UOL Group Limited
华业集团有限公司

Diversified Distinctive Driven

ANNUAL REPORT 2012

About Us

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

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

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

UOL, through our listed 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, Australia and North America with over 9,500 rooms in its portfolio.

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

Our Vision

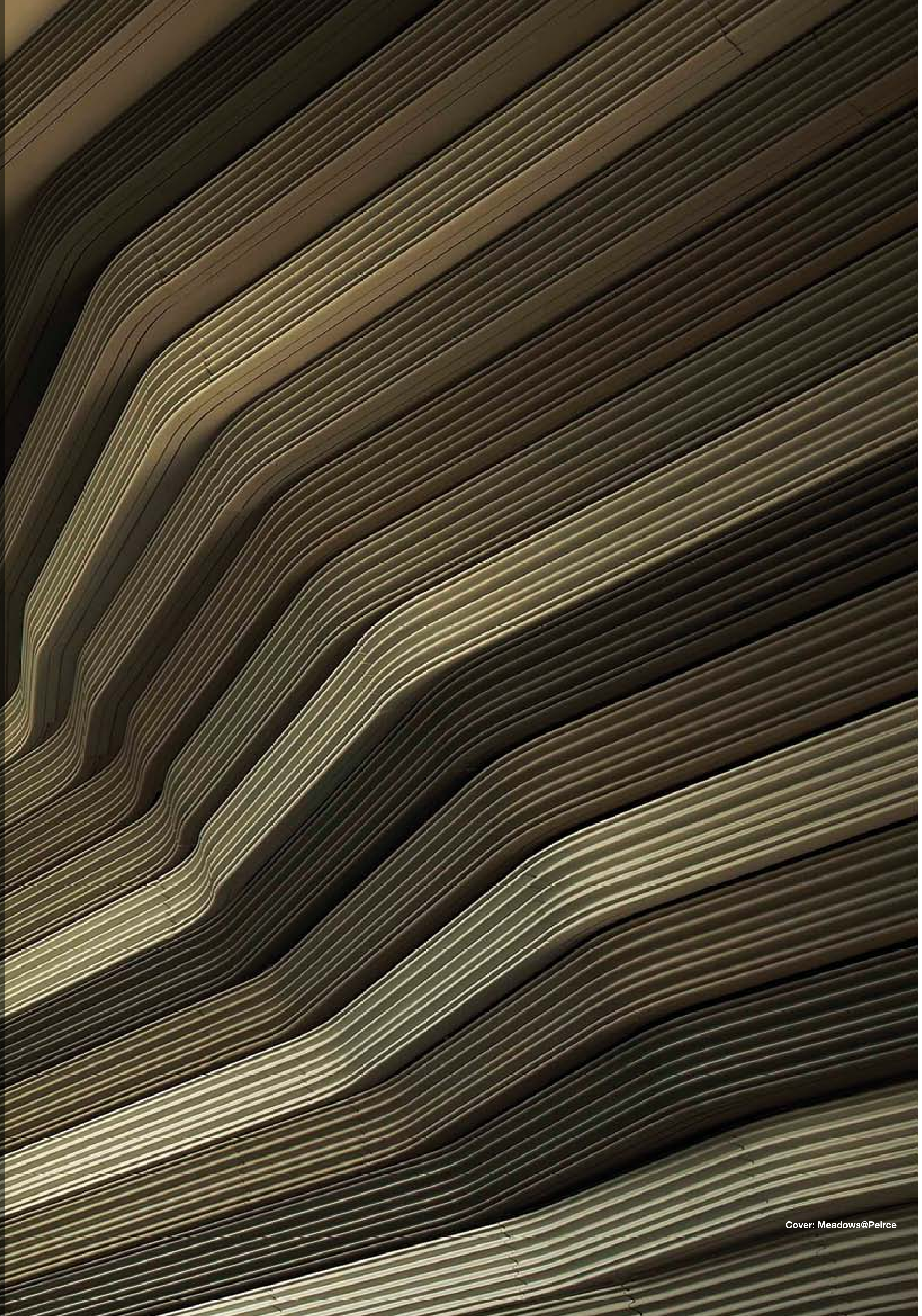
A robust property group dedicated to creating value, shaping future.

Our Mission

Driving Inspirations,
Fulfilling Aspirations.

Our Core Values

Passion drives us
Innovation defines us
Enterprise propels us
People, our leading asset



Cover: Meadows@Peirce

Contents

Diversified

Extensive Portfolio, Strong Balance Sheet

Our extensive portfolio comprises property development, property investments and hotel operations. This will continue to provide diversified sources of earnings for the Group.

Distinctive

Inspiring Masterpieces, Quality Products

Through quality architecture and product excellence, we have built a reputation for creating innovative and distinctive properties. Our commitment to creating value has resulted in award-winning homes, malls, hotels and serviced suites that satisfy the aspirations and needs of our customers.

Driven

Dedicated Team, Responsible Corporate Citizen

Backed by nearly five decades of enterprise and passion, we are constantly inspired to scale new heights for our customers and the community. We are mindful that our product excellence and business achievements come from our team of dedicated people. As a responsible corporate citizen, we contribute to the community we operate in and uphold high standards of corporate governance.

Financial Highlights

Revenue

$1.15b

Decreased 42% from FY2011's $1.96b

Profit Before Income Tax

$964.3m

Increased 7% from FY2011's $904.0m

Net Attributable Profit

$807.7m

Increased 19% from FY2011's $678.6m

Cash Dividend Per Share

15¢

First and Final of 15¢
(FY2011's 15¢ inclusive of a special dividend of 5¢)

Earnings Per Share

$1.05

Increased 19% from FY2011's 88.1¢

Two-year Financial Highlights

	2012 $'000	2011 (restated*) $'000	Increase/ (Decrease) %
For the financial year			
Revenue	**1,145,777**	1,960,234	(42)
Profit before income tax	**964,347**	903,955	7
Profit after income tax and non-controlling interests	**807,675**	678,572	19
Return on equity (%)	**13.1**	12.8	2
At 31 December			
Share capital	**1,046,954**	1,040,694	1
Reserves	**805,738**	661,039	22
Retained earnings	**4,289,920**	3,582,240	20
Total assets	**9,564,322**	8,697,590	10
Per ordinary share			
Basic earnings (cents)	**105.1**	88.1	19
Gross dividend declared (cents)	**15.0**	15.0	–
Dividend cover (times)	**7.0**	5.9	19
Net tangible asset backing ($)	**7.94**	6.84	16

* The results for 2011 were restated due to the adoption of Amendments to FRS 12 which took effect on 1 January 2012.

Return On Equity

13.1%

Increased 2% from FY2011's 12.8%

Gearing Ratio

0.28

Improved from FY2011's 0.35

Interest Cover Ratio

10x

Down from FY2011's 13x

Shareholders' Funds

$6.14b

Increased 16% from FY2011's $5.28b

Total Assets

$9.56b

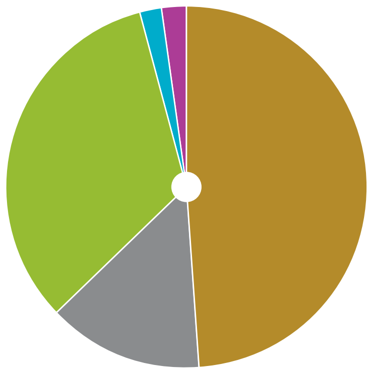
Increased 10% from FY2011's $8.7b

Quarterly Results

	1st Quarter $'000	%	2nd Quarter $'000	%	3rd Quarter $'000	%	4th Quarter $'000	%	Total $'000	%
Revenue										
2012	**297,733**	**26**	**298,842**	**26**	**277,732**	**24**	**271,470**	**24**	**1,145,777**	**100**
2011	725,076	37	455,918	23	413,281	21	365,959	19	1,960,234	100
Profit before income tax										
2012	**108,355**	**11**	**182,525**	**19**	**111,068**	**12**	**562,399**	**58**	**964,347**	**100**
2011 (restated)	333,162	37	262,545	28	125,344	14	182,904	21	903,955	100
Net profit										
2012	**93,718**	**10**	**184,865**	**20**	**96,527**	**10**	**545,074**	**60**	**920,184**	**100**
2011 (restated)	285,997	37	241,379	29	110,266	14	164,237	20	801,879	100
Profit after income tax and non-controlling interests										
2012	**84,006**	**10**	**171,677**	**21**	**87,838**	**11**	**464,154**	**58**	**807,675**	**100**
2011 (restated)	229,993	35	212,904	30	100,977	15	134,698	20	678,572	100
Basic earnings per ordinary share (in cents)										
2012	**10.9**	**10**	**22.3**	**21**	**11.4**	**11**	**60.4**	**58**	**105.1**	**100**
2011 (restated)	29.6	34	27.5	30	13.1	15	17.9	21	88.1	100

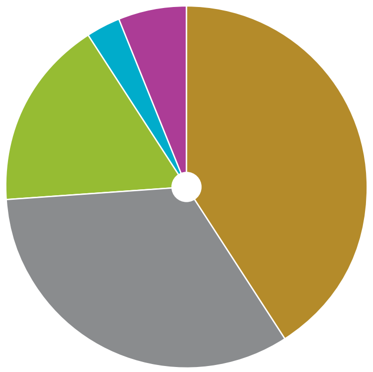
Business at a Glance

Revenue By Business Segment



FY2012

Profit From Operations By Business Segment



FY2012

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

Revenue

$1.15b

-42% (y-o-y)

Lower income on property development, and results in 2011 included recognition of revenue using the completion of construction method

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

$439.7m

-40% (y-o-y)

Lower income on property development and associated companies, and results in 2011 included recognition of revenue using the completion of construction method

PATMI

$807.7m

+19% (y-o-y)

Higher fair value gains on the Group and associated companies' investment properties

Return On Equity

13.1%

+2% (y-o-y)

Property Development

REVENUE

-60%

2012	$560.0m
2011	$1,393.8m

PROFIT FROM OPERATIONS

-64%

2012	$147.5m
2011	$404.8m

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

KEY FACTS

- Profit recognition from seven projects under construction with over 3,000 units sold
- Achieved Temporary Occupation Permit (TOP) for Meadows@Peirce and Double Bay Residences
- Launched new residential project – Katong Regency
- Sale of 938 residential units with total value of more than $1 billion, including share of joint-venture projects
- Developments sold out during the year – Panorama, Archipelago and Katong Regency
- Developments available for sale – Spottiswoode Residences
- Acquired one site – Bright Hill Drive site

Property Investments

REVENUE

+4%

2012	$166.1m
2011	$160.3m

PROFIT FROM OPERATIONS

+6%

2012	$119.7m
2011	$112.6m

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

KEY FACTS

- Five commercial offices – Novena Square, United Square, Odeon Towers, Faber House and One Upper Pickering, with total net lettable area of 96,667 sqm
- Two themed retail shopping malls – Velocity@Novena Square and United Square, with total net lettable area of 35,364 sqm
- Three serviced suites properties – Pan Pacific Serviced Suites Orchard, Singapore, PARKROYAL Serviced Suites Beach Road, Singapore and PARKROYAL Serviced Suites Kuala Lumpur, totalling 503 rooms
- Largest single shareholder, owning 43.29% stake, of listed company United Industrial Corporation (UIC) Limited
- Holds 22.7% stake in Marina Centre Holdings Pte Ltd which has interests in Marina Square Shopping Mall, Pan Pacific Singapore, Mandarin Oriental and Marina Mandarin
- OneKM shopping mall, part of a residential-cum-retail development, with retail component of 19,519 sqm due to open in 2014
- One Upper Pickering office premises handed to sole office tenant, Attorney-General's Chambers, in October 2012
- Redevelopment of The Furniture Mall at The Plaza into 180-unit Pan Pacific Serviced Suites Beach Road, Singapore due to open in second quarter of 2013

Hotel Operations

REVENUE

+5%

2012	$377.7m
2011	$360.0m

PROFIT FROM OPERATIONS

+1%

2012	$59.8m
2011	$59.5m

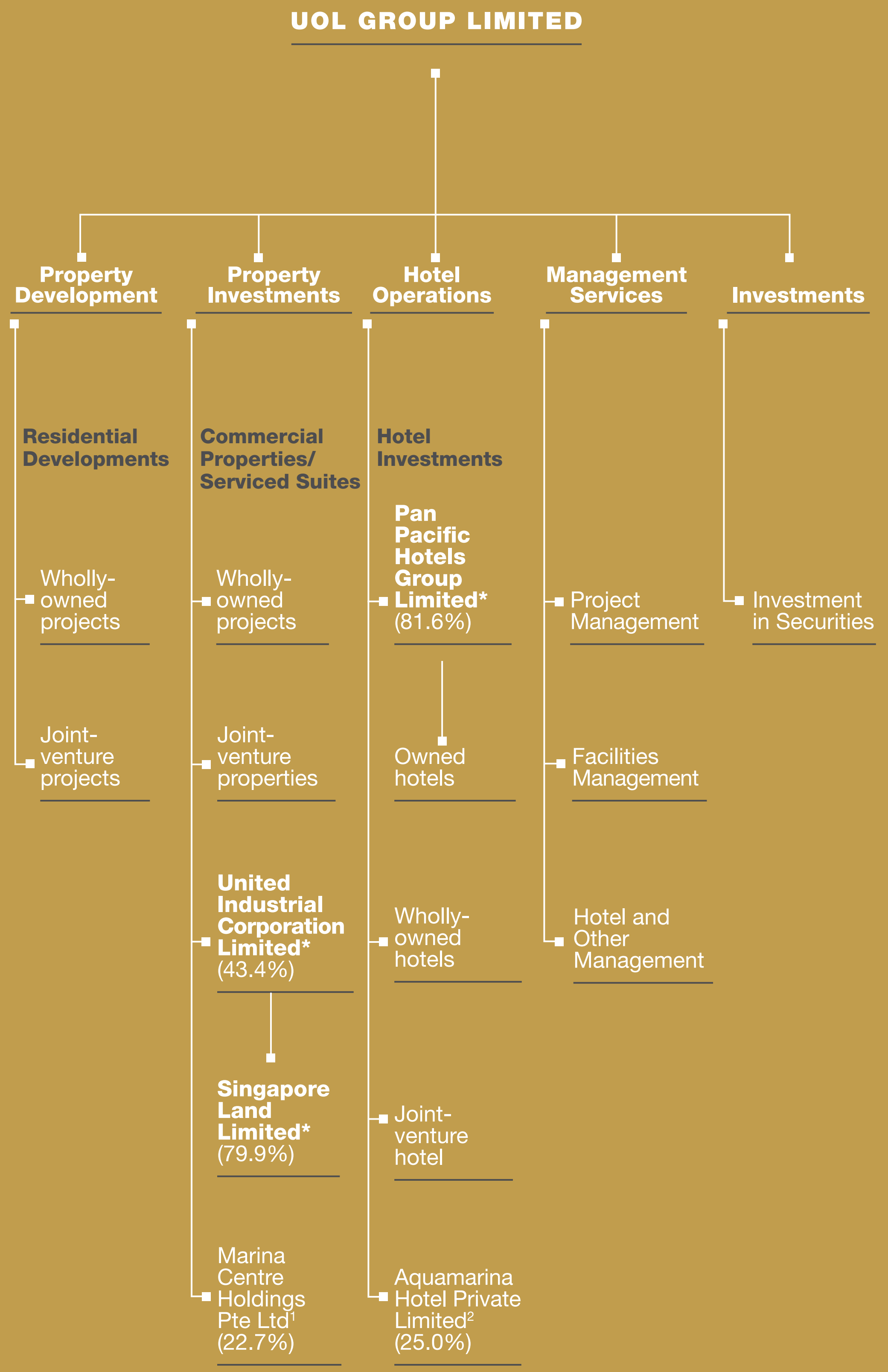
UOL through our listed hotel subsidiary, Pan Pacific Hotels Group (PPHG), owns "Pan Pacific" and "PARKROYAL" brand. PPHG owns and/or manages over 30 hotels and serviced suites in Asia, Australia and North America.

KEY FACTS

- Pan Pacific's portfolio comprises 18 hotels and serviced suites including those under development
- PARKROYAL's portfolio comprises 14 hotels and serviced suites including those under development
- Holds 25.0% stake in Aquamarina Hotel Private Limited which owns Marina Mandarin
- PARKROYAL on Pickering, which opened in January 2013, is one of the city's greenest hotels, accredited with the Building and Construction Authority's (BCA) Green Mark Platinum award
- Refurbished Pan Pacific Singapore, Pan Pacific Orchard and PARKROYAL Darling Harbour, Sydney

Group Business

(as at 28 February 2013)



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

Corporate Information

BOARD OF DIRECTORS
Wee Cho Yaw
Chairman

Gwee Lian Kheng
Group Chief Executive

Alan Choe Fook Cheong*
Low Weng Keong
Wee Ee-chao
Wee Ee Lim
Wee Sin Tho
Pongsak Hoontrakul

EXECUTIVE COMMITTEE
Wee Cho Yaw
Chairman

Gwee Lian Kheng
Alan Choe Fook Cheong*
Wee Ee-chao

AUDIT COMMITTEE
Low Weng Keong
Chairman

Alan Choe Fook Cheong*
Wee Ee Lim

NOMINATING COMMITTEE
Alan Choe Fook Cheong*
Chairman

Wee Cho Yaw
Low Weng Keong

REMUNERATION COMMITTEE
Alan Choe Fook Cheong*
Chairman

Wee Cho Yaw
Wee Sin Tho

MANAGEMENT
Gwee Lian Kheng
Group Chief Executive

Liam Wee Sin
President
(Property)

Foo Thiam Fong Wellington
Chief Financial Officer

Kam Tin Seah
Senior General Manager
(Investment & Strategic Development)

Kwan Weng Foon
Senior General Manager
(Development)

Chan Weng Khoon
Senior General Manager
(Property & Engineering)

Yeong Sien Seu
General Counsel

Yeo Bin Hong
Deputy General Manager
(Group Internal Audit)

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
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Malayan Banking Berhad
Sumitomo Mitsui Banking Corporation
DBS Bank Ltd

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

* Retiring after the Annual General Meeting on 19 April 2013.

Highlights


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

February

Meadows@Peirce, a 479-unit condominium, received TOP.

PARKROYAL on Pickering and its adjoining One Upper Pickering office block were awarded the BCA Green Mark Platinum Award.

April

UOL Development (St Patrick) Pte. Ltd. (formerly known as Flamegold Pte. Ltd.), a wholly-owned subsidiary of UOL, obtained approval from the Strata Titles Board for the collective purchase of St. Patrick's Garden.

The sales launch of Katong Regency, a 244-unit condominium received overwhelming response. The residential project on Tanjong Katong Road and across Paya Lebar MRT Interchange Station was fully sold within a week.

May

Nassim Park Residences received Honourable Mention at the 12th Singapore Institute of Architects Architectural Design Awards.

June

The sales launch of two residential blocks (320 units) of The Esplanade, a mixed-development project in Tianjin, received positive response.

UOL was included in the FTSE EPRA/NAREIT Global Developed Index and FTSE EPRA/NAREIT Pure Asia Index under the FTSE EPRA/NAREIT Global Real Estate Index Series as a constituent stock.

July

UOL Development (St Patrick) Pte. Ltd. completed the en bloc acquisition of St. Patrick's Garden.

August

UVD Pte. Ltd., a 50:50 joint venture of wholly-owned subsidiaries of UOL Group and Singapore Land Limited, successfully tendered for the 99-year residential site on Bright Hill Drive at $291.5 million. The 13,437 sqm site, off Upper Thomson Road, can be developed into a 20-storey condominium of approximately 445 units.

Duchess Residences won the Best Residential Development (Silver) at the MIPIM Asia Awards 2012.

Pan Pacific Ningbo, a 415-room hotel which is managed by PPHG, welcomed its first guests.

September

Double Bay Residences, a 646-unit condominium, received TOP.

October

UOL sponsored World Architecture Festival 2012 Grand Prix "World Building of the Year". The event held in Singapore from 3 to 5 October is the largest festival and live awards competition dedicated to celebrating and sharing architectural excellence from across the globe.

November

UOL was named the Best Developer in South East Asia and Singapore at the South East Asia Property Awards 2012.

UOL sponsored CARE Singapore's annual showcase of its student's works under the Starkidz Programme. The school-based Programme aims at building the students' confidence through group work, camps and workshops.

December

The opening of Pan Pacific Serviced Suites Ningbo marked the Group's foray into serviced suites in China. Featuring 175 rooms, the serviced suites are managed by PPHG.


Meadows@Peirce


Katong Regency
Artist's Impression

Awards & Accolades

CORPORATE

UOL Group Limited

- BCI ASIA TOP 10 DEVELOPER AWARDS
- SOUTH EAST ASIA PROPERTY AWARDS 2012
  - Best Developer (South East Asia)
  - Best Developer (Singapore)

BUILDING, DESIGN AND ARCHITECTURAL EXCELLENCE

Duchess Residences, Singapore

- MIPIM ASIA AWARDS
  (Best Residential Development – Silver)

Nassim Park Residences, Singapore

- SINGAPORE INSTITUTE OF ARCHITECTS ARCHITECTURAL DESIGN AWARDS
  (Honourable Mention)

Mr Liam Wee Sin (right), UOL President (Property) receives the Best Developer Award for South East Asia from Mr Terry Blackburn, Ensign Media's Chief Executive Officer.

Mr Kam Tin Seah (far right), Senior General Manager for Investment & Strategic Development of UOL, receives the award at the SIA Architectural Design Awards.

Duchess Residences

PRODUCT AND SERVICE EXCELLENCE

PARKROYAL on Pickering, Singapore

- BCA GREEN MARK PLATINUM AWARD

Pan Pacific Hotels Group

- BRAND FINANCE
  - Top 100 Singapore Brands
- PLATINUM HERMES CREATIVE AWARD
  (Annual Report 2011) by Association of Marketing and Communication Professionals
- RANDSTAD AWARD
  - Top 75 Employer Brands

Pan Pacific Singapore

- WORLD TRAVEL AWARDS
  - World's Leading Business Hotel
  - Asia's Leading Business Hotel

PARKROYAL Melbourne Airport

- WORLD AIRPORT AWARDS
  - Best Airport Hotel in Australia/Pacific

PARKROYAL Kuala Lumpur

- TRIPADVISOR'S TRAVELERS' CHOICE AWARDS
  - Top 25 Trendiest Hotels in Malaysia

Pan Pacific Singapore

PARKROYAL Penang Resort

- TRIPADVISOR'S TRAVELERS' CHOICE AWARDS
  - Top 25 Relaxation and Spa Hotels in Malaysia

PARKROYAL Yangon

- WORLD TRAVEL AWARDS
  - Myanmar's Leading Business Hotel
- BEST PERFORMING FOREIGN DIRECT INVESTMENT HOTEL (MYANMAR)
  awarded by the Ministry of Hotels and Tourism
- TOURISM ALLIANCE AWARDS
  - 5-star Hotel of the Year

Pan Pacific Vancouver

- WORLD TRAVEL AWARDS
  - Canada's Leading Business Hotel
  - Canada's Leading Hotel

Pan Pacific Whistler Village Centre

- CONDÉ NAST TRAVELLER'S ANNUAL GOLD LIST
  - Best Resorts in Canada
- TRIPADVISOR'S TRAVELERS' CHOICE AWARDS
  - Top 25 Hotels in Canada

Pan Pacific Seattle

- AMERICAN HOTEL & LODGING ASSOCIATION STARS OF THE INDUSTRY
  - Community Service Award
- GREEN GLOBE
  - Green Globe Certification

Pan Pacific Nirwana Bali Resort

- WORLD TRAVEL AWARDS
  - Indonesia's Leading Golf Resort
  - Indonesia's Leading Spa Resort

Pan Pacific Kuala Lumpur International Airport

- WORLD TRAVEL AWARDS
  - Asia 's Leading Airport Hotel
- ASIA PACIFIC BRANDS FOUNDATION BRAND LAUREATE
  - Best Brand in Airport Hotel Category
- INTERNATIONAL HOTEL AWARDS
  - Best Airport Hotel (Asia Pacific)

Pan Pacific Manila

- WORLD TRAVEL AWARDS
  - Philippines' Leading Business Hotel

Chairman's Statement

2012 REVIEW

Growth in the Singapore economy slowed to 1.3% in 2012, from 5.2% in 2011. Notwithstanding the slow pace of growth, new home sales in 2012 was a record 22,197 units, 36% higher than the previous record of 16,292 units in 2010. Prices of private residential properties increased by 2.8%, lower than the 5.9% increase in 2011. Rentals of office space declined by 1.3% compared with the 8.4% increase in 2011 while rentals of retail space remained stable, declining marginally by 0.3% compared to a 2.6% growth in 2011.

Total visitor arrivals in Singapore increased by 9% to a record 14.4 million from 13.2 million in 2011. Average occupancy for the hotel industry remained at 86% while average room rate increased by 6% to $261.

PROFIT AND DIVIDEND

For the year ended 31 December 2012, pre-tax profit before fair value and other gains/(losses) was $439.7 million, a 40% decrease from the profit of $727.8 million in 2011. The decrease was due mainly to lower income from property development and associated companies. The results of 2011 also included the recognition of development profits using the completion of construction method instead of the percentage of completion method following the adoption of INT FRS 115 for the sale of units in Duchess Residences and Panorama. With the inclusion of fair value gains of the Group and associated companies' investment properties, profit before tax was $964.3 million, an increase of 7% from the profit of $904.0 million in 2011.

Group profit after tax and non-controlling interests for 2012 was $807.7 million representing a 19% increase compared to the profit of $678.6 million in 2011 due mainly to lower income tax and share of profit of non-controlling interests.

The Group's shareholders' funds increased from $5.28 billion as at 31 December 2011 to $6.14 billion as at 31 December 2012. Consequently, the net tangible asset per ordinary share of the Group increased to $7.94 as at 31 December 2012 from $6.84 as at 31 December 2011.

The Board recommends a first and final dividend of 15.0 cents per share (2011: a first and final dividend of 10.0 cents per share and a special dividend of 5.0 cents per share). Total dividend payout will amount to $115.5 million for the year ended 31 December 2012 (2011: $115.2 million).

CORPORATE DEVELOPMENTS

Acquisition of St Patrick's Garden

The en bloc acquisition of the freehold property known as St. Patrick's Garden at St Patrick's Road was completed in July 2012. The 12,950 sqm site can be developed into 186 units of low-rise apartments.

Acquisition of Residential Site at Bright Hill Drive

In August 2012, UVD Pte Ltd, a 50:50 joint venture between UOL Group and Singapore Land Limited, successfully tendered for the land parcel at Bright Hill Drive. The 99-year leasehold site with an area of approximately 13,437.1 sqm will be developed into approximately 445 units of apartments and strata semi-detached units.

PARKROYAL on Pickering and One Upper Pickering Office

Construction of the PARKROYAL on Pickering and One Upper Pickering office building owned by subsidiary Hotel Plaza Property (Singapore) Pte Ltd was completed in the fourth quarter of 2012. The office premises have been handed over to the sole tenant, the Attorney-General's Chambers, for a 30-year lease with advance payment of rental while the adjoining 367-room PARKROYAL on Pickering commenced operations on 16 January 2013.

Issue of $250.0 million Notes

On 8 May 2012, the Company raised $250.0 million through the issue of $175.0 million in principal amount of 2.493% notes due 2015 and $75.0 million in principal amount of 3.043% notes due 2017 under its $1 billion multicurrency medium term note programme. The net proceeds from the issue were used to redeem the Company's $250.0 million notes which expired in May 2012.

OUTLOOK FOR 2013

Global economic conditions are expected to remain sluggish and the Singapore economy is expected to grow at between 1 and 3% in 2013. The latest round of measures introduced by the government in January 2013 to cool the Singapore residential market is expected to dampen buying sentiments. With subdued demand and new supply in the pipeline, office rentals would remain competitive, albeit at a slower pace. Retail rents are expected to come under some pressure as retailers curtail expansion plans in the face of labour shortage.

Intra-regional travel in Asia should continue to grow in view of the growing middle class and increasing flight frequency by budget airlines. However, growth in tourist arrivals from outside the region is likely to moderate due to uncertainties in the developed economies and this could affect occupancy and average room rates.

ACKNOWLEDGEMENT

Mr Alan Choe who has served as a director since 1979, has indicated that he would not be offering himself for re-appointment at the forthcoming annual general meeting. On behalf of the Board, I would like to thank Mr Choe for his invaluable contributions during the past 34 years.

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

Dr Wee Cho Yaw
CHAIRMAN
February 2013

Board of Directors

Wee Cho Yaw
CHAIRMAN

Dr Wee is the Chairman of the Company ("UOL") and its listed subsidiary, Pan Pacific Hotels Group Limited ("PPHG") since 1973.

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. Dr Wee was appointed to the Board since 23 April 1973 and was last re-appointed as Director at UOL's Annual General Meeting on 19 April 2012.

Dr Wee is the Chairman of United Overseas Bank Limited, Far Eastern Bank Limited, United Overseas Insurance Limited, United International Securities Ltd, Haw Par Corporation Limited, United Industrial Corporation Limited, Singapore Land Limited and Marina Centre Holdings Private Limited. He is also the Chairman of Wee Foundation.

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

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

Gwee Lian Kheng
GROUP CHIEF EXECUTIVE

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

Mr Gwee was appointed to the Board since 20 May 1987 and was last re-appointed as Director at UOL's Annual General Meeting on 19 April 2012. Mr Gwee, who is an executive and non-independent Director, is also a Member of the Executive Committee.

Mr Gwee is a Director of various subsidiaries in the UOL Group and the PPHG Group. He is also a Director of United Industrial Corporation Limited and Singapore Land Limited.

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

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

Alan Choe Fook Cheong

Mr Alan Choe was appointed to the Board since 28 March 1979 and was last re-appointed as Director at UOL's Annual General Meeting on 19 April 2012. He is also a Director of PPHG. An independent and non-executive Director, he chairs the Nominating and Remuneration Committees and is also a Member of the Executive and Audit Committees.

Mr Choe was the first General Manager of Urban Redevelopment Authority, Chairman of Sentosa Development Corporation and Sentosa Cove Pte Ltd and Board Member of Singapore Tourist Promotion Board.

An architect and town planner by profession, Mr Choe holds a Bachelor of Architecture degree, a Diploma in Town & Regional Planning from University of Melbourne and a Fellowship Diploma from the Royal Melbourne Institute of Technology. He is a Fellow Member of the Singapore Institute of Architects, Singapore Institute of Planners and Royal Australian Institute of Architects. He is also a Member of the Royal Institute of British Architects, Royal Town Planning Institute, Royal Australian Planning Institute and American Planning Association.

He was awarded the Public Administration Medal (Gold) in 1967, the Meritorious Service Medal in 1990, and the Distinguished Service Order in 2001.

Low Weng Keong

Mr Low Weng Keong was appointed to the Board since 23 November 2005 and was last re-elected as Director at UOL's Annual General Meeting on 21 April 2010. An independent and non-executive Director, he chairs the Audit Committee and is also a Member of the Nominating Committee. He is also a Director of PPHG.

Mr Low is also an independent Director of listed companies Riverstone Holdings Limited and Unionmet (Singapore) Limited. He is also a Director of Singapore Institute of Accredited Tax Professionals Limited and CPA Australia Limited. He was a former Country Managing Partner of Ernst & Young, Singapore and is the Immediate Past President of CPA Australia Limited.

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

Board of Directors

Wee Ee-chao

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

Mr Wee has led the management of UOB-Kay Hian Holdings Limited for more than 25 years and is currently the Chairman and Managing Director of UOB-Kay Hian Holdings Limited and a Director of most of the UOB-Kay Hian Group of companies. Mr Wee 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 holds a Bachelor of Business Administration degree from The American University Washington DC, USA.

Wee Ee Lim

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

Mr Wee joined Haw Par Corporation Limited ("Haw Par") in 1986 and is currently the President and Chief Executive Officer of Haw Par. He is also a Director of United Industrial Corporation Limited, Singapore Land Limited, Hua Han Bio-Pharmaceutical Holdings Limited (a company listed on the Hong Kong Stock Exchange) and Wee Foundation.

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

Wee Sin Tho

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

Mr Wee is the Vice President, Endowment and Institutional Development, of the National University of Singapore. He also sits on the board of Keppel Telecommunications & Transportations Ltd and Hwa Hong Corporation Limited. He had previously served as Chief Executive Officer of HLG Capital Bhd, a holding company in Malaysia with interests in asset management and stockbroking.

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

Pongsak Hoontrakul

Dr Hoontrakul was appointed to the Board since 21 May 2008 and was last re-elected as Director at UOL's Annual General Meeting on 19 April 2011. He is a non-executive and independent Director.

Dr Hoontrakul is currently the Senior Research Fellow at Sasin Institute, Chulalongkorn University, Thailand and a Director of the International Advisory Council of the Schulich School of Business, York University, Toronto, Canada. He is also a Member of the Advisory Panel for the International Association of Deposit Insurance, Switzerland.

Dr Hoontrakul was the Advisor to the Senate Committee for Fiscal, Banking and Financial Institutions, Parliamentary Committee for Economic Affairs and Parliamentary Committee for Justice and Human Rights, in Thailand. He also served as an independent Director of United Overseas Bank (Thai) Pcl. from 2005 to April 2008, and was the Chairman of the Audit Committee from 2005 to 2006.

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

Key Management Executives

Gwee Lian Kheng | Liam Wee Sin | Foo Thiam Fong Wellington

Kam Tin Seah | Kwan Weng Foon | Chan Weng Khoon

Yeong Sien Seu | Yeo Bin Hong

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)

Mr Liam joined the Group in 1993. He oversees the Group's property investment, property development, engineering, marketing and human resources departments. He also sits on the boards of several UOL subsidiaries. Prior to joining the Group, Mr Liam practised with an architectural firm and spent eight years in the public sector handling architectural works and facilities management. He also worked two years with Jones Lang Wootton undertaking project management and consultancy.

Mr Liam holds a Bachelor of Architecture degree from the National University of Singapore. He is an Executive Committee Member of the Real Estate Developers Association of Singapore as well as Member of the URA Design Advisory Committee, URA Architecture and Urban Design Excellence Committee, and the National Crime Prevention Council. He has previously served as a Member of the Preservation of Monuments Board.

Foo Thiam Fong Wellington

CHIEF FINANCIAL OFFICER/
GROUP COMPANY SECRETARY

Mr Foo joined the Group in 1977. He is the Chief Financial Officer/Group Company Secretary, overseeing the financial management and corporate secretarial matters of the Group. He is Company Secretary of both UOL and PPHG and a Director of several of their subsidiaries.

Mr Foo holds a Bachelor of Accountancy (Honours) degree from the University of Singapore. He is a Fellow of the Institute of Certified Public Accountants of Singapore and CPA Australia, and an Associate of both the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators.

Kam Tin Seah

SENIOR GENERAL MANAGER
(INVESTMENT & STRATEGIC DEVELOPMENT)

Mr Kam joined the Group in 2005. He is responsible for formulating business strategy and identifying investment opportunities for the Group. He also oversees the Group's functions in marketing activities for residential and commercial properties, corporate communications and investor relations. He serves as a Director of several of the Group's subsidiaries. Previously, Mr Kam spent over 17 years with Parkway Properties Pte Ltd and Centrepoint Properties Limited in multi-functional and key managerial roles.

Mr Kam holds a Bachelor in Estate Management (Honours) degree from the National University of Singapore. He is a Management Committee Member of the Real Estate Developers Association of Singapore.

Kwan Weng Foon

SENIOR GENERAL MANAGER
(DEVELOPMENT)

Mr Kwan joined the Group in 2006. He oversees property development projects. He also sits on the boards of several UOL subsidiaries. Mr Kwan brings with him over 30 years of experience in construction and property development. He has also worked in various capacities in residential, commercial, retail and hotel development. His previous employers include Guocoland Limited and Equus Land Pte Ltd.

Mr Kwan holds a Bachelor of Science degree in Building Science from the National University of Singapore and a Master of Business Administration from the University of Hull, UK.

Key Management Executives

Chan Weng Khoon
SENIOR GENERAL MANAGER
(PROPERTY & ENGINEERING)
Mr Chan joined the Group in 2007. He is responsible for engineering and property management of the Group. He is also a Director of several of the Group's subsidiaries. Prior to joining the Group, Mr Chan worked with Indeco Engineers Pte Ltd where he was responsible for facilities management.

Mr Chan holds a Bachelor of Electrical and Electronics Engineering (Honours) degree and a Master of Business Administration (International Business) from the Nanyang Technological University. He is a Member of the Fire Safety and Shelter Department Standing Committee and Fire Code Review Committee of the Singapore Civil Defence Force.

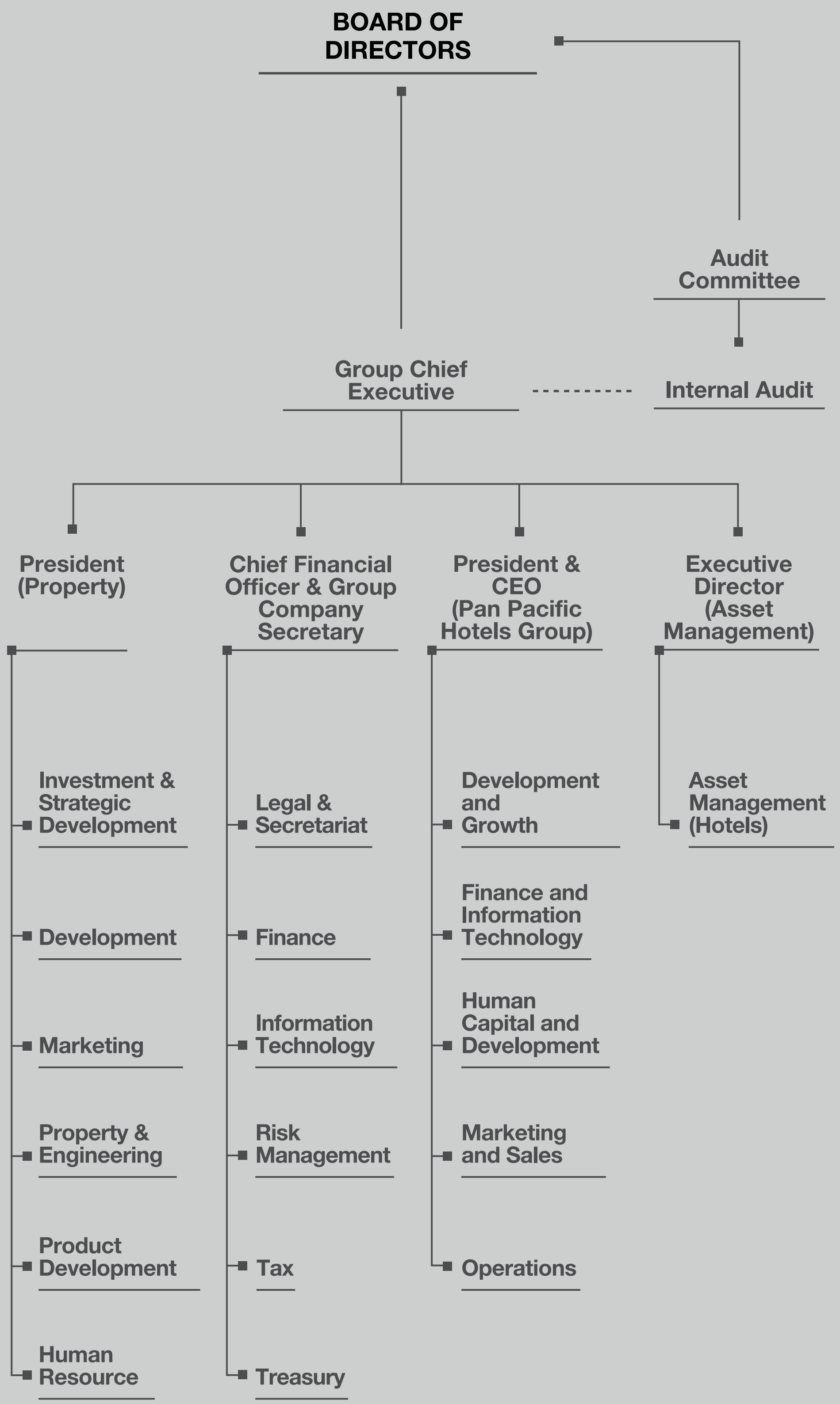
Yeong Sien Seu
GENERAL COUNSEL/COMPANY SECRETARY
Mr Yeong joined the Group in 2006. He is responsible for the legal and corporate secretarial functions of the Group and PPHG. He also facilitates UOL's risk management programme and is a Director of several of the Group's subsidiaries. Before joining UOL, he was responsible for legal matters at Fraser and Neave Limited. Mr Yeong completed his pupillage and practised at Rajah & Tann before joining Sembcorp Limited.

Mr Yeong graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1995. He is a Member of the Singapore Academy of Law.

Yeo Bin Hong
DEPUTY GENERAL MANAGER
(INTERNAL AUDIT)
Mr Yeo joined the Group in 1997. He oversees internal audit for both UOL and PPHG. Prior to joining UOL, he spent four years as an external auditor with PricewaterhouseCoopers Singapore, working on statutory audit assignments for various companies.

Mr Yeo holds a Bachelor of Accountancy (Honours) degree from the Nanyang Technological University. He is a non-practising Member of the Institute of Certified Public Accountants of Singapore and a Member of the Institute of Internal Auditors (Singapore).

Organisation Chart



Operation Highlights

PROPERTY INVESTMENT

Novena Square

COMMERCIAL PROPERTIES

United Square

United Square is a favourite among parents and children. With a total lettable office space of 24,711 sqm and retail space of 19,392 sqm, United Square maintained high occupancy rates for office and retail space at 97% and 98% respectively.

During the year, the Mall improved its facilities such as upgrading the toilets, extending the sheltered car porch in the taxi stand area and creating new digital directories. These have greatly enhanced the visitor experience of the Mall. In addition, new F&B kiosks were added on Level 1 which generated more activities and increased footfall to the Mall. The lifts in the office tower were also upgraded.

During the year, United Square celebrated its 10th anniversary as a Kids Learning Mall and organised monthly-themed redemption programmes for shoppers, and mega hit shows and events for the children.

As part of its tenth year anniversary celebrations, United Square hosted 33 students from the Chen Su Lan Methodist Children's Home to its Alice in Wonderland Tea Party. For the year-end celebrations, United Square brought back The Little Big Club with its huge cast of 12 all-time favourite characters such as Barney & Friends, Bob the Builder, Angelina Ballerina, Fireman Sam and Pingu Penguin.

Novena Square

Novena Square, conveniently located above Novena MRT Station, is a premier office and retail development. With a total lettable office space of 41,509 sqm and retail space of 15,972 sqm, Novena Square maintained high occupancy rates of 98% for its office tower and 99% for its retail mall respectively.

Velocity@Novena Square strengthened its position as a leading sports mall with a raft of innovative sports events. This year, the Mall introduced a caged floorball challenge, a paintball competition, and a human-sized foosball tournament. These events proved to be a success with shoppers.

In September 2012, Velocity@Novena Square partnered the Sports Clinic of Tan Tock Seng Hospital to organise free monthly lunchtime talks on sports-related issues for shoppers.

Velocity@Novena Square continued to be the preferred race kit collection point for the New Balance Real Run, 100 Plus Passion Run, Safari Zoo Run, Newton 30km Run, Saloman Run and the POSB Kids' Run.

Velocity@Novena Square was also the official venue for the finals of the Singapore Table Tennis Crocodile Cup and the Opening of Singapore HeritageFest 2012.

United Square's hit event, The Little Big Club

Velocity's Human Foosball

Operation Highlights

PROPERTY INVESTMENT

Odeon Towers
Odeon Towers has a total lettable office space of 18,402 sqm. For the year, occupancy was 98%.

Faber House
Faber House has a total lettable office space of 3,956 sqm. Occupancy was 99% for the year.

The Plaza
The Furniture Mall at The Plaza, Beach Road ceased operations in May 2012 as the space made way for the development of the 180-unit Pan Pacific Serviced Suites Beach Road, Singapore and a column-free ballroom and meeting rooms for the adjoining PARKROYAL on Beach Road. Construction is expected to complete by mid-2013.

One Upper Pickering
The office premises was handed to its sole office tenant, the Attorney-General's Chambers, in October 2012.

OneKM
Conveniently located on Tanjong Katong Road near the Paya Lebar MRT Interchange Station, OneKM is part of a mixed-development. With 19,519 sqm of retail space, the Mall will focus on lifestyle, edutainment and gastronomy. Construction is expected to complete by 2014.

Occupancy Rate (%)

OFFICES

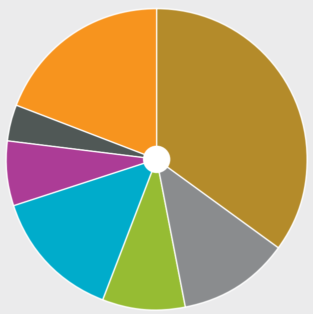
Novena Square	98
United Square	97
Odeon Towers	98
Faber House	99
One Upper Pickering	100

SHOPPING MALLS

Velocity@Novena Square	99
United Square	98

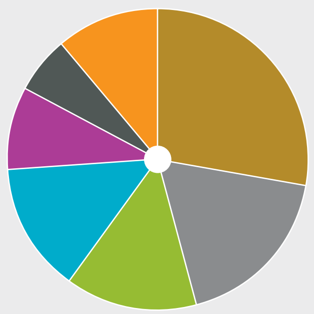
Commercial Tenant Mix (%)

OFFICE SPACE



35% Consumer Goods
12% Property, Construction & Transportation
9% Banking, Insurance & Financial Services
14% Energy, Resources & Engineering
7% Electronics, IT & Telco
4% Institutions
19% Others

RETAIL SPACE



28% Food & Beverage
18% Health, Beauty, Wellness & Fitness
14% Sports & Fashion
14% Education
9% Supermarket
6% Children's Fashion, Toys & Maternity
11% Others

SERVICED SUITES

Pan Pacific Serviced Suites Orchard, Singapore
The 126-suite extended-stay property is located in the heart of Orchard Road and next to the Somerset MRT Station. Its prime location in Singapore's famous shopping district offers guests a host of shopping and dining options. Guests of the serviced suites also enjoy services of personal assistants to help them connect with their new surroundings.

The occupancy rate in Pan Pacific Serviced Suites Orchard slipped to 92% in 2012 from 94% in 2011. Nonetheless, since its opening, the serviced suites have commanded one of the highest rental and occupancy rates in the premium extended-stay segment in Singapore.

PARKROYAL Serviced Suites Beach Road, Singapore
Held by subsidiary PPHG, PARKROYAL Serviced Suites Beach Road comprises 90 units of serviced suites. The suites feature panoramic views of the sea or city skyline.

Currently, the suites command one of the highest rental rates within its competitive set in the extended-stay segment. Despite the impact of multiple construction projects in the suites' vicinity, the occupancy achieved was 89% in 2012. Renovation of the pool and gymnasium facilities is on-going and is expected to complete by March 2013.

PARKROYAL Serviced Suites Kuala Lumpur, Malaysia
Strategically located in the heart of Kuala Lumpur's Golden Triangle, the 287-suite property is surrounded by the city's premier shopping, entertainment and dining belt. The attractions include the famous food street Jalan Alor, Bintang Walk, and mega malls such as Suria KLCC, Starhill Gallery, Pavilion and Lot 10.

Since its opening in 2010, PARKROYAL Serviced Suites Kuala Lumpur has achieved one of the highest occupancy rates in the extended-stay segment in Kuala Lumpur. Notwithstanding new competition, occupancy climbed to 82% in 2012 from 70% in 2011.

PARKROYAL Serviced Suites Kuala Lumpur, Malaysia

Operation Highlights

PROPERTY DEVELOPMENT

Replenishment of Landbank

In August 2012, the Group successfully tendered for the 99-year Bright Hill Drive site through a 50:50 joint venture. The site can be developed into approximately 445 units.

The wholly-owned subsidiary, UOL Development (St Patrick) Pte. Ltd. completed the en bloc acquisition of St. Patrick's Garden in July 2012. The freehold site can be developed into approximately 186 units.

Archipelago and Spottiswoode Residences

Archipelago, a 50%-owned development, comprising 553 condominium units and 24 units of three-storey strata houses, previewed in December 2011 and achieved 100% sales in the year. The 351-unit Spottiswoode Residences, which was launched in November 2010, achieved 96% sales as at 31 December 2012.

Katong Regency

Katong Regency achieved 100% sales within a week when the project was previewed in April 2012. The 244-unit residential development will sit atop a three-storey retail mall called OneKM, which will be themed as a knowledge and lifestyle mall. The Mall is strategically located next to the upcoming Paya Lebar Central, one of the key growth areas outside the city centre.

Completion of Projects

The year witnessed the successful completion of two developments. TOP was received in February for Meadows@Peirce, a low-rise 479-unit development along Upper Thomson Road. In September, TOP was obtained for Double Bay Residences, a 646-unit development on Simei Street 4.

OneKM

Archipelago show unit

Double Bay Residences

SALE AND COMPLETION STATUS OF LAUNCHED PROJECTS

Projects	No. of Units	% Sold (as at 31 Dec 2012)	% Complete (as at 31 Dec 2012)	Expected TOP Date
Panorama	223	100	100	Obtained
Meadows@Peirce	479	100	100	Obtained
Double Bay Residences	646	100	100	Obtained
Terrene at Bukit Timah	172	100	98	1Q2013
Waterbank at Dakota	616	100	91	2Q2013
Spottiswoode Residences	351	96	45	4Q2013
Archipelago	577	100	14	4Q2014
Katong Regency	244	100	10	1Q2015

Operation Highlights

HOTEL OPERATIONS

PARKROYAL on Pickering

Pan Pacific Orchard's Studio Room

SINGAPORE

PARKROYAL on Beach Road
The 343-room PARKROYAL on Beach Road is conveniently located along the perimeters of the Central Business District. Due to the redevelopment of The Furniture Mall at The Plaza on Beach Road, the hotel will have a new column-free ballroom and meeting rooms. The project is expected to complete in mid-2013. Revenue per available room decreased 2% compared to 2011 due to 5% decrease in occupancy and 3% increase in average room rate.

PARKROYAL on Kitchener Road
Located in the rich cultural surrounding in Singapore's Little India district, the 534-room PARKROYAL on Kitchener Road completed a soft refurbishing of the deluxe rooms in late 2012. In 2012, the hotel's revenue per available room remained flat, a result of a decrease in occupancy of 4% and average room rate increase of 3% over 2011.

PARKROYAL on Pickering
Featuring 15,000 square metres of lofty sky gardens and an exclusive rooftop lounge offering panoramic views of the city skyline, PARKROYAL on Pickering was opened on 16 January 2013. The 367-room hotel is located close to Raffles Place business district and within the rich heritage of Chinatown.

The office tower adjacent to the hotel has been handed over to the sole tenant, the Attorney-General's Chambers. The tenancy is a 30-year lease for an upfront rental of $127.2 million, starting from the last quarter of 2012.

The 99-year leasehold property was awarded the Green Mark Platinum Award by BCA because of its many green and sustainable features.

Pan Pacific Orchard
Located in the premium shopping belt of Orchard Road, the Pan Pacific Orchard's 206 rooms were refurbished in 2012. Revenue per available room for the hotel was 14% lower than 2011 due to a 19% decline in occupancy rate and 5% increase in average room rate.

Marina Mandarin Singapore
The 575-room Marina Mandarin Singapore at Raffles Boulevard is owned by Aquamarina Hotel Private Limited, in which UOL has a 25% interest. Average occupancy decreased by marginally by 1% while the average room rate increased by 6% and revenue per available room improved 5% over the preceding year.

Pan Pacific Singapore
The Group has a 22.67% equity interest in Marina Centre Holdings Pte Ltd which owns the 790-room Pan Pacific Singapore. The hotel undergone a four-month multi-million dollar refurbishment in September 2012. This caused the occupancy rate to decrease by 57%. However, with the average room rate 9% higher year-on-year, overall drop in revenue per available room was 53%.

SINGAPORE

HOTEL OCCUPANCY

2012	64%
2011	88%

AVERAGE ROOM RATE

2012	$232
2011	$232

REVENUE PER AVAILABLE ROOM

2012	$149
2011	$203

MALAYSIA

PARKROYAL Kuala Lumpur
Strategically located in the heart of the Golden Triangle, the city's main commercial, retail and entertainment hub, the 426-room hotel has benefitted from increased tourism in the city. The hotel saw revenue per available room rose 4% in 2012, contributed by the room occupancy gain of 2% and an average room rate increase of 2%.

PARKROYAL Penang Resort
Located along the shorelines of Penang, the Batu Ferringhi resort has 309 rooms. PARKROYAL Penang Resort's occupancy rate dropped 5% but the average room rate rose 8% in 2012 when compared with 2011, giving rise to a 3% increase in revenue per available room.

VIETNAM

Sofitel Plaza Hanoi, Hanoi
PPHG has a 75% interest in Sofitel Plaza Hanoi which features 309 rooms and 36 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. Revenue per available room increased 3%, while the average occupancy increased by 8% from 2011. The average room rate decreased 4% compared to the preceding year.

The hotel will be converting 40 superior rooms into 20 serviced suites in 2013. Looking ahead, more competition is expected as 1,068 rooms will be added to the market in 2013.

PARKROYAL Saigon, Ho Chi Minh City
Just minutes away from the capital's international airport, PARKROYAL Saigon with 186 rooms offers an ideal venue for business and social gatherings. The hotel's occupancy rose by 4% but the average room rate dropped by 2% in 2012, resulting in a 2% increase in revenue per available room for the year.

Sofitel Saigon Plaza and Central Plaza, Ho Chi Minh City
PPHG has a 26% interest in the 286-room Sofitel Saigon Plaza which is conveniently located in the commercial precinct of District 1. The average occupancy decreased by 15% in 2012, while the average room rate increased by 2%. The revenue per available room decreased by 13% compared to the preceding year.

MYANMAR

PARKROYAL Yangon
In 2012, Myanmar's re-engagement with the international community kindled strong interest from political, business and leisure travellers. PPHG's 95%-owned PARKROYAL Yangon has 331 rooms and is located in the centre of Yangon's cultural attractions. As one of the few international hotel brands in Myanmar, the hotel has benefitted significantly from the influx of visitors to the country. Although occupancy dropped 11%, the average room rate gained 147% resulting in a jump in revenue per available room of 118%.

SOUTHEAST ASIA (excluding Singapore)

HOTEL OCCUPANCY

2012	69%
2011	71%

AVERAGE ROOM RATE

2012	$139
2011	$119

REVENUE PER AVAILABLE ROOM

2012	$96
2011	$85

Operation Highlights

HOTEL OPERATIONS

AUSTRALIA

PARKROYAL Melbourne Airport, Melbourne
Adjacent to Melbourne International Airport, the 276-room Melbourne Airport hotel was rebranded a PARKROYAL in April 2011 and offers an excellent venue for meetings and airport transfers. During the 12 months of operations in 2012, occupancy increased 3% and average room rate grew 1% leading to a 4% gain in revenue per available room compared to the nine months of operations in 2011.

PARKROYAL Darling Harbour, Sydney
Located in the centre of the central business district near the scenic waterfront, PARKROYAL Darling Harbour Sydney offers easy access to the popular historical and cultural sites. Commencing a multi-million dollar refurbishment in mid-2012 which is due for completion in early 2013, the 340-room hotel saw revenue per available room declined 11% year-on-year due to a 14% decrease in occupancy but average room rate rose by 4%.

PARKROYAL Parramatta, Sydney
PARKROYAL Parramatta Sydney has 196 rooms and stands on the bank of the Parramatta River in the heart of the business district. In 2012, the hotel's occupancy rose by 4% and the average room rate increased 1%, resulting in 5% higher revenue per available room over 2011.

Pan Pacific Perth
Positive effects from the mining boom in Western Australia squeezed the already tight room market in Perth. The 486-room Pan Pacific Perth's revenue per available room rose 11% from 2011 attributable to the increase in occupancy and average room rate of 8% and 3% respectively.

OCEANIA

HOTEL OCCUPANCY

2012	80%
2011	79%

AVERAGE ROOM RATE

2012	$261
2011	$253

REVENUE PER AVAILABLE ROOM

2012	$208
2011	$201


PARKROYAL Parramatta

PARKROYAL Melbourne Airport

Pan Pacific Suzhou

THE PEOPLE'S REPUBLIC OF CHINA

Pan Pacific Suzhou
Flanked by a backdrop of traditional gardens in the "Venice of the East", the 481-room Pan Pacific Suzhou operates in a highly competitive, oversupplied environment. Occupancy rose 6% but the average room rate decreased 2%, leading to 4% higher revenue per available room.

Pan Pacific Xiamen
Set in the heart of Xiamen's financial and entertainment district, the 29-storey, 385-room Pan Pacific Xiamen offers easy access to the business district and sightseeing attractions. In 2012, Xiamen had a few hotels opening and competing in the same segment as Pan Pacific Xiamen. Year-on-year occupancy declined 10% while average room rate increased 4% leading to 6% lower revenue per available room.

CHINA

HOTEL OCCUPANCY

2012	53%
2011	55%

AVERAGE ROOM RATE

2012	$109
2011	$109

REVENUE PER AVAILABLE ROOM

2012	$58
2011	$59

Operation Highlights

HOTEL MANAGEMENT

Pan Pacific Singapore refurbished Lobby and Atrium Bar

In 2012, PPHG extended the presence of its "Pan Pacific" and PARKROYAL brands.

In Singapore, PARKROYAL on Pickering, the Group's first PARKROYAL Collection hotel with an iconic hotel-in-a-garden concept, opened in January 2013.

The opening of Pan Pacific Hotel and Serviced Suites Ningbo marked the launch of the first Pan Pacific Serviced Suites in China. With this, the Group's portfolio now increases to seven properties, including those under development, in this important growth market.

In Singapore and across Asia Pacific, the Group carried out extensive refurbishments at five properties. Most significantly, Pan Pacific Singapore underwent an $80 million transformation – its most extensive in 25 years. Other hotels that saw major enhancements include Pan Pacific Orchard and PARKROYAL Darling Harbour, Sydney.

As part of our continued efforts to strengthen our brands, we launched two new videos for "Pan Pacific" and PARKROYAL: 'Embrace the Pacific' and 'Your local connection'. These videos are aired on our brands' websites and social media platforms. The Group launched a $1.5 million initiative to enhace our brands' and hotels' websites for greater customer engagement by the end of 2013.

PAN PACIFIC HOTELS AND RESORTS

Pan Pacific Hotels and Resorts is a leading premium hotel brand comprising 18 hotels, resorts and serviced suites across Asia, Greater China, North America and Oceania, including those under development. The "Pan Pacific" brand provides refreshing Pacific experiences inspired by its Pacific Rim locations. It is focused on enriching experiences as well as relevant choices that convey freedom and individuality.

In 2012, various "Pan Pacific" properties were honoured. The list included World's Leading Business Hotel and Asia's Leading Business Hotel (Pan Pacific Singapore), Indonesia's Leading Golf Resort (Pan Pacific Nirwana Bali), Philippines' Leading Business Hotel (Pan Pacific Manila), and Canada's Leading Business Hotel and Canada's Leading Hotel (Pan Pacific Vancouver) at the World Travel Awards.

For the second consecutive year, Pan Pacific Whistler Village Centre was named one of the best 25 resorts in Canada by Conde Nast Traveler. Pan Pacific Seattle became the first hotel in the US to receive the Green Globe certification, – a worldwide sustainability certification for the travel and tourism businesses.

In 2013, we will continue to extend our presence in Singapore with the launch of Pan Pacific Serviced Suites Beach Road, Singapore, the second Pan Pacific Serviced Suites in the country. We will also make our foray into Northern China with the opening of Pan Pacific Tianjin in 2014.

PARKROYAL HOTELS & RESORTS

The PARKROYAL portfolio comprises 14 upscale leisure and business hotels and resorts (including those in the pipeline) located in gateway cities across Australia, China, Malaysia, Myanmar, Singapore and Vietnam. Characterised by the brand promise 'Your Trusted Local Companion', each PARKROYAL reflects the spirit and individuality of its location through creative touches, authentic tastes and local connections.

PARKROYAL on Pickering received the BCA's Green Mark Platinum accreditation, Singapore's highest rating for green buildings, affirming its position as one of the city's greenest hotels.

Within a year of its launch, PARKROYAL Melbourne Airport was named the Best Airport Hotel in Australia/ Pacific at the World Airport Awards. PARKROYAL Yangon claimed 'Myanmar's Leading Business Hotel' title at the World Travel Awards and was also named the Best Foreign Direct Investment Hotel by the Ministry of Hotels and Tourism in Myanmar.

PARKROYAL debuts in China in 2013 with the opening of PARKROYAL Serviced Suites Green City, Shanghai. The signing of a new management agreement for PARKROYAL Rainbow Hills Bogor Resort paves the way for the brand to be launched in Indonesia in 2014.

PARKROYAL Serviced Suites Green City, Shanghai *Artist's Impression*

Pan Pacific Hotel and Serviced Suites Ningbo

Operation Highlights

OVERSEAS PROJECTS & INVESTMENTS

The Esplanade (海河华鼎), Tianjin

Artist's Impression

OVERSEAS PROJECTS

Shanghai
The upcoming development situated within the Changfeng Ecological Business Park 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. Located about 5 km to the north-east of the Hongqiao Transportation Hub and less than 10 km from The Bund, the mixed-development can be developed into approximately 400 residential units and 8,000 sqm of retail component. The development is being designed by internationally renowned architectural firm Rogers Stirk Harbour + Partners.

Construction is expected to commence in the second quarter of 2013.

Tianjin
The Esplanade (海河华鼎) in Tianjin is 90%-owned by UOL Capital Investments Pte. Ltd. The mixed-development has a gross development area of approximately 154,600 sqm. It comprises approximately 522 residential apartments, a 330-room hotel, 17,075 sqm of office space and 6,164 sqm of retail space.

In 2012, two of the four residential blocks were launched for sale in June and August. Of the 320 units launched, 59% were sold by the end of 2012. As at December 2012, the project was 63% completed.

Kuala Lumpur
The freehold property at Jalan Conlay near Kuala Lumpur City Centre is owned by Suasana Simfoni Sdn. Bhd., a 60%-owned subsidiary. Sub-structure works are expected to complete in the third quarter of 2013.

Jalan Conlay Project

Artist's Impression

INVESTMENTS IN SECURITIES

	Percentage Holdings in investee		Fair Value		Gross Dividend received	
	2012 %	2011 %	2012 $'m	2011 $'m	2012 $'m	2011 $'m
Listed Securities						
United Overseas Bank Limited	**2.3**	2.3	**716.4**	552.3	**21.7**	24.8
Others			**32.3**	28.5	**1.2**	1.3
			748.7	580.8	**22.9**	26.1
Unlisted Securities			**57**	42.6	**0.3**	0.1
Total			**805.7**	623.4	**23.2**	26.2

The fair value of the Group's available-for-sale securities increased from $623.4 million as at 31 December 2011 to $805.7 million as at 31 December 2012 due mainly to the increase in the share price of United Overseas Bank Limited. Overall, an unrealised gain of $164.7 million arising from changes in the fair value of investments has been credited to the fair value reserve account in 2012.

Dividend yield from investment in securities was 2.9% in 2012 (2011: 4.1%).

During the year, the Group disposed our investment in an unlisted company and realised a gain of $4.7 million.

Operation Highlights

MANAGEMENT SERVICES & HUMAN RESOURCES

Pan Pacific Orchard's Couple Suite

MANAGEMENT SERVICES

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

SPA/LIFESTYLE-RELATED OPERATIONS

St. Gregory
"St. Gregory" comprises 12 premium spas across Singapore, Malaysia, Japan, China and Vietnam. An industry pioneer and a one-stop wellness centre, "St. Gregory" is renowned for its traditional healing therapies, comprehensive workout facilities, personal training programmes and fitness classes.

This year, the brand opened its fifth Singapore outlet at the rejuvenated Pan Pacific Orchard, Singapore. A sixth outlet at PARKROYAL on Pickering, as well as a newly renovated flagship spa at PARKROYAL on Beach Road, are in the pipeline for 2013.

Following a successful debut at Pan Pacific Suzhou, "St. Gregory" established a second China outlet at Pan Pacific Xiamen.

Si Chuan Dou Hua
With five restaurants in Singapore, Kuala Lumpur and Tokyo, "Si Chuan Dou Hua" amassed a record number of accolades this year, including a Singapore Prestige Brand Award under the Established Brands category.

On the culinary front, "Si Chuan Dou Hua" was named First Runner-up in the Business Excellence Award – Fine Dining category at the Epicurean Star Awards.

Tian Fu Tea Room
Operating from three locations in Singapore, "Tian Fu Tea Room" offers a wide selection of Chinese teas paired with exquisite handcrafted dim sum.

HUMAN RESOURCES

People are the core to UOL's achievements and success. Our people's passion, enterprising and innovative spirit and adaptability plus a strong sense of commitment and teamwork are key to the success of the Company. In the face of an ever changing and competitive environment, we continue to leverage the strengths of our people, actively engaging, developing and rewarding them while recognising a need for work-life balance and healthy lifestyle.

We have also signed the Employers' Pledge of Fair Employment Practices with the Tripartite Alliance for Fair Employment Practices as a commitment to adopt fair employment practices.

Engaging Our People
The Management continues to engage staff through townhall sessions where the performances, achievements, plans and directions of the Company are shared. Regular staff activities continue to be an important avenue for staff interaction and bonding, including staff volunteerism.

New staff are invited to lunch with the senior management as part of staff engagement. In addition, tours of the Company's properties are organised to allow our new staff to have a better understanding of the Group's business.

Developing Our People
UOL fully endorses and supports staff's continual learning and development. Besides work-related training, we also strongly encourage staff to upgrade themselves through company sponsorships of relevant certificate programmes and courses.

This year, the Leadership Development Programme was extended to more staff following the success of the inaugural programme in 2011. The collaboration with the Singapore Management University continued into the second year with the theme of "Building Winning Teams".

Rewarding our People
We recognise the importance of rewarding staff fairly and competitively. A performance-based reward system coupled with a competitive pay structure continues to be the foundation of our remuneration system. We undertake regular compensation surveys and studies to ensure that our remuneration remains competitive in the face of a tight labour market situation.

Work-Life Balance + Healthy Living
We believe that work-life balance and healthy living are important. Not only do we involve staff's family in our activities like movie screenings, we also allow staff to go on part-time employment if their work arrangement permits.

The Workplace Health Promotion programme was launched in November with a free health screening for all staff. Corporate gym memberships are made available to encourage staff to exercise and work out without them having to incur additional cost. Regular talks and workshops are also organised to educate our staff on a healthier lifestyle.

Staff hitting the gym during lunch break

Senior management engaging new staff during lunch

Stakeholders Communications

UOL is committed to communicating with our shareholders, investors, analysts, customers, media, regulators and the general public on a regular basis. It is one of the Group's values to foster strong long-term relationships with key stakeholders in the business sector and the community at large.

The Group upholds high standards of corporate transparency and disclosure, and provides timely and consistent releases of quarterly financial results, presentations, annual reports, regulatory and other material announcements on both the Singapore Exchange and UOL corporate websites. The newly revamped corporate website has a dedicated investor relations section where stakeholders can access relevant information easily. Investors can also sign up for investor alerts on the website to receive updates on announcements.

UOL conducts investor relations activities that allow for open communication between the Group and our institutional and retail investors. These investor relations opportunities are the quarterly earnings calls as well as the full-year results briefing, where analysts and media are updated on the Group's performance. Shareholders engaged in open dialogue with the Board of Directors at the Annual General Meeting held on 19 April 2012 at Pan Pacific Singapore. In addition, UOL met shareholders, potential investors and analysts through conferences, face-to-face meetings and small group meetings during the year.

The Group participated in five major investor conferences in Singapore in the year. These conferences were: Bank of America Merrill Lynch ASEAN Stars Conference (March), CIMB ASEAN Series Corporate Day (May), Nomura Asia Equity Forum (June), Macquarie ASEAN Conference (August), and UBS ASEAN Conference (September). The Management also attended post-results investor luncheons hosted by Macquarie Securities and DBS Vickers for their clients. Such engagements with the investing community increased their understanding of UOL's performance, key developments and business, and also serve to promote continued interest in the Group. These meetings also allowed Management to solicit views on UOL from the investing community and understand their concerns.

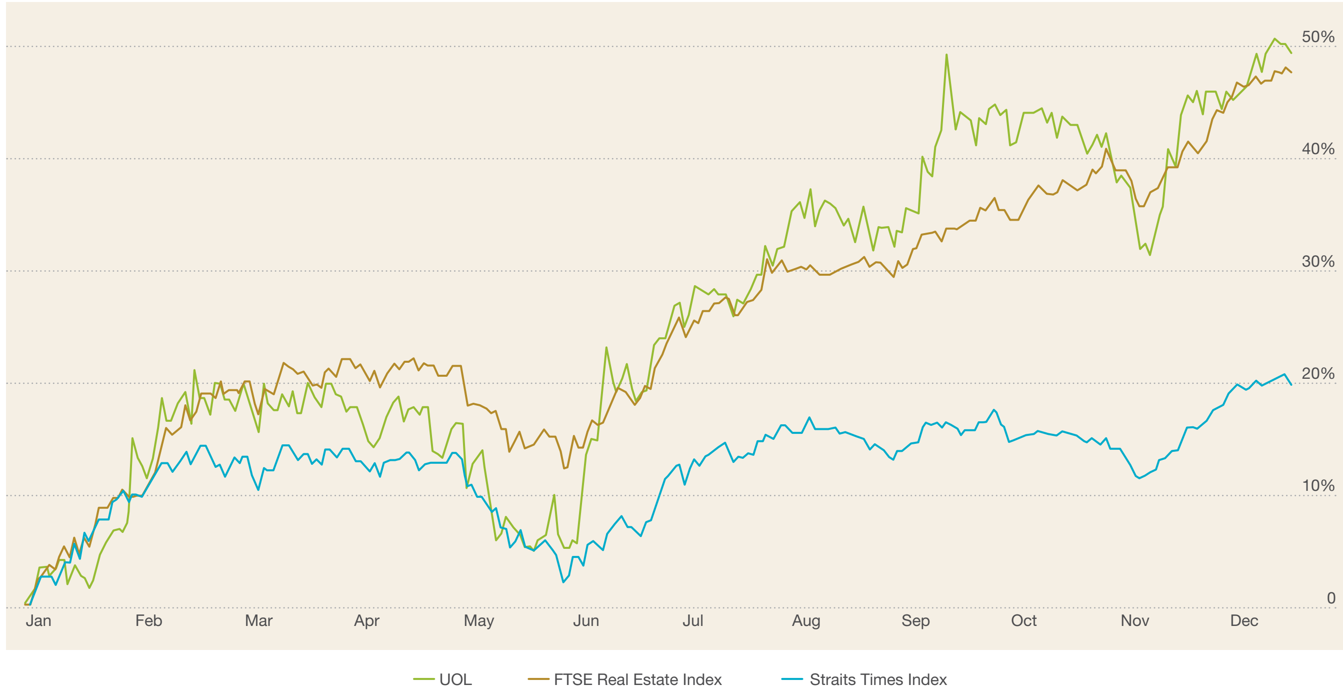
Throughout the year, UOL maintained communication with stakeholders, responding to investor and media queries via telephone, email and direct meetings. We also coordinated site visits for analysts, fund managers and the media for the launches of new sites such as Katong Regency, for them to gain a better understanding of the developments.

In the Governance and Transparency Index (GTI)—jointly conducted by NUS Business School's Centre for Governance, Institutions and Organisations and The Business Times—UOL was ranked 42nd out of over 650 locally listed companies, up four places from a year ago. 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 performed relatively well despite the uncertain global economic outlook in 2012. On 18 June 2012, UOL stock was included in the FTSE EPRA/NAREIT Global Developed Index and FTSE EPRA/NAREIT Pure Asia Index. This inclusion raised UOL's profile globally and the stock has received increased institutional investor interest. It closed the year at $5.97, up from $4.00 in 2011, representing an increase of 48.5%. This was better than the increase in the FTSE ST Real Estate Index (47.6%) and STI Index (19.7%) for the corresponding period. The company's share price averaged $5.03 during the year, registering a low of $4.00 on 2 January, and a high of $6.08 on 21 September. The share's average daily turnover in 2012 was 904,500.

At the end of 2012, UOL's market capitalisation was $4.6 billion, up from $3.1 billion a year ago. UOL has remained on the STI Reserve List after the semi-annual review in September 2012.

2012 SHARE PRICE PERFORMANCE



FINANCIAL CALENDAR	2012	2011
Announcement of first quarter results	**11.05.12**	13.05.11
Announcement of second quarter results	**10.08.12**	11.08.11
Announcement of third quarter results	**08.11.12**	11.11.11
Announcement of unaudited full year results	**28.02.13**	24.02.12
Annual General Meeting	**19.04.13**	19.04.12
Book closure dates	**02.05.13 to 03.05.13**	02.05.12 to 03.05.12
First & final dividends payment date	**10.05.13**	14.05.12

Sustainability

PARKROYAL on Pickering

Artist's Impression

UOL believes in growing our business and conducting our operations in a responsible and sustainable manner. We make a conscious effort to integrate sustainability into all our business activities – through measures such as conserving the environment or giving back to the community.

The focus of our sustainability efforts covers three areas: business, environment and community.

BUSINESS

We believe in pursuing responsible management and business practices that are dynamic yet subject to rigorous ethical standards. We are committed to achieving product and service excellence for our residential homes, commercial offices, retail malls, hotels and serviced suites.

Enterprise-wide Risk Management
Our Enterprise-wide Risk Management Programme (ERM), first implemented in 2009, was further embedded into our businesses and operations during the year. Details of the ERM can be found in pages 154 to 155 of the Annual Report (Corporate Governance Report). With ERM, the Group has a system to deal with the evolving risks in the business and regulatory environment that we operate in, thereby enabling the Group to stay on a sustainable, long-term growth path.

Product and Service Excellence
Our award-winning developments are testament to our values of design and quality excellence, all of which enhance the society we live in. At the MIPIM Asia Awards 2012, our Duchess Residences won Silver for Best Residential Development, while Nassim Park Residences received an Honourable Mention at the Singapore Institute of Architects Architectural Design Awards 2012.

Human Capital
UOL believes that people are our biggest asset. Apart from motivating and rewarding our people with competitive compensation and benefits packages, we develop our people through various training and mentorship programmes. This is to help our people realise their full potential. Our Group takes pride on the culture of work-life balance and healthy lifestyle that we have cultivated in the organisation, which is another signal of our care for our employees.

To uphold high standards of corporate behaviour and accountability, the Group has put in place a Code of Business Conduct for our employees. The Code also includes a 'whistleblowing' policy, which allows our employees to report fraud or other issues of non-compliance in the event that they arise. As a commitment to fair employment practice, we also signed the Employers' Pledge of Fair Employment Practices with the Tripartite Alliance for Fair Employment Practices.

ENVIRONMENT

UOL is committed to making a tangible difference to the environment. Our goal is to build developments that are environmentally friendly. In our development projects we seek to harmonise the development with the surrounding environment to preserve the environment's inherent character and cultural heritage. In addition, we also institute energy conservation measures in our projects.

Our latest hotel project – the flagship PARKROYAL on Pickering – was built with the aim to be the city's greenest hotel. Besides winning the Solar Pioneer Awards last year, the development earned BCA's Green Mark Platinum Award for its environmentally sustainable elements that are incorporated throughout the property.

COMMUNITY

Children, Youth, Education and Sports
UOL aims to be a good corporate citizen and is committed to developing the community in the areas of children, youth, education and sports. Education helps youths and children become meaningful contributors to society, while sport aids character development. By assisting in education and sports projects, we hope to nurture and develop children and youth, helping them realise their full potential.

This past year, we continued working with CARE Singapore to reach out to primary school children under the Starkidz Programme. During the year, UOL staff volunteers accompanied the students on an educational tour of a farm during their school holidays. On World Kindness Day, our staff volunteers also spent an afternoon with the children decorating gingerbread men and making friendship bands for their friends and families to show their appreciation.

UOL also sponsored CARE Singapore's annual event which showcase its student's works. In addition, we contributed $5,000 to the NUS Department of Architecture in support of its student bursary fund.

Through our sports mall – Velocity@Novena Square, we collaborated with Tan Tock Seng Hospital to provide a series of free health-related public talks at the Mall from September 2012 to September 2013. The aim was to promote education on health and safety for sports enthusiasts in Singapore.

Business Community
UOL sponsored the Grand Prix World Building of the Year award at the prestigious World Architecture Festival (WAF) 2012. From 3 to 5 October at Marina Bay Sands, the event was held outside Barcelona, Spain for the first time. Singapore's Gardens by the Bay won the World Building of the Year award, making it a doubly auspicious event for Singapore on a global stage that we were pleased to be a part of. The WAF is the world's largest festival and live awards competition, and is dedicated to celebrating and sharing architectural excellence from across the globe. The event brought together over 1,500 top international architects.

Sustainability Roadmap
As part of UOL's recognition of the importance of sustainability in our business operations, the Group set up a sustainability committee in 2011. The Committee comprises the President (Property) as Adviser and senior executives from key departments.

During the year, the Committee identified the key issues material to our Group and formulated a programme to implement sustainability initiatives.

UOL volunteers and StarKidz!

(From left) Minister of State (Health and Manpower) Dr Amy Khor, UOL President (Property) Mr Liam Wee Sin and Tan Tock Seng Hospital Medical Board Chairman Thomas Lew.

Geographical Footprint

Regional

Residential
MALAYSIA
Panorama, Kuala Lumpur
Site at Jalan Conlay, Kuala Lumpur

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

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

MALAYSIA
Pan Pacific Kuala Lumpur International Airport
PARKROYAL Kuala Lumpur
PARKROYAL Serviced Suites Kuala Lumpur
PARKROYAL Penang

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

VIETNAM
PARKROYAL Saigon
Sofitel Saigon Plaza
Sofitel Plaza Hanoi

MYANMAR
PARKROYAL Yangon

INDONESIA
Sari Pan Pacific Jakarta
Pan Pacific Nirwana Bali Resort

THAILAND
Pan Pacific Serviced Suites Bangkok

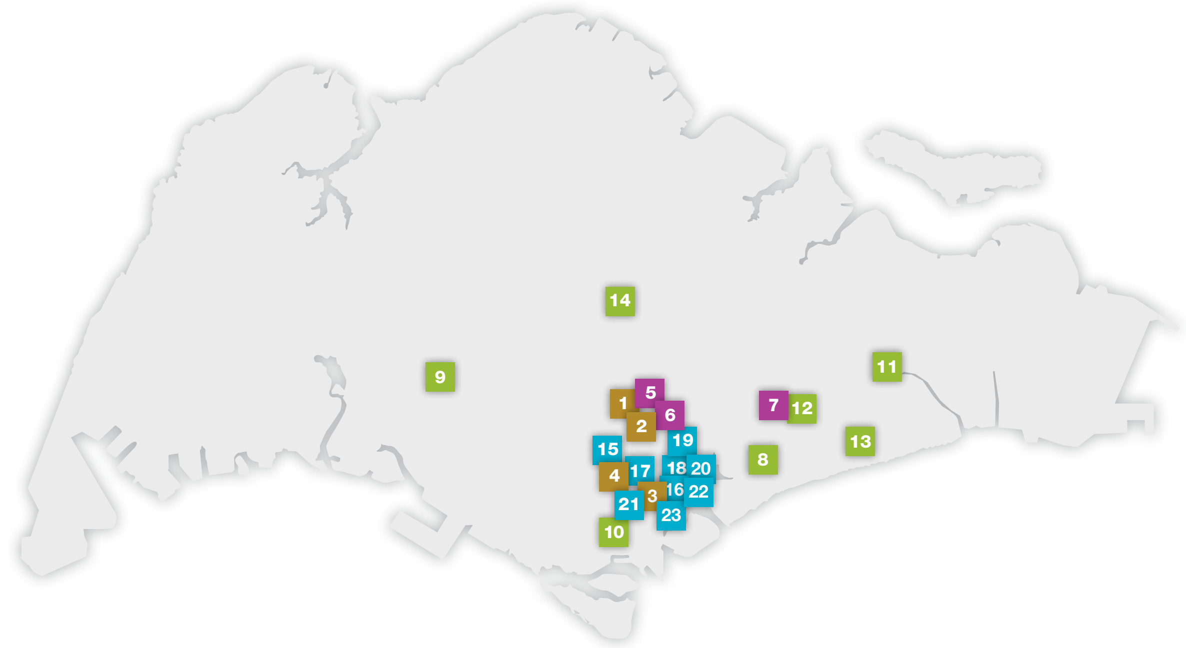
PHILIPPINES
Pan Pacific Manila

BANGLADESH
Pan Pacific Sonargaon Dhaka

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

LEGEND
● Managed hotels
● Owned by the Group and managed by Third Parties
1 Comprises residential units, offices, retail space and a hotel.
2 Comprises residential units and retail space.

Singapore



Offices
1. Novena Square
2. United Square
3. Odeon Towers
4. Faber House

Retail Malls
5. Velocity@Novena Square
6. United Square
7. OneKM[3]

Residential
8. Waterbank at Dakota (Fully Sold)
9. Terrene at Bukit Timah (Fully Sold)
10. Spottiswoode Residences
11. Archipelago (Fully Sold)
12. Katong Regency (Fully Sold)
13. St. Patrick's Garden site
14. Bright Hill Drive site

Hotels/Serviced Suites
15. Pan Pacific Orchard
16. Pan Pacific Singapore[4]
17. Pan Pacific Serviced Suites Orchard
18. PARKROYAL on Beach Road
19. PARKROYAL on Kitchener Road
20. PARKROYAL Serviced Suites
21. PARKROYAL on Pickering
22. Pan Pacific Serviced Suites Beach Road[5]
23. Marina Mandarin[6]

3 Opening in 2014.
4 22.7% stake held through Marina Centre Holdings Pte Ltd.
5 Opening in 2013.
6 25.0% stake held through Aquamarina Hotel Private Limited.

Property Summary 2012

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2012 Average Occupancy %	Present Capital Value ($m)	Effective Percentage of Interest %
Investment Properties Owned by the Group								
FABER HOUSE 230 Orchard Road, Singapore 12-storey commercial building (excluding first storey which was sold)	1973	–	Freehold	3,956	48	99	67.7	100.0
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	18,402	167	98	329.8	100.0
UNITED SQUARE 101 Thomson Road, Singapore Commercial building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks								
Shops	1982 & 2002	1987	Freehold	19,392	658	98	880.8	100.0
Offices	1982			24,711		97		
NOVENA SQUARE 238/A/B Thomson Road, Singapore Office cum retail development 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 1997	15,972	491	99	1,083.1	60.0
Offices	2000			41,509		98		
THE PLAZA 7500 Beach Road, Singapore Retained interests in a 32-storey tower block comprising restaurants, function rooms, shops, offices and serviced suites, and addition of a 15-storey Pan Pacific Serviced Suites Beach Road above the existing carpark block								
Shops & Offices of Pan Pacific Hotels Group Limited	1974 & 1979	–	99-Year Lease from 1968	4,071	649	91	132.8	81.6
Shops & Offices of UOL Group Limited	1974 & 1979	–		195		–		100.0
PARKROYAL SERVICED SUITES BEACH ROAD, SINGAPORE 90 serviced suites and 1 owner-occupied apartment	1979	–		6,125 & 165 respectively		89		81.6
ONE UPPER PICKERING 1 Upper Pickering Street, Singapore 13-storey office building with a roof terrace and plant levels within a hotel and office development	2012	–	99-Year Lease from 2008	8,089	21	100	175.8	81.6
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	40	92	145.2	100.0
PARKROYAL SERVICED SUITES KUALA LUMPUR Jalan Nagasari, Kuala Lumpur, Malaysia 287-unit serviced suite with ground floor commercial space and a carpark	2010	2005	Freehold	19,005	290	82	77.7	100.0
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*	76	70	181.4	100.0
PARKROYAL ON BEACH ROAD 7500C Beach Road, Singapore 7-storey hotel building with 343 rooms	1971 & 1979	–	99-Year Lease from 1968	23,776*	38	83	165.7	81.6
PARKROYAL ON KITCHENER ROAD 181 Kitchener Road, Singapore Comprising a 5-storey podium with a basement and a 16-storey Y-shaped tower with 534 rooms	1976 & 1981	1989	Freehold	37,811*	271	86	295.1	81.6
PARKROYAL ON PICKERING 3 Upper Pickering Street, Singapore 15-storey hotel building with 367 rooms	2012	–	99-Year Lease from 2008	21,301*	85	–	304.0	81.6

Property Summary 2012

	Completed	Purchased	Tenure of Land	Approximate Net Lettable/ Gross Floor* Area (sqm)	Car Park Facilities	2012 Average Occupancy %	Present Capital Value ($m)	Effective Percentage of Interest %
Hotels Owned and Managed by the Group (continued)								
PAN PACIFIC XIAMEN Hubin North Road, Xiamen, The People's Republic of China Comprising two towers of 19-storey and 29-storey each with 385 rooms, including a two-storey basement carpark	2005 (redeveloped)	2001	70-Year Lease from 1991	31,775*	76	61	53.3	100.0
PAN PACIFIC SUZHOU Xinshi Road, Suzhou, Jiangsu, The People's Republic of China A hotel built in the Ming Dynasty style, with 481 rooms accommodated within a low-rise cluster	1998	2001	50-Year Lease from 1994	63,232*	100	47	64.1	81.6
PARKROYAL SAIGON Nguyen Van Troi Street, Ho Chi Minh City, Vietnam Comprising 186 rooms in a 10-storey hotel building with a 9-storey extension wing and a 4-storey annex office building	1997	–	49-Year Lease from 1994	12,165*	25	59	27.4	81.6
PARKROYAL YANGON At the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar 8-storey V-shaped tower comprising 331 rooms	1997	2001	30-Year Lease from 1997 with option to renew for another 3 terms of 5 years each	17,700*	140	69	39.6	77.5
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	56,707*	–	80	101.9	81.6
Car Park Annexe			Leasehold, expiring in 2080	11,128*	320			
PARKROYAL PENANG RESORT Batu Ferringhi Beach, Penang, Malaysia 309-room 8-storey beachfront resort hotel	1990	1999	Freehold	31,502*	147	69	62.5	81.6
PARKROYAL DARLING HARBOUR, SYDNEY 150 Day Street, Sydney, Australia 13-level hotel with 340 rooms	1991	1993	Freehold	24,126*	58	71	115.3	81.6
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*	–	84	119.1	81.6
PARKROYAL PARRAMATTA 30 Phillip Street, Parramatta, New South Wales, Australia 13-level hotel with 196 rooms	1986	1994	Freehold	16,694*	176	79	44.3	81.6
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	83	206.5	81.6
Hotels Owned by the Group and Managed by Third Parties								
SOFITEL PLAZA HANOI Thanh Nien Road, Hanoi, Vietnam 20-storey hotel with 309 rooms and 36 serviced apartments	1998	2001	48-Year Lease from 1993	39,250*	45	67	77.9	61.2
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	–	–	2.9	100.0

Property Summary 2012

	Purchased	Tenure of Land	Approximate Gross Floor Area (sqm)	Stage of Completion as at 31.12.2012 %	Expected Completion	Effective Percentage of Interest %
Properties Under Construction						
ONEKM Tanjong Katong Road Development comprising a retail mall with 282 carpark lots	2011	Freehold	19,519	20	1st Quarter 2014	100.0
THE ESPLANADE 海河华鼎 Zhang Zi Zhong Road, Hong Qiao District, Tianjin, The People's Republic of China						
Hotel with 330 rooms	2007	40-Year Lease from 2007	40,173	55	4th Quarter 2013	90.0
Retail mall with basement carparks			12,711	60		
PAN PACIFIC SERVICED SUITES BEACH ROAD, SINGAPORE Redevelopment of The Furniture Mall at The Plaza comprising 180-unit serviced apartments	–	99-Year Lease from 1968	17,844	83	2nd Quarter 2013	81.6

	Type of Development	Tenure of Land	Approximate Gross Floor Area (sqm)	Site Area (sqm)	Sales Status as at 31.12.2012 %	Stage of Completion as at 31.12.2012 %	Expected Completion	Effective Percentage of Interest %
Properties for Sale Under Development								
WATERBANK AT DAKOTA Dakota Crescent 616 units of condominium apartments	Residential	99-Year leasehold commencing 7.12.2009	60,164	17,190	100	91	2nd Quarter 2013	100.0
SPOTTISWOODE RESIDENCES Spottiswoode Park Road 351 units of condominium apartments	Residential	Freehold	29,586	9,531	96	45	4th Quarter 2013	100.0
KATONG REGENCY Tanjong Katong Road 244 units of condominium apartments	Residential	Freehold	19,292	14,278	100	10	1st Quarter 2015	100.0
ST PATRICK'S GARDEN St Patrick's Road 186 units of condominium apartments	Residential	Freehold	18,131	12,950	–	–	1st Quarter 2016	100.0
SITE AT JALAN CONLAY Kuala Lumpur, Malaysia Proposed 740 units of condominium apartments and 178 serviced apartments	Residential	Freehold	107,634	15,993	–	–	4th Quarter 2016	60.0
THE ESPLANADE 海河华鼎 Tianjin, The People's Republic of China								
522 units of condominium apartments	Residential	50-Year leasehold from 2007	71,586	10,684	31	69	4th Quarter 2013	90.0
Two 11-storey office towers	Commercial	40-Year leasehold from 2007			4	71		

Simplified Group Financial Position

Total Assets Owned

	2012 $m	2011 (restated*) $m	2012 %	2011 %
Property, plant and equipment	**1,130**	1,090	**12**	12
Investment properties	**3,343**	2,838	**35**	33
Available-for-sale financial assets	**806**	623	**8**	7
Associated companies	**2,639**	2,442	**28**	28
Joint venture companies	**149**	71	**2**	1
Development properties	**996**	1,151	**10**	13
Other assets and cash	**501**	483	**5**	6
	9,564	8,698	**100**	100

Total Liabilities Owed and Capital Invested

	2012 $m	2011 (restated*) $m	2012 %	2011 %
Shareholders' funds	**6,143**	5,284	**64**	61
Non-controlling interests	**576**	487	**6**	5
Borrowings	**2,174**	2,326	**23**	27
Trade and other payables	**441**	359	**5**	4
Deferred income tax liabilities	**176**	144	**2**	2
Other liabilities	**54**	98	**0**	1
	9,564	8,698	**100**	100

* The results for 2011 were restated due to the adoption of Amendments to FRS 12 which took effect on 1 January 2012.

Five-year Financial Summary

	2008 $'000	2009 $'000	2010 $'000	2011 (restated) $'000	2012 $'000
Group Revenue					
Property development	379,161	533,843	835,535	1,393,773	**560,022**
Hotel operations	339,040	294,485	325,089	360,038	**377,721**
Property investments	126,104	141,674	147,943	160,308	**166,087**
Investments	30,776	21,192	21,950	26,219	**23,192**
Management services	24,095	15,867	18,540	19,896	**18,755**
	899,176	1,007,061	1,349,057	1,960,234	**1,145,777**
Group Income Statement					
Property development	122,907	155,149	158,030	404,763	**147,502**
Property investments	76,166	100,572	102,452	112,650	**119,702**
Hotel operations	70,533	44,175	51,451	59,511	**59,789**
Investments	30,720	20,915	21,752	26,064	**23,147**
Management services	6,758	3,032	3,217	8,281	**11,521**
	307,084	323,843	336,902	611,269	**361,661**
Unallocated costs	(7,667)	(7,467)	(10,489)	(12,462)	**(13,736)**
Profit from operations	299,417	316,376	326,413	598,807	**347,925**
Finance income	8,977	3,887	3,512	2,768	**11,112**
Finance expense	(18,748)	(44,728)	(26,488)	(39,233)	**(33,090)**
Share of profit of associated companies excluding fair value gains/(losses) of associated companies' investment properties	61,838	154,372	247,786	165,928	**114,115**
Share of loss of joint venture companies	–	–	–	(500)	**(364)**
Profit before fair value and other gains/(losses) and income tax	351,484	429,907	551,223	727,770	**439,698**
Other gains/(losses)	(37,000)	277,269	50,790	(19,731)	**(24,995)**
Fair value gains/(losses) on associated companies' investment properties	2,749	(66,102)	152,904	8,694	**107,547**
Fair value gains/(losses) on the Group's investment properties	(106,794)	(147,562)	134,863	187,222	**442,097**
Profit before income tax	210,439	493,512	889,780	903,955	**964,347**
Profit attributable to equity holders of the Company	147,246	424,178	755,939	678,572	**807,675**
Group Statement of Financial Position					
Property, plant and equipment	1,029,276	1,096,866	980,523	1,090,066	**1,130,024**
Investment properties	2,202,260	2,027,476	2,261,613	2,838,328	**3,342,754**
Associated companies, joint venture companies, receivables and other assets (non-current)	480,470	1,448,250	2,118,658	2,512,045	**2,782,693**
Available-for-sale financial assets (non-current)	323,189	228,897	246,972	220,565	**283,484**
Intangibles	38,398	37,571	42,807	29,908	**27,607**
Deferred tax assets	4,439	5,099	3,651	4,338	**3,789**
Net current assets (excluding borrowings)	1,828,010	2,263,988	1,825,782	1,605,520	**1,665,039**
Non-current liabilities (excluding borrowings)	(207,702)	(233,027)	(241,815)	(203,926)	**(342,555)**
	5,698,340	6,875,120	7,238,191	8,096,844	**8,892,835**

Five-year Financial Summary

	2008 $'000	2009 $'000	2010 $'000	2011 (restated) $'000	2012 $'000
Group Statement of Financial Position (continued)					
Share capital	1,075,315	1,058,527	1,051,898	1,040,694	**1,046,954**
Reserves	2,319,389	3,089,706	3,585,077	4,243,279	**5,095,658**
Interests of the shareholders	3,394,704	4,148,233	4,636,975	5,283,973	**6,142,612**
Non-controlling interests	420,528	459,666	410,601	486,950	**576,314**
Borrowings	1,883,108	2,267,221	2,190,615	2,325,921	**2,173,909**
	5,698,340	6,875,120	7,238,191	8,096,844	**8,892,835**
Financial Ratios					
Basic earnings per ordinary share* (cents)	18.50	53.72	96.94	88.12	**105.06**
Gross dividend declared ($'000)	59,705	78,353	115,101	115,237	**115,485**
Gross dividend declared					
First and Final (cents)	7.5	10.0	10.0	10.0	**15.0**
Special (cents)	–	–	5.0	5.0	**–**
Cover (times)	2.5	5.4	6.5	5.9	**7.0**
Net tangible asset backing per ordinary share ($)					
Before accounting for surplus on revaluation of hotel properties	4.22	5.25	5.91	6.84	**7.94**
After accounting for surplus on revaluation of hotel properties	4.72	5.75	6.51	7.49	**8.73**
Gearing ratio	0.42	0.43	0.37	0.35	**0.28**

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

Segmental Performance Analysis

Total Revenue By Business Segments

	2012 $'000	2012 %	2011 $'000	2011 %
Property development	**560,022**	**48.9**	1,393,773	71.1
Hotel operations	**377,721**	**33.0**	360,038	18.4
Property investments	**166,087**	**14.5**	160,308	8.2
Investments	**23,192**	**2.0**	26,219	1.3
Management services	**18,755**	**1.6**	19,896	1.0
	1,145,777	**100.0**	1,960,234	100.0

Adjusted EBITDA* By Business Segments

	2012 $'000	2012 %	2011 (restated) $'000	2011 (restated) %
Property development	**169,684**	**26.9**	457,409	55.1
Property investments	**315,644**	**50.1**	231,118	27.8
Hotel operations	**108,526**	**17.2**	105,369	12.7
Investments	**23,147**	**3.7**	26,064	3.2
Management services	**13,178**	**2.1**	9,913	1.2
	630,179	**100.0**	829,873	100.0

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

Total Assets By Business Segments

	2012 $'000	2012 %	2011 (restated) $'000	2011 (restated) %
Property development	**1,760,165**	**18.4**	1,817,680	20.9
Property investments	**5,707,316**	**59.7**	4,853,628	55.8
Hotel operations	**1,233,336**	**12.9**	1,343,384	15.4
Investments	**805,748**	**8.4**	631,958	7.3
Management services	**29,594**	**0.3**	35,944	0.4
	9,536,159	**99.7**	8,682,594	99.8
Unallocated assets	**28,163**	**0.3**	14,996	0.2
	9,564,322	**100.0**	8,697,590	100.0

Segmental Performance Analysis

Total Revenue By Geographical Segments

	2012 $'000	2012 %	2011 $'000	2011 %
Singapore	**862,397**	**75.3**	1,595,528	81.4
Australia	**140,984**	**12.3**	129,569	6.6
Malaysia	**59,459**	**5.2**	158,670	8.1
The People's Republic of China	**27,899**	**2.4**	33,918	1.7
Vietnam	**28,794**	**2.5**	27,279	1.4
Myanmar	**22,248**	**1.9**	12,573	0.7
Others	**3,996**	**0.4**	2,697	0.1
	1,145,777	**100.0**	1,960,234	100.0

Adjusted EBITDA* By Geographical Segments

	2012 $'000	2012 %	2011 (restated) $'000	2011 (restated) %
Singapore	**552,597**	**87.7**	731,483	88.1
Australia	**32,982**	**5.2**	30,593	3.7
Malaysia	**18,698**	**3.0**	54,572	6.6
Vietnam	**11,522**	**1.8**	11,720	1.4
Myanmar	**11,270**	**1.8**	3,927	0.5
The People's Republic of China	**1,051**	**0.2**	(2,662)	(0.3)
Others	**2,059**	**0.3**	240	–
	630,179	**100.0**	829,873	100.0

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

Total Assets By Geographical Segments

	2012 $'000	2012 %	2011 (restated) $'000	2011 (restated) %
Singapore	**8,368,862**	**87.5**	7,514,237	86.4
The People's Republic of China	**538,831**	**5.6**	468,923	5.4
Malaysia	**294,207**	**3.1**	321,925	3.7
Australia	**287,308**	**3.0**	318,751	3.7
Vietnam	**49,881**	**0.5**	54,774	0.6
Myanmar	**12,549**	**0.2**	14,894	0.2
Others	**12,684**	**0.1**	4,086	–
	9,564,322	**100.0**	8,697,590	100.0

Value-added Statement

	2012 $'000	2011 (restated) $'000
Sales of goods and services	**1,122,585**	1,934,015
Purchase of materials and services	**(616,744)**	(1,221,572)
Gross value added	**505,841**	712,443
Share of profit of associated companies	**221,662**	174,622
Share of loss of joint venture companies	**(364)**	(500)
Income from investments and interest	**26,912**	28,987
Other losses	**(24,995)**	(19,731)
Fair value gains on investment properties	**442,097**	187,222
Currency exchange differences	**7,392**	(1,815)
Total Value Added	**1,178,545**	1,081,228
Distribution of Value Added:		
To employees and directors		
Employees' salaries, wages and benefits	**154,266**	151,076
Directors' remuneration	**3,157**	3,271
	157,423	154,347
To government		
Corporate and property taxes	**63,435**	119,614
To providers of capital		
Interest expense	**57,525**	56,037
Dividend attributable to non-controlling interests	**24,396**	55,002
Dividend attributable to equity holders of the Company	**115,237**	115,101
	197,158	226,140
Total Value Added Distributed	**418,016**	500,101

Value-added Statement

	2012 $'000	2011 (restated) $'000
Retained in the business		
Depreciation	**45,457**	42,637
Retained earnings	**263,805**	344,016
	309,262	386,653
Non-production cost and income		
Bad debts	**(139)**	(189)
Income from investments and interest	**26,912**	28,987
Other losses	**(24,995)**	(19,731)
Fair value gains on investment properties	**442,097**	187,222
Currency exchange differences	**7,392**	(1,815)
	451,267	194,474
	1,178,545	1,081,228

Productivity Ratios:	**$**	$
Value added per employee	**105,692**	153,909
Value added per $ employment costs	**3.21**	4.62
Value added per $ investment in property, plant and equipment and investment properties (before depreciation)		
– at cost	**0.17**	0.29
– at valuation	**0.11**	0.20
Value added per $ net sales	**0.45**	0.37

Financial Report

Financial Contents

The directors have pleasure in submitting this report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2012.

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
Alan Choe Fook Cheong
Low Weng Keong
Wee Ee-chao
Wee Ee Lim
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 63 to 65 of this report.

Directors' interests in shares or debentures

(a) The directors holding office at 31 December 2012 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 31.12.2012	At 1.1.2012	At 31.12.2012	At 1.1.2012
UOL Group Limited ("UOL")				
– Ordinary Shares				
Wee Cho Yaw	**3,388,151**	3,388,151*	**235,263,442***	228,818,442*
Gwee Lian Kheng	**388,000**	388,000	**–**	–
Wee Ee-chao	**30,748***	30,748*	**87,265,530***	82,820,597*
Wee Ee Lim	**241,489**	241,489	**86,998,452***	80,553,452*
Wee Sin Tho	**100,000**	100,000	**–**	–
– Executives' Share Options				
Gwee Lian Kheng	**720,000**	680,000	**–**	–
Pan Pacific Hotels Group Limited ("PPHG")				
– Ordinary Shares				
Wee Cho Yaw	**–**	–	**489,440,652***	489,440,652*
Gwee Lian Kheng	**171,000**	171,000	**315,000**	315,000
Wee Ee-chao	**–**	–	**892,500***	892,500*

* 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 2013, were the same as those at 31 December 2012.

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 2012 has any interest in the ordinary shares and Executives' Share Options of the Company and the ordinary shares of PPHG and any other related corporations of the Company, as recorded in the register of directors' shareholdings.

Directors' contractual benefits

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

Share options

UOL Group Executives' Share Option Scheme

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

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

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

(c) On 23 August 2012, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,477,000 ordinary shares in the Company (known as "the 2012 Options") at the exercise price of $5.40 per ordinary share. 1,477,000 options granted were accepted by the executives, including Gwee Lian Kheng. The total fair value of the options granted was estimated to be $2,201,000 using the Trinomial Tree Model.

The details of the options accepted are as follows:

	No. of employees	At exercise price of $5.40 per share
Executive Director	1	120,000
Other Executives	51	1,357,000
	52	1,477,000

(d) Statutory information regarding the 2012 Options is as follows:

(i) The option period begins on 23 August 2013 and expires on 22 August 2022 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.

Share options (continued)

UOL Group Executives' Share Option Scheme (continued)

(d) Statutory information regarding the 2012 Options is as follows: (continued)

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

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

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

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

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

Alan Choe Fook Cheong	Chairman	(Independent)
Wee Cho Yaw	Member	(Non-independent)
Wee Sin Tho	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 31.12.2011	Options granted during the financial year	Aggregate options granted since commencement of the 2000 and 2012 Scheme to 31.12.2012	Aggregate options exercised since commencement of the 2000 and 2012 Scheme to 31.12.2012	Aggregate options outstanding at 31.12.2012
1,080,000	120,000	1,200,000	480,000	720,000

(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.

Outstanding Share Options

At 31 December 2012, 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.

Outstanding Share Options (continued)

During the financial year, 1,649,000 ordinary shares of the Company were issued upon the exercise of options by:

Holders of	Number of ordinary shares	Exercise price per share $
2003 Options	42,000	2.05
2006 Options	116,000	3.21
2007 Options	230,000	4.91
2008 Options	267,000	3.68
2009 Options	229,000	1.65
2010 Options	333,000	3.95
2011 Options	432,000	4.62
	1,649,000	

Unissued ordinary shares under options at 31 December 2012 comprise:

	At 1.1.2012	Options granted in 2012	Options exercised	Options forfeited	At 31.12.2012	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2003 Options	42,000	–	(42,000)	–	–	2.05	27.06.2004 to 26.06.2013
2004 Options	160,000	–	–	–	160,000	2.28	21.05.2005 to 20.05.2014
2005 Options	42,000	–	–	–	42,000	2.23	09.05.2006 to 08.05.2015
2006 Options	234,000	–	(116,000)	–	118,000	3.21	18.05.2007 to 17.05.2016
2007 Options	722,000	–	(230,000)	(20,000)	472,000	4.91	16.03.2008 to 15.03.2017
2008 Options	659,000	–	(267,000)	(8,000)	384,000	3.68	07.03.2009 to 06.03.2018
2009 Options	291,000	–	(229,000)	–	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	963,000	–	(333,000)	–	630,000	3.95	05.03.2011 to 04.03.2020
2011 Options	1,365,000	–	(432,000)	(98,000)	835,000	4.62	04.03.2012 to 03.03.2021
2012 Options	–	1,477,000	–	–	1,477,000	5.40	23.08.2013 to 22.08.2022
	4,478,000	1,477,000	(1,649,000)	(126,000)	4,180,000		

Audit Committee

The Audit Committee comprises three members as follows:

Independent and non-executive directors
Low Weng Keong - Chairman
Alan Choe Fook Cheong

Non-independent and non-executive director
Wee Ee Lim

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

Report of the Directors (continued)

For the financial year ended 31 December 2012

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

28 February 2013

Statement by Directors

For the financial year ended 31 December 2012

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 69 to 148 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 2012, 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

28 February 2013

Independent Auditor's Report

To the Members of 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 69 to 148, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2012, 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 2012, 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 Certified Public Accountants

Singapore, 28 February 2013

Income Statements

For the financial year ended 31 December 2012

	Note	The Group 2012 $'000	The Group 2011 (restated) $'000	The Company 2012 $'000	The Company 2011 (restated) $'000
Revenue	4	**1,145,777**	1,960,234	**112,061**	380,715
Cost of sales		**(636,284)**	(1,208,318)	**(2,528)**	(2,670)
Gross profit		**509,493**	751,916	**109,533**	378,045
Other income					
– Finance income	4	**11,112**	2,768	**16,518**	11,139
– Miscellaneous income	4	**12,669**	13,089	**3,196**	2,945
Expenses					
– Marketing and distribution		**(37,404)**	(33,635)	**(400)**	(420)
– Administrative		**(66,203)**	(65,391)	**(14,745)**	(14,952)
– Finance	7	**(33,090)**	(39,233)	**(22,246)**	(18,716)
– Other operating		**(70,630)**	(67,172)	**(1,064)**	(1,275)
Share of profit of associated companies	17	**221,662**	174,622	**–**	–
Share of loss of joint venture companies	12,18	**(364)**	(500)	**–**	–
		547,245	736,464	**90,792**	356,766
Other (losses)/gains	8	**(24,995)**	(19,731)	**9,943**	11,063
Fair value gains on investment properties	20	**442,097**	187,222	**34,410**	10,930
Profit before income tax		**964,347**	903,955	**135,145**	378,759
Income tax expense	9(a)	**(44,163)**	(102,076)	**12,166**	(3,516)
Net profit		**920,184**	801,879	**147,311**	375,243
Attributable to:					
Equity holders of the Company		**807,675**	678,572	**147,311**	375,243
Non-controlling interests		**112,509**	123,307	**–**	–
		920,184	801,879	**147,311**	375,243
Earnings per share attributable to equity holders of the Company (expressed in cents per share)	10				
– Basic		**105.06**	88.12		
– Diluted		**104.88**	88.05		

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

Statements of Comprehensive Income

For the financial year ended 31 December 2012

	Note	The Group 2012 $'000	The Group 2011 (restated) $'000	The Company 2012 $'000	The Company 2011 (restated) $'000
Net profit		**920,184**	801,879	**147,311**	375,243
Other comprehensive income/(loss):					
Fair value gains/(losses) on available-for-sale financial assets	31(b)	**164,730**	(107,857)	**123,589**	(78,487)
Cash flow hedges					
– Fair value (losses)/gains	31(f)	**(92)**	3,549	**(92)**	3,348
– Transfer to income statement	31(f)	**(42)**	(1,712)	**(42)**	(1,891)
Currency translation differences arising from consolidation of foreign operations	31(e)	**(20,604)**	2,275	**–**	–
Share of other comprehensive (loss)/income of associated companies	31(a),(e)	**(4,067)**	4,586	**–**	–
Other comprehensive income/(loss), net of tax		**139,925**	(99,159)	**123,455**	(77,030)
Total comprehensive income		**1,060,109**	702,720	**270,766**	298,213
Total comprehensive income attributable to:					
Equity holders of the Company		**950,289**	579,709	**270,766**	298,213
Non-controlling interests		**109,820**	123,011	**–**	–
		1,060,109	702,720	**270,766**	298,213

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

Statements of Financial Position

As at 31 December 2012

	Note	The Group 2012 $'000	The Group 2011 (restated) $'000	The Group 2010 (restated) $'000	The Company 2012 $'000	The Company 2011 (restated) $'000	The Company 2010 (restated) $'000
ASSETS							
Current assets							
Cash and bank balances	11	**260,061**	297,358	313,169	**11,092**	6,515	1,727
Trade and other receivables	12	**202,526**	126,247	215,691	**88,408**	243,732	254,866
Development properties	13	**995,915**	1,150,887	1,192,916	**–**	–	–
Inventories	14	**783**	1,110	1,622	**–**	–	–
Available-for-sale financial assets	15	**522,226**	402,833	479,767	**522,226**	402,833	479,767
Other assets	16	**12,045**	23,258	45,695	**1,286**	774	315
Current income tax assets	9(b)	**415**	647	904	**–**	–	–
		1,993,971	2,002,340	2,249,764	**623,012**	653,854	736,675
Non-current assets							
Trade and other receivables	12	**148,691**	73,150	1,906	**928,021**	970,364	685,866
Derivative financial instrument	26	**873**	754	–	**873**	754	–
Available-for-sale financial assets	15	**283,484**	220,565	246,972	**89,270**	64,778	66,184
Investments in associated companies	17	**2,633,129**	2,438,141	2,290,327	**161,289**	161,589	161,589
Investments in joint venture companies	18	**–**	–	–	**–**	–	–
Investments in subsidiaries	19	**–**	–	–	**1,519,419**	1,308,546	1,295,483
Investment properties	20	**3,342,754**	2,838,328	2,261,613	**330,990**	296,580	285,650
Property, plant and equipment	21	**1,130,024**	1,090,066	980,523	**1,627**	983	843
Intangibles	22	**27,607**	29,908	42,807	**866**	1,031	793
Deferred income tax assets	29	**3,789**	4,338	3,651	**27**	–	298
		7,570,351	6,695,250	5,827,799	**3,032,382**	2,804,625	2,496,706
Total assets		**9,564,322**	8,697,590	8,077,563	**3,655,394**	3,458,479	3,233,381
LIABILITIES							
Current liabilities							
Trade and other payables	23	**278,260**	301,832	360,275	**75,411**	68,696	155,296
Derivative financial instrument	26	**–**	–	2,213	**–**	–	1,756
Current income tax liabilities	9(b)	**50,672**	94,988	61,494	**5,842**	20,789	19,931
Loans from non-controlling shareholders of subsidiaries (unsecured)	27	**–**	43,364	18,990	**–**	–	–
Borrowings	24	**659,069**	1,199,073	745,660	**178,212**	407,314	469,951
		988,001	1,639,257	1,188,632	**259,465**	496,799	646,934
Non-current liabilities							
Trade and other payables	23	**163,021**	57,257	53,287	**3,612**	3,526	3,051
Borrowings	24	**1,504,883**	1,076,131	1,378,687	**748,451**	498,689	249,748
Derivative financial instrument	26	**162**	–	–	**162**	–	–
Loans from non-controlling shareholders of subsidiaries (unsecured)	27	**9,957**	7,353	47,278	**–**	–	–
Provision for retirement benefits	28	**2,942**	2,758	2,539	**–**	–	–
Deferred income tax liabilities	29	**176,430**	143,911	136,361	**79,124**	58,759	71,682
		1,857,395	1,287,410	1,618,152	**831,349**	560,974	324,481
Total liabilities		**2,845,396**	2,926,667	2,806,784	**1,090,814**	1,057,773	971,415
NET ASSETS		**6,718,926**	5,770,923	5,270,779	**2,564,580**	2,400,706	2,261,966
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	30	**1,046,954**	1,040,694	1,051,898	**1,046,954**	1,040,694	1,051,898
Reserves	31	**805,738**	661,039	758,005	**409,053**	283,513	358,646
Retained earnings		**4,289,920**	3,582,240	3,041,935	**1,108,573**	1,076,499	851,422
		6,142,612	5,283,973	4,851,838	**2,564,580**	2,400,706	2,261,966
Non-controlling interests		**576,314**	486,950	418,941	**–**	–	–
Total equity		**6,718,926**	5,770,923	5,270,779	**2,564,580**	2,400,706	2,261,966

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

Consolidated Statement of Changes In Equity

For the financial year ended 31 December 2012

	Note	Attributable to equity holders of the Company Share capital $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2012							
Beginning of financial year, as previously reported		1,040,694	661,039	3,352,998	5,054,731	473,940	5,528,671
Effects of adopting Amendments to FRS 12	2.1	–	–	229,242	229,242	13,010	242,252
Beginning of financial year, as restated		**1,040,694**	**661,039**	**3,582,240**	**5,283,973**	**486,950**	**5,770,923**
Employee share option scheme							
– Value of employee services	31(a)	–	2,085	–	2,085	–	2,085
– Proceeds from shares issued	30	6,260	–	–	6,260	–	6,260
Dividends	32	–	–	(115,237)	(115,237)	(24,396)	(139,633)
Issue of shares to non-controlling interests		–	–	–	–	3,940	3,940
Share of an associated company's acquisition of interests from non-controlling shareholders	17	–	–	15,242	15,242	–	15,242
Total comprehensive income for the year		–	142,614	807,675	950,289	109,820	1,060,109
End of financial year		**1,046,954**	**805,738**	**4,289,920**	**6,142,612**	**576,314**	**6,718,926**
2011							
Beginning of financial year, as previously reported		1,051,898	758,005	2,827,072	4,636,975	410,601	5,047,576
Effects of adopting Amendments to FRS 12	2.1	–	–	214,863	214,863	8,340	223,203
Beginning of financial year, as restated		**1,051,898**	**758,005**	**3,041,935**	**4,851,838**	**418,941**	**5,270,779**
Employee share option scheme							
– Value of employee services	31(a)	–	1,897	–	1,897	–	1,897
– Proceeds from shares issued	30	2,883	–	–	2,883	–	2,883
Shares cancelled upon buy-back	30	(14,087)	–	(35,065)	(49,152)	–	(49,152)
Dividends	32	–	–	(115,101)	(115,101)	(55,002)	(170,103)
Share of an associated company's acquisition of interests from non-controlling shareholders	17	–	–	11,899	11,899	–	11,899
Total comprehensive (loss)/income for the year, as previously reported		–	(98,863)	664,193	565,330	118,341	683,671
Effects of adopting Amendments to FRS 12	2.1	–	–	14,379	14,379	4,670	19,049
Total comprehensive (loss)/income for the year, as restated		–	(98,863)	678,572	579,709	123,011	702,720
End of financial year, as restated		**1,040,694**	**661,039**	**3,582,240**	**5,283,973**	**486,950**	**5,770,923**

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 2012

	Note	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
2012					
Beginning of financial year, as previously reported		1,040,694	283,513	1,071,258	2,395,465
Effects of adopting Amendments to FRS 12	2.1	–	–	5,241	5,241
Beginning of financial year, as restated		**1,040,694**	**283,513**	**1,076,499**	**2,400,706**
Employee share option scheme					
– Value of employee services	31(a)	–	2,085	–	2,085
– Proceeds from shares issued	30	6,260	–	–	6,260
Dividends	32	–	–	(115,237)	(115,237)
Total comprehensive income for the year		–	123,455	147,311	270,766
End of financial year		**1,046,954**	**409,053**	**1,108,573**	**2,564,580**
2011					
Beginning of financial year, as previously reported		1,051,898	358,646	846,068	2,256,612
Effects of adopting Amendments to FRS 12	2.1	–	–	5,354	5,354
Beginning of financial year, as restated		**1,051,898**	**358,646**	**851,422**	**2,261,966**
Employee share option scheme					
– Value of employee services	31(a)	–	1,897	–	1,897
– Proceeds from shares issued	30	2,883	–	–	2,883
Shares cancelled upon buy-back	30	(14,087)	–	(35,065)	(49,152)
Dividends	32	–	–	(115,101)	(115,101)
Total comprehensive (loss)/income for the year, as previously reported		–	(77,030)	375,356	298,326
Effects of adopting Amendments to FRS 12	2.1	–	–	(113)	(113)
Total comprehensive (loss)/income for the year, as restated		–	(77,030)	375,243	298,213
End of financial year, as restated		**1,040,694**	**283,513**	**1,076,499**	**2,400,706**

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

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2012

	2012 $'000	2011 (restated) $'000
Cash flows from operating activities		
Net profit	920,184	801,879
Adjustments for		
– Income tax expense	44,163	102,076
– Depreciation and amortisation	47,910	45,112
– Allowance for impairment of loans and receivables - net	139	189
– Share of profit of associated companies	(221,662)	(174,622)
– Share of loss of joint venture companies	364	500
– Unrealised translation (gains)/losses	(9,092)	3,960
– Net provision for retirement benefits	392	374
– Employee share option expense	998	1,818
– Dividend income and interest income	(26,912)	(28,987)
– Interest expense	33,090	37,418
– Fair value gains on investment properties	(442,097)	(187,222)
– Property, plant and equipment written off and net loss on disposals	3,539	550
– Negative goodwill on acquisition of interests in an associated company	(3,624)	(4,092)
– Impairment charge on property, plant and equipment	33,318	2,600
– Impairment charge on goodwill	–	13,080
– Gain on disposal of an available-for-sale financial asset	(4,699)	–
	376,011	614,633
Change in working capital		
– Receivables	24,317	59,633
– Development properties	125,156	(95,650)
– Derivative financial instrument	(119)	(754)
– Inventories	327	512
– Payables	68,499	(25,374)
	218,180	(61,633)
Cash generated from operations	594,191	553,000
Income tax paid	(74,801)	(48,991)
Retirement benefits paid	(135)	(82)
Release of fixed deposits pledged as security	6,000	–
Bank deposits pledged as security	(5,136)	–
Net cash provided by operating activities	520,119	503,927
Cash flows from investing activities		
Proceeds from disposal of an available-for-sale financial asset	7,413	–
Proceeds from liquidation of an associated company	370	–
Payments for intangibles	(267)	(3,209)
Payments for interests in associated companies	(15,954)	(155,396)
Payments for interests in a joint venture company	–	(500)
Loans to joint venture companies	(77,811)	(71,244)
Repayment of loan by an associated company	–	73,201
Net proceeds from disposal of property, plant and equipment	3,884	140
Acquisition of assets via business combination	–	(141,474)
Purchase of property, plant and equipment and investment properties	(237,908)	(319,458)
Interest received	3,720	2,802
Dividends received	78,943	233,026
Net cash used in investing activities	(237,610)	(382,112)

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

Consolidated Statement of Cash Flows (continued)

For the financial year ended 31 December 2012

	Note	2012 $'000	2011 (restated) $'000
Cash flows from financing activities			
Proceeds from shares issued		6,260	2,883
Net proceeds from issue of shares to non-controlling shareholders of subsidiaries		3,940	–
Loans from non-controlling shareholders of subsidiaries		2,790	2,747
Repayment of loans from non-controlling shareholders of subsidiaries		(43,344)	(18,076)
Proceeds from unsecured fixed rate notes		250,000	300,000
Repayment of unsecured fixed and floating rate notes due 2012		(250,000)	–
Proceeds from borrowings		617,282	634,920
Repayment of borrowings		(705,157)	(794,038)
Expenditure relating to bank borrowings		(5,150)	(2,164)
Interest paid		(53,000)	(44,653)
Dividends paid to equity holders of the Company		(115,237)	(115,101)
Dividends paid to non-controlling interests		(24,396)	(55,002)
Payments for share buy-back		–	(49,152)
Net cash used in financing activities		(316,012)	(137,636)
Net decrease in cash and cash equivalents		(33,503)	(15,821)
Cash and cash equivalents at the beginning of the financial year		291,141	307,160
Effects of currency translation on cash and cash equivalents		(2,713)	(198)
Cash and cash equivalents at the end of the financial year	11(c)	254,925	291,141

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

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

1. General information

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

101 Thomson Road
#33-00 United Square
Singapore 307591

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2012

On 1 January 2012, 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 adoption of the amendment to FRS 12, the effects of which are disclosed below:

The Group has adopted the amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets on 1 January 2012. The amended FRS 12 has introduced a presumption that an investment property measured at fair value is recovered entirely by sale. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012 with early adoption permitted. Previously, the Group accounted for deferred tax on fair value gains on investment property on the basis that the asset would be recovered through use. Upon adoption of the amendment, such deferred tax is measured on the basis of recovery through sale.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

The effects on adoption are as follows.

Effect on Statements of Financial Position

	The Group			The Company		
	31.12.2012	31.12.2011	1.1.2011	31.12.2012	31.12.2011	1.1.2011
	$'000	$'000	$'000	$'000	$'000	$'000
Decrease in deferred income tax liabilities	**110,588**	69,086	49,628	**5,141**	5,241	5,354
Increase in investment in associated companies	**195,277**	173,166	173,575	**–**	–	–
	305,865	242,252	223,203	**5,141**	5,241	5,354
Increase in retained earnings	**278,940**	229,242	214,863	**5,141**	5,241	5,354
Increase in non-controlling interests	**26,925**	13,010	8,340	**–**	–	–
	305,865	242,252	223,203	**5,141**	5,241	5,354

Effect on Income Statements

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Increase/(decrease) in share of profit of associated companies	**22,111**	(409)	**–**	–
Increase/(decrease) in profit before income tax	**22,111**	(409)	**–**	–
Decrease/(increase) in income tax expense	**41,502**	19,458	**(100)**	(113)
	63,613	19,049	**(100)**	(113)
Increase/(decrease) in net profit attributable to:				
– Equity holders of the Company	**49,698**	14,379	**(100)**	(113)
– Non-controlling interests	**13,915**	4,670	**–**	–
	63,613	19,049	**(100)**	(113)
Increase in basic earnings per share (cents)	**6.46**	1.87		
Increase in diluted earnings per share (cents)	**6.45**	1.87		

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.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

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*

Sales of development properties whereby sale and purchase agreements are entered into prior to the completion of construction are recognised when the completed properties are delivered to the buyers. Sales where it has been determined that the control and the risk and rewards of the property are transferred to the buyers as construction progresses, the Group recognises revenue by reference to the stage of completion of the development 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 finance leases and other financial instruments, is recognised using the effective interest method.

(e) *Dividend income*

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

(f) *Revenue from property investments - rental income*

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

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

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

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

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

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (i) 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 is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(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.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(iii) *Disposals* (continued)

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

(b) *Transactions with non-controlling interests*

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

(c) *Associated companies and joint venture companies*

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

(ii) *Equity method of accounting*

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

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

(iii) *Disposals*

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

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

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

(iii) *Disposals* (continued)

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

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

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

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

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

(ii) *Properties under development*

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

(iii) *Other property, plant and equipment*

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

(iv) *Component of costs*

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

(b) *Depreciation*

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

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

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

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(b) *Depreciation* (continued)

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.

Completed development properties 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 development and selling expenses. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

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 are included in the carrying amount of the investments.

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

(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.

2. Significant accounting policies (continued)

2.6 Intangibles (continued)

(c) *Acquired computer software costs*

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

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

(d) *Contract acquisition costs*

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

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

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

2.7 Borrowing costs

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

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

2.8 Investment properties

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

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

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. Significant accounting policies (continued)

2.9 Investments in subsidiaries, associated companies and joint venture companies

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

2.10 Impairment of non-financial assets

(a) *Goodwill*

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

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

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

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

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

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

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

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

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

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

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

2. 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" and "cash and bank balances" and deposits within "other assets" on the statement of financial position.

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

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

(b) *Recognition and derecognition*

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

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

(c) *Measurement*

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

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

(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.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(d) Impairment (continued)

(i) Loans and receivables (continued)

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.

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries, associated companies and joint venture companies. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries, associated companies or joint venture companies 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', associated companies' and joint venture companies' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

Intra-group transactions are eliminated on consolidation.

2.13 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. Significant accounting policies (continued)

2.15 Derivative financial instruments and hedging activities

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

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

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

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

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

Cash flow hedge - Interest rate swaps

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

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

2.16 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. Significant accounting policies (continued)

2.17 Leases

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

The Group leases certain property, plant and equipment 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 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.

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.

2. Significant accounting policies (continued)

2.19 Income taxes (continued)

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

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

Deferred income tax is measured:

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

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

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

2.20 Provisions

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

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

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

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.

2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

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

Defined benefit plans

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

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

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

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

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

(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.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(b) *Transactions and balances*

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

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

Foreign exchange gains and losses that relate to borrowings are presented net in the income statement within "finance income" or "finance costs". 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.

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 $402,858,000 (2011: $279,742,000).

(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.

4. Revenue, finance income and miscellaneous income

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Revenue from property development	**560,022**	1,393,773	**–**	–
Revenue from property investments	**166,087**	160,308	**16,779**	16,066
Gross revenue from hotel ownership and operations	**377,721**	360,038	**–**	–
Revenue from hotel and other management services	**18,755**	19,896	**–**	–
Dividend income from available-for-sale financial assets	**23,192**	26,219	**17,124**	19,252
Dividend income from subsidiaries	**–**	–	**48,508**	141,528
Dividend income from associated companies	**–**	–	**29,650**	203,869
Total revenue	**1,145,777**	1,960,234	**112,061**	380,715
Interest income				
– fixed deposits with financial institutions	**1,499**	1,245	**–**	–
– loans to subsidiaries	**–**	–	**11,777**	10,906
– loans to associated companies	**104**	168	**–**	64
– loan to joint venture companies	**1,846**	909	**–**	–
– others	**271**	446	**29**	12
	3,720	2,768	**11,806**	10,982
Currency exchange gains – net	**7,392**	–	**4,712**	157
Finance income	**11,112**	2,768	**16,518**	11,139
Fair value gains on derivative financial instruments	**647**	754	**647**	754
Other miscellaneous income	**12,022**	12,335	**2,549**	2,191
Miscellaneous income	**12,669**	13,089	**3,196**	2,945
	1,169,558	1,976,091	**131,775**	394,799

5. Expenses by nature

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Cost of inventories sold	**30,252**	31,715	**–**	–
Depreciation of property, plant and equipment (Note 21)	**45,457**	42,637	**457**	397
Amortisation of intangibles [Note 22(a),(b),(c)]	**2,453**	2,475	**270**	258
Total depreciation and amortisation	**47,910**	45,112	**727**	655
Hospitality expenses	**53,642**	51,786	**–**	–
Property, plant and equipment written off and net loss on disposals	**3,539**	550	**–**	–
Auditors' remuneration paid/payable to:				
– auditor of the Company	**797**	690	**233**	166
– other auditors	**789**	727	**–**	–
Other fees paid/payable to:				
– auditor of the Company	**25**	33	**–**	–
– other auditors	**113**	124	**–**	–
Employees compensation (Note 6)	**156,607**	153,481	**9,835**	11,079
Rent paid to a subsidiary	**–**	–	**423**	442
Rent paid to other parties	**2,471**	1,704	**–**	–
Heat, light and power	**27,121**	25,601	**743**	808
Property tax	**19,272**	17,538	**1,053**	1,247
Development cost included in cost of sales	**397,563**	979,334	**–**	–
Advertising and promotion	**26,299**	23,861	**409**	298
Management fees	**1,215**	1,240	**98**	28
Repairs and maintenance	**16,373**	18,939	**496**	798
Allowance for impairment of receivables - net	**139**	189	**–**	–
Other expenses	**26,394**	21,892	**4,720**	3,796
Total cost of sales, marketing and distribution, administrative and other operating expenses	**810,521**	1,374,516	**18,737**	19,317

6. Employees compensation

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Wages and salaries	144,453	139,383	16,733	16,694
Employer's contribution to defined contribution plans including Central Provident Fund	10,764	11,906	1,312	1,225
Retirement benefits [Note 28(b)]	392	374	–	–
Share options granted to directors and employees	998	1,818	729	1,361
	156,607	153,481	18,774	19,280
Less: Recharged to subsidiaries	–	–	(8,939)	(8,201)
	156,607	153,481	9,835	11,079

7. Finance expense

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Interest expense:				
– bank loans, notes and overdrafts	52,962	49,504	21,458	16,467
– loans from non-controlling shareholders of subsidiaries	154	166	–	–
– finance lease liabilities	337	254	–	–
– bank facility fees	4,072	6,113	746	358
	57,525	56,037	22,204	16,825
Cash flow hedges, transfer from hedging reserve [Note 31(f)]	42	1,712	42	1,891
Less:				
Amount capitalised to development properties [Note 13(b)]	(17,457)	(15,080)	–	–
Amount capitalised to investment properties [Note 20(f)]	(2,817)	(2,098)	–	–
Amount capitalised to properties, plant and equipment [Note 21(b)]	(4,203)	(3,153)	–	–
	(24,477)	(20,331)	–	–
	33,090	37,418	22,246	18,716
Currency exchange losses – net	–	1,815	–	–
	33,090	39,233	22,246	18,716

8. Other (losses)/gains

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Business acquisition costs [Note 38(d)]	–	(8,143)	–	–
Negative goodwill on acquisition of interests in an associated company	3,624	4,092	–	–
Impairment charge on property, plant and equipment	(33,318)	(2,600)	–	–
Impairment charge on goodwill	–	(13,080)	–	–
Gain on disposal of an available-for-sale financial asset	4,699	–	–	–
Gain on liquidation of an associated company	–	–	70	–
Reversal of impairment charge on investments in subsidiaries (Note 19)	–	–	9,873	11,063
	(24,995)	(19,731)	9,943	11,063

9. Income taxes

(a) Income tax expense

	The Group 2012 $'000	The Group 2011 (restated) $'000	The Company 2012 $'000	The Company 2011 (restated) $'000
Tax expense attributable to profit is made up of:				
– Profit from current financial year:				
Current income tax				
– Singapore [Note (b) below]	37,991	69,033	3,376	3,359
– Foreign [Note (b) below]	8,886	15,209	–	–
– Withholding tax paid [Note (b) below]	731	558	2	2
	47,608	84,800	3,378	3,361
Deferred income tax (Note 29)	12,724	19,751	69	155
	60,332	104,551	3,447	3,516
– (Over)/under provision in preceding financial years:				
Current income tax				
– Singapore [Note (b) below]	(16,819)	(2,079)	(15,613)	–
– Foreign [Note (b) below]	202	2	–	–
	(16,617)	(2,077)	(15,613)	–
Deferred income tax (Note 29)	448	(398)	–	–
	(16,169)	(2,475)	(15,613)	–
	44,163	102,076	(12,166)	3,516

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 2012 $'000	The Group 2011 (restated) $'000	The Company 2012 $'000	The Company 2011 (restated) $'000
Profit before income tax	964,347	903,955	135,145	378,759
Share of profit of associated companies, net of tax	(221,662)	(174,622)	–	–
Share of loss of joint venture companies, net of tax	364	500	–	–
Profit before tax and share of (profit)/loss of associated companies and joint venture companies	743,049	729,833	135,145	378,759
Tax calculated at a tax rate of 17%	126,318	124,072	22,975	64,389
Effects of:				
– Singapore statutory stepped income exemption	(624)	(564)	(26)	(26)
– Different tax rates in other countries	697	4,647	–	–
– Income not subject to tax	(85,332)	(40,468)	(25,047)	(66,198)
– Expenses not deductible for tax purposes	17,448	12,908	5,545	5,351
– Utilisation of previously unrecognised tax losses	(2,750)	(845)	–	–
– Deferred tax assets not recognised in the current financial year	4,575	4,801	–	–
Tax charge	60,332	104,551	3,447	3,516

9. Income taxes (continued)

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

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
At the beginning of the financial year	94,341	60,590	20,789	19,931
Currency translation differences	(274)	19	–	–
Income tax paid	(74,801)	(48,991)	(2,712)	(2,503)
Tax expense on profit [Note (a) above]				
– current financial year	47,608	84,800	3,378	3,361
– over provision in preceding financial years	(16,617)	(2,077)	(15,613)	–
At the end of the financial year	50,257	94,341	5,842	20,789
Comprise:				
Current income tax assets	(415)	(647)	–	–
Current income tax liabilities	50,672	94,988	5,842	20,789
	50,257	94,341	5,842	20,789

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.

	2012	2011 (restated)
Net profit attributable to equity holders of the Company ($'000)	807,675	678,572
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	768,783	770,038
Basic earnings per share (cents per share)	105.06	88.12

(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 2012, the Company's dilutive potential ordinary shares are its share options.

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

10. Earnings per share (continued)

(b) Diluted earnings per share (continued)

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

	2012	2011 (restated)
Net profit attributable to equity holders of the Company ($'000)	807,675	678,572
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	768,783	770,038
Adjustments for share options ('000)	1,280	667
Weighted average number of ordinary shares for diluted earnings per share ('000)	770,063	770,705
Diluted earnings per share (cents per share)	104.88	88.05

11. Cash and bank balances

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Cash at bank and on hand	103,802	75,439	7,579	6,502
Fixed deposits with financial institutions	156,259	221,919	3,513	13
	260,061	297,358	11,092	6,515

(a) Included in cash and bank balances of the Group is an amount of $139,410,000 (2011: $159,645,000) 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 $1,899,000 (2011: $24,000) 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	
	2012 $'000	2011 $'000
Cash and bank balances (as above)	260,061	297,358
Less: Bank overdrafts (Note 24)	–	(217)
Less: Bank deposits pledged as security	(5,136)	(6,000)
Cash and cash equivalents per consolidated statement of cash flows	254,925	291,141

11. Cash and bank balances (continued)

(d) The fixed deposits with financial institutions for the Group and the Company mature on varying dates within 11 months (2011: 11 months) from the end of the financial year and have the following weighted average effective interest rates as at the end of the reporting period:

	The Group		The Company	
	2012 %	2011 %	2012 %	2011 %
Singapore Dollar	**0.3**	0.2	~	0.4
United States Dollar	**1.1**	0.5	–	–
Australian Dollar	**2.3**	3.7	–	–
Malaysian Ringgit	**3.0**	2.6	–	–
Vietnamese Dong	**9.0**	14.0	–	–
Chinese Renminbi	**3.3**	3.5	–	–
Indonesian Rupiah	**6.0**	6.3	–	–

~ Less than 0.05.

(e) Acquisition of a business

Please refer to Note 38 for the effects of acquisition of a business on the cash flows of the Group.

12. Trade and other receivables

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Current				
Trade receivables:				
- non-related parties	**194,923**	121,282	**862**	241
- subsidiaries	**–**	–	**335**	813
- associated companies	**91**	60	**–**	–
Less: Allowance for impairment of receivables				
– non-related parties	**(540)**	(430)	**–**	–
Trade receivables - net	**194,474**	120,912	**1,197**	1,054
Other receivables:				
– subsidiaries (non-trade)	**–**	–	**15,241**	31,472
– associated companies (non-trade)	**4,171**	1,580	**1**	4
– loans to subsidiaries (unsecured)	**–**	–	**71,808**	211,117
– loan to an associated company (unsecured)	**1,906**	–	**–**	–
– sundry debtors	**1,975**	3,755	**161**	85
Other receivables	**8,052**	5,335	**87,211**	242,678
	202,526	126,247	**88,408**	243,732
Non-current				
Loans to:				
– subsidiaries (unsecured)	**–**	–	**928,021**	970,364
– an associated company (unsecured)	**–**	1,906	**–**	–
– joint venture companies (unsecured)	**149,055**	71,244	**–**	–
Less: Share of loss of joint venture companies taken against loans to the joint venture companies	**(364)**	–	**–**	–
	148,691	73,150	**928,021**	970,364
Total trade and other receivables	**351,217**	199,397	**1,016,429**	1,214,096

12. Trade and other receivables (continued)

(a) An allowance for impairment of receivables of $139,000 (2011: $189,000) has been recognised as an expense and included in 'Administrative expenses'.

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

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

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Loans subordinated to secured bank loans:				
– Loans to subsidiaries	**–**	–	**341,526**	791,288
– Loans to associated companies	**–**	1,906	**–**	–
– Loan to joint venture companies	**149,055**	71,244	**–**	–
	149,055	73,150	**341,526**	791,288

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

	The Group		The Company		Borrowing rates	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 %	2011 %
Loans to subsidiaries:						
– Floating rate	**–**	–	**466,186**	393,901	**2.3**	2.0
– Interest-free	**–**	–	**521,434**	564,014	**2.3**	2.2
Loans to associated companies:						
– Fixed rate	**1,906**	1,904	**–**	–	**5.3**	5.5
Loans to joint venture companies:						
– Floating rate	**149,055**	71,244	**–**	–	**1.9**	1.8
	150,961	73,148	**987,620**	957,915		

13. Development properties

	The Group	
	2012 $'000	2011 $'000
Completed properties	**–**	5,452
Development properties in progress	**995,915**	1,145,435
	995,915	1,150,887

Details of development properties in progress are as follows:

	2012	2011
Land, at cost	**1,033,419**	1,355,651
Development costs	**287,157**	501,902
Property taxes, interests and overheads	**84,140**	124,243
	1,404,716	1,981,796
Development profits recognised	**262,478**	297,233
Less: Progress billings	**(671,279)**	(1,133,594)
	995,915	1,145,435

Included in development properties is an amount of $31,720,000 (2011: nil) transferred from investment properties.

13. Development properties (continued)

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

	The Group 2012 $'000	The Group 2011 $'000
Aggregate costs incurred and development profits recognised	**1,264,159**	2,118,481
Less: Progress billings	**(671,278)**	(1,133,594)
	592,881	984,887

(b) Borrowing costs of $17,457,000 (2011: $15,080,000) (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 $995,914,000 (2011: $726,310,000) [Note 24(c)].

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

Property	Tenure of land	Stage of completion	Expected completion date	Site area/gross floor area (sqm)	Effective interest in property
Waterbank at Dakota A residential development comprising 616 units of condominium apartments	99–year leasehold	90.9%	2nd Quarter 2013	17,190/60,164	100%
Spottiswoode Residences A residential development comprising 351 units of condominium apartments	Freehold	44.9%	4th Quarter 2013	9,531/29,586	100%
Katong Regency A residential development comprising 244 units of condominium apartments	Freehold	9.5%	1st Quarter 2015	14,278/19,292	100%
St Patrick's Garden A residential development comprising 186 units of condominium apartments	Freehold	–	1st Quarter 2016	12,950/18,131	100%
Site at Jalan Conlay A proposed residential development comprising 740 units of condominium apartments and 178 serviced apartments in Kuala Lumpur, Malaysia	Freehold	–	4th Quarter 2016	15,993/107,634	60%
The Esplanade (Hai He Hua Ding) A residential development comprising 522 units of condominium apartments and two 11-storey office towers in Tianjin, The People's Republic of China	50-year and 40-year leasehold for residential and commercial components respectively	69.5%	4th Quarter 2013	10,684/71,586	90%

14. Inventories

	The Group 2012 $'000	The Group 2011 $'000
Food and beverages	**694**	857
Other supplies	**89**	253
	783	1,110

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $30,252,000 (2011: $31,715,000).

15. Available-for-sale financial assets

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
At the beginning of the financial year	**623,398**	726,739	**467,611**	545,951
Additions	**–**	17,594	**–**	13,225
Disposals	**(2,714)**	–	**–**	–
Fair value gains/(losses) recognised in other comprehensive income [Note 31(b)]	**185,026**	(120,935)	**143,885**	(91,565)
At the end of the financial year	**805,710**	623,398	**611,496**	467,611
Less: Non-current portion	**(283,484)**	(220,565)	**(89,270)**	(64,778)
Current portion	**522,226**	402,833	**522,226**	402,833

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

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Listed securities:				
– Equity shares – Singapore	**748,691**	580,765	**554,477**	427,692
Unlisted securities:				
– Equity shares – Singapore	**57,019**	42,633	**57,019**	39,919
	805,710	623,398	**611,496**	467,611

16. Other assets

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Deposits	**1,967**	14,732	**15**	14
Prepayments	**10,078**	8,526	**1,271**	760
	12,045	23,258	**1,286**	774

In 2011, the Group had a deposit of $13,804,000 with a third party for a proposed en-bloc acquisition of a development property in Singapore.

17. Investments in associated companies

	The Group 2012 $'000	The Group 2011 (restated) $'000	The Group 2010 (restated) $'000	The Company 2012 $'000	The Company 2011 $'000
Equity investments at cost:					
At the beginning of the financial year				**161,589**	161,589
Liquidation of an associated company				**(300)**	–
At the end of the financial year				**161,289**	161,589
At the beginning of the financial year	**2,438,141**	2,290,327	1,464,870		
Additions	**19,578**	181,185	432,317		
Share of profit, net of tax	**221,662**	174,622	440,332		
Share of acquisition of interests from non-controlling shareholders	**15,242**	11,899	6,097		
Share of reserves of associated companies, net of tax [Note 31(a) and (e)]	**(4,067)**	4,586	(1,232)		
Distribution upon liquidation of an associated company	**(370)**	–	–		
Dividends received, net of tax	**(55,751)**	(224,401)	(51,503)		
Currency translation differences	**(1,306)**	(77)	(554)		
At the end of the financial year	**2,633,129**	2,438,141	2,290,327		

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

	The Group 2012 $'000	The Group 2011 (restated) $'000
– Assets	**10,023,771**	9,687,238
– Liabilities	**1,525,367**	1,646,510
– Revenue	**1,083,444**	1,405,351
– Net profit	**570,644**	438,790

(b) There is no share of an associated company's contingent liabilities incurred jointly with other investors. Contingent liabilities of an associated company in which the Group is severally liable (Note 33) amounted to $6,617,000 (2011: $7,494,000).

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

	The Group 2012 $'000	The Group 2011 (restated) $'000	The Company 2012 $'000	The Company 2011 $'000
Carrying amount	**2,036,325**	1,855,515	**49,006**	49,006
Published price quotation	**1,700,260**	1,588,592	**92,106**	86,935

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

17. Investments in associated companies (continued)

(d) The associated companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2012 %	Equity holding 2011 %	Accounting year end
United Industrial Corporation Limited ("UIC") [Note (e) below]	Property investment, development and management and information technology related products and services	Singapore	**2.35 by UOL and 40.94 by UEI**	2.35 by UOL and 40.51 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
Vista Development Pte Ltd	Liquidated on 26 December 2012	Singapore	**–**	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**	50 by UCI	31 December
Orix-UOL Investments Pte. Ltd.	Liquidated on 6 December 2012	Singapore	**–**	50 by UOD	31 December
Premier Land Development Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December
Shanghai Jin Peng Realty Co. Ltd**	Property development	The People's Republic of China	**40 by UCI**	40 by UCI	31 December
Pilkon Development Company Limited*	Investment holding	The British Virgin Islands	**39.35 by PPHG**	39.35 by PPHG	31 December
PPHR (Thailand) Company Limited~	Marketing agent	Thailand	**48.97 by PPH**	48.97 by PPH	31 December

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

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

The Group and the Company have complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to the appointment of auditing firms for the financial year ended 31 December 2012.

17. Investments in associated companies (continued)

(e) During the financial year, UEI acquired an additional 6,028,000 (2011: 11,685,000) UIC shares which resulted in the Group beneficially owning an aggregate 596,582,565 (2011: 590,554,565) UIC Shares or approximately 43.29% (2011: 42.86%) of the total issued UIC Shares as at 31 December 2012.

18. Investments in joint venture companies

	The Group 2012 $'000	The Group 2011 $'000
At the beginning of the financial year	**–**	–
Additions	**–**	500
Share of loss, net of tax	**–**	(500)
At the end of the financial year	**–**	–

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

	The Group 2012 $'000	The Group 2011 $'000
Assets		
– Current assets	**303,130**	177,349
– Non-current assets	**221**	206
	303,351	177,555
Liabilities		
– Current liabilities	**(9,861)**	(9,826)
– Non-current liabilities	**(293,854)**	(168,231)
	(303,715)	(178,057)
Net liabilities	**(364)**	(502)
Revenue	**55,140**	–
Expenses	**(55,490)**	(500)
Loss before tax	**(350)**	(500)
Income tax	**(14)**	–
Loss after tax	**(364)**	(500)
Proportionate interest in joint venture's capital commitments	**90,318**	105,215

(b) The joint venture companies are:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2012 %	Equity holding 2011 %	Accounting year end
United Venture Development (Bedok) Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December
UVD Pte. Ltd.	Property development	Singapore	**50 by UVI**	50 by UVI	31 December

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

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

19. Investments in subsidiaries

	The Company 2012 Cost $'000	2012 Market value $'000	2011 Cost $'000	2011 Market value $'000
Listed investments at cost	**408,116**	**1,135,502**	408,116	910,360
Unlisted investments at cost	**1,116,640**		915,640	
	1,524,756		1,323,756	
Less accumulated impairment charge:				
At the beginning of the financial year	**(15,210)**		(26,273)	
Reversal of impairment charge for the financial year [Note 8 and (a) below]	**9,873**		11,063	
At the end of the financial year	**(5,337)**		(15,210)	
	1,519,419		1,308,546	

(a) Impairment charge

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

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

(b) The subsidiaries are:

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2012 $'000	Cost of investment 2011 $'000	Equity holding 2012 %	Equity holding 2011 %
Held by the Company						
Pan Pacific Hotels Group Limited ("PPHG")	Hotelier, property owner and investment holding	Singapore	**408,116**	408,116	**81.57**	81.57
UOL Claymore Investment Pte. Ltd.	Hotelier	Singapore	**50,000**	50,000	**100**	100
UOL Somerset Investments Pte. Ltd.	Rental of serviced suites	Singapore	**75,000**	75,000	**100**	100
UOL Property Investments Pte Ltd	Property investment	Singapore	**76,006**	76,006	**100**	100
Novena Square Investments Ltd	Property investment	Singapore	**162,000**	162,000	**60**	60
Novena Square Development Ltd	Property investment	Singapore	**42,000**	42,000	**60**	60
UOL Development Pte Ltd	Property development	Singapore	**20,000**	20,000	**100**	100

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2012 $'000	Cost of investment 2011 $'000	Equity holding 2012 %	Equity holding 2011 %
Held by the Company (continued)						
UOL Development (Dakota) Pte. Ltd.	Property development	Singapore	**41,436**	41,436	**100**	100
Kings & Queens Development Pte. Ltd.	Property development	Singapore	**700**	700	**70**	70
Regency One Development Pte. Ltd.	Property development	Singapore	**800**	800	**80**	80
United Regency Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60
Duchess Walk Pte. Ltd.	Property development	Singapore	**700**	700	**70**	70
Secure Venture Development (Simei) Pte. Ltd.	Property development	Singapore	**600**	600	**60**	60
UOL Residential Development Pte. Ltd.	Property development	Singapore	**1,000**	1,000	**100**	100
UOL Development (St Patrick) Pte. Ltd. (formerly known as Flamegold Pte. Ltd.)	Property development	Singapore	**1,000**	~	**100**	100
Secure Development Pte. Ltd.^	Property development	Singapore	**~**	–	**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 Overseas Investments Pte Ltd	Investment holding	Singapore	**30,500**	30,500	**100**	100
UOL Equity Investments Pte Ltd ("UEI")	Investment holding	Singapore	**480,000**	280,000	**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

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Cost of investment 2012 $'000	Cost of investment 2011 $'000	Equity holding 2012 %	Equity holding 2011 %
Held by the Company (continued)						
Secure Venture Investments Limited ("SVIL")***	Investment holding	Hong Kong	**24,972**	24,972	**100**	100
Hotel Negara Limited	Under liquidation	Singapore	**1,519**	1,519	**100**	100
			1,524,756	1,323,756		

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2012 %	Equity holding 2011 %
Held by subsidiaries				
Promatik Emas Sdn. Bhd.*	Property development	Malaysia	**55 by UOD**	55 by UOD
UOL Serviced Residences Sdn. Bhd.*	Rental of serviced suites	Malaysia	**100 by UOD**	100 by UOD
Suasana Simfoni Sdn. Bhd.*	Property development	Malaysia	**60 by UCI**	60 by UCI
Tianjin UOL Xiwang Real Estate Development Co., Ltd.*	Property development, hotelier and property investment	The People's Republic of China	**90 by UCI**	90 by UCI
UOL Business Consulting (Shanghai) Co., Ltd.^ @	Project management services	The People's Republic of China	**100 by UCI**	–
United Venture Investment (Thomson) Pte. Ltd.^	Investment holding	Singapore	**60 by UVI**	–
Hua Ye Xiamen Hotel Limited*	Hotelier	The People's Republic of China	**100 by SVIL**	100 by SVIL
New Park Hotel (1989) Pte Ltd	Hotelier	Singapore	**100 by PPHG**	100 by PPHG
Hotel Plaza Property (Singapore) 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

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2012 %	Equity holding 2011 %
Held by subsidiaries (continued)				
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.	Provide 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 trademarks	Singapore	**100 by PPHG**	100 by PPHG
Pan Pacific International Pte. Ltd.	Managing and licensing of trademarks	Singapore	**100 by PPHG**	100 by PPHG
Garden Plaza Company Limited*	Hotelier	Vietnam	**100 by PPHG**	100 by PPHG
Success City Pty Limited*	Hotelier	Australia	**100 by PPHG**	100 by PPHG
Success Venture Investments (Australia) Ltd ("SVIA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG
Success Venture Pty Limited*	Trustee company	Australia	**100 by SVIA**	100 by SVIA
Success Venture Investments (WA) Limited ("SVIWA")	Investment holding	The British Virgin Islands	**100 by PPHG**	100 by PPHG
HPL Properties (Malaysia) Sdn. Bhd. ("HPM")*	Investment holding	Malaysia	**100 by PPHG**	100 by PPHG
President Hotel Sdn Berhad ("PHSB")*	Hotelier	Malaysia	**66.67 by HPM and 33.33 by PPHG**	66.67 by HPM and 33.33 by PPHG
Grand Elite Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB
Grand Elite (Penang) Sdn. Bhd.*	Dormant	Malaysia	**100 by PHSB**	100 by PHSB

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2012 %	Equity holding 2011 %
Held by subsidiaries (continued)				
Hotel Investments (Suzhou) Pte. Ltd. ("HIS")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Suzhou Wugong Hotel Co., Ltd*	Hotelier	The People's Republic of China	**100 by HIS**	100 by HIS
Hotel Investments (Hanoi) Pte. Ltd. ("HIH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Westlake International Company*	Hotelier	Vietnam	**75 by HIH**	75 by HIH
YIPL Investment Pte. Ltd. ("YIPL")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Yangon Hotel Limited**	Hotelier	Myanmar	**95 by YIPL**	95 by YIPL
Pan Pacific Hospitality Holdings Pte. Ltd. ("PPHH")	Investment holding	Singapore	**100 by PPHG**	100 by PPHG
Pan Pacific Hospitality Pte. Ltd. ("PPH")	Manage and operate serviced suites	Singapore	**100 by PPHH**	100 by PPHH
Pan Pacific Technical Services Pte. Ltd.	Provision of technical services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH
Pan Pacific Marketing Services Pte. Ltd.	Provision of marketing and related services to hotels and serviced suites	Singapore	**100 by PPHH**	100 by PPHH
Pan Pacific Hotels and Resorts Pte. Ltd. ("PPHR")	Hotel manager and operator	Singapore	**100 by PPHH**	100 by PPHH
Pan Pacific Hotels and Resorts Japan Co., Ltd#	Hotel manager and operator	Japan	**100 by PPHR**	100 by PPHR
Pan Pacific (Shanghai) Hotels Management Co., Ltd.@	Hotel manager and operator	The People's Republic of China	**100 by PPHR**	100 by PPHR
Pan Pacific Hotels and Resorts America, Inc. ("PPHRA")#	Hotel manager and operator	United States of America	**100 by PPHR**	100 by PPHR
Pan Pacific Hotels and Resorts Seattle Limited Liability Co ("PPHRS")#	Hotel manager and operator	United States of America	**100 by PPHRA**	100 by PPHRA

19. Investments in subsidiaries (continued)

(b) The subsidiaries are: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2012 %	Equity holding 2011 %
Held by subsidiaries (continued)				
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

(c) The following unit trusts are held by:

Name of unit trusts	Principal activities	Country of business/ constitution	Units held 2012 %	Units held 2011 %
SVIA				
Success Venture (Darling Harbour) Unit Trust*	Hotelier	Australia	**100**	100
Success Venture (Parramatta) Unit Trust*	Hotelier	Australia	**100**	100
SVIWA				
Success Venture (WA) Unit Trust*	Hotelier	Australia	**100**	100

PricewaterhouseCoopers LLP Singapore is the auditor of all subsidiaries of the Group unless otherwise indicated.
~ Less than $1,000.
* Audited by PricewaterhouseCoopers firms outside Singapore.
** Audited by Myanmar Vigour Company Limited.
*** Audited by RSM Nelson Wheeler.
**** Audited by Kanaka Puradiredja, Robert Yogi Dan Suhartono.
@ Audited by Shanghai LSC Certified Public Accountants Co., Ltd.
# Not required to be audited under the laws of the country of incorporation.
^ 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 2012.

20. Investment properties

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
At the beginning of the financial year	**2,838,328**	2,261,613	**296,580**	285,650
Currency translation differences	**(3,944)**	(61)	**–**	–
Additions during the financial year	**64,978**	296,694	**–**	–
Transfer from property, plant and equipment (Note 21)	**33,015**	92,860	**–**	–
Transfer to development properties	**(31,720)**	–	**–**	–
Fair value gains recognised in income statement	**442,097**	187,222	**34,410**	10,930
At the end of the financial year	**3,342,754**	2,838,328	**330,990**	296,580

(a) Investment properties are carried at fair values at the end of the reporting period as determined by independent professional valuers. Valuations are made semi-annually based on the properties' highest-and-best use using Direct Market Comparison Method, Discounted Cash Flow Method or Income Method.

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

(c) Bank borrowings are secured on certain investment properties of the Group amounting to $1,751,052,000 (2011: $1,235,399,000) [Note 24(c)].

(d) The details of the Group's investment properties at 31 December 2012 were:

		Tenure of land
Faber House	– retained interests in a 12-storey commercial building and a 48-lot carpark at Orchard Road, Singapore	Freehold
Odeon Towers	– a 23-storey commercial building with 3 basement levels and a 2-storey podium block at North Bridge Road, Singapore	999-year leasehold from 1827
United Square	– a commercial building comprising a 4-storey retail podium with a basement, a 30-storey office tower and 7 carpark decks at Thomson Road, Singapore	Freehold
Novena Square	– retained interests in a commercial building comprising two blocks of 18- and 25-storey office towers and a 3-storey retail podium with elevated carparks at Thomson Road, Singapore	99-year lease from 1997
The Plaza	– retained interests in a 32-storey tower block comprising restaurants, function rooms, shops, offices and serviced suites and addition of a 15-storey 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 13-storey office building with a roof terrace and plant levels within a hotel and office development at Upper Pickering Street, Singapore	99-year lease from 2008
OneKM	– an ongoing development comprising a retail mall with 282 carpark lots at Tanjong Katong Road, Singapore	Freehold
PARKROYAL Serviced Suites Kuala Lumpur	– a 287-unit serviced suite with ground floor commercial space and a carpark at Jalan Nagasari, Kuala Lumpur, Malaysia	Freehold
The Esplanade (Hai He Hua Ding)	– an ongoing commercial development comprising basement carparks and a retail mall on the 1st to 3rd storey in Tianjin, People's Republic of China	40-year lease from 2007

20. Investment properties (continued)

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

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Rental income (Note 4)	**166,087**	160,308	**16,779**	16,066
Direct operating expenses arising from investment properties that generated rental income	**24,461**	26,248	**2,528**	2,669

The Group and the Company do not have any investment properties that do not generate rental income.

(f) Borrowing costs of $2,817,000 (2011: $2,098,000) (Note 7) arising on financing specifically entered into for investment properties under construction were capitalised during the financial year.

21. Property, plant and equipment

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

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

21. Property, plant and equipment (continued)

	Land and buildings Freehold $'000	Land and buildings Leasehold $'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 2011	439,117	214,418	338,832	2,080	349,345	7,427	1,351,219
Currency translation differences	(1,590)	998	34	22	1,784	(49)	1,199
Acquisition via business combination	–	138,977	7,044	–	–	–	146,021
Additions	140	1,635	22,903	153	69,593	7,852	102,276
Transfer to investment properties (Note 20)	–	–	–	–	(92,860)	–	(92,860)
Disposals	(6)	(101)	(28,319)	(201)	–	(45)	(28,672)
Reclassification	(4,523)	(168)	6,965	–	4,801	(7,075)	–
At 31 December 2011	433,138	355,759	347,459	2,054	332,663	8,110	1,479,183
Accumulated depreciation and impairment							
At 1 January 2011	60,623	68,237	203,136	1,700	37,000	–	370,696
Currency translation differences	(219)	1,389	(34)	30	–	–	1,166
Charge for the financial year	5,031	6,427	30,978	201	–	–	42,637
Disposals	(1)	(93)	(27,702)	(186)	–	–	(27,982)
Impairment charge (Note 8)	–	–	–	–	2,600	–	2,600
Reclassification	1,187	1,499	(2,620)	(66)	–	–	–
At 31 December 2011	66,621	77,459	203,758	1,679	39,600	–	389,117
Net book value at 31 December 2011	**366,517**	**278,300**	**143,701**	**375**	**293,063**	**8,110**	**1,090,066**

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

21. Property, plant and equipment (continued)

	Plant, equipment, furniture and fittings $'000	Motor vehicles $'000	Total $'000
The Company			
Cost			
At 1 January 2011	2,990	188	3,178
Additions	550	–	550
Disposals	(135)	–	(135)
At 31 December 2011	3,405	188	3,593
Accumulated depreciation			
At 1 January 2011	2,231	104	2,335
Charge for the financial year	360	37	397
Disposals	(122)	–	(122)
At 31 December 2011	2,469	141	2,610
Net book value at 31 December 2011	**936**	**47**	**983**

(a) At 31 December 2012, the open market value of the hotel properties of the Group (including plant, equipment, furniture and fittings) was $1,913,210,000 (2011: $1,456,622,000) and the net book value was $1,106,059,000 (2011: $765,557,000). 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 $807,151,000 (2011: $691,065,000) has not been incorporated in the financial statements.

(b) Borrowing costs of $4,203,000 (2011: $3,153,000) (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(c)] amounting to $940,679,000 (2011: $901,791,000).

(d) The carrying amounts of leasehold land and building held under finance leases are $4,749,000 (2011: $4,925,000) at the end of the reporting period.

(e) The details of the Group's properties in property, plant and equipment at 31 December 2012 were:

		Tenure of land	Remaining lease term
PARKROYAL on Beach Road	– a 343-room hotel at Beach Road, Singapore	99-year lease from 1968	55 years
PARKROYAL on Kitchener Road	– a 534-room hotel at Kitchener Road, Singapore	Freehold	–
PARKROYAL on Pickering	– a 367-room hotel at Upper Pickering Street, Singapore	99-year lease from 2008	95 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	30 years

21. Property, plant and equipment (continued)

(e) The details of the Group's properties in property, plant and equipment at 31 December 2012 were: (continued)

		Tenure of land	Remaining lease term
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	68 years
PARKROYAL Penang Resort	– a 309-room resort hotel at Jalan Batu Ferringhi, Penang, Malaysia	Freehold	–
PARKROYAL Saigon	– a 186-room hotel and 4-storey annex block at Nguyen Van Troi Street, Ho Chi Minh City, Vietnam	49-year lease from 1994	31 years
Sofitel Plaza Hanoi	– a 309-room hotel and 36 serviced suites at Thanh Nien Road, Hanoi, Vietnam	48-year lease from 1993	29 years
Pan Pacific Suzhou	– a 481-room hotel at Xinshi Road, Suzhou, Jiangsu, The People's Republic of China	50-year lease from 1994	32 years
Pan Pacific Xiamen	– a 385-room hotel at Hubin North Road, Xiamen, The People's Republic of China	70-year lease from 1991	49 years
PARKROYAL Yangon	– a 331-room hotel at the corner of Alan Pya Phaya Road and Yaw Min Gyi Road, Yangon, Union of Myanmar	30-year lease from 1997	15 years
PARKROYAL Melbourne Airport	– a 276-room hotel at Melbourne Airport, Australia	50-year lease from 1997 with an option to extend for a further 49 years subject to renewal of head lease	34+49 years

(f) The details of the Group's properties under development at 31 December 2012 were:

Property	Tenure of land	Remaining lease term	Stage of completion	Expected completion date	Site area/ gross floor area (sqm)	Effective interest in property
The Esplanade (Hai He Hua Ding)						
A 330-room hotel in Tianjin, The People's Republic of China	40-year lease from 2007	35 years	55%	4th Quarter 2013	6,881/ 40,173	90%

22. Intangibles

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Trademarks [Note (a) below]	**10,903**	11,643	**–**	–
Computer software costs [Note (b) below]	**4,790**	6,099	**866**	1,031
Contract acquisition costs [Note (c) below]	**712**	964	**–**	–
Goodwill arising on consolidation [Note (d) below]	**11,202**	11,202	**–**	–
	27,607	29,908	**866**	1,031

(a) Trademarks

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Cost				
At the beginning and end of the financial year	**15,045**	15,045	**–**	–
Accumulated amortisation				
At the beginning of the financial year	**3,402**	2,521	**–**	–
Amortisation for the financial year	**740**	881	**–**	–
At the end of the financial year	**4,142**	3,402	**–**	–
Net book value	**10,903**	11,643	**–**	–

(b) Computer software costs

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Cost				
At the beginning of the financial year	**7,474**	4,595	**1,289**	793
Currency translation differences	**(121)**	(5)	**–**	–
Additions	**267**	2,884	**105**	496
At the end of the financial year	**7,620**	7,474	**1,394**	1,289
Accumulated amortisation				
At the beginning of the financial year	**1,375**	–	**258**	–
Currency translation differences	**(15)**	8	**–**	–
Amortisation for the financial year	**1,470**	1,367	**270**	258
At the end of the financial year	**2,830**	1,375	**528**	258
Net book value	**4,790**	6,099	**866**	1,031

(c) Contract acquisition costs

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Cost				
At the beginning of the financial year	**1,221**	1,435	**–**	–
Currency translation differences	**(12)**	3	**–**	–
Additions	**–**	325	**–**	–
Disposals	**–**	(542)	**–**	–
At the end of the financial year	**1,209**	1,221	**–**	–
Accumulated amortisation				
At the beginning of the financial year	**257**	30	**–**	–
Currency translation differences	**(3)**	–	**–**	–
Amortisation for the financial year	**243**	227	**–**	–
At the end of the financial year	**497**	257	**–**	–
Net book value	**712**	964	**–**	–

22. Intangibles (continued)

(d) Goodwill arising on consolidation

	The Group 2012 $'000	The Group 2011 $'000
At the beginning of the financial year	**11,202**	24,283
Impairment of goodwill	**–**	(13,081)
At the 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 2012 $'000	Hotel operations 2011 $'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 9 years (2011: 5 to 9 years) which were prepared based on the expected future market trend.

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

	Malaysia %	Singapore %
2012		
Growth rate	2.4	7.0
Discount rate	9.0	8.7
2011		
Growth rate	2.4	6.0
Discount rate	7.3	9.5

23. Trade and other payables

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Current				
Trade payables:				
– non-related parties	103,357	51,076	1,039	1,522
Other payables:				
– rental and other deposits	21,197	19,505	1,043	890
– accrued interest payable	9,175	8,938	5,477	5,071
– retention monies	23,835	13,475	26	26
– accrued development expenditure	5,001	103,197	–	–
– accruals for completed projects	21,927	9,320	–	–
– accrued operating expenses	76,151	87,086	7,147	8,554
– sundry creditors	13,384	7,290	2,132	1,378
– deferred revenue	4,205	–	–	–
– subsidiaries (non-trade)	–	–	101	1,162
– associated companies (non-trade)	–	301	–	300
– non-controlling shareholders (non-trade)	28	1,644	–	–
	174,903	250,756	15,926	17,381
Loans from subsidiaries	–	–	58,446	49,793
	278,260	301,832	75,411	68,696
Non-current				
Deferred liabilities	–	6,809	–	–
Deferred revenue	122,181	–	–	–
Rental deposits	24,013	22,879	3,612	3,526
Retention monies	16,827	27,569	–	–
	163,021	57,257	3,612	3,526
Total trade and other payables	441,281	359,089	79,023	72,222

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

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

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

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

24. Borrowings

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Current				
Bank overdrafts (unsecured)	–	217	–	–
Bank loans (secured)	147,340	317,912	–	–
Bank loans (unsecured)	511,399	630,669	178,212	157,382
3.34% unsecured fixed rate note due 2012 [Note (a) below]	–	149,959	–	149,959
Unsecured floating rate note due 2012 [Note (a) below]	–	99,973	–	99,973
Finance lease liabilities (Note 25)	330	343	–	–
	659,069	1,199,073	178,212	407,314
Non-current				
Bank loans (secured)	747,527	529,936	–	–
Bank loans (unsecured)	204,125	242,363	199,639	199,439
2.5% unsecured fixed rate notes due 2014 [Note (b) below]	299,550	299,250	299,550	299,250
2.493% unsecured fixed rate notes due 2015 [Note (b) below]	174,588	–	174,588	–
3.043% unsecured fixed rate notes due 2017 [Note (b) below]	74,674	–	74,674	–
Finance lease liabilities (Note 25)	4,419	4,582	–	–
	1,504,883	1,076,131	748,451	498,689
Total borrowings	2,163,952	2,275,204	926,663	906,003

(a) In 2007, the Company issued fixed rate notes with a nominal value of $150,000,000 ("Fixed Rate Notes") and floating rate notes with a nominal value of $100,000,000 ("Floating Rate Notes").

Fixed Rate Notes
Interest was fixed at 3.34% per annum and was payable semi-annually in arrear on 15 May and 15 November of each year. The Fixed Rate Notes were redeemed at their principal amount on 15 May 2012.

Floating Rate Notes
Floating interest was calculated at 0.4% over the 6-month Singapore Dollar swap rate per annum and was payable semi-annually in arrear on the interest payment dates falling on or about 15 May and 15 November in each year. The Floating Rate Notes were redeemed at their principal amount on 15 May 2012.

(b) Medium term note

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

During the financial year, the Company issued two tranches of $175 million and $75 million (2011: $300 million) of unsecured medium term notes ("Notes") out of its S$1 billion Multicurrency Medium Term Note Programme. The Notes bear a fixed interest rate of 2.493% and 3.043% (2011: 2.50%) per annum and will mature in 2015 and 2017 (2011: 2014) respectively.

24. Borrowings (continued)

(c) 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 2012 $'000	The Group 2011 $'000
Bank deposits	**5,136**	6,000
Hotel properties	**940,679**	901,791
Investment properties	**1,751,052**	1,235,399
Development properties	**995,914**	726,310
	3,692,781	2,869,500

(d) 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

	2012 SGD %	2012 USD %	2012 RMB %	2012 MYR %	2012 AUD %	2011 SGD %	2011 USD %	2011 RMB %	2011 MYR %	2011 AUD %
Bank overdrafts (unsecured)	**–**	**–**	**–**	**–**	**–**	5.0	–	–	–	–
Bank loans (secured)	**1.5**	**–**	**7.3**	**3.8**	**4.6**	2.0	1.5	7.8	4.3	6.0
Bank loans (unsecured)	**1.4**	**1.0**	**7.4**	**4.5**	**–**	1.4	–	–	–	–
Unsecured floating rate note due 2012	**–**	**–**	**–**	**–**	**–**	0.8	–	–	–	–

The Company

	2012 SGD %	2011 SGD %
Bank loans (unsecured)	**1.4**	1.4
Unsecured floating rate note due 2012	**–**	0.8

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

	The Group and the Company 2012 $'000	The Group and the Company 2011 $'000	Borrowing rates 2012 %	Borrowing rates 2011 %
2.50% unsecured fixed rate notes due 2014	**304,450**	305,471	**1.5**	1.8
2.493% unsecured fixed rate notes due 2015	**178,775**	–	**1.6**	–
3.043% unsecured fixed rate notes due 2017	**79,630**	–	**1.8**	–
	562,855	305,471		

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 2012 $'000	The Group 2011 $'000
Minimum lease payments due		
– Not later than one year	**331**	344
– Between one and five years	**1,326**	1,375
– Later than five years	**26,025**	27,323
	27,682	29,042
Less: Future finance charges	**(22,933)**	(24,117)
Present value of finance lease liabilities	**4,749**	4,925

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

	The Group 2012 $'000	The Group 2011 $'000
Not later than one year (Note 24)	**330**	343
Later than one year (Note 24)		
– Between one and five years	**1,322**	1,371
– Later than five years	**3,097**	3,211
	4,419	4,582
Total	**4,749**	4,925

26. Derivative financial instrument

	The Group and the Company: Contract notional amount $'000	Fair value Asset $'000	Fair value Liability $'000
2012			
Non-current			
Cash-flow hedges			
– Interest rate swaps	150,000	–	162
Non-hedging instrument			
– Interest rate swap	100,000	873	–
	250,000	873	162
2011			
Non-current			
Non-hedging instrument			
– Interest rate swap	100,000	–	754

The cash-flow hedges – Interest rate swaps are transacted to hedge variable interest payments on borrowings that will mature between October to December 2014. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to the income statement as part of interest expense over the period of the borrowings.

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

	The Group 2012 $'000	The Group 2011 $'000
Loans from non-controlling shareholders of subsidiaries (unsecured)		
– Current	–	43,364
– Non-current	9,957	7,353
	9,957	50,717

Details of the loans from non-controlling shareholders are as follows:

(i) Loans of $9,957,000 (2011: $8,181,000) are interest-free.

(ii) Loans of $42,536,000 in 2011 bear interests calculated based on a 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 0.3% per annum.

(iii) The fair values of loans from non-controlling shareholders computed based on cash flows discounted using market borrowing rates at the end of the reporting period were as follows:

	The Group 2012 $'000	The Group 2011 $'000	Borrowing rates 2012 %	Borrowing rates 2011 %
Loans from non-controlling shareholders:				
– Floating rate	–	42,536	–	0.3
– Interest-free	8,715	7,173	3.8	4.0
	8,715	49,709		

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

28. Provision for retirement benefits

	The Group 2012 $'000	The Group 2011 $'000
Non-current	2,942	2,758

(a) A subsidiary in Malaysia operates an unfunded defined benefit scheme under the Collective Union Agreement for unionised employees and certain management staff. Benefits payable on retirement are calculated by reference to length of service and earnings over the employees' year of employment. Provision for post-employment benefit obligations is made in the financial statements so as to provide for the accrued liability at the end of the reporting period. An actuarial valuation, based on the projected credit unit method, of the fund is conducted by a qualified independent actuary once in every three years as the directors are of the opinion that yearly movements in provision are not likely to be significant. The most recent revaluation was at 31 December 2012.

28. Provision for retirement benefits (continued)

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

	The Group 2012 $'000	The Group 2011 $'000
At the beginning of the financial year	2,758	2,539
Benefits paid	(135)	(82)
Charged to income statement (Note 6)	392	374
Currency translation differences	(73)	(73)
At the end of the financial year	2,942	2,758

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

	The Group 2012 $'000	The Group 2011 $'000
Current service cost	209	204
Interest on obligation	179	165
Actuarial loss	4	5
Expense recognised in the income statement	392	374

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

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

	The Group 2012 %	The Group 2011 %
Discount rate	6.2	6.2
Future salary increase	6.5	6.5
Inflation rate	3.5	3.5
Normal retirement age (years)		
– Male	55	55
– Female	50	50

29. Deferred income taxes

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

	The Group			The Company		
	2012	2011 (restated)	2010 (restated)	2012	2011 (restated)	2010 (restated)
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred income tax assets						
– to be recovered within one year	**(100)**	(1,574)	(569)	**–**	–	–
– to be recovered after one year	**(3,689)**	(2,764)	(3,082)	**(27)**	–	(298)
	(3,789)	(4,338)	(3,651)	**(27)**	–	(298)
Deferred income tax liabilities						
– to be settled within one year	**119,229**	72,384	84,505	**74,859**	54,562	67,640
– to be settled after one year	**57,201**	71,527	51,856	**4,265**	4,197	4,042
	176,430	143,911	136,361	**79,124**	58,759	71,682

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

	The Group			The Company		
	2012	2011 (restated)	2010 (restated)	2012	2011 (restated)	2010 (restated)
	$'000	$'000	$'000	$'000	$'000	$'000
At the beginning of the financial year	**139,573**	132,710	125,412	**58,759**	71,384	77,709
Currency translation differences	**(373)**	211	566	**–**	–	–
Tax charge/(credit) to:						
– income statement [Note 9(a)]	**12,724**	19,751	12,536	**69**	155	(30)
– equity [Note 31(b),(f)]	**20,269**	(12,701)	(6,299)	**20,269**	(12,780)	(6,295)
Under/(over) provision in preceding financial year [Note 9(a)]	**448**	(398)	495	**–**	–	–
At the end of the financial year	**172,641**	139,573	132,710	**79,097**	58,759	71,384

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

	The Group		The Company	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Fair value reserves [Note 31(b)]	**20,296**	(13,078)	**20,296**	(13,078)
Hedging reserve [Note 31(f)]	**(27)**	377	**(27)**	298
	20,269	(12,701)	**20,269**	(12,780)

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 $18,091,000 (2011: $15,970,000) 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 $9,506,000 (2011: $9,137,000) can be carried forward for a period of up to five years subsequent to the year of the loss, while the remaining tax losses have no expiry date.

29. Deferred income taxes (continued)

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

The Group

Deferred income tax liabilities

	Fair value gains on available-for-sale financial assets	Accelerated tax depreciation	Fair value gains on hotel properties	Unremitted foreign income, interest and dividends	Deferred development profit	Other temporary differences	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2012							
At the beginning of the financial year (restated)	57,001	40,102	2,885	714	43,862	(653)	143,911
Currency translation differences	–	(443)	(4)	–	–	16	(431)
Tax charge/(credit) to income statement	–	1,184	279	195	11,864	(868)	12,654
Tax charge to equity	20,296	–	–	–	–	–	20,296
At the end of the financial year	**77,297**	**40,843**	**3,160**	**909**	**55,726**	**(1,505)**	**176,430**
2011							
At the beginning of the financial year (restated)	70,079	39,437	2,891	717	23,758	(521)	136,361
Currency translation differences	–	211	(6)	–	–	6	211
Tax charge/(credit) to income statement	–	454	–	(3)	20,104	(138)	20,417
Tax credit to equity	(13,078)	–	–	–	–	–	(13,078)
At the end of the financial year (restated)	57,001	40,102	2,885	714	43,862	(653)	143,911

Deferred income tax assets

	Fair value losses on derivative financial instruments	Excess of depreciation over capital allowances	Tax losses	Provisions	Total
	$'000	$'000	$'000	$'000	$'000
2012					
At the beginning of the financial year	–	(1,961)	(803)	(1,574)	(4,338)
Currency translation differences	–	–	58	–	58
Tax (credit)/charge to income statement	–	–	(956)	1,474	518
Tax credit to equity	(27)	–	–	–	(27)
At the end of the financial year	**(27)**	**(1,961)**	**(1,701)**	**(100)**	**(3,789)**
2011					
At the beginning of the financial year	(377)	(1,961)	(745)	(568)	(3,651)
Tax credit to income statement	–	–	(58)	(1,006)	(1,064)
Tax charge to equity	377	–	–	–	377
At the end of the financial year	–	(1,961)	(803)	(1,574)	(4,338)

29. Deferred income taxes (continued)

The Company

Deferred income tax liabilities

	Fair value gains on available-for-sale financial assets $'000	Accelerated tax depreciation $'000	Total $'000
2012			
At the beginning of the financial year (restated)	54,562	4,197	58,759
Tax charge to income statement	–	69	69
Tax charge to equity	20,296	–	20,296
At the end of the financial year	**74,858**	**4,266**	**79,124**
2011			
At the beginning of the financial year (restated)	67,640	4,042	71,682
Tax charge to income statement	–	155	155
Tax credit to equity	(13,078)	–	(13,078)
At the end of the financial year (restated)	54,562	4,197	58,759

Deferred income tax assets

	Fair value loss on derivative financial instruments $'000	Total $'000
2012		
At the beginning of the financial year	–	–
Tax credit to equity	(27)	(27)
At the end of the financial year	**(27)**	**(27)**
2011		
At the beginning of the financial year	(298)	(298)
Tax charge to equity	298	298
At the end of the financial year	–	–

30. Share capital of UOL Group Limited

	Number of shares '000	Amount $'000
2012		
At the beginning of the financial year	768,248	1,040,694
Proceeds from shares issued:		
– to holders of share options	1,649	6,260
At the end of the financial year	769,897	1,046,954
2011		
At the beginning of the financial year	777,751	1,051,898
Proceeds from shares issued:		
– to holders of share options	910	2,883
Shares cancelled upon buy-back	(10,413)	(14,087)
At the end of the financial year	768,248	1,040,694

30. Share capital of UOL Group Limited (continued)

(a) In 2011, the Company purchased a total of 10,413,000 ordinary shares in the share capital of the Company at a total cost of $49,152,000 of which $14,087,000 was made out of the share capital of the Company and the remaining of $35,065,000 from its retained earnings.

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

(c) During the financial year, the Company issued 1,649,000 (2011: 910,000) ordinary shares pursuant to the options under the UOL 2000 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 23 August 2012, options were granted pursuant to the 2012 Scheme to the executives of the Company and its subsidiaries to subscribe for 1,477,000 ordinary shares in the Company (known as "the 2012 Options") at the exercise price of $5.40 per ordinary share. 1,477,000 options granted were accepted.

Statutory information regarding the 2012 Options is as follows:

(i) The option period begins on 23 August 2013 and expires on 22 August 2022 or on the date of termination of employment or in the case of the executive director, on the date he ceases to be the executive director of the Company, whichever is earlier, subject to the provisions of Rule 11 of the Rules of the 2012 Scheme.

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

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

30. Share capital of UOL Group Limited (continued)

UOL Group Executives' Share Option Scheme (continued)

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

The Group and the Company	At the beginning of the financial year	Options granted during the financial year	Options exercised during the financial year	Options forfeited during the financial year	At the end of the financial year	Exercise/ Subscription price/$	Option period
Executives' Share Options							
2012							
2003 Options	42,000	–	(42,000)	–	–	2.05	27.06.2004 to 26.06.2013
2004 Options	160,000	–	–	–	160,000	2.28	21.05.2005 to 20.05.2014
2005 Options	42,000	–	–	–	42,000	2.23	09.05.2006 to 08.05.2015
2006 Options	234,000	–	(116,000)	–	118,000	3.21	18.05.2007 to 17.05.2016
2007 Options	722,000	–	(230,000)	(20,000)	472,000	4.91	16.03.2008 to 15.03.2017
2008 Options	659,000	–	(267,000)	(8,000)	384,000	3.68	07.03.2009 to 06.03.2018
2009 Options	291,000	–	(229,000)	–	62,000	1.65	06.03.2010 to 05.03.2019
2010 Options	963,000	–	(333,000)	–	630,000	3.95	05.03.2011 to 04.03.2020
2011 Options	1,365,000	–	(432,000)	(98,000)	835,000	4.62	04.03.2012 to 03.03.2021
2012 Options	–	1,477,000	–	–	1,477,000	5.40	23.08.2013 to 22.08.2022
	4,478,000	**1,477,000**	**(1,649,000)**	**(126,000)**	**4,180,000**		
2011							
2002 Options	24,000	–	(24,000)	–	–	1.81	27.06.2003 to 26.06.2012
2003 Options	72,000	–	(30,000)	–	42,000	2.05	27.06.2004 to 26.06.2013
2004 Options	184,000	–	(24,000)	–	160,000	2.28	21.05.2005 to 20.05.2014
2005 Options	54,000	–	(12,000)	–	42,000	2.23	09.05.2006 to 08.05.2015
2006 Options	389,000	–	(155,000)	–	234,000	3.21	18.05.2007 to 17.05.2016
2007 Options	808,000	–	–	(86,000)	722,000	4.91	16.03.2008 to 15.03.2017
2008 Options	868,000	–	(209,000)	–	659,000	3.68	07.03.2009 to 06.03.2018
2009 Options	452,000	–	(161,000)	–	291,000	1.65	06.03.2010 to 05.03.2019
2010 Options	1,278,000	–	(295,000)	(20,000)	963,000	3.95	05.03.2011 to 04.03.2020
2011 Options	–	1,421,000	–	(56,000)	1,365,000	4.62	04.03.2012 to 03.03.2021
	4,129,000	**1,421,000**	**(910,000)**	**(162,000)**	**4,478,000**		

Out of the outstanding options for 4,180,000 (2011: 4,478,000) shares, options for 2,703,000 (2011: 3,113,000) shares are exercisable at the end of the reporting period. The weighted average share price at the time of exercise was $5.43 (2011: $4.82) per share.

The fair value of options granted on 23 August 2012 (2011: 4 March 2011), determined using the Trinomial Tree Model was $2,201,000 (2011: $1,918,000). The significant inputs into the model were share price of $5.35 (2011: $4.70) at the grant date, exercise price of $5.40 (2011: $4.62), standard deviation of expected share price returns of 36.69% (2011: 36.98%), option life from 23 August 2013 to 22 August 2022 (2011: 4 March 2012 to 3 March 2021), annual risk-free interest rate of 0.90% (2011: 1.23%) and dividend yield of 2.20% (2011: 2.28%). 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.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

31. Reserves

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Composition:				
Share option reserve [Note (a) below]	**10,253**	7,853	**9,461**	7,376
Fair value reserve [Note (b) below]	**493,154**	328,414	**399,128**	275,539
Asset revaluation reserve [Note (c) below]	**38,118**	38,118	**–**	–
Capital reserves [Note (d) below]	**293,580**	293,580	**–**	–
Currency translation reserve [Note (e) below]	**(29,233)**	(6,926)	**–**	–
Hedging reserve [Note (f) below]	**(134)**	–	**(134)**	–
Others	**–**	–	**598**	598
	805,738	661,039	**409,053**	283,513

Revaluation and capital reserves are non-distributable.

(a) Share option reserve

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
At the beginning of the financial year	**7,853**	5,714	**7,376**	5,479
Employee share option scheme:				
– Value of employee services	**2,085**	1,897	**2,085**	1,897
Share of associated company (Note 17)	**315**	242	**–**	–
At the end of the financial year	**10,253**	7,853	**9,461**	7,376

(b) Fair value reserve

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
At the beginning of the financial year	**328,414**	435,747	**275,539**	354,026
Fair value gains/(losses) on available-for-sale financial assets (Note 15)	**185,026**	(120,935)	**143,885**	(91,565)
Deferred tax on fair value (gains)/losses (Note 29)	**(20,296)**	13,078	**(20,296)**	13,078
	164,730	(107,857)	**123,589**	(78,487)
Less: Amount attributable to non-controlling interests	**10**	524	**–**	–
	164,740	(107,333)	**123,589**	(78,487)
At the end of the financial year	**493,154**	328,414	**399,128**	275,539

(c) Asset revaluation reserve

	The Group 2012 $'000	The Group 2011 $'000
At the beginning and end of the financial year	**38,118**	38,118

The asset revaluation reserve of the Group does not take into account the surplus of $807,151,000 (2011: $691,065,000) arising from the revaluation of the hotel properties of the Group [Note 21(a)].

31. Reserves (continued)

(d) Capital reserves

Composition of capital reserves is as follows:

	The Group 2012 $'000	The Group 2011 $'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
Acquisition 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 2012 $'000	The Group 2011 $'000
At the beginning of the financial year	(6,926)	(13,387)
Net currency translation differences of financial statements of foreign subsidiaries and borrowings designated as hedges against foreign subsidiaries	(20,604)	2,275
Share of associated company (Note 17)	(4,382)	4,344
	(24,986)	6,619
Less: Amount attributable to non-controlling interests	2,679	(158)
	(22,307)	6,461
At the end of the financial year	(29,233)	(6,926)

(f) Hedging reserve

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
At the beginning of the financial year	–	(1,767)	–	(1,457)
Fair value (losses)/gains	(119)	3,926	(119)	3,646
Deferred tax on fair value losses/(gains) (Note 29)	27	(377)	27	(298)
Transfer to income statement				
– Finance expense (Note 7)	(42)	(1,712)	(42)	(1,891)
	(134)	1,837	(134)	1,457
Less: Amount attributable to non-controlling interests	–	(70)	–	–
	(134)	1,767	(134)	1,457
At the end of the financial year	(134)	–	(134)	–

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

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

32. Dividends

	The Group and the Company 2012 $'000	The Group and the Company 2011 $'000
Final one-tier dividend paid in respect of the previous financial year of 10.0 cents (2011: 10.0 cents) per share	76,825	76,734
Special one-tier dividend paid in respect of the previous financial year of 5.0 cents (2011: 5.0 cents) per share	38,412	38,367
	115,237	115,101

At the forthcoming Annual General Meeting on 19 April 2013, a final one-tier dividend of 15.0 cents per share amounting to a total of $115,485,000 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 2013.

33. Contingent liabilities

The Company has guaranteed the borrowings of subsidiaries amounting to $333,185,000 (2011: $705,974,000). The borrowings of subsidiaries were denominated in Singapore Dollar except for the amounts of $81,938,000 (2011: $5,140,000) and $21,918,000 (2011: $42,924,000) which were denominated in United States Dollar and Malaysian Ringgit respectively.

At the end of the reporting period, the Group has given a guarantee of $6,617,000 (2011: $7,494,000) in respect of banking facilities granted to an associated company.

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

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

34. Commitments

(a) Financial commitments

At the end of the reporting period, the Group and the Company have the following financial commitments:

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Undrawn loan commitments	–	2,500	–	43,595

Undrawn loan commitments represent the Group's and the Company's commitment to provide the necessary funds in the form of shareholders loans to enable certain subsidiaries and associated companies to develop properties for sale and to repay bank borrowings.

34. Commitments (continued)

(b) 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 2012 $'000	The Group 2011 $'000
Expenditure contracted for:		
– property, plant and equipment	**57,944**	164,286
– development properties	**175,687**	390,453
– investment properties	**73,732**	44,703
	307,363	599,442

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

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

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

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Not later than one year	**1,383**	2,722	**518**	161
Later than one year but not later than five years	**2,123**	3,449	**–**	–
Later than five years	**4,646**	5,423	**–**	–
	8,152	11,594	**518**	161

(d) 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 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Not later than one year	**117,821**	118,811	**15,482**	14,321
Later than one year but not later than five years	**183,004**	148,790	**22,267**	16,867
Later than five years	**–**	91	**–**	19
	300,825	267,692	**37,749**	31,207

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 $3,844,000 (2011: $3,165,000) and $24,000 (2011: $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 is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Australian Dollar ("AUD"), Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB") and United States Dollar ("USD"). As the entities in the Group transact substantially in their functional currency, the Group's exposure to currency risk is not significant.

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

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

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

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

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD $'000	USD $'000	AUD $'000	MYR $'000	RMB $'000	Others $'000	Total $'000
The Group							
2011							
Financial assets							
Cash and bank balances	211,824	15,091	15,078	44,195	5,909	5,261	297,358
Derivative financial instrument	754	–	–	–	–	–	754
Available-for-sale financial assets	623,398	–	–	–	–	–	623,398
Trade and other receivables	174,789	1,624	7,803	12,575	830	1,776	199,397
Other assets - deposits	14,462	80	–	96	8	86	14,732
	1,025,227	16,795	22,881	56,866	6,747	7,123	1,135,639
Financial liabilities							
Borrowings	(1,885,186)	(115,386)	(140,936)	(76,055)	(57,641)	–	(2,275,204)
Trade and other payables	(298,424)	(6,610)	(16,140)	(15,445)	(16,196)	(6,274)	(359,089)
Loans from non-controlling shareholders of subsidiaries	(42,536)	–	–	(8,181)	–	–	(50,717)
	(2,226,146)	(121,996)	(157,076)	(99,681)	(73,837)	(6,274)	(2,685,010)
Net financial (liabilities)/ assets	(1,200,919)	(105,201)	(134,195)	(42,815)	(67,090)	849	(1,549,371)
Less: Net financial assets denominated in the respective entities' functional currencies	1,200,956	8,839	134,292	42,846	67,089	1,164	1,455,186
Add: Firm commitments and highly probable forecast transactions in foreign currencies	540,247	–	613	380	51,129	7,073	599,442
Less: Firm commitments and highly probable forecast transactions denominated in the respective entities' functional currencies	(540,247)	–	(613)	(380)	(51,129)	(7,073)	(599,442)
Currency exposure	37	(96,362)	97	31	(1)	2,013	(94,185)

The Group does not have significant exposure to currency risk other than USD. Assuming that USD changes against SGD by 5% (2011: 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) 2012 $'000	2011 $'000
USD against SGD		
– strengthens	**(8,926)**	(4,003)
– weakens	**8,926**	4,003

35. Financial risk management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Company's revenue, purchases and borrowings were contracted or denominated in Singapore Dollar which is the functional and presentation currency of the Company, except for bank borrowings of $139,212,000 (2011: $110,197,000) as at the end of the reporting period which were denominated in USD. Assuming that the USD changes against SGD by 5% (2011: 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) 2012 $'000	2011 $'000
USD against SGD		
– strengthens	**(5,777)**	(4,573)
– weakens	**5,777**	4,573

(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 2012, if prices for equity securities listed in Singapore change by 10% (2011: 10%) with all other variables including tax rate being held constant, the fair value reserve will be higher/lower by $65,991,000 (2011: $48,203,000) and $46,570,000 (2011: $35,498,000) for the Group and the Company respectively.

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

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

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

The Group's and the Company's variable-rate financial assets and liabilities for which effective hedges have not been entered into, are denominated mainly in SGD and USD. If the SGD and USD interest rates increase/decrease by 1% (2011: 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 $9,553,000 (2011: $11,725,000) and $8,452,000 (2011: $4,001,000) respectively as a result of higher/lower interest expense on these borrowings.

Notes to the Financial Statements (continued)
For the financial year ended 31 December 2012

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 and loan commitments to subsidiaries and associated companies are disclosed in Note 33 and Note 34 respectively.

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

	The Group 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
By geographical areas				
Singapore	**333,252**	175,434	**992,391**	1,193,417
Australia	**5,083**	7,803	**1**	614
Vietnam	**1,328**	1,259	**23,914**	18,713
Malaysia	**7,262**	12,542	**2**	276
PRC	**2,345**	830	**121**	910
Myanmar	**1,090**	764	**–**	166
Others	**857**	765	**–**	–
	351,217	199,397	**1,016,429**	1,214,096
By operating segments				
Property development	**311,205**	164,271	**414,761**	606,584
Property investments	**13,232**	8,918	**152,112**	236,460
Hotel operations	**18,263**	11,980	**24,146**	21,768
Management services	**8,517**	14,228	**279**	671
Investments	**–**	–	**425,131**	348,613
	351,217	199,397	**1,016,429**	1,214,096

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

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

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

35. Financial risk management (continued)

(b) Credit risk (continued)

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

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

	The Group		The Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Past due 0 to 3 months	**8,432**	7,232	**121**	166
Past due 3 to 6 months	**200**	6,436	**5**	–
Past due over 6 months	**9,476**	1,191	**6**	10
	18,108	14,859	**132**	176

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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Gross amount	**560**	430	**–**	–
Less: Allowance for impairment	**(540)**	(430)	**–**	–
	20	–	**–**	–
Beginning of financial year	**430**	280	**–**	–
Currency translation difference	**(2)**	(2)	**–**	–
Allowance made – net	**139**	189	**–**	–
Allowance utilised	**(27)**	(37)	**–**	–
End of financial year	**540**	430	**–**	–

(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	Over 5 years $'000
The Group				
2012				
Trade and other payables	274,055	25,410	15,430	–
Derivative financial instruments	–	177	–	–
Borrowings	700,536	710,163	839,259	–
Loans from non-controlling shareholders of subsidiaries	–	–	9,957	–
Financial guarantees for borrowings of associated companies	6,617	–	–	–
	981,208	735,750	864,646	–

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	Over 5 years $'000
The Group				
2011				
Trade and other payables	308,361	33,944	16,656	128
Borrowings	1,309,807	225,517	818,000	–
Loans from non-controlling shareholders of subsidiaries	43,453	–	7,353	–
Financial commitments to associated companies	2,500	–	–	–
Financial guarantees for borrowings of associated companies	7,494	–	–	–
	1,671,615	259,461	842,009	128
The Company				
2012				
Trade and other payables	75,411	1,609	2,003	–
Derivative financial instruments	–	177	–	–
Borrowings	195,432	512,909	256,901	–
Financial guarantees for borrowings of subsidiaries and associated companies	311,268	21,918	–	–
	582,111	536,613	258,904	–
2011				
Trade and other payables	68,696	734	2,664	128
Borrowings	421,734	9,743	505,860	–
Financial commitments to subsidiaries and associated companies	43,595	–	–	–
Financial guarantees for borrowings of subsidiaries and associated companies	589,050	116,924	–	–
	1,123,075	127,401	508,524	128

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% (2011: 200%). The Group's and the Company's strategies, which were unchanged from 2011, are to maintain gearing ratios below 150%.

35. Financial risk management (continued)

(d) Capital risk (continued)

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings (including loans from non-controlling shareholders of subsidiaries) less cash and bank balances.

	The Group		The Company	
	2012	2011 (restated)	2012	2011 (restated)
Net debt ($'000)	**1,913,848**	2,028,563	**915,571**	899,488
Total equity ($'000)	**6,718,926**	5,770,923	**2,564,580**	2,400,706
Gearing ratio	**28%**	35%	**35%**	38%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2012 and 2011.

(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	Total $'000
2012			
The Group			
Assets			
Available-for-sale financial assets			
– Equity securities	748,691	57,019	805,710
– Derivative financial instrument	–	873	873
Liabilities			
– Derivative financial instrument	–	(162)	(162)
The Company			
Assets			
Available-for-sale financial assets			
– Equity securities	554,477	57,019	611,496
– Derivative financial instrument	–	873	873
Liabilities			
– Derivative financial instrument	–	(162)	(162)

35. Financial risk management (continued)

(e) Fair value measurements (continued)

	Level 1 $'000	Level 2 $'000	Total $'000
2011			
The Group			
Assets			
Available-for-sale financial assets			
– Equity securities	580,765	42,633	623,398
– Derivative financial instrument	–	754	754
The Company			
Assets			
Available-for-sale financial assets			
– Equity securities	427,692	39,919	467,611
– Derivative financial instrument	–	754	754

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 makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of unquoted available-for-sale financial assets is calculated using the net asset value method. These investments are included in Level 2. The Group and the Company have no investments in Level 3 where valuation techniques were used based on significant unobservable inputs.

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 2012 and 2011.

(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	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Loans and receivables	**613,245**	511,487	**1,027,536**	1,220,625
Financial liabilities at amortised cost	**2,488,804**	2,685,010	**1,005,686**	978,225

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 2012 $'000	The Group 2011 $'000	The Company 2012 $'000	The Company 2011 $'000
Transactions with directors and their associates				
Proceeds from sale of development properties	3,029	16,530	–	–
Rental received	2,072	2,092	340	309
Transactions with associated companies				
Fees received for management of development properties	1,120	431	–	–
Fees received for management of hotels	3,440	7,956	–	–
Fees received for operation of spas	515	594	–	–
Accounting and corporate secretarial fee received	405	339	120	120
Commission received	1,569	547	–	–
Interest receivable on loan to associated companies	1,950	1,067	–	54
Purchase of computers	1,451	352	589	98
Expenses for hotel and function room facilities	293	211	52	–
Transactions with non-controlling shareholders of subsidiaries with significant influence				
Proceeds from sale of development properties	1,683	16,749	–	–
Payment of development costs	1,816	9,261	–	–

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

	The Group 2012 $'000	The Group 2011 $'000
Salaries and other short-term employee benefits	4,185	4,376
Directors' fees	934	993
Post-employment benefits – contribution to CPF	38	33
Share options granted	468	354
	5,625	5,756

Total compensation to directors of the Company included in above amounted to $3,157,000 (2011: $3,271,000).

37. Group segmental information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Chairman, the Group Chief Executive and two other Board members of the Company.

The Exco considers the operations from both a business and geographic segment perspective. The Group's four key business segments operate in various geographical areas. The property development and property investment activities of the Group are concentrated in Singapore with some ongoing development projects in Malaysia and People's Republic of China ("PRC").

37. Group segmental information (continued)

The hotel operations of the Group are located in Singapore, Australia, Vietnam, Malaysia, PRC and Myammar and key asset and profit contributions are from the hotels in Singapore and Australia.

The Group's investments segment relates to the investments in equity shares in Singapore.

The Group also provides management services to companies and hotels in Singapore and overseas. These operations are not significant to the Group and have been included in the "others" segment column.

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2012 is as follows:

	Property development $'000	Property investments $'000	Hotel operations Singapore $'000	Hotel operations Australia $'000	Hotel operations Others $'000	Investments $'000	Others $'000	Total $'000
2012								
Revenue								
Total segment sales	560,022	172,362	109,636	140,984	127,513	161,962	45,109	1,317,588
Inter-segment sales	–	(6,275)	(412)	–	–	(138,770)	(26,354)	(171,811)
Sales to external parties	560,022	166,087	109,224	140,984	127,513	23,192	18,755	1,145,777
Adjusted EBITDA	169,684	315,644	30,143	32,982	45,401	23,147	13,178	630,179
Depreciation and amortisation	(54)	(3,784)	(10,832)	(12,368)	(19,309)	–	(1,563)	(47,910)
Other gains/(losses)	–	3,624	–	(19,159)	(14,159)	4,699	–	(24,995)
Fair value gains on investment properties	–	442,097	–	–	–	–	–	442,097
Share of profit of associated companies	22,492	192,158	6,317	–	601	–	94	221,662
Share of loss of joint venture companies	(364)	–	–	–	–	–	–	(364)
Segment assets	1,760,165	5,707,316	616,661	287,308	329,367	805,748	29,594	9,536,159
Unallocated assets								28,163
Total assets								9,564,322
Total assets include:								
Investment in associated companies	248,913	2,342,773	35,541	–	5,697	–	205	2,633,129
Additions during the financial year to:								
– property, plant and equipment	–	58,878	91,257	18,963	10,325	–	527	179,950
– investment properties	–	64,978	–	–	–	–	–	64,978
– intangibles	–	91	–	–	164	–	12	267
Segment liabilities	510,700	599,779	210,294	137,028	44,840	85	6,219	1,508,945
Unallocated liabilities								1,336,451
Total liabilities								2,845,396

37. Group segmental information (continued)

The segment information provided to the Exco for the reportable segments for the year ended 31 December 2011 is as follows:

	Property development $'000	Property investments $'000	Hotel operations Singapore $'000	Hotel operations Australia $'000	Hotel operations Others $'000	Investments $'000	Others $'000	Total $'000
2011 (restated)								
Revenue								
Total segment sales	1,393,773	166,582	112,994	129,569	117,475	431,703	45,358	2,397,454
Inter-segment sales	–	(6,274)	–	–	–	(405,484)	(25,462)	(437,220)
Sales to external parties	1,393,773	160,308	112,994	129,569	117,475	26,219	19,896	1,960,234
Adjusted EBITDA	457,409	231,118	37,578	30,593	37,198	26,064	9,913	829,873
Depreciation and amortisation	(91)	(3,796)	(10,263)	(10,706)	(18,668)	–	(1,588)	(45,112)
Other gains/(losses)	–	4,093	(2,600)	(8,143)	(13,081)	–	–	(19,731)
Fair value gains on investment properties	–	187,222	–	–	–	–	–	187,222
Share of profit of associated companies	53,055	114,672	5,790	–	1,061	–	44	174,622
Share of loss of a joint venture company	(500)	–	–	–	–	–	–	(500)
Segment assets	1,817,680	4,853,628	688,291	318,751	336,342	631,958	35,944	8,682,594
Unallocated assets								14,996
Total assets								8,697,590
Total assets include:								
Investment in associated companies	255,890	2,142,775	32,492	–	6,874	–	110	2,438,141
Additions during the financial year to:								
– property, plant and equipment	–	25,471	50,094	157,840	13,704	–	1,188	248,297
– investment properties	–	296,694	–	–	–	–	–	296,694
– intangibles	73	594	598	736	972	–	236	3,209
Segment liabilities	474,452	550,152	215,749	181,618	48,498	291,364	4,495	1,766,328
Unallocated liabilities								1,160,339
Total liabilities								2,926,667

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the income statements.

The Exco assesses the performance of the operating segments based on a measure of Earnings before interest, tax, depreciation and amortisation excluding the effects of fair value and other gains and losses which are not operational in nature ("adjusted EBITDA"). Finance income and finance expenses are not allocated to segments, as these types of activities are driven by the Group's treasury function, which manages the cash position of the Group.

37. Group segmental information (continued)

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

	2012 $'000	2011 (restated) $'000
Adjusted EBITDA for reportable segments	**630,179**	829,873
Depreciation and amortisation	**(47,910)**	(45,112)
Other losses	**(24,995)**	(19,731)
Fair value gains on investment properties	**442,097**	187,222
Unallocated costs	**(13,046)**	(11,832)
Finance income	**11,112**	2,768
Finance expense	**(33,090)**	(39,233)
Profit before income tax	**964,347**	903,955

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.

	2012 $'000	2011 (restated) $'000
Segment assets for reportable segments	**9,536,159**	8,682,594
Unallocated:		
Cash and bank balances	**18,848**	6,525
Derivative financial instruments	**873**	754
Receivables and other assets	**1,927**	706
Current income tax assets	**415**	647
Property, plant and equipment	**1,468**	879
Intangibles	**843**	1,147
Deferred income tax assets	**3,789**	4,338
	9,564,322	8,697,590

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.

	2012 $'000	2011 (restated) $'000
Segment liabilities for reportable segments	**1,508,945**	1,766,328
Unallocated:		
Other payables	**15,194**	15,437
Current income tax liabilities	**50,672**	94,988
Borrowings	**1,093,993**	906,003
Derivative financial instruments	**162**	–
Deferred income tax liabilities	**176,430**	143,911
	2,845,396	2,926,667

37. Group segmental information (continued)

Revenue from major products and services

Revenue from external customers are derived mainly from the Group's property development, property investments, hotel operations, investment holdings and management services. A breakdown of the revenues from external customers for each of these categories is shown in Note 4.

Geographical information

The Group's five business segments operate in six main geographical areas. In Singapore, where the Company is located, the areas of operation of the Group are principally hotel operations, property development, property investments and investment holdings. The Group also engages in the provision of management services in Singapore.

The main activities in Australia, Vietnam, Malaysia, PRC and Myanmar consist of hotel operations, operation of serviced suites and investment holdings. The Group also engages in property development in Malaysia and PRC.

Revenue and non-current assets (excluding financial instruments and deferred income tax assets) are shown by the geographical areas where the assets are located.

	Revenue	
	2012 $'000	2011 $'000
Singapore	**862,397**	1,595,528
Australia	**140,984**	129,569
Vietnam	**28,794**	27,279
Malaysia	**59,459**	158,670
PRC	**27,899**	33,918
Myanmar	**22,248**	12,573
Others	**3,996**	2,697
	1,145,777	1,960,234

	Non-current assets	
	2012 $'000	2011 $'000
Singapore	**6,272,432**	5,487,472
Australia	**271,002**	295,071
Vietnam	**42,350**	48,051
Malaysia	**171,256**	171,337
PRC	**366,630**	385,462
Myanmar	**7,442**	6,478
Others	**2,402**	2,572
	7,133,514	6,396,443

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 2012 and 2011.

38. Business Combination

In 2011, the Group completed the acquisition of PARKROYAL Melbourne Airport. The principal activity of PARKROYAL Melbourne Airport is that of a hotelier. Details of the consideration paid and the assets acquired, at the acquisition date, were as follows:

		$'000
(a)	Purchase consideration	
	Cash paid	141,474
	Consideration transferred for the business	**141,474**
(b)	Effect on cash flows of the Group	
	Cash paid (as above)	141,474
	Cash outflow on acquisition	**141,474**

		At fair value $'000
(c)	Identifiable assets acquired and liabilities assumed	
	Property, plant and equipment (Note 21)	146,021
	Contract acquisition costs (included in intangibles) [Note 22(c)]	325
	Total assets	146,346
	Finance lease liabilities	4,872
	Total liabilities	4,872
	Total identifiable net assets	**141,474**
	Consideration transferred for the business	**141,474**

(d) Acquisition-related costs

Acquisition-related costs of $8,143,000 in 2011 are shown in 'Other (losses)/gains' in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

(e) Revenue and profit contribution

The acquired business contributed revenue of $22,086,000 and net loss of $9,952,000 to the Group, inclusive of the acquisition related costs of $8,143,000 [Note (d) above], from the period from 1 April 2011 to 31 December 2011.

Had the results of PARKROYAL Melbourne Airport been consolidated from 1 January 2011, consolidated revenue and consolidated profit for the year ended 31 December 2011 would have been $1,968,222,000 and $801,941,000 respectively.

39. 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 2013 or later periods and which the Group has not early adopted:

- FRS 110 *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 110 replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess.

- FRS 111 *Joint Arrangements* (effective for annual periods beginning on or after 1 January 2014)

  FRS 111 introduces a number of changes. The "types" of joint arrangements have been reduced to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014)

  FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities.

- FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 January 2013)

  FRS 113 provides consistent guidance across IFRSs on how fair value should be determined and which disclosures should be made in the financial statements.

  The management anticipates that the adoption of the above FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of UOL Group Limited on 28 February 2013.

Corporate Governance Report

for the year ended 31 December 2012

The Company is committed in its continuing efforts to achieve high standards of corporate governance and business conduct so as to enhance long-term shareholder value and safeguard the interests of its stakeholders. It has adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the Code of Corporate Governance ("Code").

This report sets out the corporate governance practices that have been adopted by the Company with reference to the principles and guidelines of the Code, as well as the explanation for any deviation from any guideline of the Code.

STATEMENT OF COMPLIANCE

The Board of Directors (the "Board") of the Company confirms that for the financial year ended 31 December 2012, 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:

1. reviewing and approving the corporate policies, strategies, budgets and financial plans of the Company;
2. monitoring financial performance including approval of the annual and interim financial reports;
3. overseeing and reviewing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
4. approving major funding proposals, investments, acquisitions and divestment proposals;
5. planning board and senior management succession and the remuneration policies; and
6. assuming responsibility for corporate governance.

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. There are currently four standing board committees appointed by the Board, namely:

Executive Committee
Nominating Committee
Remuneration Committee
Audit Committee

The Board has conferred upon the Executive Committee ("EXCO") and 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 a Charter adopted by the Board.

The EXCO and GCE are assisted by the management team ("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 team are the President (Property) ("President") and the Chief Financial Officer ("CFO"). The President and CFO have no familial relationship with each other, the Chairman or the GCE.

The EXCO currently comprises four members, namely:

Wee Cho Yaw, Chairman
Gwee Lian Kheng
Alan Choe Fook Cheong
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, overall planning and review of strategy as well as dealing with business of an urgent, important or extraordinary nature whilst the GCE is responsible for the day-to-day management, operations and administration of the Group.

At the Board meetings, the Directors not only review the financial performance of the Company, but also participate in discussions of matters relating to corporate governance as well as business operations, risks and transactions undertaken by the Company.

The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require. The Company's Articles of Association ("Articles") allow a board meeting to be conducted by way of telephonic and video-conferencing. The attendance of Directors at meetings of the Board and board committees, as well as the frequency of such meetings, is disclosed on page 156.

New Directors are provided with information on the corporate background, the key personnel, the core businesses, the 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. Training is made available to Directors on the Company's business and governance practices, updates/developments in the regulatory framework and environment affecting the Company including those organised by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Singapore Institute of Directors. This aims to give Directors better understanding of the Group's businesses and allows them to integrate into their roles and duties.

Board Composition and Guidance

Currently, four of the eight-member Board are independent.

With half of the Board comprising independent directors and such independent directors having the requisite experience, expertise and standing, the Board is able to exercise objective judgment independently, and no individual or small group of individuals dominate the Board's decision-making process.

The Articles allow for the maximum of twelve Directors. The Board considers the current board size to be appropriate, taking into account the nature and scope of the Group's operations.

The current Board comprises persons who possess diverse corporate experiences and as a group, the relevant qualifications and experience and core competencies necessary to manage the Company and contribute effectively to the Company.

Chairman and GCE

The Company has a separate Chairman and GCE as it believes that a distinctive separation of responsibilities between the Chairman and 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 GCE have no familial relationship with each other. The GCE has the executive responsibility for the overall administration of the Group. On the other hand, the Chairman provides leadership to the Board. He sets the meeting agenda in consultation with the GCE and ensures that Directors are provided with accurate, timely and clear information.

Board Membership

The Nominating Committee ("NC") currently comprises three non-executive Directors of whom two are independent. The NC members are:

Alan Choe Fook Cheong, Chairman
Wee Cho Yaw
Low Weng Keong

The NC is responsible for the re-nomination of Directors at regular intervals and at least every three years. 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.

Corporate Governance Report (continued)
for the year ended 31 December 2012

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 Alan Choe Fook Cheong, Low Weng Keong, Pongsak Hoontrakul and Wee Sin Tho. Each NC member has abstained from deliberations in respect of his own assessment.

Alan Choe Fook Cheong is a non-executive director of The LearningLab Education Centre Pte Ltd, which is a tenant of United Square (owned by UOL Property Investments Pte Ltd, a wholly-owned subsidiary of the Company) from whom rental proceeds exceeding $200,000 in the year 2012 were received. The NC, with Alan Choe abstaining, regards Alan Choe 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.

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. The NC is satisfied that Directors have given sufficient time and attention to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

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 before they can continue to act as a Director. The NC, with each member abstaining in respect of his own re-appointment, has recommended to the Board that Wee Cho Yaw and Gwee Lian Kheng be nominated for re-appointment at the forthcoming AGM. Alan Choe Fook Cheong will not be seeking re-appointment at this coming AGM on 19 April 2013.

Article 94 of the Articles also requires one-third of the Directors, or the number nearest to one-third, to retire from office by rotation at every AGM. These Directors may offer themselves for re-election if eligible. The NC has recommended that Low Weng Keong and Pongsak Hoontrakul who retire by rotation pursuant to this Article, be nominated for re-election.

New directors are appointed by way of a board resolution after the NC recommends their appointment for approval by the Board. Pursuant to Article 99 of the Articles, new directors submit themselves for re-election at the AGM immediately following their appointment.

The NC makes recommendations to the Board on all board appointments. Suitable candidates are identified through contacts and recommendations, and nominated for appointment through an objective and comprehensive selection process.

Key information regarding the Directors' academic qualifications and other appointments are set out on pages 157 to 158. 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.

Board Performance

The NC has assessed the contributions of each Director to the effectiveness of the Board and evaluated the performance of the Board as a whole. 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.

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 senior Management staff make the appropriate presentations and answer any query from Directors at Board meetings. Directors who require additional information may approach senior Management staff directly and independently.

Under the direction of the Chairman, the Company Secretaries are responsible for ensuring good information flow within the Board and board committees and between senior Management and non-executive Directors, facilitating the induction of new Directors and assisting with professional development as required.

Directors have separate and independent access to the advice and services of the Company Secretaries and may, either individually or as a group, in the furtherance of their duties and where necessary, obtain independent professional advice at the Company's expense.

The Company Secretaries attend all Board meetings and ensure that all Board procedures are followed. The Company Secretaries, together with Management, ensure that the Company complies with all applicable statutory and regulatory rules. The minutes of all Board and board committee meetings are circulated to the Board. The appointment and removal of the Company Secretaries are subject to the approval of the Board as a whole.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") currently comprises three non-executive Directors of whom two are independent. The RC members are:

Alan Choe Fook Cheong, Chairman
Wee Cho Yaw
Wee Sin Tho

The RC is currently chaired by an independent Director. The RC is responsible for ensuring a formal procedure for developing policy on executive remuneration and for fixing the remuneration packages for Directors and senior Management. The RC recommends for the Board's endorsement a framework of remuneration which covers all aspects of remuneration, including without limitation, Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind. It also administers the UOL 2000 Share Option Scheme (expired in May 2011), the UOL 2012 Share Option Scheme (approved at the last AGM on 19 April 2012) 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 him.

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.

Level and Mix of Remuneration

In determining remuneration packages, the RC takes into consideration industry practices and norms in compensation.

In relation to Directors, the performance-linked elements of the remuneration package for executive Directors are designed to align their interests with those of shareholders. 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.

The RC reviews and makes recommendations to the Board on Directors' fees and allowances. RC members abstain from deliberations in respect of their remuneration. Details of the total fees and other remuneration of the Directors are set out in the Remuneration Report on page 159. Details of the share options granted to Gwee Lian Kheng, the only executive Director of the Company, during the year are also disclosed on page 159.

Disclosure on Remuneration

In relation to employees of the Group, the remuneration policy of the Company seeks to align the interests of such employees with those of the Company as well as to ensure that remuneration is commercially attractive to attract, retain and motivate

employees. The typical remuneration package comprises both fixed and variable components, with base salary making up the fixed component and the variable component in the form of a performance bonus and/or share options. The report on the remuneration of the top six key executives (who are not Directors) of the Company is disclosed on page 159.

Details of the UOL 2000 and 2012 Share Option Schemes are disclosed on pages 63 to 65.

Save as disclosed in page 159, no employee who is an immediate family member of a Director or the GCE was paid more than $150,000 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.

Management provides to members of the Board for their endorsement, annual budgets and targets, and management accounts which present a balanced and understandable assessment of the Company's performance, position and prospects on a regular basis.

Audit Committee ("AC")

The AC comprises three members who have many years of related accounting and financial management expertise and experience. All the AC members are non-executive Directors, and a majority of them (including the AC Chairman) are independent. The AC members are:

Low Weng Keong, Chairman
Alan Choe Fook Cheong
Wee Ee Lim

The AC carries out the functions set out in the Code and the Companies Act. The terms of reference include reviewing the financial statements, 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.

In performing the functions, the AC has met with the internal and external auditors, without the presence of Management, at least annually and reviewed the overall scope of the internal and external audits and the assistance given by Management to the auditors.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of Management, and full discretion to invite any Director or executive officer to attend its meetings. It has reasonable resources to enable it to discharge its functions properly.

The AC has reviewed and is satisfied with the independence and objectivity of the external auditors and recommends to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment. In its review, the AC 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.

The Company has in place a Code of Business Conduct ("CBC") which has been adopted since 2006. The CBC is disseminated to employees who are required to affirm their compliance with the CBC annually. The CBC contains, inter alia, a whistle-blowing policy to encourage and provide a channel to employees to report, in good faith and in confidence, concerns about possible fraud, improprieties in financial reporting or other matters. The objective of such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

Internal Controls

The Board recognises the importance of sound internal controls and risk management practices as part of good corporate governance. The Board is responsible for ensuring that Management maintains a sound system of internal controls to safeguard shareholders' investments and the assets of the Group.

Based on the internal controls currently in place, the work undertaken by the internal and external auditors as well as reviews by the AC and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's internal financial, operational and compliance controls are generally adequate as at 31 December 2012. The Board is also of the opinion that the Group's internal controls and risk management systems provide reasonable but not absolute assurance that the Group will not be adversely affected by any reasonably foreseeable event.

Risk Management

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. establish and 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; and
4. 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 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 Group has set up a Group ERM Committee comprising senior members of the Management team to oversee the direction, implementation and running of the ERM Programme. The Group ERM Committee reports to the AC on the ERM Programme.

Concurrently, the ERM Programme is implemented at its listed subsidiary Pan Pacific Hotels Group Limited and its group of companies, and the risk findings and controls of the Pan Pacific Hotels Group are consolidated and reviewed at the UOL Group level.

Management reviews 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 the 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 AC is updated by Management half-yearly or more frequently as needed, on the progress of the ERM Programme and the key risks and risk management controls and treatment plans.

The 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 operational risks, financial risks and investment risks.

Operational Risks

The Group's operational risk framework is designed to ensure that operational risks are continually identified, managed and mitigated. This framework is implemented at each operating unit and in the case of the Group's hotels, operational risks are monitored at the Group level by the Group's asset management team. The Group's development projects as well as

investment and hotel properties are subject to operational risks that are common to the respective industries and to the particular countries in which the projects as well as investment and hotel properties are situated. It is recognised that risks can never be entirely eliminated and the Group must always weigh the cost and benefit in managing the 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.

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.

Investment Risks

The Board and 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 EXCO. All major investment proposals are submitted to the EXCO and the Board, as the case may be, for approval. Ongoing performance monitoring and asset management of new and existing investments are performed by the Group. In addition, Management continually determines under the ERM Programme, if further measures could be implemented to monitor, analyse and to the extent possible, mitigate the respective country risks in respect of which current and future investment projects are located.

Internal Audit

The Deputy General Manager (Group Internal Audit) reports directly to the AC 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 are complied with.

The Internal Audit function is adequately resourced and has appropriate standing within the Group. The Deputy General Manager (Group Internal Audit), who joined the Group in October 1997, holds a Bachelor of Accountancy (Honours) Degree from the Nanyang Technological University. He is also a non-practising member of the Institute of Certified Public Accountants of Singapore and a Member of the Institute of Internal Auditors (Singapore).

The AC has reviewed and is satisfied with the adequacy of the Internal Audit function.

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders
Greater Shareholder Participation

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 the SGXNET of SGX-ST and the publication of the Annual Report. Shareholders and investors can also access information on the Company at its website at www.uol.com.sg. 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.

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 Articles allow a shareholder of the Company to appoint up to two proxies to attend and vote in his or her place at general meetings. Barring unforeseen circumstances, the Chairpersons of the EXCO, NC, RC and AC, as well as senior Management will be available to address questions at general meetings. The external auditors are also present to address any shareholders' query on the conduct of audit and the preparation of the Auditors' Report.

The Code recommends that there should be separate resolutions at general meetings on each substantially separate issue. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications.

For greater corporate transparency, the Company has introduced electronic poll voting at the last AGM on 19 April 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 the SGXNET after the AGM. The Company intends to continue with electronic poll voting for the forthcoming AGM.

In line with its communications 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 the SGXNET.

DEALINGS IN SECURITIES

Pursuant to Listing Rule 1207(19) on Dealings in Securities, the Company issues annually, with such updates as may be necessary from time to time, a circular to its Directors and employees who are prohibited from dealing in the listed securities of the Group:

1. from two weeks to one month, as the case may be, before the announcement of the Group's quarterly and full-year financial results and ending on the date of announcement of the results; or
2. at any time they are in possession of unpublished material price sensitive information.

Directors and employees are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the prohibited periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

	Number of meetings attended in 2012				
NAME OF DIRECTOR	BOARD	EXCO	AC	RC	NC
Wee Cho Yaw	4	1	–	2	1
Gwee Lian Kheng	4	1	–	–	–
Alan Choe Fook Cheong	4	1	4	2	1
Low Weng Keong	4	–	4	–	1
Wee Ee-chao	3	1	–	–	–
Wee Ee Lim	4	–	4	–	–
Wee Sin Tho	3	–	–	2	–
Pongsak Hoontrakul	4	–	–	–	–
James Koh Cher Siang (resignation with effect from 1 April 2012)	1	–	–	–	–
Number of meetings held in 2012	4	1	4	2	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	83	EXCO – Chairman RC – Member NC – Member	23.04.1973 19.04.2012	Non-executive Non-independent
Gwee Lian Kheng Bachelor of Accountancy (Hons), University of Singapore; Fellow Member of Chartered Institute of Management Accountants, Association of Chartered Certified Accountants (UK) and Institute of Certified Public Accountants of Singapore	72	EXCO – Member	20.05.1987 19.04.2012	Executive Non-independent
Alan Choe Fook Cheong (who retires on 19 April 2013) Bachelor of Architecture, University of Melbourne; Diploma in Town & Regional Planning, University of Melbourne; Fellowship Diploma, Royal Melbourne Institute of Technology; Fellow Member of Singapore Institute of Architects, Singapore Institute of Planners, and Royal Australian Institute of Architects; Member of Royal Institute of British Architects, Royal Town Planning Institute, Royal Australian Planning Institute and American Planning Association	81	EXCO – Member AC – Member RC – Chairman NC – Chairman	28.03.1979 19.04.2012	Non-executive Independent
Low Weng Keong Life Member of CPA Australia, Fellow Member of Institute of Chartered Accountants in England & Wales and Institute of Certified Public Accountants of Singapore; Associate Member of Chartered Institute of Taxation (UK), Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals Limited	60	AC – Chairman NC – Member	23.11.2005 21.04.2010	Non-executive Independent
Wee Ee-chao Bachelor of Business Administration, The American University, Washington DC, USA	58	EXCO – Member	09.05.2006 19.04.2012	Non-executive Non-independent

PARTICULARS OF DIRECTORS (continued)

Name of Director/ Academic & Professional Qualifications	Age	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-appointed/ re-elected	Board appointment Executive/ Non-executive Independent/ Non-independent
Wee Ee Lim Bachelor of Arts (Economics), Clark University, USA	51	AC – Member	09.05.2006 19.04.2012	Non-executive Non-independent
Wee Sin Tho Bachelor of Social Sciences (Hons), National University of Singapore	64	RC – Member	13.05.2011 19.04.2012	Non-executive Independent
Pongsak Hoontrakul Doctoral degree in Business Administration, Finance Thammasat University; Master in Business Administration, Sasin Institute, Chulalongkorn University; Bachelor of Science degree in Industrial and System Engineering, San Jose State of University, USA	52	Nil	21.05.2008 19.04.2011	Non-executive Independent

Notes :
1) Directors' shareholdings in the Company and related corporations, please refer to pages 62 and 63.
2) Directorships or Chairmanships in other listed companies and other major appointments, both present and over the preceding 3 years, please refer to pages 20 to 23.

Corporate Governance Report (continued)
for the year ended 31 December 2012

REMUNERATION REPORT

Remuneration of Directors

The following table shows a breakdown (in percentage terms) of the remuneration of Directors and details of share options granted to Directors for the year ended 31 December 2012:

Remuneration Bands	Salary %	Bonuses %	Directors' fees %	Share Option Grants[1] %	Defined Contribution Plans %	Others %	Total Remuneration %	Share Option Grants[2] Number
$2,250,000 to $2,500,000								
Gwee Lian Kheng	29	60	3	7	–	1	100	120,000
Below $250,000								
Wee Cho Yaw	–	–	100	–	–	–	100	–
Alan Choe Fook Cheong	–	–	100	–	–	–	100	–
Low Weng Keong	–	–	100	–	–	–	100	–
Wee Ee-chao	–	–	100	–	–	–	100	–
Wee Ee Lim	–	–	100	–	–	–	100	–
Wee Sin Tho	–	–	100	–	–	–	100	–
James Koh Cher Siang[3]	–	–	100	–	–	–	100	–
Pongsak Hoontrakul	–	–	100	–	–	–	100	–

1 Fair value of share options is estimated using the Trinomial Tree model at date of grant.
2 Refers to options granted on 23 August 2012 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 23 August 2013 to 22 August 2022 at the offer price of S$5.40 per ordinary share.
3 Resigned with effect from 1 April 2012.

Gwee Lian Kheng, an executive director of the Company, has an employment contract with the Company which may be terminated by either party giving three months' notice. His remuneration package includes a variable bonus element (which is substantially linked to the performance of the Company) and share options of the Company.

Details of the UOL 2012 Share Option Scheme can be found undert the "Report of the Directors" section of this Annual Report.

Remuneration of Key Employees

The remuneration[1] of the top six key employees of the Group (who are not directors) is analysed into the respective remuneration bands as follows:

$1,500,000 to $1,750,000
President and CEO, Pan Pacific Hotels Group Limited ("PPHG")

$1,250,000 to $1,500,000
President (Properties), UOL Group Limited ("UOL")

$750,000 to $1,000,000
Senior Vice President, Hotel Operations, PPHG

$500,000 to $750,000
Chief Financial Officer, UOL
Chief Financial Officer, PPHG
Senior Vice President, Marketing and Sales, PPHG

1 Included in the remuneration is the value of share options granted during the year (if any) under the UOL 2012 Share Option Scheme. Fair value of share options is estimated using the Trinomial Tree model.

Remuneration of an immediate family member of a director

The remuneration of an employee who is the daughter of Wee Cho Yaw and sister of Wee Ee-chao and Wee Ee Lim is as follows:

$250,000 to $500,000
Executive Director, Asset Management, PPHG

Except as disclosed above, there were no employees of the Company and its subsidiaries who are immediate family members of a Director or the CEO and whose remuneration exceeded $150,000 during the financial year ended 31 December 2012.

Interested Person Transactions

for the year ended 31 December 2012

Name of interested person		Aggregate value of all interested person transactions during the financial year under review "(excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)" $'000
Directors and their associates:		
1	Rental and service income received	1,942
2	Joint marketing fees received from United Venture Development (Bedok) Pte. Ltd., a joint venture with an interested person	1,569
3	Project management fees received from UVD Pte. Ltd., a joint venture with an interested person	900
4	Investment in and provision of loan to UVD Pte. Ltd., a joint venture with an interested person	58,578
5	Consideration for the sale of 2 units in a wholly owned residential development, Katong Regency, to the family members of directors of UOL Group Limited	2,785

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 12 March 2013

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

SIZE OF SHAREHOLDINGS

Range	No. Of Shareholders	%	No. Of Shares	%
1 – 999	14,310	57.62	2,495,703	0.32
1,000 – 10,000	8,696	35.02	28,492,136	3.70
10,001 – 1,000,000	1,804	7.26	85,106,815	11.06
1,000,001 AND ABOVE	25	0.10	653,802,500	84.92
TOTAL :	**24,835**	**100.00**	**769,897,154**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. Of Shareholders	%	No. Of Shares	%
SINGAPORE	21,238	85.52	754,856,236	98.05
MALAYSIA	3,068	12.35	12,839,503	1.67
OTHERS	529	2.13	2,201,415	0.28
TOTAL :	**24,835**	**100.00**	**769,897,154**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name		No. Of Shares	%
1.	C. Y. WEE & COMPANY PRIVATE LIMITED	106,562,587	13.84
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	94,097,953	12.22
3.	WEE INVESTMENTS (PTE) LIMITED	86,980,090	11.30
4.	DBSN SERVICES PTE LTD	76,447,088	9.93
5.	TYE HUA NOMINEES (PRIVATE) LIMITED	74,345,209	9.66
6.	DBS NOMINEES PTE LTD	72,549,640	9.42
7.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	56,408,089	7.33
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	40,708,952	5.29
9.	RAFFLES NOMINEES (PTE) LTD	13,854,744	1.80
10.	KAH MOTOR CO SDN BHD	3,398,345	0.44
11.	WEE CHO YAW	3,388,151	0.44
12.	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	2,781,989	0.36
13.	HO HAN LEONG CALVIN	2,763,860	0.36
14.	KWEE SIU MIN @ SUDJASMIN KUSMIN OR DIANAWATI TJENDERA	2,397,000	0.31
15.	MERRILL LYNCH (SINGAPORE) PTE LTD	2,192,625	0.28
16.	SUNRISE TEXTILE ACCESSORIES (PTE.) LTD	2,011,000	0.26
17.	NGEE ANN DEVELOPMENT PTE LTD	2,000,000	0.26
18.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,944,332	0.25
19.	DOMITIAN INVESTMENT PTE LTD	1,707,000	0.22
20.	DB NOMINEES (S) PTE LTD	1,500,440	0.19
	TOTAL	**648,039,094**	**84.16**

Based on information available to the Company as at 12 March 2013, approximately 52% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual is complied with.

Shareholding Statistics (continued)

as at 12 March 2013

SUBSTANTIAL SHAREHOLDERS OF UOL GROUP LIMITED

as shown in the Register of Substantial Shareholders

		No. of Shares fully paid			
	Name	Direct Interest	Deemed Interest	Total	%[1]
1.	Wee Cho Yaw	3,388,151	234,988,584 [2]	238,376,735	30.96
2.	Wee Ee Cheong	300,534	193,635,264 [3]	193,935,798	25.19
3.	C. Y. Wee & Company Private Limited	106,562,587	–	106,562,587	13.84
4.	Wee Ee-chao	30,748	87,262,757 [4]	87,293,505	11.34
5.	Wee Ee Lim	241,489	86,997,192 [5]	87,238,681	11.33
6.	Wee Investments (Pte) Limited	86,980,090	–	86,980,090	11.30
7.	United Overseas Bank Limited ("UOB")	–	75,587,898 [6]	75,587,898	9.82
8.	Schroders plc	–	54,500,344	54,500,344	7.08
9.	Haw Par Corporation Limited	–	41,428,805 [7]	41,428,805	5.38

Notes:

1 As a percentage of the issued share capital of the Company, comprising 769,897,154 shares

2 Dr Wee Cho Yaw's deemed interest in the shares arises as follows:
(a) 106,562,587 shares held by C. Y. Wee & Company Private Limited
(b) 86,980,090 shares held by Wee Investments (Pte) Limited
(c) 41,428,805 shares which Haw Par Corporation Limited is deemed to be interested in
(d) 17,102 shares held by Kheng Leong Company (Private) Limited

3 Mr Wee Ee Cheong's deemed interest in the shares arises as follows:
(a) 106,562,587 shares held by C. Y. Wee & Company Private Limited
(b) 86,980,090 shares held by Wee Investments (Pte) Limited
(c) 75,485 shares held by E. C. Wee Pte Ltd
(d) 17,102 shares held by Kheng Leong Company (Private) Limited

4 Mr Wee Ee-chao's deemed interest in the shares arises as follows:
(a) 86,980,090 shares held by Wee Investments (Pte) Limited
(b) 265,565 shares held by Protheus Investment Holdings Pte Ltd
(c) 17,102 shares held by Kheng Leong Company (Private) Limited

5 Mr Wee Ee Lim's deemed interest in the shares arises as follows:
(a) 86,980,090 shares held by Wee Investments (Pte) Limited
(b) 17,102 shares held by Kheng Leong Company (Private) Limited

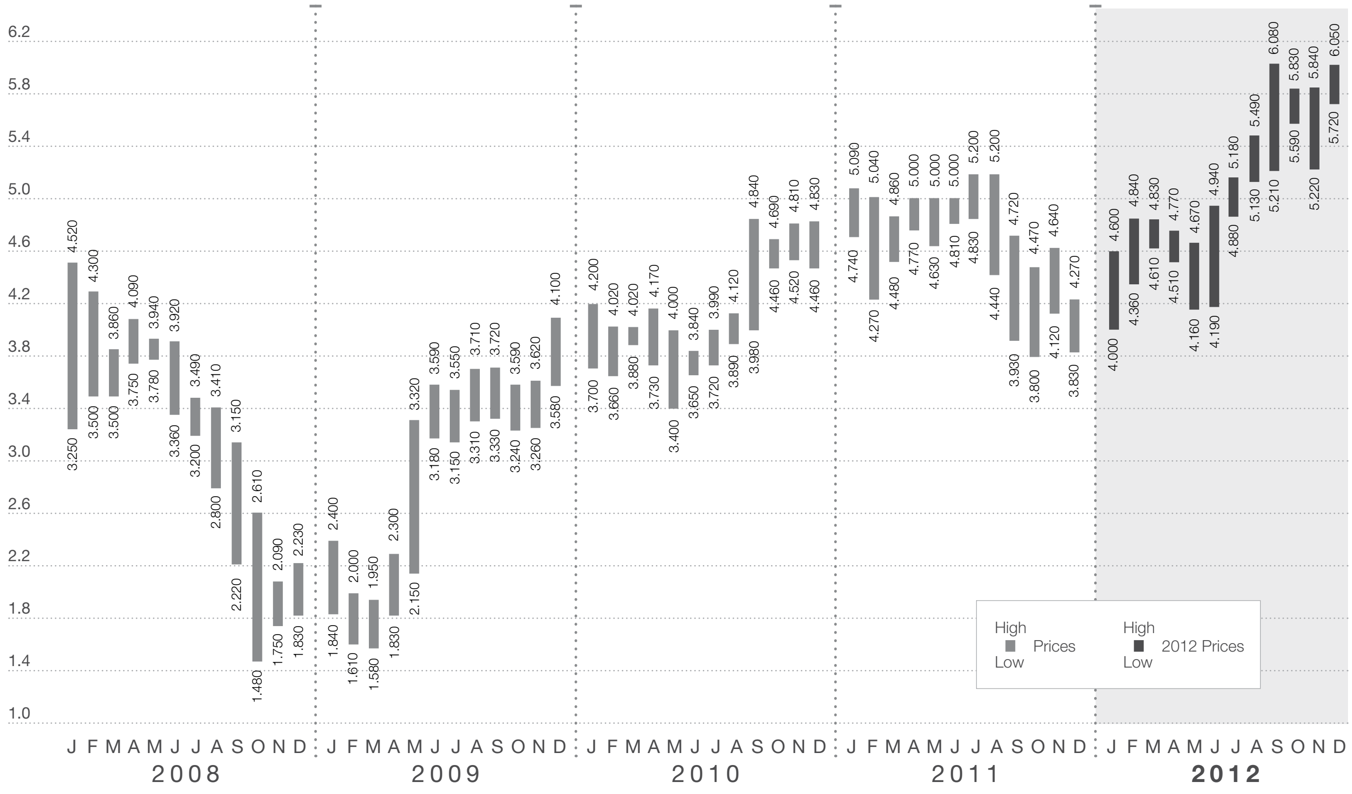
6 UOB's deemed interest in the shares arises as follows:
(a) 74,332,898 shares held in the name of Tye Hua Nominees (Private) Limited for the benefit of UOB
(b) 1,255,000 shares held by UOB Asset Management Ltd ("UOBAM") as client portfolios managed by UOBAM (Discretionary)

7 Haw Par Corporation Limited's deemed interest in the shares arises as follows:
(a) 26,561,931 shares held by Haw Par Investment Holdings Private Limited
(b) 10,527,246 shares held by Haw Par Capital Pte Ltd
(c) 1,747,053 shares held by Pickwick Securities Private Limited
(d) 643,656 shares held by Haw Par Equities Pte Ltd
(e) 1,424,981 shares held by Straits Maritime Leasing Private Limited
(f) 300,000 shares held by Haw Par Trading Pte Ltd
(g) 223,938 shares held by M&G Maritime Services Pte. Ltd.

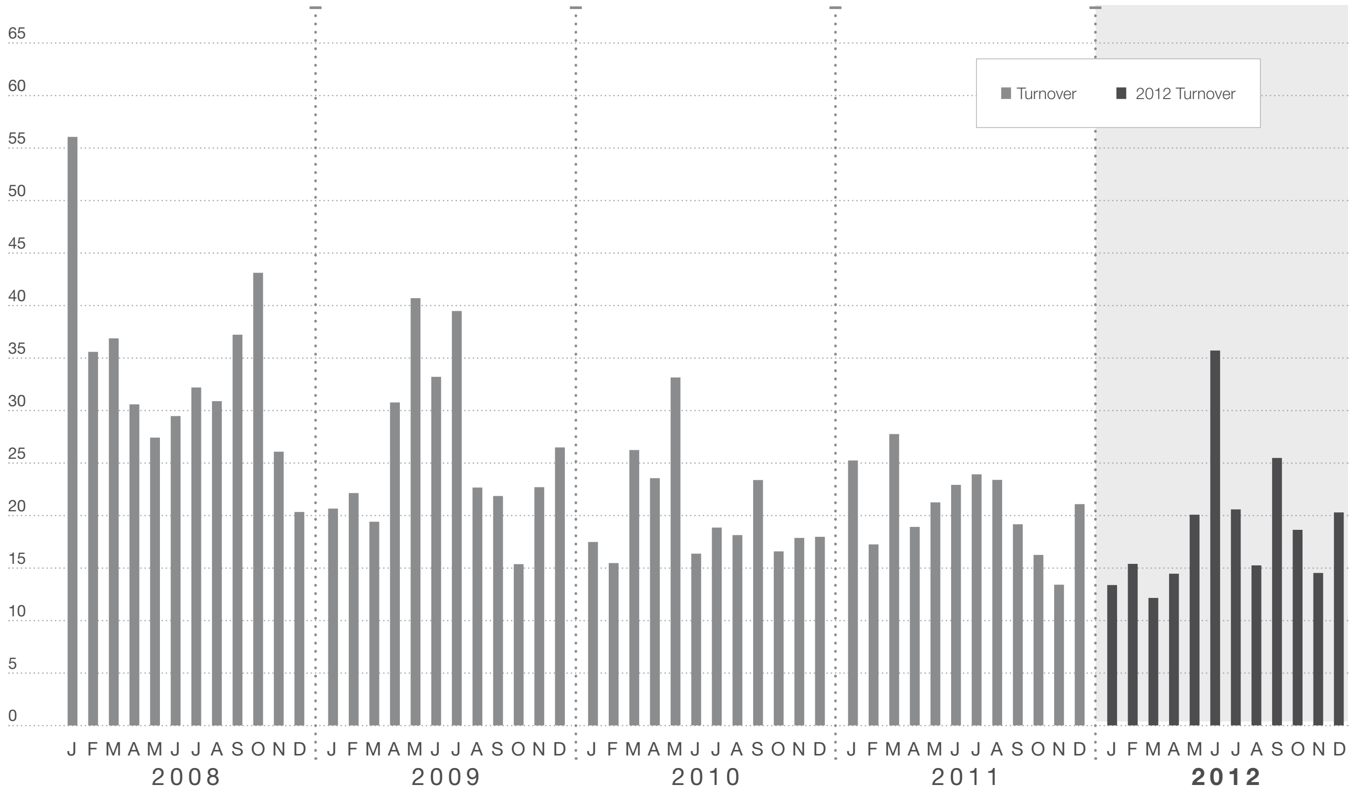
Share Price and Turnover

for the period from 1 January 2008 to 31 December 2012

SHARE PRICE ($)



TURNOVER (million)



Notice of Annual General Meeting

Notice is hereby given that the 50th Annual General Meeting of the Company will be held at Pan Pacific Singapore, Pacific 3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Friday, 19 April 2013, at 3.30 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 2012.

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 2012.

Resolution 3 To approve Directors' fees of S$498,750 for 2012 (2011 : S$533,750).

Resolution 4 To re-appoint Dr Wee Cho Yaw, pursuant to Section 153(6) of the Companies Act, Cap. 50, as Director of the Company to hold such office until the next Annual General Meeting of the Company.

Resolution 5 To re-appoint Mr Gwee Lian Kheng, pursuant to Section 153(6) of the Companies Act, Cap. 50, as Director of the Company to hold such office until the next Annual General Meeting of the Company.

Resolution 6 To re-elect Mr 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 Dr Pongsak Hoontrakul, 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."

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 consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Yeong Sien Seu
Secretaries

Singapore, 3 April 2013

Notes
A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 101 Thomson Road, #33-00 United Square, Singapore 307591 not less than 48 hours before the time for holding the Meeting.

Notes to Resolutions

1. In relation to **Resolution 4**, Dr Wee Cho Yaw will, upon re-appointment, continue as the Chairman of the Board of Directors and the Executive Committee, and as a member of the Remuneration and Nominating Committees. He is considered a non-independent director.

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.

   Note: Mr Alan Choe Fook Cheong who retires at the conclusion of this AGM pursuant to Section 153(6) of the Companies Act, Cap. 50, and although eligible, has indicated that he is not offering himself for re-appointment. Mr Alan Choe Fook Cheong will step down as the Chairman of the Remuneration and Nominating Committees, and as a member of the Audit and Executive Committees.

3. In relation to **Resolution 6**, Mr Low Weng Keong will, upon re-election, continue as the Chairman of the Audit Committee and as a member of the Nominating Committee. He is considered an independent director.

4. In relation to **Resolution 7**, Dr Pongsak Hoontrakul is considered an independent director.

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 that meeting until the next Annual General Meeting to issue, or agree to issue shares and/or grant instruments that might require shares to be issued, up to an amount not exceeding fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (calculated as described) of which the total number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (calculated as described).

Proxy Form
Annual General Meeting

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

IMPORTANT: FOR CPF INVESTORS ONLY
1. For investors who have used their CPF monies to buy UOL Group Limited's shares, this Report is sent to them at the request of their CPF Approved Nominee and is sent SOLELY FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company's Registrar (Please see Note No. 9 on the reverse).

I/We,____________________(Name)________________(NRIC/Passport/Co.Reg.No(s))

of__________________________________(Address)

being a member/members of UOL GROUP LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of shares	%

and/or (please delete as appropriate)

			No. of shares	%

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the 50th Annual General Meeting of the Company (the "AGM") to be held at Pan Pacific Singapore, Pacific 3, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595, on Friday, 19 April 2013 at 3.30 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 (Dr Wee Cho Yaw)		
5	Re-appointment (Mr Gwee Lian Kheng)		
6	Re-election (Mr Low Weng Keong)		
7	Re-election (Dr Pongsak Hoontrakul)		
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)		

* 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 _________ 2013

Shares in:	Total No. of Shares Held
(a) Depository Register	
(b) Register of Members	
Total	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Save for members which are nominee companies, a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings (expressed as a percentage of the whole) to be represented by each proxy.
2. This instrument of proxy must be signed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate, signed by its duly authorised officer or attorney or executed under its common seal.
3. A body corporate which is a member may also appoint by resolution of its directors or other governing body, an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote on behalf of such body corporate.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate all the Shares held by you.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the AGM.
6. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company at 101 Thomson Road, #33-00 United Square, Singapore 307591, not less than 48 hours before the time fixed for holding the AGM.
7. Any alteration made in this form must be initialled by the person who signs it.
8. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of the CPF Investors who wish to attend the AGM as Observers are requested to submit in writing, a list with details of the investors' names, NRIC/passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, at least 48 hours before the time fixed for holding the AGM.

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

MIX
Paper from
responsible sources
FSC™ C041355

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.

UOL Group Limited
华业集团有限公司

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