,842)
– Share of profit of joint venture companies	(38,590)	(18,506)
– Unrealised translation losses	790	8,361
– Net provision for retirement benefits	628	477
– Employee share option expense	1,489	3,295
– Dividend income and interest income	(34,264)	(31,934)
– Interest expense	25,347	32,163
– Fair value gains on investment properties	(217,848)	(409,425)
– Property, plant and equipment written off and net loss on disposals	1,211	961
– Negative goodwill on acquisition of interests in an associated company	(3,331)	(3,509)
– Write-back of impairment charge on property, plant and equipment	(14,889)	(27,502)
– Impairment charge on property, plant and equipment	–	6,021
– Gain on liquidation of an available-for-sale financial asset	(7,332)	–
	412,050	383,198
Change in working capital		
– Receivables	(62,015)	(12,601)
– Development properties	(456,220)	(62,929)
– Derivative financial instrument	616	257
– Inventories	(99)	80
– Payables	(208,644)	155,478
	(726,362)	80,285
Cash (used in)/generated from operations	(314,312)	463,483
Income tax paid	(96,521)	(46,512)
Retirement benefits paid	–	(58)
Bank deposits pledged as security	(31)	(63)
Net cash (used in)/from operating activities	(410,864)	416,850
Cash flows from investing activities		
Proceeds from liquidation of an available-for-sale financial asset	17,908	–
Redemption of preference shares by an associated company	6,275	14,000
Proceeds from liquidation of subsidiaries	(1,607)	47
Payments for intangibles	(2,382)	(1,079)
Payments for interests in an associated company	(17,714)	(16,491)
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	(1,625)	(11,620)
Repayment of loan by an associated company	–	1,906
Net proceeds from disposal of property, plant and equipment	173	347
Purchase of property, plant and equipment and investment properties	(157,266)	(154,210)
Interest received	5,466	4,488
Dividends received	18,672	99,098
Net cash used in investing activities	(132,100)	(71,119)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

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	Note	2014 \$'000	2013 \$'000
Cash flows from financing activities			
Proceeds from shares issued		3,577	3,943
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		300	2,093
Payments to non-controlling shareholders of subsidiaries for redemption of preference shares		(17,210)	(2,976)
Payments to non-controlling shareholders for purchase of shares in subsidiaries		(774)	(281,921)
Loans from non-controlling shareholders of subsidiaries		54,158	7,307
Repayment of loans from non-controlling shareholder of a subsidiary		(16,675)	–
Repayment of 2.5% unsecured fixed rate notes due 2014		(300,000)	–
Proceeds from borrowings		1,252,182	459,104
Repayment of borrowings		(294,162)	(303,129)
Expenditure relating to bank borrowings		(5,741)	(2,234)
Interest paid		(49,830)	(48,284)
Dividends paid to equity holders of the Company		(57,134)	(115,485)
Dividends paid to non-controlling interests		(35,027)	(32,022)
Net cash from/(used in) financing activities		533,664	(313,604)
Net (decrease)/increase in cash and cash equivalents		(9,300)	32,127
Cash and cash equivalents at the beginning of the financial year		287,997	254,925
Effects of currency translation on cash and cash equivalents		2,158	945
Cash and cash equivalents at the end of the financial year	11(c)	280,855	287,997

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2014

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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 2014

On 1 January 2014, 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:

FRS 112 Disclosures of Interests in Other Entities

The Group has adopted the above new FRS on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 Consolidated Financial Statements and FRS 111 Joint Arrangements, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) Separate Financial Statements and FRS 28 (revised 2011) Investments in Associates and Joint Ventures.

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequent to the issuance of FRS 112 in September 2011) in FRS 112. The Group has incorporated the additional required disclosures into the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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2. Significant accounting policies (continued)

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.

(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 financial instruments, is recognised using the effective interest method.

(e) *Dividend income*

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2014

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2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(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 all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated 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 comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that 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.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into 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 any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

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 identifiable net 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 previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2014

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2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(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 within equity attributable to the equity holders of the Company.

(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 joint control as a result of contractual arrangements, and rights to the net assets of the entities. 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, if any.

(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 associated company and joint venture company over the Group's share of the fair value of the identifiable net assets of the associated company and joint venture company 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, the Group does not recognise further losses, unless it has legal or constructive obligations to make or has made payments on behalf of the associated company or joint venture company. If the associated company or joint venture company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2014

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2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Associated companies and joint venture companies* (continued)

(ii) Equity method of accounting (continued)

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 are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint venture companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, 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 associated companies and joint venture companies in the separate financial statements of the Company.

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.

NOTES TO THE FINANCIAL STATEMENTS

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2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(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:

	<u>Useful lives</u>
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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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2. Significant accounting policies (continued)

2.5 Development properties (continued)

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 (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

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 is 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2014

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2. Significant accounting policies (continued)

2.6 Intangibles (continued)

(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, which is generally within 5 to 10 years. 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.

Investment properties are subject to renovations or improvements at regular intervals. 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.

NOTES TO THE FINANCIAL STATEMENTS

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2. Significant accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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2. Significant accounting policies (continued)

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”, “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.

NOTES TO THE FINANCIAL STATEMENTS

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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 bank 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.

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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 fair value of a trading derivative is presented as a current asset or liability.

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.

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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 fair values 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 finance leases and operating leases from non-related parties.

(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 to non-related parties.

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.

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2. Significant accounting policies (continued)

2.17 Leases (continued)

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

Lessor – Operating leases (continued)

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.

2.18 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.

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for deductible temporary differences and tax losses where deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

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2. Significant accounting policies (continued)

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.

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.

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2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

(a) *Post-employment benefits* (continued)

Defined benefit plans (continued)

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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

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.

(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 exchange 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.

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2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(b) *Transactions and balances* (continued)

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
- (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.

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2. Significant accounting policies (continued)

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 \$434,257,000 (2013: \$427,382,000).

(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.

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4. Revenue, finance income and miscellaneous income

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue from property development				
– recognised on a completed contract basis	433,584	–	–	–
– recognised as construction progresses	242,297	409,984	–	–
	675,881	409,984	–	–
Revenue from property investments	198,206	180,241	17,337	17,352
Gross revenue from hotel ownership and operations	437,574	420,425	–	–
Revenue from hotel and other management services	20,260	20,512	–	–
Dividend income from available-for-sale financial assets	28,798	27,446	21,949	20,417
Dividend income from subsidiaries	–	–	7,890	297,107
Dividend income from associated companies	–	–	5,140	23,779
Total revenue	1,360,719	1,058,608	52,316	358,655
Interest income				
– fixed deposits with financial institutions	2,258	1,415	–	3
– loans to subsidiaries	–	–	6,425	8,039
– loans to associated companies	–	16	–	–
– loans to joint venture companies	3,086	2,947	–	–
– others	122	110	14	5
Finance income	5,466	4,488	6,439	8,047
Fair value gains on derivative financial instruments	–	158	324	158
Other miscellaneous income	13,368	12,550	2,540	2,444
Miscellaneous income	13,368	12,708	2,864	2,602
	1,379,553	1,075,804	61,619	369,304

Revenue from property development recognised on a completed contract basis includes revenue from the sale of land at Jalan Conlay, Kuala Lumpur which was under development.

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5. Expenses by nature

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Cost of inventories sold	40,503	39,070	–	–
Depreciation of property, plant and equipment (Note 21)	57,168	56,298	669	645
Amortisation of intangibles [Note 22(a),(b),(c)]	2,804	2,537	304	290
Total depreciation and amortisation	59,972	58,835	973	935
Hospitality expenses	67,018	62,542	–	–
Property, plant and equipment written off and net loss on disposals	1,211	961	–	–
Auditors' remuneration paid/payable to:				
– auditor of the Company	870	854	245	232
– other auditors	729	660	–	–
Other fees paid/payable to:				
– auditor of the Company	188	28	142	–
– other auditors	89	100	–	–
Employees compensation (Note 6)	183,455	178,598	11,248	12,026
Rent paid to a subsidiary	–	–	698	588
Rent paid to other parties	2,803	2,783	–	–
Heat, light and power	25,571	26,723	525	614
Property tax	23,842	22,382	1,567	1,426
Development cost included in cost of sales	486,602	267,217	–	–
Advertising and promotion	39,764	23,141	388	260
Management fees	824	739	99	95
IT related expenses	1,763	1,827	731	694
Repairs and maintenance	15,603	15,461	606	676
Allowance/(write-back of allowance) for impairment of loans and receivables - net	85	(148)	–	–
Other expenses	37,860	18,851	3,497	2,993
Total cost of sales, marketing and distribution, administrative and other operating expenses	988,752	720,624	20,719	20,539

6. Employees compensation

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	168,171	162,644	18,124	17,759
Employer's contribution to defined contribution plans including Central Provident Fund	13,167	12,182	1,444	1,365
Retirement benefits	628	477	–	–
Share options granted to directors and employees	1,489	3,295	1,313	2,451
	183,455	178,598	20,881	21,575
Less: Recharged to subsidiaries	–	–	(9,633)	(9,549)
	183,455	178,598	11,248	12,026

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7. Finance expense

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Interest expense:				
– bank loans, notes and overdrafts	45,912	47,737	14,862	19,225
– loans from non-controlling shareholders of subsidiaries	565	–	–	–
– finance lease liabilities	297	315	–	–
– bank facility fees	3,537	3,709	561	750
	50,311	51,761	15,423	19,975
Cash flow hedges, transfer from hedging reserve [Note 31(f)]	379	260	106	240
Less:				
Borrowing costs capitalised in development properties [Note 13(b)]	(22,422)	(15,894)	–	–
Borrowing costs capitalised in investment properties [Note 20(c)]	(2,038)	(2,682)	–	–
Borrowing costs capitalised in properties, plant and equipment [Note 21(b)]	(883)	(1,282)	–	–
	(25,343)	(19,858)	–	–
	25,347	32,163	15,529	20,215
Currency exchange losses – net	8,662	10,652	755	1,780
	34,009	42,815	16,284	21,995

8. Other gains/(losses)

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Negative goodwill on acquisition of interests in an associated company	3,331	3,509	–	–
Write-back of impairment charge on property, plant and equipment	14,889	27,502	–	–
Impairment charge on property, plant and equipment	–	(6,021)	–	–
Delisting expenses of a subsidiary	–	(1,177)	–	(663)
Gain on liquidation of subsidiaries	–	–	1,509	8,627
Gain on liquidation of an available-for-sale financial asset	7,332	–	–	–
Impairment charge on investments in subsidiaries (Note 19)	–	–	–	(1,244)
	25,552	23,813	1,509	6,720

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9. Income taxes

(a) Income tax expense

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Tax expense attributable to profit is made up of:				
– Profit for the financial year:				
Current income tax [Note (b) below]				
– Singapore	58,228	70,543	2,665	3,421
– Foreign	34,633	9,993	–	–
– Withholding tax paid	624	501	–	1
	93,485	81,037	2,665	3,422
Deferred income tax (Note 29)	(13,568)	(15,270)	(416)	(59)
	79,917	65,767	2,249	3,363
– (Over)/under provision in prior financial years:				
Current income tax [Note (b) below]				
– Singapore	(3,345)	(1,780)	(898)	(643)
– Foreign	61	(32)	–	–
	(3,284)	(1,812)	(898)	(643)
Deferred income tax (Note 29)	58	6,532	–	–
	(3,226)	4,720	(898)	(643)
	76,691	70,487	1,351	2,720

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		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Profit before income tax	836,966	951,951	47,435	390,990
Share of profit of associated companies, net of tax	(198,184)	(187,842)	–	–
Share of profit of joint venture companies, net of tax	(38,590)	(18,506)	–	–
Profit before tax and share of profit of associated companies and joint venture companies	600,192	745,603	47,435	390,990
Tax calculated at a tax rate of 17% (2013: 17%)	102,033	126,753	8,064	66,468
Effects of:				
– Singapore statutory stepped income exemption	(596)	(545)	(26)	(26)
– Tax rebates	(655)	(563)	(30)	(30)
– Different tax rates in other countries	15,256	4,127	–	–
– Income not subject to tax	(45,308)	(79,954)	(9,826)	(69,263)
– Expenses not deductible for tax purposes	9,168	13,357	4,067	6,214
– Utilisation of previously unrecognised tax losses	(1,254)	(1,319)	–	–
– Deferred tax assets not recognised in the current financial year	1,273	3,911	–	–
– (Over)/under provision in prior financial years	(3,226)	4,720	(898)	(643)
Tax charge	76,691	70,487	1,351	2,720

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9. Income taxes (continued)

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

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
At the beginning of the financial year	82,257	50,257	4,899	5,842
Currency translation differences	(819)	(713)	–	–
Income tax paid	(96,521)	(46,512)	(3,167)	(3,722)
Tax expense on profit [Note (a) above]				
– current financial year	93,485	81,037	2,665	3,422
– over provision in prior financial years	(3,284)	(1,812)	(898)	(643)
At the end of the financial year	75,118	82,257	3,499	4,899
Comprise:				
Current income tax assets	(98)	(110)	–	–
Current income tax liabilities	75,216	82,367	3,499	4,899
	75,118	82,257	3,499	4,899

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.

	2014	2013
Net profit attributable to equity holders of the Company (\$'000)	685,996	785,820
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	779,573	770,358
Basic earnings per share (cents per share)	88.00	102.01

(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 ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2014, 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.

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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:

	2014	2013
Net profit attributable to equity holders of the Company (\$'000)	685,996	785,820
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	779,573	770,358
Adjustments for share options ('000)	692	843
Weighted average number of ordinary shares for diluted earnings per share ('000)	780,265	771,201
Diluted earnings per share (cents per share)	87.92	101.90

11. Cash and bank balances

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash at bank and on hand	133,702	153,926	2,836	4,990
Fixed deposits with financial institutions	152,804	139,460	13	13
	286,506	293,386	2,849	5,003

- (a) Included in cash and bank balances of the Group is an amount of \$119,402,000 (2013: \$108,428,000) 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 \$1,074,000 (2013: \$1,066,000) 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	
	2014 \$'000	2013 \$'000
Cash and bank balances (as above)	286,506	293,386
Less: Bank deposits pledged as security [Note 24(b)]	(5,651)	(5,389)
Cash and cash equivalents per consolidated statement of cash flows	280,855	287,997

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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 (2013: 10 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	
	2014	2013	2014	2013
	%	%	%	%
Singapore Dollar	0.2	0.1	0.2	0.2
United States Dollar	0.5	0.6	–	–
Australian Dollar	2.2	1.9	–	–
Malaysian Ringgit	3.1	2.8	–	–
Vietnamese Dong	4.5	4.8	–	–
Chinese Renminbi	–	1.5	–	–
Indonesian Rupiah	6.5	6.0	–	–

12. Trade and other receivables

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables:				
– non-related parties	78,060	368,309	379	681
– subsidiaries	–	–	267	399
– associated companies	–	1	–	–
Less: Allowance for impairment of receivables				
– non-related parties	(444)	(365)	–	–
Trade receivables - net	77,616	367,945	646	1,080
Other receivables:				
– subsidiaries (non-trade)	–	–	9,851	1,661
– associated company (non-trade)	66,985	–	–	–
– joint venture companies (non-trade)	6,239	7,445	13	2
– loans to subsidiaries (unsecured)	–	–	36,290	5,000
– loans to joint venture companies (unsecured)	93,344	–	–	–
– sundry debtors	3,373	2,343	136	147
Other receivables	169,941	9,788	46,290	6,810
	247,557	377,733	46,936	7,890

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12. Trade and other receivables (continued)

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Non-current				
Trade receivables:				
– non-related parties	5,631	–	414	–
Other receivables:				
– subsidiaries (non-trade)	–	–	955	9,239
– joint venture companies	2,806	–	–	–
Loans to:				
– subsidiaries (unsecured)	–	–	781,143	820,363
– associated company (unsecured)	19	19	–	–
– joint venture companies (unsecured)	68,937	160,656	–	–
Less: Share of loss of associated companies taken against loans to the associated companies	(19)	(19)	–	–
Less: Share of loss of joint venture companies taken against loans to the joint venture companies	–	(1,369)	–	–
	77,374	159,287	782,512	829,602
Total trade and other receivables	324,931	537,020	829,448	837,492

- (a) An allowance for impairment of receivables of \$85,000 (2013: write-back of allowance for impairment of receivables of \$148,000) has been included in the income statement.
- (b) The non-trade amounts due from subsidiaries, associated companies and joint venture companies are unsecured, interest-free and repayable on demand. The non-current loans to subsidiaries, associated company and joint venture companies are unsecured, 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	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Loans subordinated to secured bank loans:				
– Loans to subsidiaries	–	–	77,054	113,138
– Loans to joint venture companies	162,281	160,656	–	–
	162,281	160,656	77,054	113,138

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12. Trade and other receivables (continued)

- (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 are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group		The Company		Borrowing rates	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	%	%
Loans to subsidiaries:						
– Floating rate	–	–	42,627	297,965	2.3	2.4
– Interest-free	–	–	722,106	510,358	2.3	2.4
Loans to associated companies:						
– Interest-free	19	19	–	–	2.3	2.4
Loans to joint venture companies:						
– Floating rate	68,937	160,656	–	–	1.9	1.9
	68,956	160,675	764,733	808,323		

13. Development properties

	The Group	
	2014	2013
	\$'000	\$'000
Completed properties	51,354	4,144
Development properties in progress	1,663,857	895,443
	1,715,211	899,587

Details of development properties in progress are as follows:

Land cost	1,710,077	767,503
Development costs	97,828	164,697
Property taxes, interests and overheads	60,901	51,052
	1,868,806	983,252
Development profits recognised	55,294	13,347
Less: Progress billings	(260,243)	(101,156)
	1,663,857	895,443

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

	The Group	
	2014	2013
	\$'000	\$'000
Aggregate costs incurred and development profits recognised	1,783,187	687,997
Less: Progress billings	(260,243)	(101,156)
	1,522,944	586,841

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13. Development properties (continued)

- (b) Borrowing costs of \$22,422,000 (2013: \$15,894,000) (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 \$1,522,944,000 (2013: \$895,443,000) [Note 24(b)].
- (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 (sq m)	Effective interest in property
Katong Regency A residential development comprising 244 units of condominium apartments	Freehold	55.1%	2 nd Quarter 2015	14,278/21,172	100%
Seventy Saint Patrick's A residential development comprising 186 units of condominium apartments	Freehold	29.9%	3 rd Quarter 2016	12,950/19,944	100%
Riverbank@Fernvale A residential development comprising 555 units of condominium apartments	99-year leasehold	17.7%	1 st Quarter 2017	16,604/49,812	100%
Botanique at Bartley A residential development comprising 797 units of condominium apartments	99-year leasehold	–	1 st Quarter 2018	20,078/61,839	100%
Prince Charles Crescent site A residential development comprising 663 units of condominium apartments	99-year leasehold	–	2 nd Quarter 2018	24,964/57,668	70%
Bishopsgate site A residential development with proposed 109 units of apartments	Freehold	–	3 rd Quarter 2019	3,200/52,255	100%

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13. Development properties (continued)

(e) Details of the Group's completed properties are as follows:

Property	Tenure of land	Net saleable area (sq m)	Effective interest in property
The Esplanade (Hai He Hua Ding)			
Unsold units comprising 32 condominium apartments and 31 office units within a mixed development in Tianjin, The People's Republic of China	50-year and 40-year leasehold for residential and commercial components respectively	13,947	90%

(f) In 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 (\$220 million). As at 31 December 2013, the carrying value of the development amounted to RM293 million (\$113 million). The sale was completed in 1st quarter 2014. A pre-tax gain of RM255 million (\$99 million) was recognised upon completion. The Group's share of the gain after tax was RM114 million (\$44 million).

14. Inventories

	The Group	
	2014 \$'000	2013 \$'000
Food and beverages	753	637
Other supplies	49	66
	802	703

The cost of inventories recognised as expense and included in 'cost of sales' amounted to \$40,503,000 (2013: \$39,070,000).

15. Available-for-sale financial assets

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
At the beginning of the financial year	856,956	805,710	645,458	611,496
Scrip dividends from an available-for-sale financial asset	19,891	–	14,950	–
Liquidation of an available-for-sale financial asset	(18,032)	–	–	–
Fair value gains recognised in other comprehensive income [Note 31(b)]	129,971	51,246	99,854	33,962
At the end of the financial year	988,786	856,956	760,262	645,458
Less: Non-current portion	(340,272)	(274,854)	(111,748)	(81,388)
Current portion	648,514	582,102	648,514	564,070

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15. Available-for-sale financial assets (continued)

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

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Listed securities:				
– Equity shares – Singapore	933,977	792,115	705,453	598,649
Unlisted securities:				
– Equity shares – Singapore	54,809	64,841	54,809	46,809
	988,786	856,956	760,262	645,458

16. Other assets

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Deposits	1,234	2,530	21	20
Prepayments	18,027	32,951	192	330
	19,261	35,481	213	350

17. Investments in associated companies

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Equity investments at cost:				
At the beginning of the financial year			161,289	161,289
Scrip dividends from an associated company			970	–
At the end of the financial year			162,259	161,289
At the beginning of the financial year	2,765,006	2,633,129		
Additions	21,045	20,000		
Share of profit, net of tax	198,184	187,861		
Share of acquisition of interests from non-controlling shareholders	133,102	4,032		
Share of reserves of associated companies, net of tax [Note 31(a) and (e)]	2,852	5,500		
Redemption of preference share by an associated company	(6,275)	(14,000)		
Dividends received, net of tax	(9,765)	(71,652)		
Currency translation differences	178	136		
At the end of the financial year	3,104,327	2,765,006		

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17. Investments in associated companies (continued)

(a) The associated companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2014 %	2013 %	Accounting year end
United Industrial Corporation Limited ("UIC") [Note (c) below]	Property investment, development and management and information technology related products and services	Singapore	2.34 by UOL and 41.60 by UEI	2.35 by UOL and 41.31 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
City Square Hotel Co. Ltd.	Hotelier	Myanmar	20 by PPHH	–	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 2014.

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17. Investments in associated companies (continued)

- (a) The associated companies are: (continued)

The associated companies are, in the opinion of the directors, not material to the Group except for UIC which is listed on the Singapore Stock Exchange. UIC with Singapore Land Limited as its subsidiary is one of Singapore's biggest office landlords and the Group's investment in UIC allows the Group to benefit from its significant exposure to quality commercial assets in the Singapore Central Business District.

- (b) As at 31 December 2014, the carrying amounts and published price quotations of UIC are as follows:

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Carrying amount	2,509,909	2,184,123	49,975	49,006
Published price quotation	2,049,963	1,788,173	109,290	95,984

The fair value measurement based on published price quotations is classified within Level 1 of the fair value hierarchy.

No impairment in value of investment in UIC is required as the Group's share of the recoverable amount of UIC after considering its unrecognised revaluation surplus on property, plant and equipment, is higher than the carrying amount.

- (c) During the financial year, the Group increased its shareholding interests in UIC from 602,078,565 ordinary shares (43.66%) to 611,929,249 ordinary shares (43.94%). The increase in shareholdings arose from (i) the acquisition of an additional 4,151,000 ordinary shares by UEI; and (ii) the election by the Company and UEI to receive 305,849 ordinary shares and 5,393,835 ordinary shares respectively, under the UIC Scrip Dividend Scheme in lieu of cash dividend at an issue price of S\$3.17 per share.

- (d) Summarised financial information of UIC

	2014	2013
	\$'000	\$'000
Current assets	1,229,334	1,227,208
Includes:		
– Cash and cash equivalents	80,950	112,032
Non-current assets	7,259,649	6,955,254
Current liabilities	(874,344)	(808,038)
Includes:		
– Financial liabilities (excluding trade payables)	(654,776)	(593,866)
Non-current liabilities	(1,116,572)	(579,310)
Includes:		
– Financial liabilities (excluding trade payables)	(1,011,517)	(477,509)
– Other liabilities	(51,010)	(48,088)
Net assets	6,498,067	6,795,114

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17. Investments in associated companies (continued)

(d) Summarised financial information of UIC (continued)

	2014 \$'000	2013 \$'000
Revenue	693,196	609,646
Interest income	3,525	3,426
Expenses includes:		
– Depreciation	(23,675)	(23,577)
– Interest expense	(7,817)	(2,817)
Profit before tax	491,238	506,613
Income tax expense	(40,365)	(34,836)
Profit after tax	450,873	471,777
Other comprehensive income	4,943	16,241
Total comprehensive income	455,816	488,018
Dividends received from UIC	18,068	17,937

The information above reflects the amounts presented in the financial statements of UIC (and not the Group's share of those amounts). No adjustments for differences in accounting policies between the Group and UIC were necessary. There were no contingent liabilities relating to the Group's interest in UIC as at 31 December 2014.

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in UIC:

	2014 \$'000	2013 \$'000
Net assets attributable to equity holders of the Company		
At 1 January	6,795,114	6,388,643
Profit for the year	450,873	471,777
Other comprehensive income	4,943	16,241
Movement in share capital	42,411	1,880
Movement in reserves	621	793
Effect of purchase of shares from non-controlling shareholders	(743,207)	(19,082)
Dividends paid	(52,688)	(65,138)
At 31 December	6,498,067	6,795,114
Less: Amounts attributable to non-controlling interests	(805,449)	(1,812,703)
	5,692,618	4,982,411
Interest in UIC (43.94%) (2013: 43.66%)	2,501,336	2,175,321
Revaluation gains of hotel properties recognised during step acquisitions	8,573	8,802
Carrying value	2,509,909	2,184,123

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17. Investments in associated companies (continued)

- (e) The aggregate of the Group's share in the net profit and total comprehensive income of other immaterial associated companies and their carrying amounts are as follows:

	2014 \$'000	2013 \$'000
Net profit and total comprehensive income	25,494	51,640
Carrying value	594,418	580,883

- (f) 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 \$4,944,000 (2013: \$6,112,000).

18. Investments in joint venture companies

	The Group	
	2014 \$'000	2013 \$'000
At the beginning of the financial year	20,011	–
Additions	–	500
Share of profit, net of tax	37,221	19,511
At the end of the financial year	57,232	20,011

- (a) The joint venture companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding		Accounting year end
			2014 %	2013 %	
United Venture Development (Bedok) Pte. Ltd. ("UVDB")	Property development	Singapore	50 by UVI	50 by UVI	31 December
United Venture Development (Thomson) Pte. Ltd.	Property development	Singapore	50 by UVI	50 by UVI	31 December

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

The joint venture companies are, in the opinion of the directors, not material to the Group except for UVDB. UVDB is a joint venture with Singapore Land Limited to develop Archipelago, a 99-year development project at Bedok Reservoir.

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18. Investments in joint venture companies (continued)

(b) Summarised financial information of UVDB

	2014 \$'000	2013 \$'000
Current assets	358,760	314,347
Includes:		
– Cash and cash equivalents	22,520	57,893
Current liabilities	(227,972)	(8,838)
Includes:		
– Financial liabilities (excluding trade payables)	(197,562)	–
Non-current liabilities	(25,292)	(265,487)
Includes:		
– Financial liabilities (excluding trade payables)	–	(241,262)
– Other liabilities	(20,554)	(7,904)
Net assets	105,496	40,022
	2014 \$'000	2013 \$'000
Revenue	319,060	206,542
Interest income	65	51
Profit before tax	78,820	48,971
Income tax expense	(13,346)	(8,326)
Profit after tax and total comprehensive income	65,474	40,645

The information above reflects the amounts presented in the financial statements of UVDB (and not the Group's share of those amounts). No adjustments for differences in accounting policies between the Group and UVDB were necessary. There were no contingent liabilities relating to the Group's interest in UVDB as at 31 December 2014.

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in UVDB:

	2014 \$'000	2013 \$'000
Net assets		
At 1 January	40,022	(623)
Profit for the year	65,474	40,645
At 31 December	105,496	40,022
Interest in UVDB (50%) and carrying value	52,748	20,011

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18. Investments in joint venture companies (continued)

- (c) The aggregate of the Group's share in the net profit/(loss) and total comprehensive income/(loss) of other immaterial joint venture company and its carrying amount are as follows:

	2014 \$'000	2013 \$'000
Net profit/(loss) and total comprehensive income/(loss)	5,852	(1,816)
Carrying value	4,484	–

- (d) There is no share of joint venture companies' contingent liabilities incurred jointly with other investors. Contingent liabilities relating to capital commitments of joint venture companies in which the Group is severally liable amounted to \$54,283,000 (2013: \$113,856,000).

19. Investments in subsidiaries

	The Company	
	2014 \$'000	2013 \$'000
Unlisted investments at cost	1,807,295	1,806,159
Less accumulated impairment charge:		
At the beginning of the financial year	(6,581)	(5,337)
Impairment charge for the financial year [Note 8 and (a) below]	–	(1,244)
At the end of the financial year	(6,581)	(6,581)
	1,800,714	1,799,578

(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.

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19. Investments in subsidiaries (continued)

(b) The subsidiaries are:

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014	2013	2014	2013	2014	2013
			\$'000	\$'000	%	%	%	%
Held by the Company								
Pan Pacific Hotels Group Limited (“PPHG”)	Hotelier, property owner, rental of serviced suites and investment holding	Singapore	690,038	690,038	100	100	–	–
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 (“NSI”)	Property investment	Singapore	162,000	162,000	60	60	40	40
Novena Square Development Ltd	Property investment	Singapore	42,000	42,000	60	60	40	40
UOL Development Pte Ltd	Property development	Singapore	20,000	20,000	100	100	–	–
UOL Development (Dakota) Pte. Ltd.	Property development	Singapore	41,436	41,436	100	100	–	–
Kings & Queens Development Pte. Ltd.	Under liquidation	Singapore	–	700	70	70	30	30
Regency One Development Pte. Ltd.	Liquidated	Singapore	–	800	–	80	–	20
United Regency Pte. Ltd.	Liquidated	Singapore	–	600	–	60	–	40
Duchess Walk Pte. Ltd.	Property development	Singapore	700	700	70	70	30	30
Secure Venture Development (Simei) Pte. Ltd.	Property development	Singapore	600	600	60	60	40	40
UOL Residential Development Pte. Ltd.	Property development	Singapore	1,000	1,000	100	100	–	–

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19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014	2013	2014	2013	2014	2013
			\$'000	\$'000	%	%	%	%
Held by the Company (continued)								
UOL Development (St Patrick) Pte. Ltd.	Property development	Singapore	1,000	1,000	100	100	–	–
UOL Development (Sengkang) Pte. Ltd.	Property development	Singapore	1,000	1,000	100	100	–	–
UOL Development (Bartley) Pte. Ltd.	Property development	Singapore	30,500	30,500	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 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	–	–
UOL Venture Investments Pte. Ltd. (“UVI”)	Investment holding	Singapore	2,651	2,651	100	100	–	–
Secure Venture Investments Limited (“SVIL”)**	Investment holding	Hong Kong	28,208	24,972	100	100	–	–
			1,807,295	1,806,159				

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19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	2014 %	2013 %
Held by subsidiaries						
Secure Venture Development (Alexandra) Pte. Ltd.^	Property development	Singapore	70 by UVI	–	30	–
Promatik Emas Sdn. Bhd.*	Property development	Malaysia	55 by UOD	55 by UOD	45	45
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	40	40
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	10	10
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	40	40
Hua Ye Xiamen Hotel Limited*	Hotelier	The People's Republic of China	100 by SVIL	100 by SVIL	–	–
Success Venture Investments (Jersey) Limited (“SVIJ”)^ [Note (f) below]	Investment holding	Jersey	100 by UOD	–	–	–
Success Venture Development (Jersey) Limited (“SVDJ”)^ [Note (f) below]	Property development	Jersey	100 by UOD	–	–	–
Success Venture Nominees (No. 1) Limited (“SVN1”) [Note (f) below]	Dormant	United Kingdom	100 by SVIJ	–	–	–
Success Venture Nominees (No. 2) Limited (“SVN2”) [Note (f) below]	Dormant	United Kingdom	100 by SVIJ	–	–	–

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19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	2014 %	2013 %
Held by subsidiaries (continued)						
Parkroyal Kitchener Hotel Pte. Ltd.	Hotelier	Singapore	100 by PPHG	100 by PPHG	–	–
Parkroyal Pickering Hotel Pte. Ltd.	Hotelier and property investment	Singapore	100 by PPHG	100 by PPHG	–	–
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	–	–

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19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	2014 %	2013 %
Held by subsidiaries (continued)						
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	–	–
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	25	25
YIPL Investment Pte. Ltd. (“YIPL”)	Investment holding	Singapore	100 by PPHG	100 by PPHG	–	–
Yangon Hotel Limited (“YHL”)** [Note (g) below]	Hotelier	Myanmar	100 by YIPL	95 by YIPL	–	5
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	–	–

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19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2014 %	2013 %	2014 %	2013 %
Held by subsidiaries (continued)						
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	—	—

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19. Investments in subsidiaries (continued)

(c) The following unit trusts are held by:

Name of unit trusts	Principal activities	Country of business/ constitution	Proportion of units held by the Group		Proportion of units held by non-controlling interests	
			2014 %	2013 %	2014 %	2013 %
Success Venture (Darling Harbour) Unit Trust*	Hotelier	Australia	100 by SVIA	100 by SVIA	–	–
Success Venture (Parramatta) Unit Trust*	Hotelier	Australia	100 by SVIA	100 by SVIA	–	–
Success Venture (WA) Unit Trust*	Hotelier	Australia	100 by SVIA	100 by SVIA	–	–
Heron Plaza Property Unit Trust ("HPPUT") [Note (f) below]	Investment holding	Jersey	60 by SVIJ and 40 by SVDJ	–	–	–

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.

^ Newly incorporated during the financial year.

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 2014.

The non-controlling interests for subsidiaries are, in the opinion of the directors, not material to the Group except for those of NSI.

(d) Carrying value of non-controlling interests

	2014 \$'000	2013 \$'000
NSI	355,884	326,054
Other subsidiaries with immaterial non-controlling interests	132,286	141,218

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19. Investments in subsidiaries (continued)

- (e) Summarised financial information of NSI, presented before inter-company eliminations:

	2014 \$'000	2013 \$'000
Current		
Assets	2,008	1,552
Liabilities	(30,718)	(12,446)
Total current net liabilities	(28,710)	(10,894)
Non-current		
Assets	934,716	886,407
Liabilities	(16,296)	(60,378)
Total non-current net assets	918,420	826,029
Net assets	889,710	815,135
	2014 \$'000	2013 \$'000
Revenue	43,295	42,468
Profit before income tax	85,795	172,817
Income tax expense	(6,220)	(5,923)
Profit after tax and total comprehensive income	79,575	166,894
Total comprehensive income allocated to non-controlling interests	31,830	66,758
Dividends paid to non-controlling interests	2,000	–
	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Cash generated from operations	39,921	38,881
Income tax paid	(5,943)	(5,544)
Net cash generated from operating activities	33,978	33,337
Net cash from/(used in) investing activities	6	(29)
Net cash used in financing activities	(34,054)	(33,255)
Net (decrease)/increase in cash and cash equivalents	(70)	53
Cash and cash equivalents at beginning of year	612	559
Cash and cash equivalents at end of year	542	612

- (f) In August 2014, the Group has through its newly incorporated subsidiaries, SVIJ and SVDJ, entered into and completed a sale and purchase agreement to acquire all the interests in two UK-incorporated companies, SVN1 and SVN2, and a Jersey unit trust, HPPUT, which own respectively the legal and beneficial interests in a land at Bishopsgate, London, for a price of £97 million (\$200.9 million).
- (g) On 2 July 2014, the Group acquired the remaining 5% of the issued shares of YHL for a purchase consideration of USD 620,000 (\$774,000). The Group now holds 100% of the equity share capital of YHL. The effects of the transaction is not material to the Group.

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20. Investment properties

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
At the beginning of the financial year	3,814,190	3,342,754	388,490	330,990
Currency translation differences	1,281	(547)	–	–
Additions	55,761	62,558	–	–
Transfer to development properties	(7,145)	–	–	–
Transfer to hotel properties	(1,721)	–	–	–
Fair value gains recognised in income statement	217,848	409,425	21,310	57,500
At the end of the financial year	4,080,214	3,814,190	409,800	388,490

- (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 \$2,043,307,000 (2013: \$1,860,527,000) [Note 24(b)].
- (c) Borrowing costs of \$2,038,000 (2013: \$2,682,000) (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		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Rental income (Note 4)	198,206	180,241	17,337	17,352
Direct operating expenses arising from investment properties that generated rental income	28,539	25,041	2,137	2,294

The Group and the Company do not have any investment properties that do not generate rental income other than The Esplanade (Hai He Hua Ding) which was completed towards end 2014.

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20. Investment properties (continued)

(e) The details of the Group's investment properties at 31 December 2014 were:

		Tenure of land
Faber House	– retained interests in a 12-storey office building and a 39-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 carpark at Thomson Road, Singapore	99-year lease from 1997
The Plaza	– retained interests in a 32-storey tower block comprising restaurants, a function room, shops, offices and 90 units of serviced suites (PARKROYAL Serviced Suites) 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 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 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)	– a 3-storey retail mall with basement carpark located within a commercial/residential development in Hong Qiao District, Tianjin, The People's Republic of China	40-year lease from 2007

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20. Investment properties (continued)

(f) Fair value hierarchy - recurring fair value measurements

Description	The Group Fair value measurements using significant unobservable inputs (Level 3)	
	2014 \$'000	2013 \$'000
Singapore:		
– Shops	1,309,900	813,700
– Offices	2,262,750	2,154,580
– Serviced Suites	353,735	351,157
– Shops under construction	–	365,600
Malaysia:		
– Serviced Suites	80,522	76,226
China:		
– Shops	73,307	–
– 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 foot.
- (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.

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20. Investment properties (continued)

Valuation techniques used to derive Level 3 fair values (continued)

In 2013, the Group had two investment properties, OneKM and The Esplanade (Hai He Hua Ding) which were 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. The investment properties were completed in 2014 and are valued using the same valuation techniques as the Group's other completed investment properties.

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 as at 31 December		Valuation technique(s)	Unobservable inputs®	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	2014 \$'000	2013 \$'000				
Singapore						
Shops	1,309,900	813,700	Direct Comparison Method	– Adopted value per square foot	\$1,400 to \$2,400 (\$2,085) [2013: \$1,400 to \$2,400 (\$1,900)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	5% (5%) [2013: 5% (5%)]	The lower the capitalisation rate, the higher the fair value.
Offices	2,262,750	2,154,580	Direct Comparison Method	– Adopted value per square foot	\$1,500 to \$2,500 (\$2,326) [2013: \$1,400 to \$2,400 (\$2,200)]	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	4% (4%) [2013: 4% (4%)]	The lower the capitalisation rate, the higher the fair value.

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20. Investment properties (continued)

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

Description	Fair value as at 31 December		Valuation technique(s)	Unobservable inputs®	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	2014 \$'000	2013 \$'000				
Singapore (continued)						
Serviced Suites	353,735	351,157	Discounted Cash Flow Method	– Growth rate	3% to 5% (4%) [2013: 3% (3%)]	The higher the growth rate, the higher the fair value.
				– Discount rate	7% to 8% (7%) [2013: 7% to 8% (7%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				– Capitalisation rate	5% (5%) [2013: 5% (5%)]	
			#Direct Comparison Method	– Adopted value per square foot	\$1,142 (\$1,142) [2013: \$1,200 (\$1,200)]	The higher the adopted value, the higher the fair value.
			#Income Method	– Capitalisation rate	6% (6%) [2013: 6% (6%)]	The lower the capitalisation rate, 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	[2013: \$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	[2013: 10%]	The higher the profit margin required, the lower the fair value.
Malaysia						
Serviced Suites	80,522	76,226	Discounted Cash Flow Method	– Growth rate	5% (5%) [2013: 5% (5%)]	The higher the growth rate, the higher the fair value.
				– Discount rate	9% (9%) [2013: 9% (9%)]	The higher the discount rate or capitalisation rate, the lower the fair value.
				– Capitalisation rate	7% (7%) [2013: 7% (7%)]	

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20. Investment properties (continued)

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

Description	Fair value as at 31 December		Valuation technique(s)	Unobservable inputs®	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
	2014 \$'000	2013 \$'000				
China						
Shops under construction	–	52,927	Residual land value + Costs expended up to balance sheet date	– Estimated costs and time to completion	[2013: \$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	[2013: 5%]	The higher the profit margin required, the lower the fair value.
Shops	73,307	–	Direct Comparison Method	– Adopted value per square foot	\$403 (\$403)	The higher the adopted value, the higher the fair value.
			Income Method	– Capitalisation rate	6% (6%)	The lower the capitalisation rate, the higher 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 2014. 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.

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21. Property, plant and equipment

	Freehold land \$'000	Freehold buildings \$'000	Leasehold land and buildings \$'000	Plant, equipment, furniture and fittings \$'000	Motor vehicles \$'000	Properties under development \$'000	Renovation in progress \$'000	Total \$'000
The Group								
Cost								
At 1 January 2014	179,862	232,492	633,965	473,084	2,033	109,866	1,246	1,632,548
Currency translation differences	(1,382)	(5,000)	(676)	(2,180)	29	3,201	(27)	(6,035)
Additions	–	372	3,625	29,918	344	80,761	4,015	119,035
Transfer from investment properties	–	–	–	–	–	1,721	–	1,721
Disposals/write-offs	–	(245)	(749)	(7,874)	(210)	–	–	(9,078)
Reclassification	–	(8)	85,555	50,436	–	(135,226)	(757)	–
At 31 December 2014	178,480	227,611	721,720	543,384	2,196	60,323	4,477	1,738,191
Accumulated depreciation and impairment								
At 1 January 2014	–	71,176	121,549	248,211	1,409	21,098	–	463,443
Currency translation differences	–	(1,596)	1,654	(1,099)	24	–	–	(1,017)
Charge for the financial year	–	4,958	10,979	41,029	202	–	–	57,168
Disposals/write-offs	–	(115)	(471)	(6,929)	(179)	–	–	(7,694)
Write-back of impairment charge (Note 8)	–	–	(14,889)	–	–	–	–	(14,889)
Reclassification	–	–	21,377	(279)	–	(21,098)	–	–
At 31 December 2014	–	74,423	140,199	280,933	1,456	–	–	497,011
Net book value at 31 December 2014								
	178,480	153,188	581,521	262,451	740	60,323	4,477	1,241,180

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21. Property, plant and equipment (continued)

	Freehold land \$'000	Freehold buildings \$'000	Leasehold land and buildings \$'000	Plant, equipment, furniture and fittings \$'000	Motor vehicles \$'000	Properties under development \$'000	Renovation in progress \$'000	Total \$'000
The Group (continued)								
Cost								
At 1 January 2013	183,557	243,038	643,281	403,638	1,675	90,176	10,858	1,576,223
Currency translation differences	(3,695)	(13,377)	(6,707)	(9,100)	45	4,493	(87)	(28,428)
Additions	–	487	3,994	35,323	620	53,922	1,270	95,616
Disposals/write-offs	–	(239)	(634)	(9,671)	(307)	–	(12)	(10,863)
Reclassification	–	2,583	(5,969)	52,894	–	(38,725)	(10,783)	–
At 31 December 2013	179,862	232,492	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/write-offs	–	(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								
	179,862	161,316	512,416	224,873	624	88,768	1,246	1,169,105

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21. Property, plant and equipment (continued)

	Plant, equipment, furniture and fittings \$'000	Motor vehicles \$'000	Total \$'000
The Company			
Cost			
At 1 January 2014	4,683	100	4,783
Additions	488	–	488
Disposals/write-offs	(93)	–	(93)
At 31 December 2014	5,078	100	5,178
Accumulated depreciation			
At 1 January 2014	3,238	15	3,253
Charge for the financial year	649	20	669
Disposals/write-offs	(93)	–	(93)
At 31 December 2014	3,794	35	3,829
Net book value at 31 December 2014	1,284	65	1,349
Cost			
At 1 January 2013	4,307	188	4,495
Additions	450	100	550
Disposals/write-offs	(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/write-offs	(72)	(188)	(260)
At 31 December 2013	3,238	15	3,253
Net book value at 31 December 2013	1,445	85	1,530

- (a) At 31 December 2014, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was \$2,142,123,000 (2013: \$1,964,663,000) and the net book value was \$1,212,469,000 (2013: \$1,137,641,000). 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 \$929,654,000 (2013: \$827,022,000) has not been incorporated in the financial statements.
- (b) Borrowing costs of \$883,000 (2013: \$1,282,000) (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 \$935,723,000 (2013: \$1,026,221,000).
- (d) The carrying amount of leasehold land and building held under finance leases was \$4,026,000 (2013: \$4,222,000) (Note 25) at the end of the reporting period.

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21. Property, plant and equipment (continued)

(e) The details of the Group's properties in property, plant and equipment at 31 December 2014 were:

		Tenure of land	Remaining lease term
PARKROYAL on Beach Road	– a 343-room hotel at Beach Road, Singapore	99-year lease from 1968	53 years
PARKROYAL on Kitchener Road	– a 532-room hotel at Kitchener Road, Singapore	Freehold	–
PARKROYAL on Pickering	– a 367-room hotel at Upper Pickering Street, Singapore	99-year lease from 2008	93 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	28 years
PARKROYAL Darling Harbour, Sydney	– a 340-room hotel at Darling Harbour, Sydney, Australia	Freehold	–
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	66 years
PARKROYAL Penang Resort	– a 309-room resort hotel at Jalan Batu Ferringhi, Penang, Malaysia	Freehold	–
PARKROYAL Saigon	– a 186-room hotel and 6-storey annex block at Nguyen Van Troi Street, Ho Chi Minh City, Vietnam	49-year lease from 1994	29 years
Sofitel Plaza Hanoi	– a 265-room hotel and 56 serviced suites at Thanh Nien Road, Hanoi, Vietnam	48-year lease from 1993	27 years
Pan Pacific Suzhou	– a 481-room hotel at Xinshi Road, Suzhou, Jiangsu, The People's Republic of China	50-year lease from 1994	30 years
Pan Pacific Xiamen	– a 329-room hotel and 25 serviced apartments at Hubin North Road, Xiamen, The People's Republic of China	70-year lease from 1991	47 years
Pan Pacific Tianjin Hotel and Serviced Suites	– a 289-room hotel and 30 serviced apartments in Tianjin, The People's Republic of China	40-year lease from 2007	33 years
PARKROYAL Yangon	– a 333-room hotel at the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar	50-year lease from 1998	34 years

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21. Property, plant and equipment (continued)

(e) The details of the Group's properties in property, plant and equipment at 31 December 2014 were: (continued)

		Tenure of land	Remaining lease term
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	32+49 years
Proposed hotel at Bishopsgate site	– a proposed hotel with an estimated 190 rooms at Bishopsgate in the City of London	Freehold	–

(f) The write-back of impairment charge was in respect of PARKROYAL on Pickering for an amount of \$11,553,000 and PARKROYAL Melbourne Airport for an amount of \$3,336,000. In 2013, 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. The write-back of impairment charge/impairment charges were due to the carrying values of the properties below/exceeding the fair values as appraised by professional valuers.

22. Intangibles

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Trademarks [Note (a) below]	9,449	10,176	–	–
Computer software costs [Note (b) below]	2,859	4,284	318	622
Contract acquisition costs [Note (c) below]	2,167	455	–	–
Goodwill arising on consolidation [Note (d) below]	11,202	11,202	–	–
	25,677	26,117	318	622

(a) Trademarks

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Cost				
At the beginning of the financial year	14,806	15,045	–	–
Disposal	–	(239)	–	–
At the end of the financial year	14,806	14,806	–	–
Accumulated amortisation				
At the beginning of the financial year	4,630	4,142	–	–
Amortisation for the financial year	727	727	–	–
Disposal	–	(239)	–	–
At the end of the financial year	5,357	4,630	–	–
Net book value	9,449	10,176	–	–

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22. Intangibles (continued)

(b) Computer software costs

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Cost				
At the beginning of the financial year	8,576	7,620	1,440	1,394
Currency translation differences	(17)	(48)	–	–
Additions	184	1,079	–	46
Disposals	(57)	(75)	–	–
At the end of the financial year	8,686	8,576	1,440	1,440
Accumulated amortisation				
At the beginning of the financial year	4,292	2,830	818	528
Currency translation differences	(2)	(34)	–	–
Amortisation for the financial year	1,594	1,571	304	290
Disposals	(57)	(75)	–	–
At the end of the financial year	5,827	4,292	1,122	818
Net book value	2,859	4,284	318	622

(c) Contract acquisition costs

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Cost				
At the beginning of the financial year	1,175	1,209	–	–
Currency translation differences	(13)	(34)	–	–
Additions	2,198	–	–	–
At the end of the financial year	3,360	1,175	–	–
Accumulated amortisation				
At the beginning of the financial year	720	497	–	–
Currency translation differences	(10)	(16)	–	–
Amortisation for the financial year	483	239	–	–
At the end of the financial year	1,193	720	–	–
Net book value	2,167	455	–	–

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22. Intangibles (continued)

(d) Goodwill arising on consolidation

	The Group	
	2014 \$'000	2013 \$'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	
	2014 \$'000	2013 \$'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 (2013: 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 %
2014		
Growth rate	2.2	4.7
Discount rate	9.0	7.9
2013		
Growth rate	2.3	5.2
Discount rate	9.0	8.0

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23. Trade and other payables

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current				
Trade payables:				
– non-related parties	40,181	223,425	1,055	1,001
Other payables:				
– rental and other deposits	29,068	44,107	2,889	1,354
– accrued interest payable	6,486	9,163	1,300	5,384
– retention monies	16,886	24,345	26	26
– accrued development expenditure	88,560	37,355	–	–
– accruals for completed projects	28,338	33,292	–	–
– accrued operating expenses	62,174	60,991	7,801	7,907
– sundry creditors	5,208	9,824	2,561	2,270
– deferred revenue	4,205	4,388	–	–
– subsidiaries (non-trade)	–	–	113	101
– non-controlling shareholders (non-trade)	625	–	–	–
	241,550	223,465	14,690	17,042
Loans from subsidiaries	–	–	309,727	60,141
	281,731	446,890	325,472	78,184
Non-current				
Deferred revenue	113,771	117,976	–	–
Rental deposits	34,053	28,384	2,038	3,354
Retention monies	6,172	6,270	–	–
	153,996	152,630	2,038	3,354
Total trade and other payables	435,727	599,520	327,510	81,538

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

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24. Borrowings

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current				
Bank loans (secured)	451,083	152,672	–	–
Bank loans (unsecured)	665,582	678,918	336,940	248,259
2.5% unsecured fixed rate notes due 2014 [Note (a) below]	–	299,850	–	299,850
2.493% unsecured fixed rate notes due 2015 [Note (a) below]	174,938	–	174,938	–
Finance lease liabilities (Note 25)	280	294	–	–
	1,291,883	1,131,734	511,878	548,109
Non-current				
Bank loans (secured)	1,105,680	827,099	–	–
Bank loans (unsecured)	498,251	106,973	–	–
2.493% unsecured fixed rate notes due 2015 [Note (a) below]	–	174,763	–	174,763
3.043% unsecured fixed rate notes due 2017 [Note (a) below]	74,824	74,749	74,824	74,749
Finance lease liabilities (Note 25)	3,746	3,928	–	–
	1,682,501	1,187,512	74,824	249,512
Total borrowings	2,974,384	2,319,246	586,702	797,621

(a) Medium term notes

On 1 July 2010, the Company established a S\$1 billion Multicurrency Medium Term Note Programme (the “2010 Programme”). Under the 2010 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.

On 3 November 2014, a wholly-owned subsidiary of the Group established a S\$1 billion Multicurrency Medium Term Note Programme (the “2014 Programme”) with similar terms as the 2010 Programme. The 2014 Programme is unconditionally and irrevocably guaranteed by the Company. There were no borrowings under the 2014 Programme as at the end of the financial year.

(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	
	2014 \$'000	2013 \$'000
Bank deposits	5,651	5,389
Hotel properties	935,723	1,026,221
Investment properties	2,043,307	1,860,527
Development properties	1,522,944	895,443
	4,507,625	3,787,580

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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

	2014						2013					
	SGD	USD	RMB	GBP	MYR	AUD	SGD	USD	RMB	GBP	MYR	AUD
	%	%	%	%	%	%	%	%	%	%	%	%
Bank loans (secured)	1.5	–	6.4	–	–	4.1	1.4	–	7.3	–	3.9	4.0
Bank loans (unsecured)	1.3	1.3	–	1.6	–	–	1.3	1.2	–	–	4.0	–

The Company

	2014 SGD %	2013 SGD %
Bank loans (unsecured)	1.5	1.3

- (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 are computed based on cash flows discounted using market borrowing rates at the end of the reporting period. The fair values are within Level 2 of the fair values hierarchy. The fair values and market borrowing rates used are as follows:

	The Group and the Company		Borrowing rates	
	2014 \$'000	2013 \$'000	2014 %	2013 %
2.50% unsecured fixed rate notes due 2014	–	301,748	–	1.3
2.493% unsecured fixed rate notes due 2015	175,561	177,558	1.7	1.5
3.043% unsecured fixed rate notes due 2017	75,842	77,267	2.2	2.1
	251,403	556,573		

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	
	2014 \$'000	2013 \$'000
Minimum lease payments due		
– Not later than one year	281	295
– Between one and five years	1,125	1,179
– Later than five years	21,509	22,844
	22,915	24,318
Less: Future finance charges	(18,889)	(20,096)
Present value of finance lease liabilities	4,026	4,222

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25. Finance lease liabilities (continued)

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

	The Group	
	2014 \$'000	2013 \$'000
Not later than one year (Note 24)	280	294
Later than one year (Note 24)		
– Between one and five years	1,121	1,175
– Later than five years	2,625	2,753
	3,746	3,928
Total	4,026	4,222

26. Derivative financial instrument

	The Group			The Company		
	Contract notional amount \$'000	Fair value		Contract notional amount \$'000	Fair value	
		Asset \$'000	Liability \$'000		Asset \$'000	Liability \$'000
2014						
Cash flow hedges						
– Interest rate swaps	200,000	613	–	–	–	–
Non-hedging instrument						
– Interest rate swap	–	–	–	100,000	323	–
	200,000	613	–	100,000	323	–
Less: Current portion	(50,000)	(35)	–	–	–	–
Non-current portion	150,000	578	–	100,000	323	–
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	–	–	–

The cash flow hedges - interest rate swaps are transacted to hedge variable interest expense on borrowings payable between November 2015 and October 2016. 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.

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

The loan from non-controlling shareholder of a subsidiary of \$54,158,000 bears interest at 1.5% per annum over the bank quoted three-month swap rate on the first business day of each quarter of the calendar year and the effective interest rate as at the end of the reporting period was 1.92% per annum. The loan, including accrued interest payable, is subordinated to the bank loan of the subsidiary, has no fixed terms of repayment and is not expected to be repaid within the next twelve months from the end of the reporting period. The fair value of the loan from non-controlling shareholder approximate its carrying value.

In 2013, the loan from non-controlling shareholder of a subsidiary of \$16,917,000 was 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% was \$16,599,000. The fair value is within Level 2 of the fair values hierarchy. The loan was repaid in 2014.

28. Provision for retirement benefits

	The Group	
	2014	2013
	\$'000	\$'000
Non-current	3,813	3,245

- (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 on 12 February 2014.

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

	The Group	
	2014	2013
	\$'000	\$'000
At the beginning of the financial year	3,245	2,942
Benefits paid	–	(58)
Current service cost	320	176
Interest on obligation	253	280
Actuarial loss	55	21
Currency translation differences	(60)	(116)
At the end of the financial year	3,813	3,245

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

	The Group	
	2014	2013
	%	%
Discount rate	5.8	5.8
Future salary increase	6.9	6.9
Inflation rate	3.5	3.5
Normal retirement age (years)		
– Male	60	60
– Female	60	60

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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	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Deferred income tax assets				
– to be recovered within one year	(918)	(283)	–	–
– to be recovered after one year	(2,705)	(2,877)	–	–
	(3,623)	(3,160)	–	–
Deferred income tax liabilities				
– to be settled within one year	107,334	117,086	96,328	81,972
– to be settled after one year	66,930	55,863	3,790	4,173
	174,264	172,949	100,118	86,145

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

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
At the beginning of the financial year	169,789	172,641	86,145	79,097
Currency translation differences	(137)	(1,215)	–	–
Tax (credit)/charge to:				
– income statement [Note 9(a)]	(13,568)	(15,270)	(416)	(59)
– equity [Note 31(b),(f)]	14,499	7,101	14,389	7,107
Under provision in prior financial year [Note 9(a)]	58	6,532	–	–
At the end of the financial year	170,641	169,789	100,118	86,145

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

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Fair value reserves [Note 31(b)]	14,356	7,113	14,356	7,113
Hedging reserve [Note 31(f)]	143	(12)	33	(6)
	14,499	7,101	14,389	7,107

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 \$16,731,000 (2013: \$20,144,000) 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 \$16,716,000 (2013: \$16,070,000) 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.

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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	Fair value gains on derivative financial instruments \$'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
2014								
At the beginning of the financial year	84,410	–	42,533	13,070	1,038	33,637	(1,739)	172,949
Currency translation differences	–	–	(506)	288	–	–	17	(201)
Tax charge/(credit) to income statement	–	–	5,171	6,652	(32)	(24,791)	56	(12,944)
Tax charge to equity	14,356	104	–	–	–	–	–	14,460
At the end of the financial year	98,766	104	47,198	20,010	1,006	8,846	(1,666)	174,264
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

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29. Deferred income taxes (continued)

The Group (continued)

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
2014					
At the beginning of the financial year	(39)	(1,961)	(877)	(283)	(3,160)
Currency translation differences	–	–	64	–	64
Tax credit to income statement	–	–	(96)	(470)	(566)
Tax charge to equity	39	–	–	–	39
At the end of the financial year	–	(1,961)	(909)	(753)	(3,623)
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)

The Company

Deferred income tax liabilities

	Fair value gains on available- for-sale financial assets \$'000	Accelerated tax depreciation \$'000	Total \$'000
2014			
At the beginning of the financial year	81,971	4,207	86,178
Tax credit to income statement	–	(416)	(416)
Tax charge to equity	14,356	–	14,356
At the end of the financial year	96,327	3,791	100,118
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

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29. Deferred income taxes (continued)

The Company (continued)

Deferred income tax assets

	Fair value loss on derivative financial instruments \$'000	Total \$'000
2014		
At the beginning of the financial year	(33)	(33)
Tax charge to equity	33	33
At the end of the financial year	–	–
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)

30. Share capital of UOL Group Limited

	Number of shares '000	Amount \$'000
2014		
At the beginning of the financial year	770,883	1,050,897
Proceeds from shares issued:		
– to holders of share options	742	3,577
Issue of shares under scrip dividend scheme	15,601	97,038
At the end of the financial year	787,226	1,151,512
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

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30. Share capital of UOL Group Limited (continued)

- (a) All issued ordinary shares have no par value and are fully paid.
- (b) During the financial year, the Company issued 742,000 (2013: 986,000) 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 12 March 2014, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,253,000 ordinary shares in the Company (known as "the 2014 Options") at the exercise price of \$6.10 per ordinary share. 1,253,000 options granted were accepted.

Statutory information regarding the 2014 Options is as follows:

- (i) The option period begins on 12 March 2015 and expires on 11 March 2024 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.

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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							
2014							
2005 Options	42,000	–	(42,000)	–	–	2.23	09.05.2006 to 08.05.2015
2006 Options	100,000	–	–	–	100,000	3.21	18.05.2007 to 17.05.2016
2007 Options	399,000	–	(93,000)	–	306,000	4.91	16.03.2008 to 15.03.2017
2008 Options	236,000	–	(36,000)	–	200,000	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	390,000	–	(81,000)	–	309,000	3.95	05.03.2011 to 04.03.2020
2011 Options	566,000	–	(166,000)	–	400,000	4.62	04.03.2012 to 03.03.2021
2012 Options	1,387,000	–	(274,000)	(40,000)	1,073,000	5.40	23.08.2013 to 22.08.2022
2013 Options	1,258,000	–	(50,000)	(95,000)	1,113,000	6.55	08.03.2014 to 07.03.2023
2014 Options	–	1,253,000	–	(29,000)	1,224,000	6.10	12.03.2015 to 11.03.2024
	4,440,000	1,253,000	(742,000)	(164,000)	4,787,000		
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		

Out of the outstanding options for 4,787,000 (2013: 4,440,000) shares, options for 3,563,000 (2013: 3,182,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise was \$6.56 (2013: \$6.81) per share.

The fair value of options granted on 12 March 2014 (2013: 8 March 2013), determined using the Trinomial Tree Model was \$1,491,000 (2013: \$2,333,000). The significant inputs into the model were share price of \$6.00 (2013: \$6.69) at the grant date, exercise price of \$6.10 (2013: \$6.55), standard deviation of expected share price returns of 27.10% (2013: 34.52%), option life from 12 March 2015 to 11 March 2024 (2013: 8 March 2014 to 7 March 2023), annual risk-free interest rate of 1.69% (2013: 0.97%) and dividend yield of 2.79% (2013: 2.21%). 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.

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31. Reserves

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Composition:				
Share option reserve [Note (a) below]	14,260	12,499	12,851	11,362
Fair value reserve [Note (b) below]	645,502	537,343	511,475	425,977
Asset revaluation reserve [Note (c) below]	42,958	38,118	–	–
Capital reserves [Note (d) below]	293,580	293,580	–	–
Currency translation reserve [Note (e) below]	(19,777)	(26,035)	–	–
Hedging reserve [Note (f) below]	509	(194)	–	(164)
Others	–	–	598	598
	977,032	855,311	524,924	437,773

Revaluation and capital reserves are non-distributable.

(a) Share option reserve

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
At the beginning of the financial year	12,499	10,253	11,362	9,461
Employee share option scheme:				
– Value of employee services	1,489	1,901	1,489	1,901
Share of associated company (Note 17)	272	345	–	–
At the end of the financial year	14,260	12,499	12,851	11,362

(b) Fair value reserve

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
At the beginning of the financial year	537,343	493,154	425,977	399,128
Fair value gains on available-for-sale financial assets (Note 15)	129,971	51,246	99,854	33,962
Deferred tax on fair value gains (Note 29)	(14,356)	(7,113)	(14,356)	(7,113)
	115,615	44,133	85,498	26,849
Liquidation of an available-for-sale financial asset	(7,456)	–	–	–
	108,159	44,133	85,498	26,849
Less: Amount attributable to non-controlling interests	–	56	–	–
At the end of the financial year	645,502	537,343	511,475	425,977

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31. Reserves (continued)

(c) Asset revaluation reserve

	The Group	
	2014	2013
	\$'000	\$'000
At the beginning of the financial year	38,118	38,118
Share of an associated company's acquisition of interests from non-controlling shareholders (Note 17)	4,840	–
At the end of the financial year	42,958	38,118

The asset revaluation reserve of the Group does not take into account the surplus of \$929,654,000 (2013: \$827,022,000) arising from the revaluation of the hotel properties of the Group [Note 21(a)].

(d) Capital reserves

Composition of capital reserves is as follows:

	The Group	
	2014	2013
	\$'000	\$'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	
	2014	2013
	\$'000	\$'000
At the beginning of the financial year	(26,035)	(29,233)
Net currency translation differences of financial statements of foreign subsidiaries and borrowings designated as hedges against foreign subsidiaries	5,224	(2,558)
Share of an associated company's acquisition of interests from non-controlling shareholders	212	–
Share of an associated company's other comprehensive income (Note 17)	2,580	5,155
	8,016	2,597
Less: Amount attributable to non-controlling interests	(1,758)	601
	6,258	3,198
At the end of the financial year	(19,777)	(26,035)

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31. Reserves (continued)

(f) Hedging reserve

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
At the beginning of the financial year	(194)	(134)	(164)	(134)
Fair value gains	1,225	188	303	204
Deferred tax on fair value (Note 29)	(143)	12	(33)	6
	1,082	200	270	210
Transfer to income statement				
– Finance expense (Note 7)	(379)	(260)	(106)	(240)
	703	(60)	164	(30)
At the end of the financial year	509	(194)	–	(164)

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	
	2014	2013
	\$'000	\$'000
Final one-tier dividend paid in respect of the previous financial year of 15.0 cents (2013: 15.0 cents) per share	115,629	115,485
Special one-tier dividend paid in respect of the previous financial year of 5.0 cents (2013: nil) per share	38,543	–
	154,172	115,485

At the forthcoming Annual General Meeting on 22 April 2015, a final one-tier dividend of 15.0 cents per share amounting to a total of \$118,084,000 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 2015.

33. Contingent liabilities

The Company has guaranteed the borrowings of subsidiaries amounting to \$828,642,000 (2013: \$537,082,000). The borrowings of subsidiaries were denominated in Singapore Dollar except for the amounts of \$167,542,000 (2013: \$95,299,000) and nil (2013: \$11,423,000) 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 \$4,944,000 (2013: \$6,112,000) 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.

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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	
	2014	2013
	\$'000	\$'000
Expenditure contracted for:		
– property, plant and equipment	22,454	21,838
– development properties	428,592	294,839
– investment properties	–	47,520
	451,046	364,197

In 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 company in Myanmar, City Square Hotel Co. Ltd. ("CSH"), 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.

CSH is classified as an associated company of the Group. 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 of which US\$3,000,000 has been paid in 2014 by the Group towards the initial paid-up share capital of CSH in accordance with its 20% shareholding proportion.

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

The Group leases 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	
	2014	2013
	\$'000	\$'000
Not later than one year	1,725	1,487
Later than one year but not later than five years	4,219	3,575
Later than five years	23,700	14,453
	29,644	19,515

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34. Commitments (continued)

- (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		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Not later than one year	143,425	135,771	13,436	15,826
Later than one year but not later than five years	243,904	198,606	12,868	15,789
Later than five years	130,768	–	–	–
	518,097	334,377	26,304	31,615

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 \$3,016,000 (2013: \$3,128,000) and \$25,000 (2013: \$10,000) 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 in the United Kingdom. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB"), United States Dollar ("USD") and Great Britain Pounds ("GBP"). 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"), Vietnam and the United Kingdom 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.

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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	GBP \$'000	Others \$'000	Total \$'000
The Group								
2014								
Financial assets								
Cash and bank balances	152,671	36,205	11,536	30,115	49,015	129	6,835	286,506
Trade and other receivables	230,012	79,351	5,104	2,166	6,160	88	2,050	324,931
Receivables from subsidiaries	–	66,985	–	–	–	206,217	–	273,202
Derivative financial instrument	613	–	–	–	–	–	–	613
Other assets - deposits	759	101	–	287	21	–	66	1,234
	384,055	182,642	16,640	32,568	55,196	206,434	8,951	886,486
Financial liabilities								
Borrowings	(2,482,777)	(141,526)	(89,352)	–	(54,512)	(206,217)	–	(2,974,384)
Trade and other payables	(225,098)	(4,981)	(13,120)	(6,992)	(59,748)	(736)	(7,076)	(317,751)
Payables to subsidiaries	–	(66,985)	–	–	–	(206,217)	–	(273,202)
Loans from non-controlling shareholders of subsidiaries	(54,158)	–	–	–	–	–	–	(54,158)
	(2,762,033)	(213,492)	(102,472)	(6,992)	(114,260)	(413,170)	(7,076)	(3,619,495)
Net financial (liabilities)/assets	(2,377,978)	(30,850)	(85,832)	25,576	(59,064)	(206,736)	1,875	(2,733,009)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	2,378,000	(84,115)	86,013	(25,532)	59,075	519	(1,893)	2,412,067
Add: Firm commitments and highly probable forecast transactions in foreign currencies	405,832	235	5,452	284	–	39,117	126	451,046
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	(405,832)	(235)	(5,452)	(284)	–	(39,117)	(126)	(451,046)
Currency exposure	22	(114,965)	181	44	11	(206,217)	(18)	(320,942)

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35. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD \$'000	USD \$'000	AUD \$'000	MYR \$'000	RMB \$'000	GBP \$'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
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
	660,425	29,275	19,353	43,919	72,371	–	8,209	833,552
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	(1,498,707)	(114,358)	(107,073)	(51,274)	(209,929)	–	1,340	(1,980,001)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	1,498,726	(7,774)	107,641	51,367	209,939	–	(1,358)	1,858,541
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)

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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 and GBP. Assuming that the USD and GBP changes against SGD by 5% (2013: 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)	
	2014	2013
	\$'000	\$'000
USD against SGD		
– strengthens	(4,771)	(5,068)
– weakens	4,771	5,068
GBP against SGD		
– strengthens	(8,558)	–
– weakens	8,558	–

The Company's revenue, purchases, receivables and borrowings were contracted or denominated in Singapore Dollar which is the functional and presentation currency of the Company, except for the following:

	USD	GBP
	\$'000	\$'000
The Company		
2014		
Financial assets		
Loans to subsidiaries	23,542	206,217
Financial liabilities		
Bank borrowings	(42,123)	(206,217)
Currency exposure	(18,581)	–
2013		
Financial assets		
Loans to subsidiaries	22,923	–
Financial liabilities		
Bank borrowings	(44,420)	–
Currency exposure	(21,497)	–

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35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

Assuming that the USD and GBP changes against SGD by 5% (2013: 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)	
	2014	2013
	\$'000	\$'000
USD against SGD		
– strengthens	(771)	(892)
– weakens	771	892

(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 2014, if prices for equity securities listed in Singapore change by 10% (2013: 10%) with all other variables including tax rate being held constant, the fair value reserve will be higher/lower by \$82,373,000 (2013: \$69,622,000) and \$59,521,000 (2013: \$50,276,000) 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, USD and GBP. If the SGD, USD and GBP interest rates increase/decrease by 1% (2013: 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 \$12,780,000 (2013: \$10,880,000) and \$1,850,000 (2013: \$2,572,000) respectively as a result of higher/lower interest expense on these borrowings.

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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	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
By geographical areas				
Singapore	310,700	520,764	805,284	813,539
Australia	4,998	5,910	1	20
Vietnam	1,238	1,104	93	117
Malaysia	2,123	5,451	–	6
PRC	3,482	1,319	24,033	23,809
Myanmar	1,310	1,537	37	1
Others	1,080	935	–	–
	324,931	537,020	829,448	837,492
By operating segments				
Property development	292,854	497,262	285,460	242,821
Property investments	9,793	12,422	84,119	144,283
Hotel operations	15,436	13,077	34,701	34,367
Management services	6,760	14,259	261	398
Investments	88	–	424,907	415,623
	324,931	537,020	829,448	837,492

(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.

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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	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Past due 0 to 3 months	4,630	6,236	13	26
Past due 3 to 6 months	613	270	–	–
Past due over 6 months	2,581	1,077	–	–
	7,824	7,583	13	26

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	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Gross amount	444	365	–	–
Less: Allowance for impairment	(444)	(365)	–	–
	–	–	–	–
Beginning of financial year	365	540	–	–
Currency translation difference	(1)	(23)	–	–
(Write-back of allowance)/allowance made – net	85	(148)	–	–
Allowance utilised	(5)	(4)	–	–
End of financial year	444	365	–	–

(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			
2014			
Trade and other payables	277,526	14,704	25,521
Borrowings	1,385,736	272,430	1,406,156
Loans from non-controlling shareholders of subsidiaries	1,041	1,041	55,775
Financial guarantees for borrowings of associated companies	4,944	–	–
	1,669,247	288,175	1,487,452
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	–	–
	1,631,551	765,975	481,965

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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 Company			
2014			
Trade and other payables	325,472	1,154	884
Borrowings	516,499	2,282	75,807
Financial guarantees for borrowings of subsidiaries and associated companies	828,642	–	–
	1,670,613	3,436	76,691
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	537,082	–	–
	1,176,474	181,009	79,247

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% (2013: 200%). The Group's and the Company's strategies, which were unchanged from 2013, are to maintain a gearing ratio below 150%.

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		The Company	
	2014	2013	2014	2013
Net debt (\$'000)	2,742,036	2,042,777	583,853	792,618
Total equity (\$'000)	8,130,899	7,226,970	2,949,706	2,870,028
Gearing ratio	34%	28%	20%	28%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 2013.

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35. Financial risk management (continued)

(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
2014				
The Group				
Assets				
Available-for-sale financial assets				
– Equity securities	933,977	–	54,809	988,786
– Derivative financial instrument	–	613	–	613
The Company				
Assets				
Available-for-sale financial assets				
– Equity securities	705,453	–	54,809	760,262
– Derivative financial instrument	–	323	–	323
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)

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35. Financial risk management (continued)

(e) Fair value measurements (continued)

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 2014 was 16% (2013: 22%). If the discount factor increases/decreases by 5% points (2013: 5% points), the fair value of the Level 3 unquoted available-for-sale financial assets will decrease/increase by \$3,244,000 (2013: \$3,011,000).

The following table presents the changes in Level 3 instruments:

	The Group and the Company	
	2014 \$'000	2013 \$'000
At the beginning of the financial year	46,809	57,019
Fair value gains/(losses) recognised in other comprehensive income	8,000	(10,210)
At the end of the financial year	54,809	46,809

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 2014 and 2013 except for a transfer in 2013 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. The investee was liquidated in 2014.

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35. Financial risk management (continued)

(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	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Loans and receivables	612,671	832,936	832,318	842,515
Financial liabilities at amortised cost	3,346,293	2,813,319	914,212	879,159

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	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Transactions with directors and their associates				
Proceeds from sale of development properties	1,118	1,793	–	–
Rental received	863	1,254	423	403
Transactions with associated companies and joint venture companies				
Fees received for management of development properties	499	2,559	–	–
Fees received for management of hotels	7,928	6,565	–	–
Fees received for operation of spas	60	275	–	–
Accounting and corporate secretarial fee received	422	425	120	120
Commission received	266	1,042	–	–
Interest receivable on loans to associated companies and joint venture companies	3,086	2,962	–	–
Purchase of computers	188	358	70	268
Expenses for hotel and function room facilities	210	19	–	19
Handover fees received for completed development properties	–	138	–	–
Transactions with non-controlling shareholders of subsidiaries with significant influence				
Payment of development costs	1,012	1,580	–	–

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36. Related party transactions (continued)

(b) Key management personnel compensation is analysed as follows:

	The Group	
	2014 \$'000	2013 \$'000
Salaries and other short-term employee benefits	5,716	5,750
Directors' fees	652	947
Post-employment benefits – contribution to CPF	114	124
Share options granted	328	595
	6,810	7,416

Total compensation to directors of the Company included in above amounted to \$2,926,000 (2013: \$3,227,000).

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, Malaysia and PRC. The hotel operations of the Group are located in Singapore, Australia, Vietnam, Malaysia, PRC and Myanmar and key asset and profit contributions are from the hotels in Singapore and Australia. The Group also has an ongoing mixed development in the United Kingdom.

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.

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37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2014 is as follows:

	Property development			
	Singapore \$'000	Malaysia \$'000	China \$'000	United Kingdom \$'000
2014				
Revenue				
Total segment sales	242,296	220,072	213,513	–
Inter-segment sales	–	–	–	–
Sales to external parties	242,296	220,072	213,513	–
Adjusted EBITDA	75,245	98,791	11,437	(281)
Depreciation and amortisation	(6)	–	(65)	–
Other gains	–	–	–	–
Fair value gains on investment properties	–	–	–	–
Share of profit of associated companies	135	–	(130)	–
Share of profit of joint venture companies	38,590	–	–	–
Segment assets	1,998,802	12,696	281,746	140,913
Unallocated assets				
Total assets				
Total assets include:				
Investment in associated companies	3,754	–	176,921	–
Investment in joint venture companies	57,232	–	–	–
Additions during the financial year to:				
– property, plant and equipment	–	–	–	–
– investment properties	–	–	–	–
– intangibles	–	–	–	–
Segment liabilities	1,043,642	7,024	98,689	736
Unallocated liabilities				
Total liabilities				

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Property investments \$'000	Hotel operations			Investments \$'000	Others \$'000	Total \$'000
	Singapore \$'000	Australia \$'000	Others \$'000			
203,960	173,423	132,070	132,544	135,275	51,486	1,504,639
(5,754)	(463)	–	–	(106,477)	(31,226)	(143,920)
198,206	172,960	132,070	132,544	28,798	20,260	1,360,719
333,189	64,036	32,744	34,876	28,764	17,263	696,064
(4,415)	(21,687)	(12,528)	(19,133)	–	(2,138)	(59,972)
3,331	11,553	3,336	–	7,332	–	25,552
217,848	–	–	–	–	–	217,848
191,478	5,643	–	993	–	65	198,184
–	–	–	–	–	–	38,590
6,981,736	447,198	239,255	683,734	988,807	41,767	11,816,654
						31,807
						11,848,461
2,871,295	41,234	–	10,817	–	306	3,104,327
–	–	–	–	–	–	57,232
1,848	9,237	7,051	100,486	–	413	119,035
55,761	–	–	–	–	–	55,761
63	–	–	162	–	2,157	2,382
406,592	274,052	98,868	33,755	88	10,324	1,973,770
						1,743,792
						3,717,562

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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:

	Property development		
	Singapore \$'000	Malaysia \$'000	China \$'000
2013			
Revenue			
Total segment sales	409,984	–	–
Inter-segment sales	–	–	–
Sales to external parties	409,984	–	–
Adjusted EBITDA	158,664	(174)	(5,041)
Depreciation and amortisation	(7)	–	(83)
Other gains/(losses)	–	–	–
Fair value gains on investment properties	–	–	–
Share of profit of associated companies	1,917	–	(299)
Share of profit of joint venture companies	18,506	–	–
Segment assets	1,244,793	145,961	456,874
Unallocated assets			
Total assets			
Total assets include:			
Investment in associated companies	12,389	–	177,051
Investment in joint venture companies	20,011	–	–
Additions during the financial year to:			
– property, plant and equipment	–	–	–
– investment properties	–	–	–
– intangibles	7	–	–
Segment liabilities	445,469	83,912	256,924
Unallocated liabilities			
Total liabilities			

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Property investments \$'000	Hotel operations			Investments \$'000	Others \$'000	Total \$'000
	Singapore \$'000	Australia \$'000	Others \$'000			
186,239	151,990	135,910	132,940	398,807	48,815	1,464,685
(5,998)	(415)	–	–	(371,361)	(28,303)	(406,077)
180,241	151,575	135,910	132,940	27,446	20,512	1,058,608
310,289	49,304	34,988	40,502	27,402	13,434	629,368
(4,089)	(21,150)	(13,765)	(18,146)	–	(1,595)	(58,835)
3,509	26,325	–	(6,021)	–	–	23,813
409,425	–	–	–	–	–	409,425
179,831	5,705	–	606	–	82	187,842
–	–	–	–	–	–	18,506
6,373,371	655,116	255,439	374,816	856,968	36,920	10,400,258
						21,190
						10,421,448
2,530,890	38,389	–	6,001	–	286	2,765,006
–	–	–	–	–	–	20,011
7,579	31,198	8,593	45,009	–	3,237	95,616
62,558	–	–	–	–	–	62,558
52	59	23	26	–	912	1,079
441,707	345,104	122,834	45,907	90	10,444	1,752,391
						1,442,087
						3,194,478

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37. Group segmental information (continued)

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.

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	2014 \$'000	2013 \$'000
Adjusted EBITDA for reportable segments	696,064	629,368
Depreciation and amortisation	(59,972)	(58,835)
Other gains	25,552	23,813
Fair value gains on investment properties	217,848	409,425
Unallocated costs	(13,983)	(13,493)
Finance income	5,466	4,488
Finance expense	(34,009)	(42,815)
Profit before income tax	836,966	951,951

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.

	2014 \$'000	2013 \$'000
Segment assets for reportable segments	11,816,654	10,400,258
Unallocated:		
Cash and bank balances	25,536	14,935
Derivative financial instruments	613	616
Receivables and other assets	497	384
Current income tax assets	98	110
Property, plant and equipment	1,130	1,378
Intangibles	310	607
Deferred income tax assets	3,623	3,160
	11,848,461	10,421,448

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37. Group segmental information (continued)

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.

	2014 \$'000	2013 \$'000
Segment liabilities for reportable segments	1,973,770	1,752,391
Unallocated:		
Other payables	13,500	16,206
Current income tax liabilities	75,216	82,367
Borrowings	1,480,812	1,170,331
Derivative financial instruments	–	234
Deferred income tax liabilities	174,264	172,949
	3,717,562	3,194,478

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 seven 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, PRC and the United Kingdom.

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	
	2014 \$'000	2013 \$'000
Singapore	646,275	772,820
Australia	132,070	135,910
Malaysia	278,226	57,099
PRC	243,633	31,225
Vietnam	28,705	27,503
Myanmar	28,090	30,099
Others	3,720	3,952
	1,360,719	1,058,608

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37. Group segmental information (continued)

Geographical information (continued)

	Non-current assets	
	2014	2013
	\$'000	\$'000
Singapore	7,532,931	6,918,153
Australia	223,647	236,436
Vietnam	42,095	42,996
Malaysia	166,797	167,838
PRC	466,294	418,710
Myanmar	14,478	8,065
United Kingdom	60,323	–
Others	2,065	2,231
	8,508,630	7,794,429

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 2014 and 2013.

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 2015 and which the Group has not early adopted:

- FRS 102 *Share-based Payment* (effective for annual periods beginning on or after 1 July 2014)
The amendment clarifies the definition of vesting condition and separately defines 'performance condition' and 'service condition'. The Group will apply this amendment from 1 January 2015.
- FRS 103 *Business Combinations* (effective for annual periods beginning on or after 1 July 2014)
The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32 Financial Instruments: Presentation. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

The Group will apply this amendment for business combinations taking place on/after 1 January 2015.

- FRS 40 *Investment Property* (effective for annual periods beginning on or after 1 July 2014)
The standard is amended to clarify that FRS 40 and FRS 103 are not mutually exclusive. The guidance in FRS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in FRS 103 to determine whether the acquisition of an investment property is a business combination.

The Group will apply this amendment for acquisition of investment property taking place on/after 1 January 2015.

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38. New or revised accounting standards and interpretations (continued)

- FRS 108 *Operating Segments* (effective for annual periods beginning on or after 1 July 2014)
The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.
- FRS 24 *Related Party Disclosures* (effective for annual periods beginning on or after 1 July 2014)
The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity').

The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.
- FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 July 2014)
The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.
- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2017)
FRS 115 was issued in November 2014 and supersedes FRS 18 Revenue, FRS 11 Construction contracts and other revenue related interpretations. It applies to all contracts with customers, except for leases, financial instruments and insurance contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. It provides guidance on whether revenue should be recognised at a point in time or over time, replacing the previous distinction between goods and services. The standard introduces new guidance on specific circumstances where cost should be capitalised and new requirements for disclosure of revenue in the financial statements.
- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018.)
FRS 109 was issued in December 2014 and includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments.

Except for FRS 115 and 109, the adoption of the above amendments are not expected to have any significant impact on the financial statements of the Group.

39. 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 26 February 2015.

INTERESTED PERSON TRANSACTIONS

For the year ended 31 December 2014

UOL
GROUP
LIMITED

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)

Name of interest person		\$'000
1	Loof Pte. Ltd., a company owned by an associate of a director – receipt of rental and service income	264
2	United Venture Development (Thomson) Pte. Ltd. and United Venture Development (Bedok) Pte. Ltd., a joint venture with an associate of director for the development of Thomson Three and Archipelago respectively – provision of loan – receipt of joint marketing fees	4,711 266
3	Secure Venture Development (Alexandra) Pte. Ltd., a joint venture with an associate of director for the development of site at Prince Charles Crescent – investment in and provision of loan	128,277

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.

SHAREHOLDING STATISTICS

As at 2 March 2015

ANNUAL
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Class of shares : Ordinary shares
Voting rights : One vote per share

SIZE OF SHAREHOLDINGS

RANGE	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5,861	24.01	165,138	0.02
100 - 1,000	9,237	37.84	3,513,083	0.45
1,001 - 10,000	7,327	30.01	26,138,167	3.32
10,001 - 1,000,000	1,957	8.02	83,925,248	10.66
1,000,001 AND ABOVE	29	0.12	673,635,517	85.55
TOTAL :	24,411	100.00	787,377,153	100.00

LOCATION OF SHAREHOLDERS

COUNTRY	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
SINGAPORE	20,937	85.77	773,148,884	98.19
MALAYSIA	2,977	12.19	11,973,946	1.52
OTHERS	497	2.04	2,254,323	0.29
TOTAL :	24,411	100.00	787,377,153	100.00

TWENTY LARGEST SHAREHOLDERS

NAME	NO. OF SHARES	%
1. C. Y. WEE & COMPANY PRIVATE LIMITED	109,989,036	13.97
2. CITIBANK NOMINEES SINGAPORE PTE LTD	106,610,396	13.54
3. WEE INVESTMENTS (PTE) LIMITED	101,709,619	12.92
4. DBS NOMINEES (PRIVATE) LIMITED	90,561,673	11.50
5. TYE HUA NOMINEES (PRIVATE) LIMITED	62,226,709	7.90
6. UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	59,870,052	7.60
7. DBSN SERVICES PTE. LTD.	51,142,808	6.50
8. HSBC (SINGAPORE) NOMINEES PTE LTD	35,274,461	4.48
9. RAFFLES NOMINEES (PTE) LIMITED	14,348,608	1.82
10. BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	7,630,217	0.97
11. WEE CHO YAW	3,497,094	0.44
12. KAH MOTOR CO SDN BHD	3,398,345	0.43
13. DB NOMINEES (SINGAPORE) PTE LTD	2,920,551	0.37
14. HO HAN LEONG CALVIN	2,763,860	0.35
15. KWEE SIU MIN @ SUDJASMIN KUSMIN OR DIANAWATI TJENDERA	2,474,073	0.31
16. Ngee Ann Development Pte Ltd	2,064,308	0.26
17. SUNRISE TEXTILE ACCESSORIES (PTE.) LTD	2,025,662	0.26
18. PHILLIP SECURITIES PTE LTD	1,635,351	0.21
19. BANK OF SINGAPORE NOMINEES PTE. LTD.	1,524,465	0.19
20. MACQUARIE CAPITAL SECURITIES (SINGAPORE) PTE LIMITED	1,435,023	0.18
TOTAL:	663,102,311	84.20

Based on information available to the Company as at 2 March 2015, approximately 53% 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.

SHAREHOLDING STATISTICS

As at 2 March 2015

UOL
GROUP
LIMITED

SUBSTANTIAL SHAREHOLDERS OF UOL GROUP LIMITED

as shown in the Register of Substantial Shareholders

NAME	NO. OF SHARES FULLY PAID				% ¹
	DIRECT INTEREST	DEEMED INTEREST	TOTAL		
1. Wee Cho Yaw	3,497,094	254,477,224 ²	257,974,318		32.76
2. Wee Ee Cheong	310,197	211,794,218 ³	212,104,415		26.94
3. C. Y. Wee & Company Private Limited	109,989,036	–	109,989,036		13.97
4. Wee Ee-chao	31,735	102,001,373 ⁴	102,033,108		12.96
5. Wee Ee Lim	249,253	101,727,270 ⁵	101,976,523		12.95
6. Wee Investments (Pte) Limited	101,709,619	–	101,709,619		12.92
7. United Overseas Bank Limited (“UOB”)	–	62,383,535 ⁶	62,383,535		7.92
8. Schroders plc	–	44,757,406	44,757,406		5.68
9. Haw Par Corporation Limited	–	42,760,918 ⁷	42,760,918		5.43

Notes:

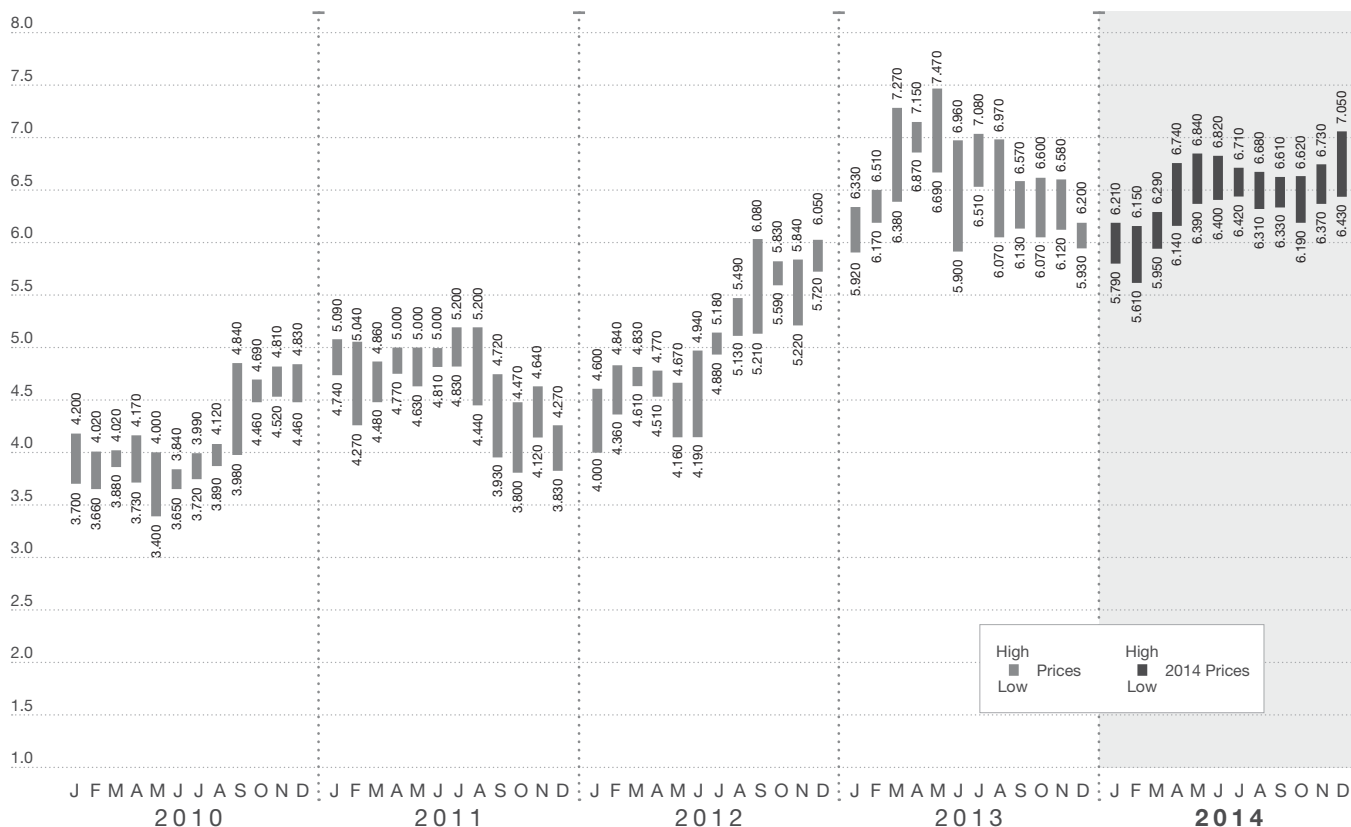
- As a percentage of the issued share capital of the Company, comprising 787,377,153 shares
- Dr Wee Cho Yaw's deemed interest in the shares arises as follows:
 - 109,989,036 shares held by C. Y. Wee & Company Private Limited
 - 101,709,619 shares held by Wee Investments (Pte) Limited
 - 42,760,918 shares which Haw Par Corporation Limited is deemed to be interested in
 - 17,651 shares held by Kheng Leong Company (Private) Limited
- Mr Wee Ee Cheong's deemed interest in the shares arises as follows:
 - 109,989,036 shares held by C. Y. Wee & Company Private Limited
 - 101,709,619 shares held by Wee Investments (Pte) Limited
 - 77,912 shares held by E. C. Wee Pte Ltd
 - 17,651 shares held by Kheng Leong Company (Private) Limited
- Mr Wee Ee-chao's deemed interest in the shares arises as follows:
 - 101,709,619 shares held by Wee Investments (Pte) Limited
 - 274,103 shares held by Protheus Investment Holdings Pte Ltd
 - 17,651 shares held by Kheng Leong Company (Private) Limited
- Mr Wee Ee Lim's deemed interest in the shares arises as follows:
 - 101,709,619 shares held by Wee Investments (Pte) Limited
 - 17,651 shares held by Kheng Leong Company (Private) Limited
- UOB's deemed interest in the shares arises as follows:
 - 61,414,398 shares held in the name of Tye Hua Nominees (Private) Limited for the benefit of UOB
 - 969,137 shares held by UOB Asset Management Ltd (“UOBAM”) as client portfolios managed by UOBAM (Discretionary)
- Haw Par Corporation Limited's deemed interest in the shares arises as follows:
 - 27,416,012 shares held by Haw Par Investment Holdings Private Limited
 - 10,865,742 shares held by Haw Par Capital Pte Ltd
 - 1,803,228 shares held by Pickwick Securities Private Limited
 - 664,352 shares held by Haw Par Equities Pte Ltd
 - 1,470,800 shares held by Straits Maritime Leasing Private Limited
 - 309,646 shares held by Haw Par Trading Pte Ltd
 - 231,138 shares held by M & G Maritime Services Pte. Ltd.

SHARE PRICE AND TURNOVER

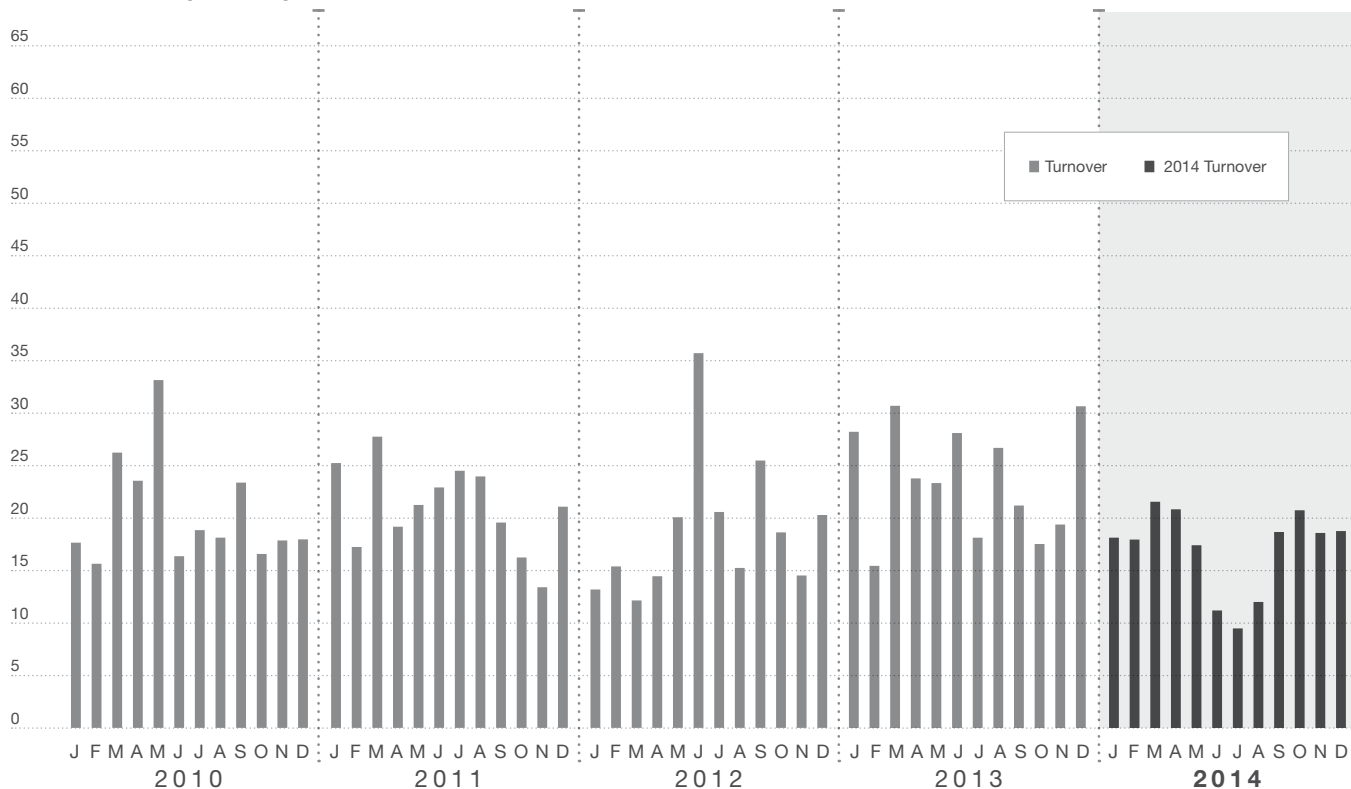
for the period from 1 January 2010 to 31 December 2014

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SHARE PRICE (\$)



TURNOVER (million)



NOTICE OF ANNUAL GENERAL MEETING

UOL
GROUP
LIMITED

Notice is hereby given that the 52nd Annual General Meeting of the Company will be held at PARKROYAL on Pickering, Level 2, William & Pickering Ballroom, 3 Upper Pickering Street, Singapore 058289 on Wednesday, 22 April 2015, 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 2014.
- Resolution 2** To declare a first and final tax exempt (one-tier) dividend of 15 cents per ordinary share for the year ended 31 December 2014.
- Resolution 3** To approve Directors' fees of \$550,000 for 2014 (2013: \$580,000).
- 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 Low Weng Keong, 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 Ee-chao, who retires by rotation pursuant to Article 94 of the Company's Articles of Association, as Director of the Company.
- Resolution 8** 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 Ordinary Resolutions:

- Resolution 9** "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."

NOTICE OF ANNUAL GENERAL MEETING

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Resolution 10 “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 bonus issue, 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 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.”

NOTICE OF ANNUAL GENERAL MEETING

UOL
GROUP
LIMITED

Resolution 11 “That 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 UOL Scrip Dividend Scheme (“Scheme”) (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.”

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Yeong Sien Seu
Secretaries

Singapore, 30 March 2015

Notes:

1. 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.
2. **Personal Data Privacy:** All personal data collected by the Company (including its agents/service providers) shall be subject to the Company’s data protection policy, which is published on its corporate website (www.uol.com.sg). In particular, by attending, speaking, voting or submitting any instrument to appoint any proxy and/or representative to attend, speak and vote at the Meeting (including any adjournment thereof), a Member of the Company (i) consents to the collection, use and disclosure of the Member’s personal data by the Company (including its agents/service providers) for the purposes of processing, administration and analysis in relation to the appointment of any proxy and/or representative by that Member, preparation and compilation of attendance lists, minutes and any other document related to the Meeting (including any adjournment thereof), general administration and analysis undertaken in connection with the Meeting, and compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively the “Purposes”); (ii) warrants that where the Member discloses the personal data of any proxy and/or representative to the Company (including its agents/service providers), the Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (including its agents/service providers) of the personal data of such proxy and/or representative for the Purposes; and (iii) agrees that the Member will indemnify the Company against any claim, cost (including legal cost), damage, demand, expense, liability, loss, penalty or proceeding arising from the Member’s breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

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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 2014 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 the Group Chief Executive. Please refer to the 'Board of Directors' section of the Company's Annual Report 2014 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 Low Weng Keong will, upon re-election, continue as the Chairman of the Audit and Risk Committee and Nominating Committee, and as a Member of the Executive Committee and the Remuneration Committee. He is considered an independent Director. Please refer to the 'Board of Directors' section of the Company's Annual Report 2014 for information on the current directorships in other listed companies and other principal commitments of Mr Low.
4. In relation to **Resolution 7**, Mr Wee Ee-chao will, upon re-election, continue as a Member of the Executive 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 Lim, 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 2014 for information on the current directorships in other listed companies and other principal commitments of Mr Wee.
5. **Resolution 9** 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.
6. **Resolution 10** is to empower the Directors from the date of this Meeting until the next Annual General Meeting held or is required by law to be held, or the next General Meeting during which such authority is varied or revoked, whichever is the earlier, 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).
7. **Resolution 11** 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 Meeting until the next Annual General Meeting held or is required by law to be held, or the next General Meeting during which such authority is varied or revoked, whichever is the earlier. Please refer to the Company's announcement dated 31 March 2014 for details on the Scheme.

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PROXY FORM

Annual General Meeting

UOL GROUP LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 196300438C

IMPORTANT: FOR ALL MEMBERS

Data Protection Statement

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the data protection statement set out in the Notice of Annual General Meeting.

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).
4. CPF Investors who wish to vote must submit their voting instructions to their CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

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 52nd Annual General Meeting of the Company (the "AGM") to be held at PARKROYAL on Pickering, Level 2, William & Pickering Ballroom, 3 Upper Pickering Street, Singapore 058289, on Wednesday, 22 April 2015 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		
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 Low Weng Keong as Director		
7	Re-election of Mr Wee Ee-chao as Director		
8	Re-appointment of PricewaterhouseCoopers LLP as Auditors		
Special Business			
9	Authority for Directors to Issue Shares (Share Option)		
10	Authority for Directors to Issue Shares (General)		
11	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 _____ 2015

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. 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.

2nd fold here

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

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This annual report has been certified according to the standards of the Forest Stewardship Council™ as an example of environmentally responsible print production: from the paper mill to the printed article, each step of this annual report's production has been certified according to FSC™ standards.



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

GROUP LIMITED ANNUAL REPORT 2014

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FINANCIAL REPORT

ENVIRONMENTAL REPORT

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