

FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Fourth Quarter Ended 30/06/2019	30/06/2018 (Restated) [#]	Increase/ (Decrease) %	Full Year Ended 30/06/2019	30/06/2018 (Restated) [#]	Increase/ (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	323,486	178,528	81	926,957	1,141,669	(19)
Cost of sales	(219,822)	(103,887)	112	(631,102)	(790,054)	(20)
Gross profit	103,664	74,641	39	295,855	351,615	(16)
Other income	212,286	147,234	44	238,798	164,004	46
Administrative expenses	(30,446)	(28,835)	6	(93,290)	(90,620)	3
Other expenses	(24,261)	(253)	N/M	(37,441)	(25,507)	47
Finance costs	(26,730)	(17,955)	49	(107,691)	(122,400)	(12)
Share of (loss)/profit of associates and joint ventures (net of tax)	(6,055)	16,227	N/M	12,789	206,952	(94)
Profit before tax	228,458	191,059	20	309,020	484,044	(36)
Tax expense	(11,872)	(20,083)	(41)	(21,404)	(61,539)	(65)
Profit for the period/year	216,586	170,976	27	287,616	422,505	(32)
Profit attributable to:						
Equity holders of the Company	183,654	147,521	24	255,674	413,207	(38)
Non-controlling interests	32,932	23,455	40	31,942	9,298	N/M
	216,586	170,976	27	287,616	422,505	(32)

N/M : Not meaningful.

[#] The comparative figures have been restated to take into account the retrospective adjustments relating to SFRS(I) 1 and 15 as detailed in Item 5.

1(a)(i) Breakdown and explanatory notes to the income statement:-

	Group			Group		
	Fourth Quarter Ended 30/06/2019	30/06/2018 (Restated)	Increase/ (Decrease) %	Full Year Ended 30/06/2019	30/06/2018 (Restated)	Increase/ (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Interest income	8,405	3,199	163	19,877	10,902	82
Depreciation of property, plant and equipment	(4,630)	(6,133)	(25)	(16,807)	(16,061)	5
Net fair value loss on derivative financial instruments	(24,905)	(1,747)	N/M	(25,988)	(1,207)	N/M
Net foreign exchange gain/(loss)	3,388	5,649	(40)	12,759	(2,634)	N/M
Net fair value gain from investment properties	197,413	142,465	39	197,413	142,465	39
Loss on disposal of interests in a subsidiary	-	-	-	-	(11,931)	(100)
Gain on disposal of available-for-sale securities	-	-	-	-	1,340	(100)
Impairment loss on property, plant and equipment	-	(2,289)	(100)	-	(2,289)	(100)

N/M : Not meaningful.

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group As At			Company As At		
	30/06/2019	30/06/2018 (Restated) [#]	01/07/2017 (Restated) [#]	30/06/2019	30/06/2018	01/07/2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets						
Property, plant and equipment	592,263	618,054	623,806	-	-	-
Investment properties	4,877,319	4,623,436	3,053,287	-	-	-
Subsidiaries	-	-	-	2,215,738	1,970,630	1,966,514
Associates and joint ventures	543,969	894,090	676,249	-	-	-
Other receivables, including derivatives	891	-	-	-	-	-
Other investments	-	-	507	-	-	-
Deferred tax assets	29,795	37,291	22,641	-	-	-
	<u>6,044,237</u>	<u>6,172,871</u>	<u>4,376,490</u>	<u>2,215,738</u>	<u>1,970,630</u>	<u>1,966,514</u>
Current assets						
Inventories	2,982,227	2,858,134	2,647,397	-	-	-
Deposits for land	-	-	466,893	-	-	-
Contract assets	35,113	197,318	42,282	-	-	-
Trade and other receivables, including derivatives	146,154	307,261	156,740	3	7,021	6
Cash and cash equivalents	823,718	884,934	1,118,483	214	225	206
	<u>3,987,212</u>	<u>4,247,647</u>	<u>4,431,795</u>	<u>217</u>	<u>7,246</u>	<u>212</u>
Total assets	<u>10,031,449</u>	<u>10,420,518</u>	<u>8,808,285</u>	<u>2,215,955</u>	<u>1,977,876</u>	<u>1,966,726</u>
Equity						
Share capital	1,926,053	1,926,053	1,926,053	1,926,053	1,926,053	1,926,053
Reserves	1,899,645	1,833,010	1,491,609	258,598	20,315	8,438
Equity attributable to ordinary equity holders of the Company	<u>3,825,698</u>	<u>3,759,063</u>	<u>3,417,662</u>	<u>2,184,651</u>	<u>1,946,368</u>	<u>1,934,491</u>
Perpetual securities	405,949	404,976	-	-	-	-
	<u>4,231,647</u>	<u>4,164,039</u>	<u>3,417,662</u>	<u>2,184,651</u>	<u>1,946,368</u>	<u>1,934,491</u>
Non-controlling interests	410,866	394,456	291,279	-	-	-
Total equity	<u>4,642,513</u>	<u>4,558,495</u>	<u>3,708,941</u>	<u>2,184,651</u>	<u>1,946,368</u>	<u>1,934,491</u>
Non-current liabilities						
Other payables, including derivatives	610,771	550,907	342,560	30,352	30,528	31,298
Loans and borrowings	4,204,356	3,291,844	2,254,031	-	-	-
Deferred tax liabilities	22,874	61,685	19,386	-	-	-
	<u>4,838,001</u>	<u>3,904,436</u>	<u>2,615,977</u>	<u>30,352</u>	<u>30,528</u>	<u>31,298</u>
Current liabilities						
Trade and other payables, including derivatives	204,033	274,675	377,287	903	933	859
Contract liabilities	21,171	33,613	42	-	-	-
Loans and borrowings	285,440	1,631,960	2,090,477	-	-	-
Current tax liabilities	40,291	17,339	15,561	49	47	78
	<u>550,935</u>	<u>1,957,587</u>	<u>2,483,367</u>	<u>952</u>	<u>980</u>	<u>937</u>
Total liabilities	<u>5,388,936</u>	<u>5,862,023</u>	<u>5,099,344</u>	<u>31,304</u>	<u>31,508</u>	<u>32,235</u>
Total equity and liabilities	<u>10,031,449</u>	<u>10,420,518</u>	<u>8,808,285</u>	<u>2,215,955</u>	<u>1,977,876</u>	<u>1,966,726</u>

[#] The comparative figures have been restated to take into account the retrospective adjustments relating to SFRS(I) 1 and 15 as detailed in Item 5.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.
Amount repayable in one year or less, or on demand

As at 30/06/2019 (S\$'000)		As at 30/06/2018 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
45,376	240,064	1,329,090	302,870

Amount repayable after one year

As at 30/06/2019 (S\$'000)		As at 30/06/2018 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,326,625	877,731	2,236,679	1,055,165

Details of any collateral

The Group's assets pledged/mortgaged to secure loan facilities granted to the Group are as follows:-

	Group As At 30/06/2019 S\$'000	30/06/2018 (Restated) S\$'000
At carrying amounts:-		
Property, plant and equipment	480,671	506,262
Investment properties	4,244,548	4,020,517
Inventories	1,799,882	1,596,988

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	Fourth Quarter Ended 30/06/2019	30/06/2018 (Restated)	Full Year Ended 30/06/2019	30/06/2018 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before tax	228,458	191,059	309,020	484,044
Adjustments for:-				
Allowance for doubtful debts	775	261	775	261
Allowance for foreseeable loss on development properties	1,035	-	1,035	-
Allowance for impairment loss on property, plant and equipment	-	2,289	-	2,289
Depreciation of property, plant and equipment	4,630	6,133	16,807	16,061
Dividend income from equity securities	-	(49)	-	(50)
Finance costs	26,730	17,955	107,691	122,400
Gain on disposal of equity securities	-	-	-	(1,340)
Interest income	(8,405)	(3,199)	(19,877)	(10,902)
Loss on disposal of interests in a subsidiary	-	-	-	11,931
Loss on liquidation of subsidiaries	-	-	-	890
Loss/(Gain) on disposal of property, plant and equipment	1	(31)	1	(33)
Net fair value gain from investment properties	(197,413)	(142,465)	(197,413)	(142,465)
Net fair value loss on derivative financial instruments	24,905	1,747	25,988	1,207
Share of loss/(profit) of associates and joint ventures (net of tax)	6,055	(16,227)	(12,789)	(206,952)
Share-based payments	672	705	2,622	1,410
Unrealised exchange (gain)/loss	(3,575)	212	(5,464)	8,249
	83,868	58,390	228,396	287,000
Changes in:-				
Inventories	(223,701)	155,741	(140,096)	673,335
Deposits for land	-	-	-	(482,539)
Contract assets	(5,283)	(8,800)	155,993	(155,036)
Trade and other receivables	(15,819)	56,265	161,955	27,835
Trade and other payables	(3,112)	(48,839)	(48,003)	(82,178)
Contract liabilities	(3,986)	33,554	(11,987)	33,571
Balances with holding companies and related corporations	1,094	(28,983)	3,203	(36,995)
Cash (used in)/generated from operating activities	(166,939)	217,328	349,461	264,993
Tax received/(paid)	154	(5,758)	(27,993)	(33,984)
Net cash (used in)/from operating activities	(166,785)	211,570	321,468	231,009

	Group		Group	
	Fourth Quarter Ended 30/06/2019	30/06/2018 (Restated)	Full Year Ended 30/06/2019	30/06/2018 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Additions to investment properties	(26,560)	(17,570)	(42,017)	(1,426,013)
Additions to property, plant and equipment	(1,051)	(21,489)	(7,957)	(27,805)
Balances with associates and joint ventures	(90,562)	444	(112,971)	6,972
Capital reduction of a joint venture	-	-	281,293	-
Dividends received from associates and joint ventures	-	10	162,875	1,201
Dividends received from equity securities	-	49	-	50
Investment in equity-accounted investee	-	(1,600)	-	(1,600)
Interest received	6,104	3,736	16,783	13,269
Proceeds from disposal of equity securities	-	-	-	506
Proceeds from disposal of property, plant and equipment	-	383	-	438
Net cash (used in)/from investing activities	(112,069)	(36,037)	298,006	(1,432,982)
Cash flows from financing activities				
Capital reduction from non-controlling interests	-	-	(258)	(686)
Dividends paid	-	-	(77,684)	(77,684)
Dividends paid to non-controlling interests	-	-	(1,749)	(1,553)
Distribution payment for perpetual securities	-	-	(18,299)	-
Decrease/(Increase) in fixed deposits pledged	633	(2,940)	(435)	(1,853)
Interest paid	(46,880)	(59,289)	(156,111)	(151,015)
Proceeds from issuance of perpetual securities	-	-	-	397,218
Proceeds from loans and borrowings	262,924	2,066,510	1,543,923	4,220,337
Proceeds from loans from non-controlling interests of subsidiaries	5,400	1,019	17,655	240,197
Repayment of loans and borrowings	(201,129)	(2,288,180)	(1,968,820)	(3,664,955)
Net cash from/(used in) financing activities	20,948	(282,880)	(661,778)	960,006
Net decrease in cash and cash equivalents	(257,906)	(107,347)	(42,304)	(241,967)
Cash and cash equivalents at beginning of the period/year	1,071,241	977,407	870,340	1,105,927
Exchange differences on translation of balances held in foreign currencies	(4,461)	280	(19,162)	6,380
Cash and cash equivalents at end of the period/year	808,874	870,340	808,874	870,340

For the consolidated statement of cash flows, cash and cash equivalents exclude cash collaterals.

For the current quarter ended 30 June 2019, net cash used in operating activities of \$166.8 million was mainly due to payments made for land acquisition, as compared to net cash generated of \$211.6 million in the previous corresponding quarter. Net cash used in investing activities in the current quarter of \$112.1 million was mainly due to the Group's equity contribution to a joint venture project in Singapore. For financing activities, net cash of \$20.9 million was generated during the quarter as compared to \$282.9 million used mainly for repayment of loans and borrowings in the previous corresponding quarter.

For the financial year, net cash from operating activities was \$321.5 million, 39% more than the previous financial year, mainly due to higher collection of sales proceeds and other receivables. Net cash from investing activities in the current financial year of \$298.0 million was mainly from cash repatriated from completed joint venture project. In the previous financial year, net cash used of \$1.43 billion was mainly for the land acquisition of the commercial site at Beach Road. For financing activities, net cash of \$661.8 million was used mainly for loans repayment in the current financial year, as compared to net cash of \$960.0 million mainly from loans and borrowings in the previous financial year.

1(d) Consolidated Statement of Comprehensive Income

	Group			Group		
	Fourth Quarter Ended 30/06/2019	30/06/2018 (Restated)	Increase/ (Decrease)	Full Year Ended 30/06/2019	30/06/2018 (Restated)	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period/year	216,586	170,976	27	287,616	422,505	(32)
Other comprehensive income						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	(50,601)	(15,872)	N/M	(117,400)	47,867	N/M
Effective portion of changes in fair value of cash flow hedges	2,526	(1,703)	N/M	2,407	(1,703)	N/M
Effective portion of changes in fair value of net investment hedges	6,175	371	N/M	6,763	(14,880)	N/M
Net change in fair value of available-for-sale securities	-	(260)	(100)	-	(239)	(100)
Fair value reserve relating to available-for-sale securities reclassified to profit or loss upon disposal	-	256	(100)	-	(1,101)	(100)
Total other comprehensive income for the period/year, net of tax	(41,900)	(17,208)	143	(108,230)	29,944	N/M
Total comprehensive income for the period/year, net of tax	174,686	153,768	14	179,386	452,449	(60)
Attributable to:						
Equity holders of the Company	148,076	130,541	13	160,969	434,452	(63)
Non-controlling interests	26,610	23,227	15	18,417	17,997	2
Total comprehensive income for the period/year, net of tax	174,686	153,768	14	179,386	452,449	(60)

N/M: Not meaningful.

1(e)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the Full Year ended 30 June 2019 and 30 June 2018

	Attributable to ordinary equity holders of the Company						Non- Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Other Reserves* S\$'000	Accumulated Profits S\$'000	Total Ordinary Equity S\$'000	Perpetual Securities S\$'000	Total S\$'000		
Group								
At 1 July 2018	1,926,053	(138,217)	1,971,227	3,759,063	404,976	4,164,039	394,456	4,558,495
Total comprehensive income for the year								
Profit for the year	-	-	255,674	255,674	-	255,674	31,942	287,616
Other comprehensive income								
<i>Items that are or may be reclassified subsequently to profit or loss:-</i>								
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	(103,875)	-	(103,875)	-	(103,875)	(13,525)	(117,400)
Effective portion of changes in fair value of cash flow hedges	-	2,407	-	2,407	-	2,407	-	2,407
Effective portion of changes in fair value of net investment hedges	-	6,763	-	6,763	-	6,763	-	6,763
Total other comprehensive income, net of tax	-	(94,705)	-	(94,705)	-	(94,705)	(13,525)	(108,230)
Total comprehensive income for the year, net of tax	-	(94,705)	255,674	160,969	-	160,969	18,417	179,386
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Accrued distribution for perpetual securities	-	-	(19,272)	(19,272)	19,272	-	-	-
Distribution payment for perpetual securities	-	-	-	-	(18,299)	(18,299)	-	(18,299)
Dividends	-	-	(77,684)	(77,684)	-	(77,684)	(1,749)	(79,433)
Capital reduction of a subsidiary with non-controlling interests	-	-	-	-	-	-	(258)	(258)
Share-based payments	-	2,622	-	2,622	-	2,622	-	2,622
Total contributions by and distributions to equity holders	-	2,622	(96,956)	(94,334)	973	(93,361)	(2,007)	(95,368)
Total transactions with equity holders	-	2,622	(96,956)	(94,334)	973	(93,361)	(2,007)	(95,368)
At 30 June 2019	1,926,053	(230,300)	2,129,945	3,825,698	405,949	4,231,647	410,866	4,642,513

* Include reserve for own shares, share option reserve, capital reserve, translation reserve, revaluation reserve, fair value reserve, merger reserve and hedging reserve.

Group	Attributable to ordinary equity holders of the Company					Perpetual Securities S\$'000	Total S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Other Reserves* S\$'000	Accumulated Profits S\$'000	Total Ordinary Equity S\$'000					
At 1 July 2017	1,926,053	(160,872)	1,652,481	3,417,662	-	3,417,662	291,279	3,708,941	
Total comprehensive income for the year									
Profit for the year	-	-	413,207	413,207	-	413,207	9,298	422,505	
Other comprehensive income									
<i>Items that are or may be reclassified subsequently to profit or loss:-</i>									
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	39,066	-	39,066	-	39,066	8,801	47,867	
Effective portion of changes in fair value of cash flow hedges	-	(1,703)	-	(1,703)	-	(1,703)	-	(1,703)	
Effective portion of changes in fair value of net investment hedges	-	(14,880)	-	(14,880)	-	(14,880)	-	(14,880)	
Net change in fair value of available-for-sale securities	-	(163)	-	(163)	-	(163)	(76)	(239)	
Fair value reserve relating to available-for-sale securities reclassified to profit or loss upon disposal	-	(1,075)	-	(1,075)	-	(1,075)	(26)	(1,101)	
Total other comprehensive income, net of tax	-	21,245	-	21,245	-	21,245	8,699	29,944	
Total comprehensive income for the year, net of tax	-	21,245	413,207	434,452	-	434,452	17,997	452,449	
Transactions with equity holders, recorded directly in equity									
Contributions by and distributions to equity holders									
Issue of perpetual securities	-	-	-	-	397,218	397,218	-	397,218	
Accrued distribution for perpetual securities	-	-	(7,758)	(7,758)	7,758	-	-	-	
Dividends	-	-	(77,684)	(77,684)	-	(77,684)	(1,553)	(79,237)	
Capital reduction of a subsidiary with non-controlling interests	-	-	-	-	-	-	(686)	(686)	
Capitalisation of shareholder's loan from non-controlling interests	-	-	-	-	-	-	78,400	78,400	
Share-based payments	-	1,410	-	1,410	-	1,410	-	1,410	
Total contributions by and distributions to equity holders	-	1,410	(85,442)	(84,032)	404,976	320,944	76,161	397,105	
Changes in ownership interests in subsidiaries									
Acquisition of additional interests in subsidiaries without a change in control	-	-	(9,019)	(9,019)	-	(9,019)	9,019	-	
Total changes in ownership interests in subsidiaries	-	-	(9,019)	(9,019)	-	(9,019)	9,019	-	
Total transactions with equity holders	-	1,410	(94,461)	(93,051)	404,976	311,925	85,180	397,105	
At 30 June 2018	1,926,053	(138,217)	1,971,227	3,759,063	404,976	4,164,039	394,456	4,558,495	

* Include reserve for own shares, share option reserve, capital reserve, translation reserve, revaluation reserve, fair value reserve, merger reserve and hedging reserve.

	Share Capital S\$'000	Other Reserves* S\$'000	Accumulated Profits S\$'000	Total Equity S\$'000
Company				
At 1 July 2018	1,926,053	(160,637)	180,952	1,946,368
Profit for the year	-	-	313,345	313,345
Total comprehensive income for the year	-	-	313,345	313,345
Transactions with equity holders, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends	-	-	(77,684)	(77,684)
Share-based payments	-	2,622	-	2,622
Total contributions by and distributions to equity holders	-	2,622	(77,684)	(75,062)
Total transactions with equity holders	-	2,622	(77,684)	(75,062)
At 30 June 2019	1,926,053	(158,015)	416,613	2,184,651
Company				
At 1 July 2017	1,926,053	(162,047)	170,485	1,934,491
Profit for the year	-	-	88,151	88,151
Total comprehensive income for the period	-	-	88,151	88,151
Transactions with equity holders, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends	-	-	(77,684)	(77,684)
Share-based payments	-	1,410	-	1,410
Total contributions by and distribution to equity holders	-	1,410	(77,684)	(76,274)
Total transactions with equity holders	-	1,410	(77,684)	(76,274)
At 30 June 2018	1,926,053	(160,637)	180,952	1,946,368

*Include reserve for own shares, share option reserve and capital reserve.

Statement of Changes in Equity for the Fourth Quarter ended 30 June 2019 and 30 June 2018

Group	Attributable to ordinary equity holders of the Company				Perpetual Securities S\$'000	Total S\$'000	Non- Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Other Reserves* S\$'000	Accumulated Profits S\$'000	Total Ordinary Equity S\$'000				
At 1 April 2019	1,926,053	(195,394)	1,951,388	3,682,047	400,852	4,082,899	384,256	4,467,155
Total comprehensive income for the period								
Profit for the period	-	-	183,654	183,654	-	183,654	32,932	216,586
Other comprehensive income								
<i>Items that are or may be reclassified subsequently to profit or loss:-</i>								
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	(44,279)	-	(44,279)	-	(44,279)	(6,322)	(50,601)
Effective portion of changes in fair value of cash flow hedges	-	2,526	-	2,526	-	2,526	-	2,526
Effective portion of changes in fair value of net investment hedges	-	6,175	-	6,175	-	6,175	-	6,175
Total other comprehensive income, net of tax	-	(35,578)	-	(35,578)	-	(35,578)	(6,322)	(41,900)
Total comprehensive income for the period, net of tax	-	(35,578)	183,654	148,076	-	148,076	26,610	174,686
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Accrued distribution for perpetual securities	-	-	(5,097)	(5,097)	5,097	-	-	-
Share-based payments	-	672	-	672	-	672	-	672
Total contributions by and distributions to equity holders	-	672	(5,097)	(4,425)	5,097	672	-	672
Total transactions with equity holders	-	672	(5,097)	(4,425)	5,097	672	-	672
At 30 June 2019	1,926,053	(230,300)	2,129,945	3,825,698	405,949	4,231,647	410,866	4,642,513

* Include reserve for own shares, share option reserve, capital reserve, translation reserve, revaluation reserve, fair value reserve, merger reserve and hedging reserve.

Group	Attributable to ordinary equity holders of the Company						Non-Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Other Reserves* S\$'000	Accumulated Profits S\$'000	Total Ordinary Equity S\$'000	Perpetual Securities S\$'000	Total S\$'000		
At 1 April 2018	1,926,053	(121,942)	1,838,044	3,642,155	399,657	4,041,812	362,210	4,404,022
Total comprehensive income for the period								
Profit for the period	-	-	147,521	147,521	-	147,521	23,455	170,976
Other comprehensive income								
<i>Items that are or may be reclassified subsequently to profit or loss:-</i>								
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	(15,848)	-	(15,848)	-	(15,848)	(24)	(15,872)
Effective portion of changes in fair value of cash flow hedges	-	(1,703)	-	(1,703)	-	(1,703)	-	(1,703)
Effective portion of changes in fair value of net investment hedges	-	371	-	371	-	371	-	371
Net change in fair value of available-for-sale securities	-	(185)	-	(185)	-	(185)	(75)	(260)
Fair value reserve relating to available-for-sale securities reclassified to profit or loss upon disposal	-	385	-	385	-	385	(129)	256
Total other comprehensive income, net of tax	-	(16,980)	-	(16,980)	-	(16,980)	(228)	(17,208)
Total comprehensive income for the period, net of tax	-	(16,980)	147,521	130,541	-	130,541	23,227	153,768
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Accrued distribution for perpetual securities	-	-	(5,319)	(5,319)	5,319	-	-	-
Share-based payments	-	705	-	705	-	705	-	705
Total contributions by and distributions to equity holders	-	705	(5,319)	(4,614)	5,319	705	-	705
Changes in ownership interests in subsidiaries								
Acquisition of additional interests in subsidiaries without a change in control	-	-	(9,019)	(9,019)	-	(9,019)	9,019	-
Total changes in ownership interests in subsidiaries	-	-	(9,019)	(9,019)	-	(9,019)	9,019	-
Total transactions with equity holders	-	705	(14,338)	(13,633)	5,319	(8,314)	9,019	705
At 30 June 2018	1,926,053	(138,217)	1,971,227	3,759,063	404,976	4,164,039	394,456	4,558,495

* Include reserve for own shares, share option reserve, capital reserve, translation reserve, revaluation reserve, fair value reserve, merger reserve and hedging reserve.

	Share Capital S\$'000	Other Reserves* S\$'000	Accumulated Profits S\$'000	Total Equity S\$'000
Company				
At 1 April 2019	1,926,053	(158,687)	252,657	2,020,023
Profit for the period	-	-	163,956	163,956
Total comprehensive income for the period	-	-	163,956	163,956
Transactions with equity holders, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Share-based payments	-	672	-	672
Total contributions by and distribution to equity holders	-	672	-	672
Total transactions with equity holders	-	672	-	672
At 30 June 2019	1,926,053	(158,015)	416,613	2,184,651
At 1 April 2018	1,926,053	(161,342)	168,251	1,932,962
Profit for the period	-	-	12,701	12,701
Total comprehensive income for the period	-	-	12,701	12,701
Transactions with equity holders, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Share-based payments	-	705	-	705
Total contributions by and distribution to equity holders	-	705	-	705
Total transactions with equity holders	-	705	-	705
At 30 June 2018	1,926,053	(160,637)	180,952	1,946,368

*Include reserve for own shares, share option reserve and capital reserve.

1(e)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

(a)	Issued and fully paid ordinary shares (S\$'000):- At 1 April and 30 June 2019		<u>1,926,053</u>
(b)	GuocoLand Limited Executive Share Scheme 2018 (ESS):- <i>No. of share options</i>	2019	2018
	At 1 April and 30 Jun	<u>37,900,000</u>	<u>39,700,000</u>
		30/06/2019	As At 30/06/2018
(c)	No. of issued ordinary shares	1,183,373,276	1,183,373,276
	Less : No. of shares acquired by the Trust for ESS	(73,604,933)	(73,604,933)
		<u>1,109,768,343</u>	<u>1,109,768,343</u>
(d)	No. of shares acquired by the Trust for ESS:- At 1 July 2018 and 30 June 2019		<u>73,604,933</u>

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures for the financial year ended 30 June 2019 have been audited by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The auditors' report with respect to the Group's financial statements for the year ended 30 June 2019 is attached.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those applied in the most recently audited financial statements of the Group for the financial year ended 30 June 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ended 30 June 2019 are prepared in accordance with SFRS(I).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as that of the audited financial statements for the year ended 30 June 2018, except for the adoption of the new/revised SFRS(I) applicable for the financial period beginning 1 July 2018 as follows:-

SFRS(I) 1	<i>First-time Adoption of Singapore Financial Reporting Standards (International)</i>
SFRS(I) 9	<i>Financial Instruments</i>
SFRS(I) 15	<i>Revenue from Contracts with Customers</i>

SFRS(I) 1

SFRS(I) 1 requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) requires both the opening statement of financial position and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to FRS financial statements. The Group elected the optional exemption to reset its cumulative translation reserve for all foreign operations to nil at the date of transition, 1 July 2017, and reclassified the cumulative translation reserve to accumulated profits. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date transition. Except as disclosed below, the application of the mandatory exceptions and the optional exemptions in SFRS(I) does not have any significant impact on the Group's financial statements.

SFRS(I) 9

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement method under SFRS(I) 9. The Group's existing hedges that are designated in effective hedging relationship continue to qualify for hedge accounting under SFRS(I) 9.

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 using the retrospective approach and applies all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedients used for completed contracts. Under these practical expedients, completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

Under SFRS(I) 15, the Group capitalises sales commission paid to property agents on the sale of property which were previously recognised as expenses if these costs are recoverable. Sales commission will be amortised to profit or loss as the Group recognizes the related revenue. In addition the Group also recognises finance income or finance expenses, depending on the arrangement, for payments received from customers for the sale of residential projects when the difference between the timing of receipt of payments and the transfer of control of the property to the buyer is 12 months or more.

Arising from the Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development, the Group has ceased capitalisation of certain borrowing costs on development properties.

The impact on the comparatives of the Group's financial statements arising from the adoption of SFRS(I) 1 and 15 are as follows:

<u>Income statement</u>	Full Year Ended 30/06/2018 S\$'000	
Decrease in revenue		(18,512)
Decrease in cost of sales		90,036
Decrease in other income		(474)
Increase in other expenses		(11,250)
Increase in finance cost		(26,153)
Increase in share of profit of associates and joint ventures (net of tax)		3,354
Increase in tax expense		(7,232)
Decrease in non-controlling interests		2,168
Increase in profit attributable to equity holders of the Company		<u>31,937</u>
<u>Statement of financial position</u>	As at 30/06/2018 S\$'000	As at 01/07/2017 S\$'000
Increase in associates and joint ventures	3,969	633
Increase in deferred tax assets	15,851	3,084
Decrease in inventories	(99,742)	(151,107)
Increase in contract assets	197,318	42,282
Decrease in trade and other receivables	(196,115)	(42,282)
Decrease in deferred tax liabilities	578	14,331
Decrease in trade and other payables	26,438	42
Increase in contract liabilities	(33,613)	(42)
Decrease in current tax liabilities	2,317	8,567
Decrease in net assets	<u>(82,999)</u>	<u>(124,492)</u>
Decrease in accumulated profits	(197,822)	(229,759)
Increase in translation reserve	129,283	117,559
Decrease in non-controlling interests	(14,460)	(12,292)
Decrease in total equity	<u>(82,999)</u>	<u>(124,492)</u>

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group Fourth Quarter Ended		Group Full Year Ended	
	30/06/2019	30/06/2018 (Restated)	30/06/2019	30/06/2018 (Restated)
Earnings per ordinary share for the period/year based on the Group's profit attributable to equity holders of the Company*:-				
(a) Based on weighted average number of ordinary shares in issue after adjusting for the shares held by the Trust for ESS (cents)	16.09	12.81	21.30	36.53
Weighted average number of ordinary shares ('000)	1,109,768	1,109,768	1,109,768	1,109,768
(b) On a fully diluted basis (cents)	16.09	12.79	21.30	36.48
Weighted average number of ordinary shares ('000)	1,109,768	1,112,247	1,109,768	1,111,448

* After deducting accrued distribution for perpetual securities for the fourth quarter and full year ended 30 June 2019 of \$5,097,000 (2018: \$5,319,000) and \$19,272,000 (2018: \$7,758,000) respectively.

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group As At		Company As At	
	30/06/2019	30/06/2018 (Restated)	30/06/2019	30/06/2018
	S\$	S\$	S\$	S\$
Net asset value per ordinary share based on existing issued share capital after adjusting for the shares held by the Trust for ESS	3.45	3.39	1.97	1.75

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

(i) **Income statement**

Fourth Quarter Ended 30 June 2019

For the current quarter ended 30 June 2019, revenue for the Group increased by 81% year-on-year to \$323.5 million mainly due to the progressive revenue recognition of residential projects in Singapore and Malaysia. Gross profit margin remained stable at approximately 32% as compared to the previous quarter ended 30 March 2019.

Other income increased by 44% to \$212.3 million mainly due to higher fair value gains from the investment properties in Singapore as compared to the previous corresponding quarter. Other expenses increased from \$0.3 million to \$24.3 million for the current quarter mainly due to higher fair value losses on derivative financial instruments. Meanwhile, finance costs increased by 49% to \$26.7 million due to lower capitalisation of finance cost as compared to the previous corresponding quarter.

Consequently, the Group recorded a net profit attributable to equity holders of the Company of \$183.7 million, an increase of 24% as compared to the previous corresponding quarter.

Full Year 30 June 2019

The Group ended the financial year with revenue of \$927.0 million and profit attributable to equity holders of the Company of \$255.7 million, a decrease of 19% and 38% respectively as compared to the previous financial year.

The lower revenue in the current financial year was mainly due to lower sales of completed residential units in Singapore as the Group has brought down its inventory of completed unsold units substantially in the previous year. In the previous financial year, the Group's revenue included contributions from well-performing projects such as Leedon Residence and Sims Urban Oasis, which received its Temporary Occupation Permit in October 2017. Correspondingly, gross profit was reduced by 16% to \$295.9 million for the year; however gross profit margin was maintained at approximately 32%.

Other income increased by 46% to \$238.8 million as a result of higher fair value gains from Singapore's investment properties as compared to the previous financial year. Other expenses increased by 47% to \$37.4 million mainly due to higher fair value losses on derivative financial instruments in the current financial year. The increase was partially offset by the loss on disposal of a subsidiary recorded in the previous financial year. Finance costs fell by 12% to \$107.7 million mainly because of lower loans during the year. Meanwhile, share of profit of associates and joint ventures fell by 94% to \$12.8 million as substantial recognition of profit from the Group's joint venture residential project in Shanghai was recorded in the previous financial year. Consequently, tax expense reduced by 65% to \$21.4 million as withholding tax was provided for the profit recognised from the joint venture in the previous financial year.

(ii) **Statement of financial position**

The Group's total equity, excluding non-controlling interests, was \$4.23 billion as at 30 June 2019. The slight increase of 2% as compared to 30 June 2018 was because profit recorded for the year was partially offset by translation losses arising mainly from the weakening of the Chinese Renminbi against the Singapore dollar and payment of \$77.7 million of dividends to shareholders during the year.

Boosted mainly by the year end fair value gain on Guoco Tower in Singapore, the Group's investment properties increased 5% to \$4.88 billion as at 30 June 2019. On the other hand, associates and joint ventures decreased by 39% to \$544.0 million as at 30 June 2019, mainly due to the repatriation of proceeds from the completed joint venture project in China. This decrease has been partially offset by the Group's equity contribution to the joint venture project relating to the Pacific Mansion en bloc acquisition during the year.

Inventories increased by 4% to almost \$3 billion mainly due to the completion of the Casa Meyfort freehold residential site acquisition. However, this increase in inventories from the land acquisition was partially offset by revenue recognition during the year. Trade and other receivables and contract assets collectively fell by 64% to \$181.3 million mainly due to the collection of sales proceeds and other receivables during the year. Trade and other payables decreased by 26% to \$204.0 million mainly due to lower construction cost payable as compared to 30 June 2018.

The Group's total loans and borrowings decreased by 9% from 30 June 2018 following repayments made during the year. As a result, the Group's gearing was reduced to approximately 0.9 times as at 30 June 2019.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast was made. The business environment described in item 10 of the Group's results announcement for the third quarter ended 31 March 2019, has not changed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

After two consecutive quarters of decline, private residential property prices rose by 1.5% in the second quarter of 2019 according to statistics released by the Urban Redevelopment Authority ("URA") in Singapore. Prices for non-landed residential properties in the Core Central Region, Rest of Central Region and Outside Central Region had increased by 2.3%, 3.5% and 0.4% respectively. For the same period, rentals of office space increased by 1.3% and the island-wide vacancy rate of office space declined to 11.5%.

Official data from the National Bureau of Statistics of China, new home prices in Chongqing increased by 0.7% month-on-month and 12.1% year-on-year in June 2019.

11. Dividend

(a) Current Financial Period Reported On

Name of Dividend	Proposed First and Final One-Tier Exempt Ordinary Dividend
Dividend Type	Cash
Dividend Amount Per Share (in cents)	7 cents

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Proposed First and Final One-Tier Exempt Ordinary Dividend
Dividend Type	Cash
Dividend Amount Per Share (in cents)	7 cents

(c) Date payable

The proposed first and final one-tier exempt ordinary dividend of 7 cents per share in respect of the financial year ended 30 June 2019, if approved at the Annual General Meeting to be held on 24 October 2019, will be paid on 21 November 2019.

(d) Books closure date

Notice is hereby given that subject to shareholders approving the declaration of a first and final one-tier exempt ordinary dividend, the Transfer Books and Register of Members of the Company will be closed on 4 November 2019, for the preparation of dividend warrants. Duly completed transfers should reach the office of the Company's Registrar, B.A.C.S. Private Limited, at 8 Robinson Road #03-00 ASO Building, Singapore 048544, not later than 5.00 p.m. on 1 November 2019. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividends will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of ordinary shares in accordance with its practice.

12. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segment

	GuocoLand Singapore S\$'000	GuocoLand China S\$'000	GuocoLand Malaysia S\$'000	GuocoLand Vietnam S\$'000	Others S\$'000	Sub-Total S\$'000	Unallocated S\$'000	Total S\$'000
2019								
<u>Revenue</u>								
External revenue	716,542	3,721	114,530	19,178	72,956	926,927	30	926,957
<u>Results</u>								
Segment profit/(loss) before tax	383,974	2,226	12,063	7,127	(9,643)	395,747	(11,702)	384,045
Share of profit/(loss) of associates and joint ventures (net of tax)	(1,600)	7,933	2,393	-	4,063	12,789	-	12,789
Interest income	4,886	2,712	1,909	449	857	10,813	9,064	19,877
Finance costs	(63,258)	(1,151)	(16,684)	-	(6,322)	(87,415)	(20,276)	(107,691)
Profit/(loss) before tax	324,002	11,720	(319)	7,576	(11,045)	331,934	(22,914)	309,020
Tax (expense)/credit	(18,833)	7,153	(2,687)	(1,861)	(1,647)	(17,875)	(3,529)	(21,404)
Profit/(loss) for the year	305,169	18,873	(3,006)	5,715	(12,692)	314,059	(26,443)	287,616
2018 (Restated)								
<u>Revenue</u>								
External revenue	1,018,367	5,807	56,427	2,552	58,483	1,141,636	33	1,141,669
<u>Results</u>								
Segment profit/(loss) before tax	445,561	(40,748)	7,500	(172)	(13,697)	398,444	(9,854)	388,590
Share of profit/(loss) of associates and joint ventures (net of tax)	-	209,406	2,514	-	(4,968)	206,952	-	206,952
Interest income	2,767	3,709	1,412	504	554	8,946	1,956	10,902
Finance costs	(56,486)	(4,066)	(16,874)	-	(4,863)	(82,289)	(40,111)	(122,400)
Profit/(loss) before tax	391,842	168,301	(5,448)	332	(22,974)	532,053	(48,009)	484,044
Tax expense	(34,965)	(22,147)	(1,774)	(426)	(1,919)	(61,231)	(308)	(61,539)
Profit/(loss) for the year	356,877	146,154	(7,222)	(94)	(24,893)	470,822	(48,317)	422,505

13. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

For the current financial year ended 30 June 2019, GuocoLand Singapore segment continues to be the key contributor of the Group's revenue, with contribution of approximately 80%. Comparing with the previous financial year, revenue fell by close to 30% as completed unsold residential units in Singapore has been brought down substantially in the previous year. Accordingly, profit for the year decreased by 14% to \$305.2 million in the current financial year.

GuocoLand China's segment profit for the year decreased nearly 90% to \$18.8 million in the current financial year. This was mainly because share of profit of associates and joint ventures fell by 96% to \$7.9 million in the current financial year as substantial recognition of profit from Changfeng Residence, a joint venture residential project in Shanghai was recorded in the previous financial year.

Meanwhile, GuocoLand Malaysia's segment revenue increased by two-folds to \$114.5 million in the current financial year due to higher sales of the completed residential units and progressive revenue recognition for new project under construction. Correspondingly, loss for the segment reduced by 58% to \$3.0 million in the current financial year.

GuocoLand Vietnam's segment performance has also improved in the current financial year, mainly due to higher sales. Revenue increased from \$2.6 million to \$19.2 million in the current financial year. Consequently, the segment recorded a profit for the year of \$5.7 million, as compared to a loss in the previous financial year.

14. A breakdown of sales.

	Group Full Year Ended		Increase/ (Decrease) %
	30/06/2019 S\$'000	30/06/2018 (Restated) S\$'000	
(a) Revenue for first half year	310,957	732,537	(58)
(b) Profit after tax but before deducting non-controlling interests for first half year	36,918	232,120	(84)
(c) Revenue for second half year	616,000	409,132	51
(d) Profit after tax but before deducting non-controlling interests for second half year	250,698	190,385	32

15. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Group Full Year Ended	
	30/06/2019 S\$'000	30/06/2018 S\$'000
Ordinary dividends paid in respect of previous financial years	77,684	77,684

16. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions.

17. Confirmation Pursuant to Rule 720(1) of the Listing Manual

GuocoLand Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, GuocoLand Limited (the "Company") confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of the director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Mary Goh Swon Ping
Group Company Secretary
23 August 2019



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Independent auditors' report

Members of the Company
GuocoLand Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GuocoLand Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2019, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 17 to 108.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of investment properties (\$4.9 billion)
(Refer to Note 5 to the financial statements)

Risk

The Group owns a portfolio of investment properties in Singapore, Malaysia and China. As at 30 June 2019, the investment properties represent the single largest asset category on the consolidated statement of financial position.

The investment properties are stated at their fair values based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions applied, including those relating to capitalisation rate and comparable sales price, i.e. a small change in assumptions may have a significant impact to the valuation.

Our response

We evaluated the competence and objectivity of the external valuers and held discussions with the valuers to understand their valuation methods and assumptions used.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and externally available industry data. We also assessed the reasonableness of the key assumptions, which included capitalisation rate, gross development value and comparable sales price used in the valuations by comparing them to available industry data, taking into consideration relevant market factors.

We also assessed whether the disclosures in the financial statements appropriately described the judgements inherent in the valuations.

Our findings

The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies adopted by the valuers are in line with generally accepted market practices and the key assumptions used are within the range of market data for comparable properties. We found the disclosures in the financial statements to be appropriate in their description of the inherent judgement and estimation involved.



Valuation of development properties (\$3.0 billion)

(Refer to Note 10 to the financial statements)

Risk

The Group's development properties comprise mainly residential properties in Singapore, Malaysia and China. Development properties are stated at the lower of their cost and their estimated net realisable value ("NRV").

The determination of the estimated NRV is largely dependent on the forecast selling price for the property. Future trends in selling prices may depart from known trends based on past experience. There is therefore a risk that the estimated NRV exceeds future selling price, resulting in losses when the properties are eventually sold.

Our response

We focused on development projects with slower-than-expected sales or low margins. We assessed the reasonableness of the forecast selling prices by comparing to recent transacted sales prices for the same project and/or comparable properties.

Our findings

In making its estimates of the forecast selling prices, the Group takes into account the macroeconomic and real estate price trend for the respective location. We found the judgement exercised and estimates applied in the determination of the net realisable values of development properties to be balanced.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have not obtained any other information prior to the date of this auditors' report except for the Directors' Statement. The remaining other information is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.



Responsibilities of management and directors 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 Act and SFRS(I)s, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lee Sze Yeng.

A handwritten signature in blue ink, appearing to read 'Lee Sze Yeng'.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
23 August 2019