GuocoLand Limited

A Member of the Hong Leong Group

Annual Report 2020

Contents

Corporate Profile

Listed on the Singapore Exchange Securities Trading Limited since 1978, GuocoLand Limited ("GuocoLand") is a premier regional property company with operations in the geographical markets of Singapore, China, Malaysia and Vietnam. In 2017, GuocoLand marked its expansion beyond Asia into the new markets of the United Kingdom and Australia through a strategic partnership with Eco World Development Group Berhad in Eco World International Berhad. Headquartered in Singapore, the principal business activities of GuocoLand and its subsidiaries ("the Group") are property development, property investment, hotel operations and property management, and it is focused on achieving scalability, sustainability and growth in its core markets.

The Group's portfolio comprises residential, hospitality, commercial, retail, mixed-use and integrated developments spanning across the region. In recognition of its portfolio of quality, innovative developments and commitment to business excellence, the Group has been honoured with numerous awards and accolades both in Singapore and internationally. As at 30 June 2020, the Group's total assets amounted to S$11.1 billion.

Guoco Midtown artist impression

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of GuocoLand Limited ("GuocoLand") and its subsidiaries ("the Group") for the financial year ended 30 June 2020 ("the Year").

FINANCIAL PERFORMANCE

The Group registered revenue of S$941.8 million for the Year, a 2% increase from a year ago. This is mainly attributable to an increase in revenue from property development, and partially offset by a decline in revenue from the hotels business as the Coronavirus Disease 2019 ("COVID-19") pandemic adversely impacted demand for travel and hotel accommodation. Revenue from the Group's investment properties decreased marginally.

Profit attributable to equity holders decreased 55% year-on-year to S$114.1 million, due to the absence of fair value gain on investment properties and increase in other expenses. The sale of Guoman Hotel Shanghai resulted in a gain of S$126.2 million while share of profit of associates and joint ventures increased by S$8.1 million.

Expenses increased due to the impairment loss of S$47.0 million provided for the Group's joint venture investment in EcoWorld International Berhad ("EWI"), as the Group exercised prudence given the economic uncertainties ahead. The Group also suffered a net fair value loss on derivative financial instruments of S$65.5 million during the Year, resulting from fair value losses on interest rate swaps to hedge floating interest rates amid the softer interest rate environment. Tax expenses increased to S$68.7 million for the Year contributed mainly by the sale of Guoman Hotel Shanghai.

Equity attributable to ordinary equity holders as at 30 June 2020 increased marginally to S$3.85 billion from S$3.83 billion a year ago. The increase was partially offset by dividend payment of S$77.7 million during the Year. Net asset value per share was S$3.47 as at 30 June 2020, compared to S$3.45 in the prior financial year.

"We will work towards realising our strategic goals by growing our business through delivering quality projects that are sought after by buyers and tenants alike and increasing our recurrent income from our property investments."

S$941.8 million
Revenue

S$114.1 million
Profit Attributable to Equity Holders

Proposed Dividends of
6 cents
Per Share

PRUDENT CAPITAL MANAGEMENT

As at 30 June 2020, the Group has net debt of S$4.3 billion. Total loans and borrowings increased by 17% as compared to a year ago largely to finance the new land acquisition at Tan Quee Lan Street in Singapore. Consequently, the Group's net debt to equity ratio increased to 1.0.

We have maintained a healthy financial position amidst an increasingly volatile business environment. Real estate is a highly capital intensive business and our financial discipline ensures that we have sufficient capital for funding future growth and to capitalise on suitable opportunities when they arise.

DIVIDEND

The Board has proposed a first and final one-tier tax exempt ordinary dividend of six cents per share for the Year after considering various factors including the Group's financial performance, working capital requirements, future investment plans and the softer economic outlook. Subject to shareholders' approval at the Annual General Meeting ("AGM") scheduled for 23 October 2020, the dividend will be paid to shareholders on 19 November 2020.

STRATEGY

We will work towards realising our strategic goals by growing our business through delivering quality projects that are sought after by buyers and tenants alike and increasing our recurrent income from our property investments.

For our core property development business, we remain focused on delivering projects with attractive value propositions at the right price and monetising our development inventory. We continue to look for suitable land acquisitions and investment opportunities, and will apply rigorous due diligence in our bids. The Group is in a strong position to deploy its balance sheet to take advantage of long-term growth opportunities in the markets we operate in.

Concurrently, we are building a sustainable recurrent income base to provide a measure of stability to the Group's earnings and complement the inherently lumpy nature of our property development business.

SUSTAINABILITY

The COVID-19 global crisis has been disruptive on many fronts and ensuring business sustainability has become more important than ever. In line with our goal to build a sustainable and resilient business, we continued to make progress on the Environmental, Social and Governance ("ESG") reporting framework that we introduced in the preceding financial year. This framework is premised on towards a greener future; empowering our people; conducting business with honour; and caring for our community.

Our progress towards ensuring long-term growth and creating shareholder value is outlined in our sustainability report. Prepared in accordance with the Singapore Exchange's Sustainability Reporting Guide and international standards, the report showcases the Group's efforts to build relationships with its key stakeholders and manage material ESG factors.

OUTLOOK

The International Monetary Fund envisages an unprecedented contraction of the world economy in 2020. The COVID-19 pandemic has amplified ongoing economic headwinds and geopolitical risks. We expect our operating environment to remain challenging for some time until the COVID-19 pandemic is brought under control.

The Singapore government expects its 2020 gross domestic product ("GDP") forecast to range from -7% to -5% given the deterioration in external demand outlook and adverse economic impact of the COVID-19 circuit breaker measures. While China is one of the few economies expected to register growth this year, momentum will likely be weighed down by soft domestic and external demand. China did not set a GDP target for 2020 due to uncertainties from the impact of the pandemic. In Malaysia, Bank Negara projects that the economy will contract 3.5% to 5.5% this year, subject to downside risks from domestic and external fronts.

In the near-term, residential sales in Singapore, China and Malaysia will be dampened by the difficult economic conditions and greater level of uncertainty arising from the COVID-19 pandemic. The office market in Singapore and Malaysia will also be challenging as businesses delay real estate decisions and focus on cost management amid the uncertainties.

On the hospitality front, demand is expected to rebound when countries reopen borders and travel confidence recovers. We expect our Malaysia hotels to recover earlier, given its larger hinterland of domestic business and travel. Singapore will benefit from a recovery in international travel as it remains a key leisure and business destination in the region.

A NOTE OF APPRECIATION

Mr Francis Siu, who has served with distinction on the Board for close to ten years, will be retiring from the Board of Directors and will not be seeking re-election at the upcoming AGM. We thank him for his invaluable guidance and contributions and wish him well in all his endeavours.

On behalf of the Board, I would like to thank our shareholders, customers, tenants and business associates for their continued support and trust in the Group. Our appreciation also goes out to the management and all employees for their invaluable contributions to the Group's growth. Lastly, thank you to my fellow Board members for your wise counsel and contributions.

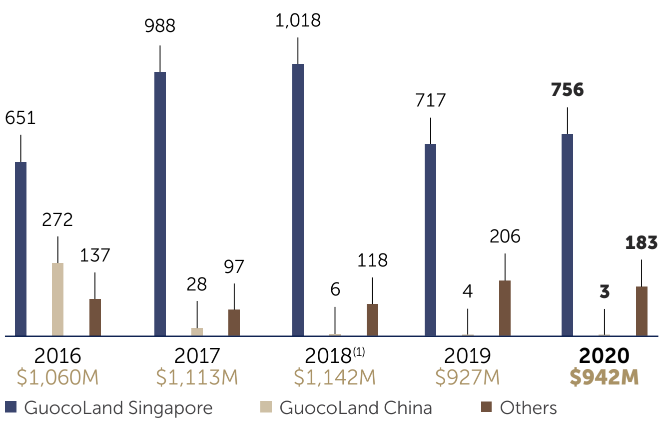
Moses Lee Kim Poo
Chairman
18 September 2020

Financial Highlights

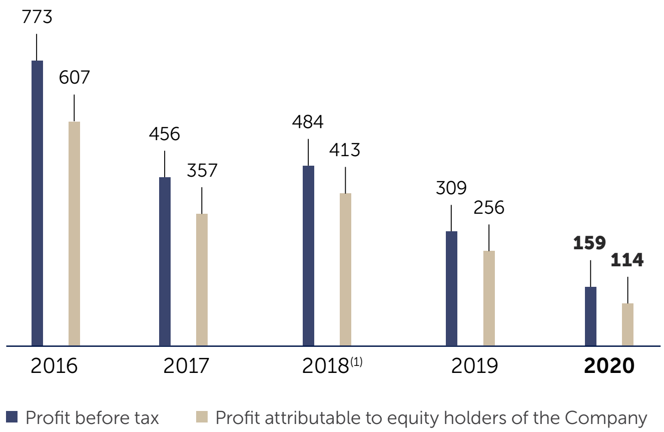
YEAR ENDED 30 JUNE	2016 $'000	2017[1] $'000	2018[1] $'000	2019 $'000	**2020 $'000**
STATEMENTS OF PROFIT OR LOSS					
Revenue by operating segments					
GuocoLand Singapore	651,319	988,168	1,018,367	716,542	**756,027**
GuocoLand China	272,374	27,638	5,807	3,721	**3,399**
GuocoLand Malaysia	131,082	94,506	56,427	114,530	**123,864**
GuocoLand Vietnam	4,965	2,828	2,552	19,178	**7,039**
Others[2]	30	51	58,516	72,986	**51,512**
Total revenue	1,059,770	1,113,191	1,141,669	926,957	**941,841**
Profit before tax	773,158	455,800	484,044	309,020	**158,698**
Profit attributable to equity holders of the Company	606,687	357,185	413,207	255,674	**114,069**
Proposed dividends in respect of ordinary shares[3]	99,879	77,684	77,684	77,684	**66,586**
STATEMENTS OF FINANCIAL POSITION					
Property, plant and equipment	494,780	623,806	618,054	592,263	**488,538**
Investment properties	2,711,193	3,053,287	4,623,436	4,877,319	**4,917,019**
Associates and joint ventures	427,945	676,249	894,090	543,969	**529,648**
Inventories and deposits for land	2,410,452	3,114,290	2,858,134	2,982,227	**3,922,646**
Cash and cash equivalents	1,430,249	1,118,483	884,934	823,718	**933,892**
Other assets	431,986	222,170	541,870	211,953	**346,812**
Total assets	7,906,605	8,808,285	10,420,518	10,031,449	**11,138,555**
Equity attributable to ordinary equity holders of the Company	3,276,147	3,417,662	3,759,063	3,825,698	**3,851,424**
Perpetual securities	-	-	404,976	405,949	**406,492**
	3,276,147	3,417,662	4,164,039	4,231,647	**4,257,916**
Non-controlling interests	166,059	291,279	394,456	410,866	**503,434**
Loans and borrowings	3,830,296	4,344,508	4,923,804	4,489,796	**5,265,249**
Other liabilities	634,103	754,836	938,219	899,140	**1,111,956**
Total equity and liabilities	7,906,605	8,808,285	10,420,518	10,031,449	**11,138,555**
RATIOS					
Net asset value per share ($)	2.95	3.08	3.39	3.45	**3.47**
Basic earnings per share[4] (cents)	53.85	32.19	36.53	21.30	**8.57**
Dividend per ordinary share (cents)	9[5]	7	7	7	**6**

[1] Comparatives for 2017 and 2018 were restated to take into account retrospective adjustments arising from the adoption of Singapore Financial Reporting Standards (International).
[2] From 2018 onwards, "Others" included hotel operations and investment in property development projects in the United Kingdom and Australia.
[3] The amount is derived after deducting dividends to be paid in respect of ordinary shares of the Company which were held by the Trust for Executive Share Scheme.
[4] The calculation was based on the profit attributable to equity holders of the Company less profit attributable to perpetual securities holders (if any), divided by the weighted average number of ordinary shares of the Company in issue, after adjusting for the shares held by the Trust during the year.
[5] Included a special dividend of 4 cents per ordinary share.

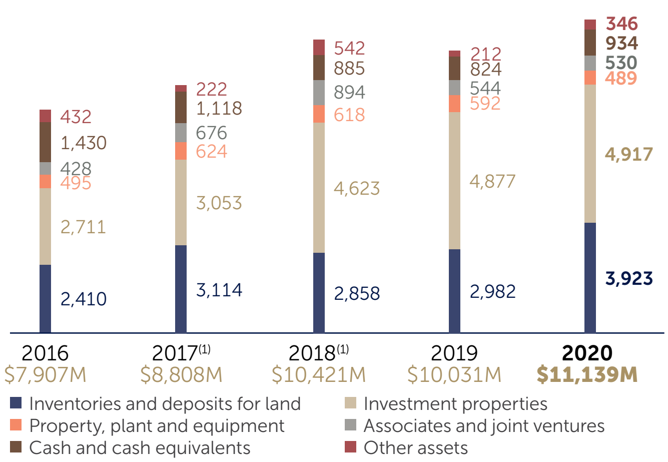
GROUP REVENUE ($ MILLION)



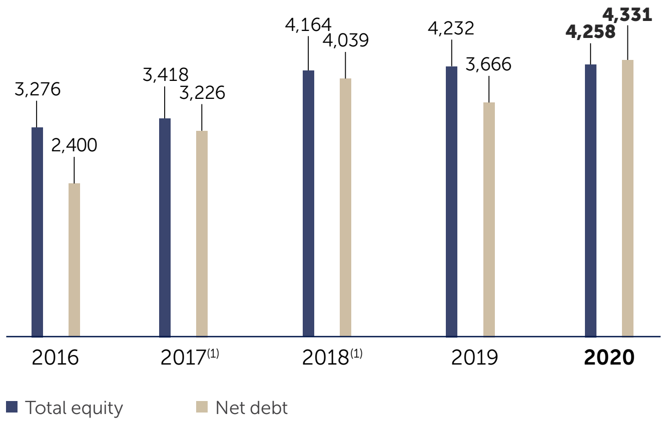
GROUP PERFORMANCE ($ MILLION)



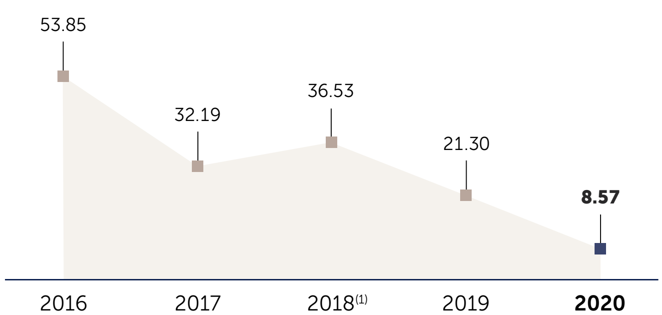
GROUP TOTAL ASSETS ($ MILLION)



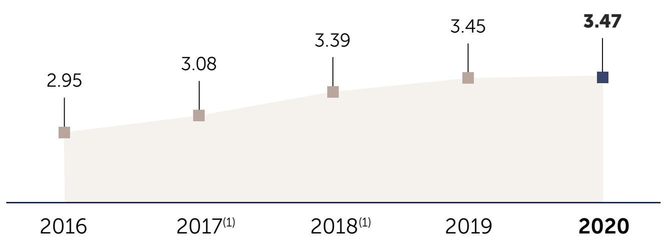
TOTAL EQUITY[6] AND NET DEBT[7] ($ MILLION)



BASIC EARNINGS PER SHARE[4] (CENTS)



NET ASSET VALUE PER SHARE ($)



[6] Total equity is defined as equity attributable to ordinary equity holders of the Company and perpetual securities (if any).
[7] Net debt is defined as loans and borrowings less cash and cash equivalents.

As a placemaker, GuocoLand adopts a forward-looking approach towards development to deliver quality developments that enhance the lifestyles of residents, tenants and visitors.

Guoco Changfeng City artist impression

18T artist impression

Meyer Mansion
artist impression

Guoco Midtown
artist impression

Business Review

For the financial year ended 30 June 2020 (the "Year"), we registered healthy sales at our developments and maintained positive leasing momentum for our investment properties. Delivering on our pipeline of development projects, we continue to leverage our real estate expertise and set new standards as a developer of quality urban spaces.

Above: Guoco Tower

SINGAPORE

The Group received multiple accolades in recognition of its development expertise and continued commitment to sustainable development over the course of the Year.

Guoco Tower, our flagship integrated mixed-use development, was named a World Gold Winner in the Mixed-use Development category at the 2020 FIABCI World Prix d'Excellence Awards, making it Singapore's first development to win in this category. The award recognised the 290 metres tall Guoco Tower as a distinctive, vertically integrated landmark that encompassed high liveability, connectivity and walkability, coupled with strong community building and placemaking efforts. Guoco Tower was one of two global winners in this category for 2020.

Martin Modern, our upcoming luxury condominium at Robertson Quay, was named winner for 'Best Luxury Condo Architectural Design' at the 9th PropertyGuru Asia Property Awards. Sims Urban Oasis, our city-fringe residential development at Sims Drive, won the 'Top Mega Development Award' at the Edgeprop Singapore Excellence Awards 2019.

Guoco Tower
World Gold Winner
Mixed-use Development category, 2020 FIABCI World Prix d'Excellence Awards

On the sustainability front, GuocoLand was conferred the BCA Green Mark Champion Award, in recognition of our strong commitment towards corporate social responsibility and substantial number of Green Mark buildings at Gold level or higher. Our latest project, Guoco Midtown and one of its residential components – Midtown Bay, were awarded the BCA Green Mark Platinum award in 2020. We also secured a S$730 million green club loan from OCBC Bank, DBS Bank and ICBC Singapore Branch for the construction of Midtown Modern, the second residential condominium of Guoco Midtown. This is GuocoLand's first green loan and the industry's largest green loan for a development project in Singapore to date.

GUOCO TOWER

Guoco Tower continued to provide us with stable recurrent income, supported by an occupancy rate of 99% for the office component as at 30 June 2020. The property's prime location in the Central Business District ("CBD") directly above the Tanjong Pagar MRT station, premium Grade A office specifications and seamless integration of dining, retail services and lifestyle amenities within the development has attracted a diversified mix of office tenants with good covenants. Occupiers are also drawn to Guoco Tower's state-of-the-art heating, ventilation and air-conditioning ("HVAC") systems which ensure a cool indoor environment with good air quality. Through Guoco Tower, we aim to continue to be a place maker and catalyst in accelerating the rejuvenation and transformation of Tanjong Pagar District into a business and lifestyle hub in the CBD.

WALLICH RESIDENCE

Wallich Residence is part of the iconic integrated mixed-use Guoco Tower linked to and atop Tanjong Pagar MRT station. As at 30 June 2020, 54% of the 181 luxury apartments situated at the top of Singapore's tallest building have been sold, with prices remaining firm. The development offers homes with top design and quality finishes, unparalleled sea and city views starting from 180 metres in the sky, and luxurious services.

20 COLLYER QUAY

20 Collyer Quay, one of the Group's investment properties, continued to achieve healthy occupancy of 95% as at 30 June 2020 through a mix of proactive asset and lease management strategies. Overlooking the Marina Bay waterfront, the 24-storey office building in the heart of Singapore's CBD is in close proximity to Raffles Place MRT interchange station.

GUOCO MIDTOWN

Guoco Midtown, our latest mega mixed-use development in Singapore, is set to rejuvenate the Beach Road district, redefine public and work spaces, and city living. The mega development includes a 30-storey Grade A office tower, three concept retail clusters, two condominiums – Midtown Bay and Midtown Modern, and a five-storey Network Hub building, which is a first-of-its-kind purpose-built business and social networking club.

Guoco Midtown will feature new benchmark Premium Grade A office specifications including large 3.4 metres by 1.8 metres low emission and double-glazed glass panels. The development is built to top health and safety standards with contactless lifts, turnstiles and fittings. Its HVAC system prevents cross-contamination between floors, comes with carbon dioxide sensors to manage fresh air intake, MERV 14 (Minimum Efficiency Reporting Value) high performance filters with dust spot efficiency of up to 95%, and is able to carry out UVGI (Ultraviolet Germicidal Irradiation) that can remove more than 90% of pathogens, including viruses.

Guoco Midtown
1.5 million sq ft
Gross Floor Area

Built around the future lifestyles of people, we will introduce a new core and flex office leasing concept at Guoco Midtown to cater to companies' growing demands for flexibility in their leases, as well as facilities for networking and meetings. Amenities for the health and well-being of tenants such as a 40 metres lap pool, a jogging track around a bamboo grove and an event plaza for exercises, will help integrate work and play.

Located in the CBD at the intersection of two key development corridors along Beach Road and Ophir/Rochor Road, Guoco Midtown will connect three key office micro-markets of City Hall, Marina Centre and Bugis.

GUOCO MIDTOWN – MIDTOWN BAY

Midtown Bay, the residential component of Guoco Midtown, offers a collection of 219 exclusive units. Launched for sale in October 2019, 21% of the units that are designed to offer residents the flexibility to live, work or entertain at home have been sold as at 30 June 2020. While Midtown Bay offers privacy and exclusivity, residents will also be able to experience the buzz of city life at Guoco Midtown through access to a wide range of expanded facilities, services and activities.

Below:
Guoco Midtown artist Impression

Business Review

GUOCO MIDTOWN – MIDTOWN MODERN

In September 2019, the Group was awarded the land tender for a 99-year leasehold site at Tan Quee Lan Street. Midtown Modern is the second residential condominium at Guoco Midtown and will house more than 500 luxury family apartments in a huge forest garden setting with a small retail component. With a focus on wellness, residents will enjoy large green spaces and a wide range of recreational facilities not usually found in projects in the CBD.

Capitalising on our sizeable footprint in the Beach Road area, we will work towards transforming the vicinity into a new district of innovation, commerce and community. Guoco Midtown is connected directly to the Bugis interchange MRT station, where commuters can take either the Downtown or the East-West Lines. Underground, ground level and elevated pedestrian networks will be enhanced to connect people living, working and visiting the area.

MARTIN MODERN

Located in Robertson Quay in prime District 9, Martin Modern continues to be well received with 86% of the 450 units sold as at 30 June 2020. Development of the luxury condominium is scheduled for completion in 2021. Apart from an expansive garden concept, residents will enjoy the bespoke recreational facilities and GuocoLand's concierge services. Martin Modern is located close to Singapore's premier shopping belt Orchard Road, the CBD, and lifestyle amenities. It is also within walking distance to the Fort Canning MRT station on the Downtown Line and the upcoming Great World MRT station on the Thomson-East Coast line.

Martin Modern
Home within a
Botanic Garden

MEYER MANSION

The 200-unit freehold luxury residential development, Meyer Mansion, was launched in September 2019 and is 18% sold as at 30 June 2020. Located in the prime seafront residential district of Meyer Road, Meyer Mansion's vantage is elevated with floor-to-ceiling windows to maximise the unblocked views of the sea and the surrounding landed enclave. Its prime location translates into a 10-minute drive to the CBD and the airport, with easy access to East Coast Park, amenities and reputable schools. When the Thomson-East Coast MRT line becomes fully operational in 2024, residents will benefit from the improved connectivity as the Katong Park MRT station is only a short walk away.

THE AVENIR

Our latest luxury development is the 376-unit The Avenir in the prime River Valley neighbourhood of District 9. Approximately 20 units of the freehold development have been sold as at 30 June 2020 since its launch in January 2020. Its selling points include its proximity to Orchard Road and the upcoming Great World MRT station on the Thomson-East Coast Line, design aesthetics and luxury offerings such as concierge service. Scheduled for completion in 2025, The Avenir is jointly developed with Hong Leong Holdings Limited and Hong Realty (Private) Limited.

Below:
Meyer Mansion
artist impression

Right:
Guoco Changfeng City artist impression

CHINA

The Group is currently developing three large-scale developments in China. These are located in Shanghai and Chongqing, two of the largest and most well connected cities in China with increasing urban populations.

GUOCO CHANGFENG CITY

In Shanghai, construction for Guoco Changfeng City with a gross floor area of approximately 195,400 square metres ("sqm") is ongoing and scheduled to be completed in 2022. The mixed-use development will comprise two 18-storey international Grade A office towers, two low-rise office buildings, a cultural office building as well as a cultural and entertainment centre. The development will also include a basement retail connecting the office towers and the upcoming Metro Line 15's Changfeng Park station, to support the needs of the surrounding office and residential communities.

Guoco Changfeng City
Designed to be certified
WELL Platinum

Strategically located in the Changfeng Eco Business District opposite the popular Changfeng Park, Guoco Changfeng City will be the future office and leisure hub of the Changfeng Ecological Business District. The new Shanghai North Cross Passage, which provides a vital second link between West and East Shanghai, is situated approximately one kilometre away.

Guoco Changfeng City is one of the first commercial projects in China to be certified WELL Platinum. The WELL Building Standard is a leading tool for advancing health and wellbeing in buildings globally with the Platinum Certification being the highest level of achievement. It is also the first commercial project in Shanghai's Putuo District designed to meet the internationally renowned Leadership in Energy and Environmental Design ("LEED") Platinum Pre-certification by the U.S. Green Building Council. These certifications are testament to the Group's commitment to develop environmentally friendly buildings.

Business Review

Above: 18T artist impression

18T

During the Year, we broke ground on the first phase of our 18T development in Chongqing which comprises residential and commercial components. The project's Experience Centre was launched in September 2019, allowing visitors to preview what the completed development would be like through the use of innovative and high-tech devices. Situated in a prime location in Chongqing's historical neighborhoods and next to the Jiefangbei (Liberation Square) CBD, 18T will be a new landmark in Chongqing.

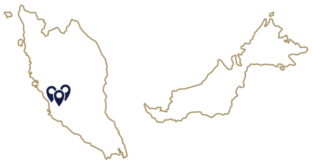
To be developed in phases, 18T Mansion, the first phase of 18T will feature over 1,000 luxurious modern apartments in five high-rise residential towers, with the two tallest towers reaching a maximum height of 193 metres. Positioned to meet market demands for residences with wellness features, the development is working towards being the first residential development in Asia to achieve a WELL Platinum certificate. The WELL Building Standard is a standard for buildings that implement features to support and advance human health and wellness.

18T
Maximum height of
193 metres

Located close to the riverfront, 18T offers splendid views overlooking the Yangtze River. The development will enjoy excellent connectivity to the key districts of Jiangbei and Nan'an. It is served by an extensive transportation network comprising major arterial roads, two operational metro lines (Line 1 and Line 2), an upcoming metro line (Line 18), and bus services. The first phase of the development is expected to be completed in 2023.

CHONGQING CENTRAL PARK PROJECT

In December 2019, the Group was awarded four residential land parcels situated in Liangjiang New Area of Chongqing Yubei District for residential development with a total gross floor area of 197,600 sqm. The development is located near Chongqing Central Park, which is earmarked to be the core region of "Jiangbei New Area". There are plans to develop the area into Chongqing's key regional centre, with the district's administrative functions based in this precinct. Chongqing Central Park is the largest open public urban park in China and the third largest in the world after New York's Central Park and London's Hyde Park.



MALAYSIA

The property market in Malaysia remains challenging as the wider economic and political uncertainties continue to weigh on buyer sentiment. Nonetheless, the Group has positioned itself for growth, with a focus on developing quality developments that meet rising expectations of homebuyers. All three of the Group's major developments, Emerald Hills, Emerald 9 and Garland Residence at Emerald Rawang, have seen healthy take-up rates amid intense competition.

EMERALD HILLS

Emerald Hills, an exclusive gated and guarded residential enclave, registered stable sales during the Year. 91% of the 592 lakefront condominiums units and 96% of the 181 garden terraces have been sold as at 30 June 2020.

Emerald Hills
Sits on the peak of
47 acres
of hilly greens

Located in Alam Damai in Cheras, Emerald Hills sits on the peak of 47 acres of hilly greens and is a peaceful residential enclave. The garden terraces and lakefront condominiums will be surrounded by 21 acres of open space, with a central park and lake that are encircled by a 1.7km jogging and cycling track. Residents will enjoy clubhouse facilities such as an Olympic-length swimming pool, children's pool, gymnasium and multi-purpose hall.

The first phase of development is scheduled for completion in 2022. Emerald Hills' prime location offers easy access to major highways and expressways to Kuala Lumpur and is close to amenities such as hospitals, international schools, universities and shopping malls.

Right:
Emerald Hills
artist impression

Business Review

Above:
Emerald 9 artist impression

EMERALD 9

Emerald 9 is an integrated development that comprises residential towers, office spaces, urban street shops and green community spaces. Since its first launch in May 2019, 76% of the 477 serviced apartment units in Tower B have been sold. For Tower A which was launched for sale in December 2019, 27% of the 339 serviced apartment units have been sold as at 30 June 2020. Emerald 9 is targeted to be completed in 2023.

Buyers seeking a contemporary and healthy lifestyle are also drawn to the 48 leisure and social facilities at the development. These include swimming pools, a jogging track, boxing pavilions, an amphitheatre, sky communal lounge, cabana and shared kitchen. The integrated development also seeks to create a sustainable ecosystem by encouraging a co-working and co-living culture within the space.

Situated on 10 acres of freehold land at a prime location in Cheras 9th Mile, the transit-oriented project is linked to the Taman Suntex MRT station and is only eight stops away from the Kuala Lumpur City Centre.

Emerald Rawang
A 1,000 acre
master-planned township

EMERALD RAWANG

Emerald Rawang is a 1,000 acres master-planned township located within the fast-growing Rawang, Selangor. Made up of two precincts – Emerald East and Emerald West, the township comprises linked terraces, cluster, semi-detached houses, townhouses and bungalows.

The newest development in Emerald Rawang is Garland Residence which is 96% sold as at 30 June 2020 since its launch in June 2019. The gated development features 299 freehold double-storey terrace houses, over 23.5 acres of lush landscapes of greenery and a recreational club. Garland Residence is expected to be completed in 2021.

The township is well-connected to the established Rawang Town and Kuala Lumpur via the Rawang East-West link and North-South Highway. Amenities such as schools, a shopping mall, hypermarket and a hospital are located nearby.

MENARA GUOCO

As part of the Group's plans to realise its investments and focus on property development, GuocoLand Malaysia divested Menara Guoco, an office tower which is part of the integrated commercial development Damansara City in Kuala Lumpur to Tower Real Estate Investment Trust for RM242.1 million and the deal was completed in August 2020.

Right:
Emerald Rawang artist impression

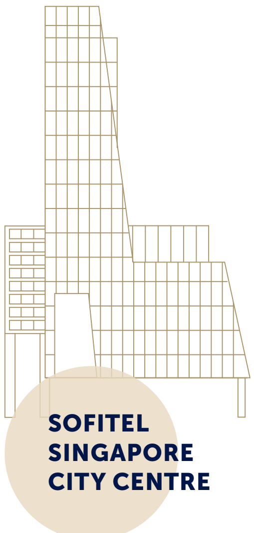
Right:
Sofitel Kuala Lumpur Damansara

HOTELS

The Group currently owns a portfolio of four hotels in Singapore and Malaysia – Sofitel Singapore City Centre, Sofitel Kuala Lumpur Damansara, Thistle Johor Bahru Hotel, and Thistle Port Dickson Hotel. The Group entered into an agreement in April 2020 to sell Guoman Hotel Shanghai, together with 256 underground car parking spaces for RMB1.44 billion. As at 30 June 2020, the divestment of Guoman Hotel Shanghai was completed, with handover of the 256 car parking spaces completed in August 2020.

Sofitel Singapore City Centre and Sofitel Kuala Lumpur Damansara are managed by Accor under its luxury 'Sofitel' brand. Both hotels are located within the Group's integrated developments in Singapore and Kuala Lumpur and enjoy the synergies of being located in close proximity to Grade A office towers, retail shops and residences. Thistle Port Dickson Hotel and Thistle Johor Bahru Hotel are managed directly by the Group.

Key Hospitality Awards Won during the Year



Haute Grandeur Global Hotel Awards 2019
- Best Conference Venue Hotel (Global)
- Best Luxury Hotel in Singapore (Global)
- Racines - Most Unique Experience (Global), Best French Cuisine (Asia), Best Gourmet Cuisine (Asia)
- Wouter de Graaf – Best General Manager (Global)

Singapore Hotel Association Awards 2019
- Best Reservation Department (Luxury Hotel)
- Best Front Office Department (Luxury Hotel)
- Best Housekeeping Department (Luxury Hotel)
- Best Concierge Department (Luxury Hotel)

CMO Asia Awards 2019
- Wouter de Graaf – Hotel Manager of the Year

Wine & Dine Singapore's Top Restaurants 2019
- Racines – 1 Star Award

Haute Grandeur Global Hotel Awards 2019
- Best New Hotel (Malaysia)
- Best Hotel Service (Asia)

World Luxury Spa Awards 2019
- Luxury Hotel Spa (Malaysia)
- Luxury Hammam Experience (Malaysia)
- Luxury Business Hotel Spa (South East Asia)

Business Review

Above:
Meyer Mansion artist impression

NAVIGATING HEADWINDS

The unprecedented Coronavirus Disease 2019 ("COVID-19") pandemic has disrupted businesses operations and derailed economic growth globally.

Our current priority is to do our part to minimise risks of further outbreaks. We have taken steps to ensure a safe work and business environment for our employees, customers and business partners in line with government advisories. In Singapore and Malaysia, we expect construction delays and increased construction costs mainly due to supply chain disruptions and compliance with stricter requirements for work sites and workers. Construction in China has largely resumed with timelines and costs under control.

At our investment properties, we have implemented measures to support our tenants. Apart from passing on the property tax rebates in full to our office and retail tenants in Singapore, we have supported the government's Rental Relief Framework for small and medium enterprises and rolled out marketing programmes. We also developed an online food order and delivery platform for our food & beverage tenants at Guoco Tower, absorbing the costs for delivery, logistics and the setting up of the platform.

In the face of business disruptions, we leveraged on technology to ensure business continuity. To promote our properties, we increased our online and social media presence, rolled out marketing videos and conducted live streaming webinars for property agents in Singapore and China. We also adopted virtual tours of our properties and sales galleries to enable potential buyers and tenants to better visualise the space without visiting in person. Going forward, we will continue to proactively manage our business to build a resilient and sustainable business for the long term. Some of the measures adopted include active containment of costs, management of cashflow and further streamlining of processes. We have also diversified our supply chains for different projects and are prepared to consider alternative products where necessary.

"As we continue to scale up our business, the Group will look for suitable opportunities to acquire land sites and property investments, while maintaining financial discipline. We will also evolve our offerings, invest in new technologies and grow our people to build a resilient and sustainable business for the long term."

Below:
Martin Modern artist impression

Performance of the hotels was on an uptrend until the spread of the COVID-19 pandemic in early 2020. International and domestic demand were affected as governments around the world closed their borders and imposed national lockdowns. To better weather the crisis, we have implemented cost saving measures such as renegotiating with contracting parties, closing non-essential facilities as well as reducing operating supplies since January 2020. The Group is also tapping on applicable reliefs and grants from the various government stimulus packages in Singapore and Malaysia.

LOOKING AHEAD

Looking beyond the pandemic, we remain focused on delivering innovative and quality developments that will meet future needs of homeowners and businesses. We have a pipeline of mixed-use, commercial and residential developments in key gateway cities that will be launched according to prevailing market sentiments.

As we continue to scale up our business, the Group will look for suitable opportunities to acquire land sites and property investments, while maintaining financial discipline. We will also evolve our offerings, invest in new technologies and grow our people to build a resilient and sustainable business for the long term.

Raymond Choong Yee How
Group President & Chief Executive Officer
18 September 2020

Board of Directors

Moses Lee Kim Poo, 69
Chairman
Independent Non-Executive Director

Mr Lee was appointed as Chairman of the Board and the Company on 1 November 2013, and was re-elected as Director at the Company's Annual General Meeting ("AGM") held on 24 October 2019.

Mr Lee is concurrently the Chairman of Singapore Totalisator Board (Tote Board) and Chairman of Special Needs Trust Company Limited. He had served as the Commissioner of Inland Revenue Authority of Singapore and Permanent Secretary in the Ministries of Labour, Community Development and Health. He was awarded the Public Administration Medal (Gold) in 1996.

Mr Lee holds a Bachelor of Engineering (Mech & Production) (Hons-Class I) from the University of Singapore and obtained a Master in Public Administration from Harvard University, USA.

Present directorships in other listed companies
- Nil

Past directorship in listed companies held over the preceding 5 years
- M1 Limited, listed on the Singapore Exchange Securities Trading Limited ("SGX-ST")

Raymond Choong Yee How, 64
Group President & Chief Executive Officer
Non-Independent Executive Director

Mr Choong was appointed as Group President & Chief Executive Officer of the Group and as Executive Director to the Board on 1 September 2015. He was re-elected as Director at the Company's AGM held on 25 October 2018.

Mr Choong also serves as a Non-Independent Non-Executive Chairman of GLM REIT Management Sdn Berhad, an indirect subsidiary of the Company and the Manager of Tower Real Estate Investment Trust ("Tower REIT") which is listed on Bursa Malaysia.

Mr Choong has over 30 years of experience in banking, of which 23 years were with Citibank in Malaysia. He had held various senior positions within the Citibank Group with the last being President & Chief Executive Officer of Citibank Savings Inc, Philippines. Prior to joining the Company, Mr Choong was the President & Chief Executive Officer of Hong Leong Financial Group Berhad, which is listed on Bursa Malaysia. Mr Choong had also served as the Chairman of Hong Leong Asset Management Bhd and Hong Leong Bank (Cambodia) PLC, as well as a Director of Hong Leong Assurance Berhad, Hong Leong MSIG Takaful Berhad and Hong Leong Investment Bank Berhad, all public companies. Mr Choong's present and past directorships in listed companies are set out below.

Mr Choong obtained a Bachelor of Science in Biochemistry (Honours) degree in 1979 and a Master of Business Administration in 1981 from the University of Otago, New Zealand.

Present directorships in other listed companies
- GuocoLand (Malaysia) Berhad, an indirect subsidiary of the Company
- Eco World International Berhad, a joint venture between the Group and 2 other parties

Past directorship in listed companies held over the preceding 5 years
- Hong Leong Financial Group Berhad

The above companies are all listed on Bursa Malaysia.

Quek Leng Chan, 77
Non-Independent Non-Executive Director

Mr Quek was appointed to the Board on 19 December 1988, and was re-elected as Director at the Company's AGM held on 25 October 2018. He is a member of the Remuneration Committee.

Mr Quek is the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad. His present and past directorships in other listed companies are set out below.

Mr Quek qualified as a Barrister-at-Law from Middle Temple, United Kingdom and has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

Present directorships in other listed companies
- Hong Leong Financial Group Berhad
- Hong Leong Bank Berhad

Mr Quek is the Non-Executive Chairman of the above companies, all listed on Bursa Malaysia.

Past directorships in listed companies held over the preceding 5 years
- Guoco Group Limited, listed on The Stock Exchange of Hong Kong Limited ("HKSE")
- GL Limited, listed on SGX-ST
- Hong Leong Capital Berhad, listed on Bursa Malaysia
- GuocoLand (Malaysia) Berhad, listed on Bursa Malaysia

Kwek Leng Hai, 67
Non-Independent Non-Executive Director

Mr Kwek was appointed to the Board on 28 November 1988, and was re-elected as Director at the Company's AGM held on 19 October 2017. He is a member of the Nominating Committee. Mr Kwek is proposed for re-election at the Company's AGM to be held on 23 October 2020.

Mr Kwek is the Executive Chairman of Guoco Group Limited, listed on HKSE. He was the President, CEO of Guoco Group Limited from 1995 to 1 September 2016. Mr Kwek is also a Director of Hong Leong Company (Malaysia) Berhad. His present and past directorships in listed companies are set out on the next page.

Mr Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales and has extensive experience in various business sectors, including but not limited to finance, investment, manufacturing and real estate.

Present directorships in other listed companies
- Guoco Group Limited, listed on HKSE
- Lam Soon (Hong Kong) Limited, listed on HKSE
- GL Limited, listed on SGX-ST
- Hong Leong Bank Berhad, listed on Bursa Malaysia
- Bank of Chengdu Co., Ltd., listed on The Shanghai Stock Exchange

Past directorships in listed companies held over the preceding 5 years
- Nil

Timothy Teo Lai Wah, 68
Independent Non-Executive Director

Mr Teo was appointed to the Board on 18 November 2008, and was re-elected as Director at the Company's AGM held on 24 October 2019. He is Chairman of the Audit and Risk Committee and a member of the Nominating Committee.

Mr Teo also serves on charities such as St Luke's ElderCare Ltd and Jurong Health Fund. He was Director in charge of foreign exchange, money market, gold and commodities management in the Government of Singapore Investment Corp, Singapore from 1998 to 2007. Prior to this, he was a Director of Nuri Holdings (S) Pte Ltd, Singapore as consultant for risk management in Jakarta and Los Angeles from 1994 to 1998. Mr Teo was also with JP Morgan for 20 years in various overseas locations at senior management level (Managing Director) in Global Markets.

Mr Teo holds a Master of Business Administration from Macquarie University, Sydney, Australia.

Present directorships in other listed companies
- GL Limited, listed on SGX-ST

Past directorships in listed companies held over the preceding 5 years
- Nil

Francis Siu Wai Keung, 66
Independent Non-Executive Director

Mr Siu was appointed to the Board on 1 December 2010, and was re-elected as Director at the Company's AGM held on 19 October 2017. He is a member of the Audit and Risk Committee. Mr Siu will be retiring by rotation at the Company's AGM to be held on 23 October 2020 and will not be seeking re-election at the said AGM.

Mr Siu is concurrently a director of BHG Retail Trust Management Pte. Ltd., which manages BHG Retail REIT listed on SGX-ST. Mr Siu is a Non-Executive Director of the Financial Reporting Council in Hong Kong. He was a Senior Partner of KPMG Beijing Office, and Senior Partner of Northern Region, KPMG China from 2002 to 2010. Prior to this, Mr Siu was a Senior Partner of KPMG Shanghai Office and Audit Partner in Hong Kong. His present and past directorships in other listed companies are set out below.

Mr Siu holds a Bachelor of Arts in Accounting and Economics Degree from the University of Sheffield, United Kingdom and he is a Fellow Member of the Institute of Chartered Accountants in England and Wales as well as a Fellow of the Hong Kong Institute of Certified Public Accountants.

Present directorships in other listed companies
- CITIC Limited
- China Communications Services Corporation Limited
- China International Capital Corporation Ltd

Past directorship in listed companies held over the preceding 5 years
- CGN Power Co., Ltd

The above companies are all listed on HKSE.

Abdullah Bin Tarmugi, 76
Independent Non-Executive Director

Mr Abdullah was appointed to the Board on 1 March 2012, and was re-elected as Director at the Company's AGM held on 25 October 2018. He is the Chairman of the Nominating Committee and Remuneration Committee.

Mr Abdullah also serves on the board of iShine Cloud Limited. He is a member of the Presidential Council for Minority Rights, National University of Singapore Board of Trustees, The Courage Fund, SR Nathan Educational Upliftment Fund Board and Jazz Association (Singapore). He was the Speaker of Parliament from 2002 to 2011 and was the Member of Parliament for Siglap (now within the East Coast Group Representation Constituency) from 1984 to 2011. Prior to this, he held various ministerial positions in the Ministry of Environment, Ministry of Home Affairs and Ministry of Community Development and Sports from 1993 to 2002. During the period 1970 to 1993, Mr Abdullah has held various appointments as an urban sociologist, senior statistician and planning analyst in the Ministry of National Development, a feature writer and associate news editor with The Straits Times and was the research manager of Singapore Press Holdings Ltd.

Mr Abdullah holds an Honours Degree in Social Science from the University of Singapore. He also holds a Postgraduate Diploma (Merit) in Urban Studies from the University of London under the Commonwealth Scholarship.

Present directorships in other listed companies
- Nil

Past directorships in listed companies held over the preceding 5 years
- Nil

Board of Directors

Lim Suat Jien, 63
Independent Non-Executive Director

Ms Lim was appointed to the Board on 15 May 2013, and was re-elected as Director at the Company's AGM held on 24 October 2019. She is a member of the Audit and Risk Committee.

Ms Lim was the Managing Director as well as a Board Member of Mount Faber Leisure Group Pte Ltd from April 2017 to June 2018, and was the General Manager of Sentosa Leisure Management Pte Ltd from 2014 to 2017. She held various positions in Mediacorp from 1990 to 2013 and was the Managing Director, TV of MediaCorp Pte Ltd until April 2013. She joined the Ministry of Community Development and Ministry of Health as Director (Corporate Services) in 1999 and 2002 respectively. Ms Lim is a Member of the Management Committee of Singapore Turf Club.

Ms Lim holds a Bachelor of Science (First Class Honours) in Zoology and a Master of Science from the University of Malaya in Kuala Lumpur.

Present directorships in other listed companies
- GL Limited, listed on SGX-ST

Past directorships in listed companies held over the preceding 5 years
- Nil

Jennie Chua Kheng Yeng, 76
Independent Non-Executive Director

Ms Chua was appointed to the Board on 5 August 2013, and was re-elected as Director at the Company's AGM held on 19 October 2017. She is a member of the Remuneration Committee. Ms Chua is proposed for re-election at the Company's AGM to be held on 23 October 2020.

In the public service and community related sector, Ms Chua is the Chairman of Woodlands Health Campus Development Committee and Chairman of Vanguard Healthcare, the latter set up by the Ministry of Health and MOH Holdings to grow and support the development of eldercare facilities in Singapore. She is a board director of MOH Holdings and sits on MOH Holdings' Healthcare Infrastructure and Planning Committee. She is also Chairman of the Singapore Film Commission Advisory Committee and Deputy Chairman of Temasek Foundation International CLG Limited. Ms Chua is a Justice of the Peace, Singapore's Non-Resident Ambassador to The United Mexican States, and Non-Resident Ambassador Designate to The Kingdom of Spain. She is the Trustee Emeritus as well as the Pro-chancellor of Nanyang Technological University.

Awards that Ms Chua has received include the Meritorious Service Medal (PJG), President's Special Recognition for Volunteerism & Philanthropy, Outstanding Contribution to Tourism Award, amongst others.

Previous positions held by Ms Chua were General Manager and Chairman of Raffles Hotel, President & CEO of Raffles Holdings, Chairman of Raffles International, President & CEO of The Ascott Group. Ms Chua was also Chairman of Community Chest, Singapore International Chamber of Commerce, Sentosa Cove and The Arts House.

Ms Chua holds a Bachelor of Science degree from the School of Hotel Administration, Cornell University, New York, USA.

Present directorships in other listed companies
- GL Limited, listed on SGX-ST
- Far East Orchard Limited, listed on SGX-ST

Past directorships in listed companies held over the preceding 5 years
- Nil

Tang Hong Cheong, 65
Non-Independent Non-Executive Director

Mr Tang was appointed to the Board on 1 September 2016, and was re-elected as Director at the Company's AGM held on 24 October 2019.

Mr Tang is a Director and the President & CEO of Guoco Group Limited, listed on HKSE. He is also the Group Managing Director of GL Limited which is listed on SGX-ST. Mr Tang's present and past directorships in listed companies are set out below.

Mr Tang held various senior management positions in different companies within the Hong Leong Group. He was the President/ Finance Director of HL Management Co Sdn Bhd and the Non-executive Chairman of GLM REIT Management Sdn Bhd, an indirect subsidiary of the Company and the Manager of Tower REIT, which is listed on Bursa Malaysia.

Mr Tang is a member of the Malaysian Institute of Accountants and has over 40 years' in-depth experience in the investment, manufacturing, financial services, property development, gaming and hospitality industries. In addition, he possesses broad-based and C-suite expertise in finance, treasury, risk management, operations and strategic planning.

Present directorships in other listed companies
- Guoco Group Limited, listed on HKSE
- Lam Soon (Hong Kong) Limited, listed on HKSE
- GL Limited, listed on SGX-ST
- The Rank Group Plc, listed on London Stock Exchange

Past directorship in listed companies held over the preceding 5 years
- Southern Steel Berhad, listed on Bursa Malaysia

Key Senior Management

GUOCOLAND SINGAPORE

Mr Cheng Hsing Yao

Country Head

Mr Cheng Hsing Yao is the Group Managing Director of GuocoLand Singapore. Prior to joining GuocoLand, he was with the Singapore public service, where he held leadership positions at the Centre for Liveable Cities and the Urban Redevelopment Authority. He is a board member of the National Parks Board, and a member of the Urban Land Institute Singapore Executive Committee. He is co-chairman of Integrated Digital Delivery Steering Committee (IDDSC) and Central Procurers Panel (CPP) for Building and Construction Authority, as well as a member of the Urban Redevelopment Authority's Design Advisory Committee as well as Heritage and Identity Partnership. He holds a Bachelor of Architecture from Newcastle University, United Kingdom and a Master in Design Studies from Harvard University.

GUOCOLAND CHINA

Mr Hoon Teck Ming

Country Head

Mr Hoon Teck Ming is the Group Managing Director of GuocoLand China. He joined the Group in May 2016. Mr Hoon has over 34 years of experience in the property development and construction industry, of which more than 20 years were in China holding various senior management positions. Prior to joining GuocoLand, he was Property Director cum President China in Wing Tai Property Management from 2013 to 2016 and was Regional General Manager, Southwest China in CapitaLand China from 2007 to 2013. Prior to these, he had also worked with other property development companies and construction companies in Dubai, China and Singapore. Mr Hoon holds a Master of Science in Civil Engineering and a Bachelor of Civil Engineering (1st Class Honours) from the National University of Singapore. He is a senior member of The Institute of Engineers, Singapore, and is also a Professional Engineer of the Professional Engineers Board Singapore.

GUOCOLAND MALAYSIA

Datuk Edmund Kong

Country Head

Datuk Edmund Kong is the Group Managing Director of GuocoLand Malaysia. He joined the Group in January 2016. Datuk Kong has more than 30 years of experience in the property development and construction industry, starting after he returned to Malaysia in 1994 where he joined a renowned architecture firm and subsequently worked with several reputable property developers holding various senior management positions. Datuk Kong holds a Bachelor of Architecture (Honours) from University of Wales Institute of Science and Technology, Wales, United Kingdom. He is a corporate member of Pertubuhan Akitek Malaysia.

GROUP CHIEF FINANCIAL OFFICER

Mr Gregory Sim

Mr Gregory Sim is the Group Chief Financial Officer ("CFO"). He joined the Group in August 2020. In this capacity, he is overall responsible for all financial matters of the Group including financial reporting and operations, corporate finance, treasury, tax, investor relations, corporate communications, financial planning and analysis, performance and risk management and group information technology. Mr Sim has more than 25 years of accounting, finance and management experience. Prior to joining GuocoLand, he was with SingHaiyi Group Ltd as Deputy Chief Executive Officer and Head of Investor Relations (April 2019 – August 2020); Deputy Chief Executive Officer, Chief Financial Officer and Head of Investor Relations (April 2018 – March 2019); and Chief Financial Officer and Head of Investor Relations (January 2016 – March 2018). Other previous senior management positions held include Chief Financial Officer and Head of Investor Relations with FEO Hospitality Asset Management Pte. Ltd, REIT manager of Far East Hospitality Trust and Deputy Director, Management Services of Far East Organization. Mr Sim holds a Bachelor Degree in Accountancy (Merit) from Nanyang Technological University and has been a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Sustainability Overview

GuocoLand publishes a sustainability report annually which outlines the Group's commitment to and progress towards sustainable growth through the disclosure of selected performance measures of significant assets in Singapore and China.

The sustainability report is prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option, and with reference to the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited Listing Manual (Rules 711A and 711B).

The Group has not obtained external independent assurance for this reporting period, and will consider doing so in future as its sustainability reporting efforts mature.

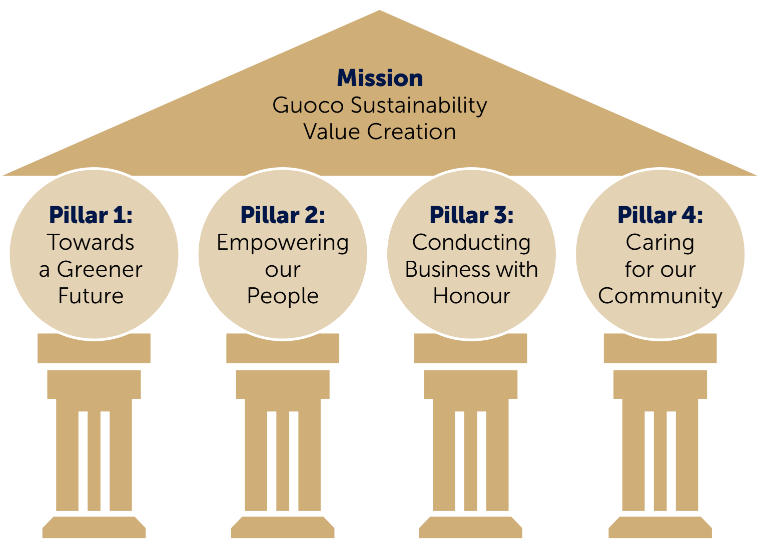
As part of GuocoLand's efforts to promote environmental conservation, no hard copies of this report have been printed. The latest report and previous editions are available at *www.guocoland.com*.

The Group's subsidiary, GuocoLand (Malaysia) Berhad, which is separately listed on Bursa Malaysia Berhad, publishes its own separate report.

REPORT SCOPE

Singapore:
Guoco Midtown, Guoco Tower, Martin Modern, Midtown Modern, Sofitel Singapore City Centre, 20 Collyer Quay

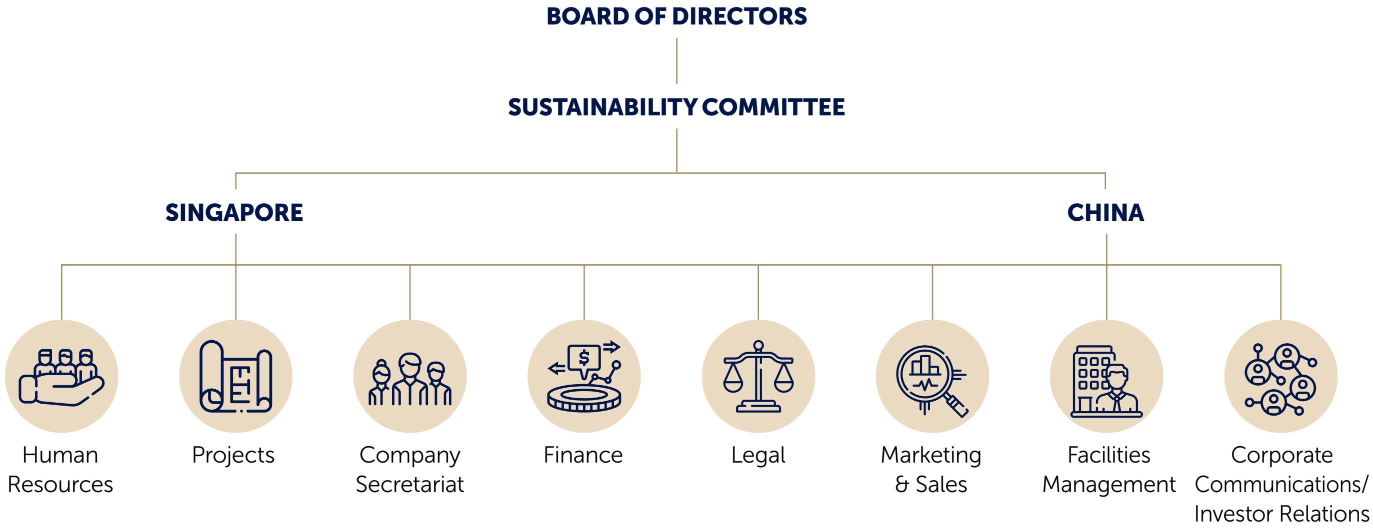
China:
Guoco Changfeng City, 18T



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING FRAMEWORK

In the financial year ended 30 June 2020 ("FY2020"), GuocoLand continued to make progress on the environmental, social and governance ("ESG") reporting framework introduced in the prior financial year. The ESG reporting framework provides a roadmap for employees to work towards the mission of "Guoco Sustainability Value Creation" via four pillars – Towards a Greener Future, Empowering our People, Conducting Business with Honour; and Caring for our Community.

SUSTAINABILITY GOVERNANCE STRUCTURE



STAKEHOLDER ENGAGEMENT

Key stakeholders were identified based on the impact of GuocoLand's business on them and their influence on the Group's business. GuocoLand's approach to stakeholder engagement is outlined in the table below.

The Group engages its key stakeholders regularly to better understand their expectations and interests, and provide them with an up-to-date picture of GuocoLand's sustainability efforts. Ongoing engagement provides the Group with insights to improve its business operations and adjust its business strategies where necessary.

STAKEHOLDER	FREQUENCY	ENGAGEMENT PLATFORMS	KEY TOPICS RAISED	OUR RESPONSE
Employees	Throughout the year	• Management meetings • Performance review discussions • Lunch talks • Knowledge sharing sessions • Internal newsletters and e-communications • Festive celebrations • Staff excursions	• Welfare • Health and well-being • Performance	Refer to Empowering Our People in the Sustainability Report
Investors	Throughout the year	• Annual General Meeting • Investor meetings • Conferences • Company and site visits • Singapore Exchange ("SGX") announcements and news releases on our corporate website • Email and phone channels	• Long-term value creation • Strategy for growth • Transparency and timely information • Corporate governance practices	Refer to Chairman's Statement; Business Review; and Corporate Governance in the Annual Report and Conducting Business with Honour in the Sustainability Report
Customers – Tenants/Shoppers/ Home Buyers	Throughout the year	• Tenant meetings • Networking tea/lunch sessions • Customer service teams • Email and phone channels • Social media channels	• Lease terms and facilities management • Quality of product and timely delivery • Customer experience	Refer to Conducting Business with Honour and Product Quality, Health & Safety in the Sustainability Report

Sustainability Overview

STAKEHOLDER	FREQUENCY	ENGAGEMENT PLATFORMS	KEY TOPICS RAISED	OUR RESPONSE
Regulators/ Government	Throughout the year	• On-site inspections • In-person meetings • Email and phone channels • Regulatory filings	• Environmental compliance • Labour standard compliance • SGX listing requirements	Refer to Sustainable Developments; Occupational Health & Safety; Product Quality, Health & Safety and Conducting Business with Honour in the Sustainability Report
Suppliers	Throughout the year	• On-site inspections • In-person meetings • Email and phone channels	• Occupational health and safety • Product quality, health and safety • Environmental compliance	Refer to Occupational Health & Safety; Product Quality, Health & Safety and Sustainable Developments in the Sustainability Report

MATERIALITY

GuocoLand is guided by GRI's Materiality principles to determine material factors that have a significant impact on the Group and/or substantively influence the assessments and decisions of key stakeholders.

A materiality assessment involving feedback from the Group's key stakeholders and a peer benchmarking exercise was conducted in 2018 to determine the key material topics that reflect GuocoLand's significant environmental, economic and social impacts. Thereafter, GuocoLand prioritised these material topics according to the significance of the impacts and importance to the Group's key stakeholders. Both the Board and senior management have reviewed and validated the materiality matrix.

For FY2020, the Sustainability Committee has reviewed the previously identified key material topics and is satisfied that they remain unchanged.

MATERIAL TOPIC	GRI STANDARD REPORTED	IMPACT BOUNDARY
Energy Consumption	• Energy (GRI 302)	Development projects and managed properties
Environmental Compliance	• Environmental Compliance (GRI 307)	Development projects and managed properties
Human Capital Development & Relations	• Employment (GRI 401) • Training and Education (GRI 404)	Employees
Occupational Health & Safety	• Occupational Health and Safety (GRI 403)	Employees Workers Tenants Visitors
Business Ethics & Anti-corruption	• Anti-corruption (GRI 205) • Customer Privacy (GRI 418)	All business operations
Product Quality, Health & Safety	• Customer Health and Safety (GRI 416)	Development projects and managed properties

Contents

Corporate Governance

GuocoLand Limited (the "Company") is committed to maintaining high standards of corporate governance as well as a strong and sound corporate culture to ensure the Company's long-term success. During the financial year ended 30 June 2020 ("FY2020"), the Company continued to support the Corporate Governance – Statement Of Support 2019 organised by the Securities Investors Association Singapore ("SIAS") to demonstrate its commitment to uphold high standards of corporate governance to enhance shareholders value. In November 2019, the Company was included in the SGX Fast Track which was launched by Singapore Exchange Regulation to recognise the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record.

The Company was ranked 17th among the 578 companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") that were being assessed in the Singapore Governance and Transparency Index 2019. The Company was also awarded the Most Transparent Company Award, Real Estate Category-Runner Up at the SIAS 20th Investors' Choice Awards 2019 which recognises excellence in companies and individuals that adopt good corporate governance practices.

During the FY2020, the Company has adhered to the principles and provisions of Code of Corporate Governance 2018 ("Code 2018") as presented in this report. The Company's own Code of Corporate Governance ("Company Code") comprising the terms of reference for the Board of Directors and its Committees has also been updated to be in line with the principles and provisions of Code 2018.

(A) BOARD MATTERS

Principle 1
The Board's Conduct of its Affairs

Board's Role and Responsibilities
The Company is headed by an effective Board which is collectively responsible and works with key management personnel for the long-term success of the Company. The Board and key management personnel discharge their statutory and fiduciary responsibilities, both individually and collectively. The Board oversees the business affairs of the Group and carries out this oversight function by assuming responsibility for effective stewardship and corporate governance of the Company and the Group.

Its principal role and responsibilities include the following:

(a) providing entrepreneurial leadership, setting the overall business strategy, policies and direction for the Company;

(b) ensuring that the necessary resources are in place for the Company to meet its objectives;

(c) establishing and maintaining a sound risk management framework to effectively monitor and manage risks and to achieve an appropriate balance between risks and Company's performance;

(d) reviewing Management's performance;

(e) ensuring transparency and accountability to key stakeholder groups; and

(f) setting the Company's values and standards to instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture.

Board Committees
The Board exercises independent judgment in dealing with the business affairs of the Group and objectively discharges its duties and responsibilities in the interest of the Group. To assist the Board in executing its duties, the Board has delegated specific functions to the following Board committees:

- Audit and Risk Committee ("ARC");
- Nominating Committee ("NC"); and
- Remuneration Committee ("RC").

Each Board committee reviews the matters that fall within its respective terms of reference and reports its decisions to the Board which endorses and accepts ultimate responsibility on such matters.

Matters which require Board Approval
The Company Code sets out the matters which require the Board's approval. During the year, the Board reviewed and approved the business plan and budget, major investments including joint venture transactions, Directors' Statement and audited Financial Statements for FY2020, the financial results announcements of the Company and interested person transactions which required announcements to be made.

Directors Attendance and Participation in Board and Board Committee and General Meetings
Meetings of the Board and its Committees are scheduled one year ahead. The Board meets at least on a quarterly basis to review, *inter alia*, the Company's business and financial results. Additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circulating Resolutions. As provided in the Company's Constitution, Directors may convene Board meetings by teleconferencing or videoconferencing. During the FY2020, the Board held four meetings. The attendance of Directors at meetings of the Board and the Board Committees as well as Annual General Meeting ("AGM") is set out in the table below:

2019/2020 MEETINGS ATTENDANCE	**BOARD**	**ARC**	**NC**	**RC**	**AGM**
TOTAL NUMBER OF MEETINGS	**4**	**4**	**1**	**3**	**1**
Moses Lee Kim Poo	4	3	-	-	1
Raymond Choong Yee How	4	4	-	1	1
Quek Leng Chan	4	-	-	3	1
Kwek Leng Hai	4	-	1	-	1
Timothy Teo Lai Wah	4	4	1	-	1
Francis Siu Wai Keung	4	4	-	-	1
Abdullah Bin Tarmugi	4	-	1	3	1
Lim Suat Jien	4	4	-	-	1
Jennie Chua Kheng Yeng	4	-	-	3	1
Tang Hong Cheong	4	-	-	-	1

Induction and Training and Development of Directors
Newly appointed Director(s) to the Board will be issued a formal letter by the Company and furnished with an induction package comprising meeting schedules of the Board and its Committees, the Company's latest Annual Report, Company Code, materials on corporate overview such as corporate structure, strategic business units, Guidebook on being an Effective Director and Guidebook setting out the duties and obligations of Directors of the Company, etc.

Corporate Governance

When a Director is appointed to a Board Committee, it is the Company's practice to highlight the relevant terms of reference to such Director and provide a copy of the related Guidebook for the Committee. New Directors will also be encouraged to attend the Listed Company Director programmes (where appropriate) conducted by the Singapore Institute of Directors ("SID"); and Director Financial Reporting Fundamentals co-organised by SID and the Institute of Singapore Chartered Accountants and supported by Accounting and Corporate Regulatory Authority ("ACRA"), where relevant. Newly appointed Director(s) with no prior experience as Director(s) of a listed company will undergo training in the roles and responsibilities of Director of a listed company as prescribed by the SGX-ST.

All Directors are provided with relevant information on the Company's policies, procedures and practices relating to governance matters, including disclosure of interests in securities, dealings in the Company's securities, restrictions on disclosure of price sensitive information and declaration of interests relating to the Group's businesses.

The Company will arrange for new Directors to attend trainings in the relevant areas as appropriate. To facilitate each Director to develop his/her competencies to effectively discharge his/her duties, all Directors are updated regularly on key regulatory and accounting changes and risk management from time to time. Directors are also informed of training programmes and seminars organised by SID, SGX-ST, ACRA and KPMG LLP. During the FY2020, Directors attended training programmes and seminars organised by SID such as Transformation from Ordinary to Extraordinary, Annual Corporate Governance Roundup, Looking Beyond the Veneer of Numbers. To keep Directors abreast of the Group's development projects, site visits for Directors were arranged, such as the ground breaking ceremony of the 1st phase of the Group's large scale mixed-use development, Chongqing 18 Steps project located in the Yuzhong District of Chongqing, China. The NC has reviewed the training and professional development programmes attended by Directors and supported by the Company.

Access to Information

In order to enable the Directors to make informed decisions in the discharge of their duties and responsibilities, Management furnished the Board with reports of the Company's operations and performance, financial position and prospects for review at each Board meeting. Management also keeps the Board apprised of the Company's operations and performance through separate meetings and discussions. To facilitate participation at meetings, Directors are provided with electronic devices to enable them to read reports/materials in real time once these are being uploaded to a secured system accessible by all Directors. Directors are updated regularly on key legislative and regulatory requirements so that appropriate systems and procedures and/or policies may be established and implemented to ensure compliance.

In addition, the Board is provided with management accounts explaining the Group's financial performance and operations update on a regular basis. Such reports enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects, and Directors are kept abreast of the Group's business activities.

Separate and Independent Access

Directors have separate and independent access to Management and the Company Secretary, whose role includes, *inter alia*, ensuring that Board procedures as well as applicable rules and regulations are complied with. The incumbent Company Secretary, Ms Mary Goh, has more than two decades of corporate secretarial experience in professional consultancy firms and public listed companies. Ms Goh is a Fellow of the Chartered Secretaries Institute of Singapore. She holds a Master of Business Administration Degree from the University of South Australia and a Master of Laws in Commercial Law from the Singapore Management University.

The Company Secretary attends all Board and Board Committee meetings; and ensures that board procedures are followed and that applicable rules and regulations prescribed by, *inter alia*, the Companies Act (Chapter 50) and the SGX-ST Listing Manual are complied with. She also advises the Board on all governance matters, as well as assisting with the co-ordination of training and professional development for Board members.

Directors also have access to independent professional advice at the Company's expense, in consultation with the Chief Executive Officer of the Company.

Principle 2
Board Composition and Guidance

Board Independence
The Board currently consists of ten Directors. On an annual basis, the NC determines the independence of the Directors taking into consideration the circumstances as set out in Code 2018 and the SGX-ST Listing Manual, as well as whether there was any circumstance or relationship that might impact on a Director's independence or perception of independence. For the year under review, all Directors had made declarations on their respective status of independence which were submitted to the NC for review. The NC had determined that Mr Moses Lee Kim Poo, Mr Timothy Teo Lai Wah, Mr Francis Siu Wai Keung, Mr Abdullah Bin Tarmugi, Ms Lim Suat Jien and Ms Jennie Chua Kheng Yeng are independent. Mr Francis Siu, who had served on the Board for more than 9 years and will be retiring by rotation at the Company's forthcoming AGM in October 2020, has notified that he will not seek re-election at the said AGM.

Mr Timothy Teo Lai Wah, who is also a member of the NC and had served on the Board for more than 9 years, was subjected to particular rigorous review of his independence by the remaining NC members. The NC had after due and careful rigorous review determined that Mr Teo remained independent, taking into account that Mr Teo continued to demonstrate strong independence in character and judgment in the discharge of his responsibilities as an Independent Director. He had also actively expressed his independent opinions as well as made suggestions and recommendations for the benefit of the Company. Mr Teo who has in-depth understanding of the Group's business continued to contribute to the Company based on his experience and knowledge of the industry in which the Group operates and markets that it competes in. Based on Mr Teo's declaration of independence, he has no relationships or circumstances that could or were likely to affect his judgment and ability to compromise his independence and discharge of his duties as an Independent Director. During the review, Mr Teo had recused himself and abstained from all deliberations and discussions.

The Board had accepted the assessment of Directors' independence by the NC. Based on the NC's review of independence, the Board is satisfied that there is a strong and independent element on the Board with six out of ten Directors, constituting more than 50% of the Board, being independent.

Board Size
The Board, having taken into account the review by the NC, considers its present size of ten Directors to be adequate to facilitate effective decision making for the current nature and scope of the Group's business operations.

Board Competencies
The NC conducted its annual review on the composition of the Board which comprises ten well-qualified Directors with diversified skills, experience, knowledge, gender and providing core competencies in the areas of accounting, financial, banking, legal, business management and industry experiences such as property development and hotel operations.

The Board considers its current composition with a balanced mix of skills as appropriate for the existing needs and demands of the Group's businesses. The NC which is being tasked with the review of the succession and renewal plans for Board continuation, also took into account *inter alia* each Board member's tenure of directorship in the Company, in particular, the date on which each Independent Director would reach their respective 9-year tenures on the Board.

Corporate Governance

There are currently two female Directors which make up 20% of the total Board size of ten Directors. The Company recognises the importance and benefits of diversity on the Board as this would enhance the effectiveness of the Board in terms of varied perspectives, skills, industry discipline, business experience, gender, background and other distinguishing factors/qualities. Recognising that diversity on the Board is an essential element to support the attainment of the Company's strategic objectives and the Company's sustainable and balanced development, the Company has adopted a Board Diversity Policy. The Board Diversity Policy sets out the approach to achieve diversity on the Board and has stated that the NC is responsible to review and monitor its implementation.

Non-Executive Directors are encouraged to constructively challenge and help develop proposals on strategy. During the FY2020, Non-Executive Directors had met without the presence of Management.

Principle 3
Chairman and Chief Executive Officer

Separate Role of Chairman and Chief Executive Officer ("CEO")
The Board Chairman, Mr Moses Lee Kim Poo is an Independent Director. There is clear division of responsibilities in the respective roles and functions of the Chairman, Mr Lee and the CEO, Mr Raymond Choong Yee How. There is no familial relationship between Mr Lee and Mr Choong.

The Chairman leads the Board and ensures its smooth and effective functioning.

The CEO is responsible for the vision and strategic direction of the Group, implementing the policies and decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholders wealth, setting the benchmark and targets for operating companies, overseeing the day-to-day operations and tracking compliance and business progress. The CEO also holds regular meetings with senior management and on a quarterly basis, updates the Board on progress made on corporate strategies and operational targets that were pre-set.

Lead Independent Director
As the Chairman is independent from the Company's officers, related corporations and major shareholder(s); and the Directors and Management are accessible by the Company's shareholders, the appointment of a lead independent director is deemed to be not necessary.

Principle 4
Board Membership

Nominating Committee
The NC consists of the following three Directors, all of whom are non-executive with the majority, including its Chairman, being independent:

- Mr Abdullah Bin Tarmugi, Chairman (Independent Non-Executive Director);
- Mr Timothy Teo Lai Wah, Member (Independent Non-Executive Director); and
- Mr Kwek Leng Hai, Member (Non-Independent Non-Executive Director).

The terms of reference of the NC are set out in the Company Code and include, *inter alia*, the following:

- review the structure, size and composition of the Board and its Committees;
- review and recommend to the Board all new Board appointments (including alternate Directors, if applicable) and re-election of Directors at AGM;
- determine annually whether or not, a Director is independent;
- rigorously review, as appropriate, the independence of any Director who has served on the Board beyond 9 years from the date of his first appointment;
- evaluate the performance of the Board as a whole, the Board Committees, individual Directors and the Board Chairman;
- review training and professional development programmes for Directors; and
- review Board succession plans for Directors, in particular, the Chairman and the CEO.

Selection of Directors
The Company has in place a process for the selection and appointment of new Directors to the Board which has been followed by the NC. Factors considered by the NC include the relevant skills that the Company sought such as strategic planning, business and management experience, industry knowledge e.g. real estate, hotel operations, etc.

In the selection and appointment of a new Director, candidates may be put forward or sought through internal promotion, contacts and recommendations from Directors/substantial shareholders or external sources, when appropriate. Taking into account the Board Diversity policy, the NC will review the profile of the candidate proposed for appointment, having regard to the range of diversity perspectives including but not limited to gender, age, competencies, skills, professional expertise, experiences, background and track record, and make recommendation to the Board on the appointment of new Director.

As prescribed by the Company's Constitution and the SGX-ST Listing Rules, one-third of the Directors for the time being are required to retire from office and are individually subject to re-election by shareholders at the Company's AGM. Every Director is required to retire from his/her office and is subject to re-election at least once in every three years. The NC will review the contributions and performance of the Directors who are retiring at the AGM to determine their eligibility for re-nomination.

The NC also took into consideration Directors' number of listed company board representations and other principal commitments, and is satisfied that each Director is able to and has been adequately carrying out his/her duties as a Director of the Company. The Board has reviewed and is satisfied that the Directors' current directorships in other listed company boards and their other principal commitments did not affect their time commitment to the Board of the Company and has accordingly not made a determination of the maximum number of board representations a Director may hold.

Directorship/Chairmanship of Directors
Key information of each member of the Board including date of first appointment as a Director, date of last re-election, academic and professional qualifications, background and experience, directorships or chairmanships in other listed companies and principal commitments, and other relevant information can be found in the "Board of Directors" section of this Annual Report.

Corporate Governance

Principle 5
Board Performance

Evaluation of Board Chairman, individual Directors and Board Committees
On an annual basis, the NC assesses the effectiveness and performance of each individual Director, the Board Chairman, the Board as a whole and each Board Committee.

Each Director carried out a self-assessment on his/her performance based on evaluation criteria such as his/her contributions to the functions of the Board, participation and attendance at Board Meetings, his/her competency, expertise and skills as well as knowledge of the Group/Company's business and the industry in which the Group/Company operates in.

The Chairman has also carried out a self-assessment of his performance with particular emphasis on his role and responsibilities as a Chairman based on criteria drawn from the guidelines as set out in SID's NC Guide, including conduct of meetings of the Board and shareholders, leadership, communication and interaction with Directors, shareholders and other stakeholders, possession of high level of ethics/values, etc.

Each Board Committee Chairman evaluated his respective Board Committees, taking into account the respective Board Committees' roles and responsibilities as well as the contributions of members to the functions of these Committees.

All Directors participated in the assessment process and submitted their respective completed and signed assessment forms to the Company Secretary for collation and presentation to the NC for evaluation.

Evaluation of the Board as a whole
The NC had evaluated the collective Board performance, taking into account the self-assessment conducted by individual Directors and the Board Chairman as well as the performance of each Board Committee. In assessing the Board's performance as a whole, the NC had considered the Board's integrity, competency, responsibilities, governance and organisation as well as team dynamics. The NC also carried out an evaluation and review of the contributions of Directors at meetings of the Board and Board Committees and Directors' participation in the affairs of the Company, including a review of matters such as the independence of Directors, their individual skills, experience and time commitment, in particular for Directors who served on multiple boards as well as the overall Board size and composition.

On the basis of the aforesaid evaluation, the NC is satisfied that for the FY2020, the Board and its Committees had been effective in the conduct of their respective duties and the Directors have each contributed to the effectiveness of the Board and its Committees (as applicable). The results of the NC's assessment had been communicated to and accepted by the Board.

(B) REMUNERATION MATTERS

Principle 6
Procedures For Developing Remuneration Policies

The RC comprises the following three Directors all of whom are non-executive, with the majority, including the Chairman, being independent:

- Mr Abdullah Bin Tarmugi, Chairman (Independent Non-Executive Director);
- Mr Quek Leng Chan, Member (Non-Independent Non-Executive Director); and
- Ms Jennie Chua Kheng Yeng, Member (Independent Non-Executive Director).

No member of the RC was involved in deciding his/her own remuneration.

The terms of reference of the RC are set out in the Company Code and its duties include, *inter alia*, reviewing and recommending to the Board a framework of remuneration for the Board and key management personnel, reviewing and recommending to the Board for the Board's endorsement with the specific remuneration packages for each Director as well as for the key management personnel; and the administration of the Company's Executive Share Scheme 2018 ("ESS").

The RC may seek remuneration consultants' advice on remuneration matters for Directors as it deems appropriate. For the FY2020, the RC did not require the service of an external remuneration consultant. As regards the Company's obligations arising in the event of termination of service contracts, the Company does not provide any termination, retirement or post-employment benefits to its Directors, CEO and key management personnel (who are not Directors of the Company or the CEO).

Principle 7
Level and Mix of Remuneration

In its review and recommendation for the remuneration framework, the RC took into account the performance of the Group, the individual Directors and key management personnel, linking rewards to corporate and individual performance.

The RC also took into account industry practices and norms in remuneration to ensure that the remuneration packages for Directors and key management personnel are competitive to attract, retain and motivate Directors and key management personnel to provide good stewardship and effective management for the Company. Such remuneration framework is being reviewed on an annual basis to ensure that they remain relevant.

The Company's remuneration structure for key management personnel comprises both fixed and variable components. Fixed component includes, *inter alia*, a basic salary whilst variable component includes performance-linked incentives which are described in more details below.

The performance-related remuneration scheme takes into consideration the balance between profit and risk, and is aligned with the long-term interest and risk framework of the Company. The scheme is symmetrical with risk outcomes and sensitive to the risk time horizon with the rewards commensurate with the business performance; and pay-out schedule is determined considering the nature and time horizon of risks generated.

Corporate Governance

To promote staff motivation, the Company established a remuneration framework comprising both short-term and long-term incentives that are linked to performance. Short-term incentives include performance-linked variable bonus. For the purpose of assessing the performance of the CEO and key management personnel of the Group, specific Key Result Areas ("KRA") including both financial and non-financial measures are set for each financial year. An annual appraisal is conducted taking into consideration the achievements of the pre-set KRA for the CEO and each key management personnel.

To promote long-term success of the Company, long-term incentive scheme such as ESS is also incorporated in the remuneration framework of selected key management personnel.

Non-Executive Directors do not receive any salary. However, Non-Executive Independent Directors receive Director fees that are based on corporate and individual responsibilities and which are in line with industry norm.

The Company does not have any contractual provisions to reclaim incentive components of remuneration from Executive Director(s) and the key management personnel in any circumstances. However, upon the exercise of an option or upon the vesting of shares under the grant of ESS, the shares received by the Executive Director(s) and the key management personnel may be subject to retention period or restriction of transfer as determined by the RC at its absolute discretion. Further, the RC may at its absolute discretion, determine such malus and/or clawback provisions to be applied to an option and/or a grant (as the case may be) upon the occurrence of the applicable malus and/or clawback event(s) under the performance-linked ESS.

Principle 8
Disclosure on Remuneration

Directors and CEO
The breakdown of remuneration of Directors and CEO of the Company for the FY2020 is set out below:

NAME OF DIRECTORS	FIXED SALARY (INCLUSIVE OF EMPLOYER CPF) S$	VARIABLE BONUS (INCLUSIVE OF EMPLOYER CPF) S$	DIRECTOR FEES S$	OTHER BENEFITS S$	TOTAL S$
Moses Lee Kim Poo	-	-	110,000	38,864	148,864
Quek Leng Chan	-	-	-	-	-
Kwek Leng Hai	-	-	-	-	-
Timothy Teo Lai Wah	-	-	125,000	-	125,000
Francis Siu Wai Keung	-	-	110,000	-	110,000
Abdullah Bin Tarmugi	-	-	88,000	-	88,000
Lim Suat Jien	-	-	110,000	-	110,000
Jennie Chua Kheng Yeng	-	-	78,000	-	78,000
Tang Hong Cheong	-	-	-	-	-
				Total	659,864

CEO	%	%	%	%	%
S$2.75 million to S$3 million					
Raymond Choong Yee How	56.2	42.7	-	1.1	100

Having considered the provisions in the Code 2018 on the disclosure of remuneration of Directors and CEO, the RC is of the view that it is appropriate to provide full disclosure of fees proposed to be paid to Directors for the FY2020 which aggregate to S$659,864 and will be tabled at the forthcoming AGM under Agenda Item No. 3 for shareholders' approval.

As regards the disclosure of remuneration of the CEO who is also an Executive Director of the Company, for the financial year under review, the Company took into account the very sensitive nature of the matter and the highly competitive business environment in which the Group operates and the impact such disclosure would have on the Group, and is of the view that the current disclosure on a named basis and in bands of S$250,000 (including the provision of a breakdown in percentage terms) is sufficient.

Top Key Management Personnel

In determining the remuneration packages of the Group's top key management personnel, factors that were taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

On the disclosure of remuneration of the Group's top key management personnel, the Company is of the view that it would not be in its best interest to make such disclosure on a named basis in bands of S$250,000 with breakdowns of each key management personnel's remuneration earned through base/fixed salary, variable bonuses, benefits in kind, etc. Accordingly, such details are not disclosed as the Company believes that in view of the competitive nature of the human resource environment and to support the Company's efforts in attracting and retaining executive talents, it should maintain confidentiality on employee remuneration matters.

The remuneration package of the top five key management personnel (who are not Directors of the Company or the CEO), comprising mainly salaries and bonuses, aggregated to a total remuneration of S$4,481,928 for the FY2020. The number of key management personnel (who are not Directors of the Company or the CEO) under each remuneration bands of S$250,000 is set out below:

TOTAL REMUNERATION IN BANDS OF S$250,000	**NO. OF KEY MANAGEMENT PERSONNEL (WHO ARE NOT DIRECTORS OR THE CEO)**
S$1,250,001 to S$1,500,000	2
S$750,001 to S$1,000,000	1
S$500,001 to S$750,000	1
S$250,001 to S$500,000	1

As regards the Company's ESS, the details are set out in the Directors' Statement and Note 27 to the Financial Statements.

During the financial year, there was no termination, retirement and post-employment benefits granted to Directors, the CEO and the top five key management personnel (who are not Directors or the CEO).

There are no employees who are substantial shareholders of the Company, or are the immediate family members of any of the Directors or the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 for the FY2020.

Corporate Governance

(C) ACCOUNTABILITY AND AUDIT

Principle 9
Risk Management and Internal Controls

The Board recognizes the importance of risk management and the need to establish a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders. The ARC has been tasked to assist the Board to oversee the governance of risks and monitors the Group’s risks through an integrated approach of enterprise risk management, internal controls and assurance systems. As part of the Group’s enterprise risk management, the key risks faced by the Group on an enterprise wide level as well as those faced by each key strategic business unit had been identified.

Key Risks
Key risks faced by the Group include competition risks, investment and divestment risks, timely completion and delivery of projects, property management, etc. Financial risks are set out in Note 31 to the Financial Statements. A system of rating such potential risks has been established to identify tolerance level for the various classes of risks and determine the likelihood of the occurrences of such risks. The requisite internal controls and strategy to mitigate potential risks such as risks relating to information technology, disruption and cyber security risks, are also recorded and tracked in the Group Risk Register. A Business Continuity Plan which outlines the potential disaster scenarios that may have material adverse impact to the business operations as well as the mitigating recovery process supported by IT disaster recovery plan, had been drawn up as part of the enterprise risk management of the Group.

To ensure the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls, the ARC reviews the Group Risk Register on a quarterly basis. Key risks profiles are updated on a half-yearly basis; nonetheless, timely updates will be made when there are major movements in the risk ratings and this will be presented at the quarterly ARC meetings. The internal auditors (“IA”) and risk manager will validate the internal controls and risk treatment plans respectively for each of the key risks while the external auditors will highlight any material internal control weaknesses that had come to their attention in the course of their audit. The findings of the IA and external auditors as well as the risk manager will be brought up to the ARC which will in turn highlight any issues or matters arising from the Group Risk Register and update on key risks report to the Board.

A robust process had been put in place whereby each business unit provided a quarterly financial status declaration to the CEO and Group Chief Financial Officer (“CFO”). Such declaration would confirm, *inter alia*, that the consolidated accounts of the business units were correct and had been prepared in accordance with the Group’s accounting policies and on a basis consistent with that of the preceding quarter. This process together with the findings and assurance from the IA with regard to the adequacy and effectiveness of the Group’s internal controls to address financial, operational, compliance and information technology controls and risk management systems, had facilitated the CEO and CFO to provide the assurance as stated in the paragraph below, to the Board.

The Board has received assurance from the CEO and the CFO that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances. The Board has also received assurance from the CEO and key management personnel regarding the adequacy and effectiveness of the Group’s risk management and internal control systems.

Having regard to the reviews carried out by the ARC, findings raised by IA and external auditors and assurance from the Management and IA, the Board, with the concurrence of the ARC, is of the opinion that the Group’s internal controls addressing financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at 30 June 2020. During the FY2020, there were no material weaknesses being identified in internal controls or risk management systems.

Principle 10
Audit and Risk Committee

The ARC comprises the following Directors, all of whom are non-executive and independent:

- Mr Timothy Teo Lai Wah, Chairman (Independent Non-Executive Director);
- Mr Francis Siu Wai Keung, Member (Independent Non-Executive Director); and
- Ms Lim Suat Jien, Member (Independent Non-Executive Director).

A majority of the ARC members have recent and relevant accounting or related financial management expertise or experience and the Chairman of the ARC has extensive global experience in the financial industry. None of the ARC members were previous partners or directors of the Company's external auditors, KPMG LLP, within the last 24 months or hold any financial interest in KPMG LLP. The profile of the ARC Chairman and its members are presented under the "Board of Directors" section of this Annual Report. The Board is satisfied that such members are appropriately qualified to discharge their responsibilities.

The terms of reference of the ARC are set out in the Company Code which provided, *inter alia*, that the ARC has explicit authority to investigate any matter within its terms of reference, have full access to and co-operation by Management and have full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In accordance with the written terms of reference of the ARC, it had undertaken and performed, *inter alia*, the following functions during the financial year:

- reviewing the Company's draft announcements of its financial results prior to submission to the Board. During the year, the ARC reported and highlighted to the Board significant issues and judgements that the ARC considered in relation to the financial statements, and how these issues were addressed;
- assisting the Board to oversee the Company's risk management framework and policies;
- reviewing the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls, and risk management systems);
- reviewing the adequacy, effectiveness, independence, scope, and results of the external audit and the Company's internal audit function;
- meeting with the Company's external auditors and IA, without the presence of Management;
- reviewing the independence of the Company's external auditors and IA. The aggregate amount of fees paid to the external auditors, and a breakdown of the fees paid in total for audit and non-audit services are disclosed in Note 24 to the Financial Statements; the ARC is satisfied with the independence and objectivity of the external auditors and IA;
- making recommendations to the Board on the re-appointment of the external auditors. In this regard, the ARC had assessed the independence and objectivity of the external auditors taking into consideration the requirements under the Accountants Act (Chapter 2) of Singapore, including the fees paid for audit and non-audit services and the co-operation extended by Management to allow an effective audit. The ARC had also assessed the quality of work carried out by the external auditors based on ACRA's Audit Quality Indicators Disclosure Framework.

Corporate Governance

- reviewing the assurance from the CEO and CFO on the financial records and financial statements;
- reviewing the Company's whistle-blowing policy to ensure that arrangements are in place for the independent investigation of possible improprieties in matters of financial reporting or other matters to be safely raised and that appropriate follow up action has been taken as well as highlighting any significant matters raised through the whistle-blowing channel; and
- reviewing interested person transactions where they exceeded the relevant threshold levels or as required by SGX-ST Listing Manual.

In its review of the financial statements of the Group and the Company for the FY2020, the ARC has discussed with both the Management and the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The ARC reviewed, amongst other matters, the following key audit matters as reported by the external auditors for the FY2020. Detailed information on the key audit matters is set out in the Independent Auditors' Report.

KEY AUDIT MATTERS	HOW THESE ISSUES WERE ADDRESSED BY THE ARC
Valuation of development properties	The ARC was periodically briefed on the development of key projects and the selling prices achieved on units sold during the period under review. It also discussed with Management about the market trends and the strategies to sell the inventories focusing on projects with slower-than-expected sales or with low margins. The ARC considered the findings from the external auditors on their assessment of the estimation of net realisable value and allowances for foreseeable losses to form a view on the appropriateness of the level of allowance set aside by Management. The ARC was satisfied with the estimation of net realisable value for development projects as adopted and disclosed in the financial statements.
Valuation of investment properties	The ARC reviewed the outcomes of the yearly valuation process and discussed the details of the valuation with Management, focusing on properties which registered higher fair value gains/losses during the period under review. The ARC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies, the underlying key assumptions applied in the valuation of investment properties and the estimation uncertainty during the current climate. The ARC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted and disclosed in the financial statements.

Interested Person Transactions ("IPT")

The Company's internal policy requires the ARC to note and review IPT, as recorded in the Company's Register of IPT. Directors are required to disclose their interest and any conflict of interest in such transactions, and will accordingly abstain from the deliberation and voting in resolutions relating to these transactions. For each material/significant IPT, key information pertaining to the IPT together with the identification of relationship of each party is provided to the ARC for review and evaluation. The ARC will review the IPT to ensure that the terms are fair and at arms' length, and not prejudicial to the interest of the Company and its minority shareholders. In the event that the relevant threshold as stipulated in the Listing Rules of SGX-ST is met, the IPT including the interested person(s) and its or their relationship with the Company, will be announced via SGXNET or put to vote by disinterested shareholders at the Company's general meeting as the case may be. The type, nature and value of significant related party transactions during the financial year under review are listed in Note 29 to the Financial Statements.

The Company has complied with Rules 712, 715 and 716 of the Listing Manual issued by SGX-ST in relation to the appointment of its external auditors.

Internal Audit

The Company has its own in-house qualified internal audit team comprising the Head, Internal Audit, Mr Jason Ho, and his team of qualified personnel. The Head, Internal Audit's primary line of reporting is to the Chairman of the ARC, although he reports administratively to the CEO. IA assists the ARC to review and assess the adequacy and effectiveness of the Group's internal controls based on the COSO Internal Control Integrated Framework to ensure no material weaknesses in respect of financial, operational, compliance and information technology.

The IA also audits the operations of the Group to ensure regulatory compliances as well as adherence to Group policies and procedures. The scope of IA's reviews is set out in IA's annual work plan which is approved by the ARC. During the FY2020, IA had carried out its function according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors (IIA).

The ARC reviews the adequacy, effectiveness and independence of the internal audit function to ensure that the internal audits are conducted effectively and the Management provides the necessary co-operation to enable the IA to perform its function. The ARC also reviews the IA reports and remedial actions taken by Management to address any internal control weaknesses that had been identified.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11
Shareholder Rights and Conduct of General Meetings

The Company believes in treating all shareholders fairly and equitably by recognizing, protecting and facilitating the exercise of shareholders' rights, and continually reviews and updates such governance arrangements. The Company currently has one class of shares in issue being ordinary shares which carry one vote for one share held.

The Company also believes in providing its shareholders with a balanced and understandable assessment of the Company's financial performance, position, and prospects. Such information is furnished through the Company's announcements of its financial results and media releases (where appropriate) to the SGX-ST.

To facilitate shareholders' participation at general meetings of the Company, detailed information is provided to shareholders in reports/circulars. Notices of general meetings which set out the resolutions to be tabled to shareholders for approval together with proxy forms were sent to all shareholders by post, published in a local newspaper, announced via SGXNET and uploaded on the Company's website. General meetings were held at venue easily accessible by shareholders. Relevant rules and procedures governing the general meeting(s) including, in particular, the voting procedures are communicated to shareholders. Resolutions tabled at general meetings are passed through a process of voting by poll.

A registered shareholder may appoint one or two proxies to attend and vote on his/her behalf at the Company's general meetings. A relevant intermediary, as defined in the Companies Act (Chapter 50), may appoint more than two proxies to attend, speak and vote at the Company's general meetings.

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The Company's general meetings are the principal forum for dialogues with its shareholders where the Board and Management address shareholders' concerns, if any. The Company may also solicit views or inputs of shareholders during general meetings. At the Company's general meetings, the Chairman invites shareholders to participate and provides them with the opportunity to ask questions as well as communicate their views on various matters of relevance to the Company.

Separate resolutions are proposed for approval at general meetings on each substantially separate issue, for example, resolutions relating to payment of Director fees, the authorisation for issue of additional shares, re-appointment of the auditors and re-election of each Director, are separately proposed for shareholders' approval. The rationale, information and explanation relating to each resolution are set out in the Notice of AGM. The profiles of each Director proposed for re-election as stated in the Notice of AGM are cross-referenced to the "Board of Directors" page in the Company's Annual Report. Due to security concerns, the Company will not be implementing absentia voting methods such as by mail, e-mail or facsimile.

To promote effective shareholders' participation and enhance transparency of the voting process at general meetings, the Company has been conducting electronic poll voting for all the resolutions proposed at its general meetings. The electronic voting procedures were presented to shareholders before the start of the AGM. Independent scrutineer has been engaged to count and validate the votes cast for or against each resolution which are tallied and displayed live on screen to shareholders immediately after each poll is conducted at the AGM. The results of the votes cast on the resolutions as well as the name of the independent scrutineer are also announced via SGXNET after the AGM.

All Directors, including the Chairman of the Board, the CEO and the respective Chairmen of the ARC, NC and RC as well as senior Management were present at the AGM to address any questions that shareholders may have. The Company's external auditors were also present at the Company's AGM to assist the Board in addressing any queries raised by shareholders.

In view of the current coronavirus disease 2019 (COVID-19) situation, the forthcoming 44th AGM of the Company to be held in respect of FY2020 will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions at or prior to the AGM and voting by appointing the Chairman of the AGM as proxy, will be put in place for the 44th AGM of the Company.

The Minutes of the AGM which will incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the AGM and responses from the Board and Management will be published on the Company's website: http://www.guocoland.com.

Dividend

The Company has a Dividend Policy which aims to create long term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements, and capturing future growth opportunities. The Dividend Policy provides for the Board to propose/declare the payment of dividend(s) after taking into account the current financial performance of the Company, the future financial requirements of the Company and any other factors as the Board may deem relevant. The Board will be proposing at the forthcoming 44th AGM of the Company, the declaration of a first and final tax exempt one-tier dividend of 6 cents per ordinary share in respect of the FY2020. The proposed dividend, when approved by shareholders at the AGM, shall be paid on 19 November 2020.

Principle 12
Engagement with Shareholders

In compliance with the continuous disclosure obligations provided in the listing rules of SGX-ST, the Company ensures timely and adequate disclosure of information on matters that may have material impact to the Group.

Corporate Website
To enhance communication with all stakeholders on an on-going basis, the Company has established a corporate website http://www.guocoland.com which is indicated in the Annual Report and a web-link is provided on the SGX-ST website. Information available on the Company's website includes, *inter alia*, corporate structure and profile, development projects of the Group, financial results and publications etc.

To facilitate access to pertinent information, a dedicated "Investors & Media" section on the Company's website serves as a repository of information for shareholders and the investment community. These include financial information, newsroom, Annual Reports, Sustainability Reports, AGM-related materials and Corporate Communications & Investor Relations contact.

Investor Relations Policy
The Company has a Corporate Communications & Investor Relations department, and regularly conveys to shareholders, information on the Company's financial performance, corporate developments and business prospects via half-yearly financial results announcements, Annual Reports, Sustainability Reports, and press releases or other additional announcements uploaded onto SGXNET and the Company's website. Press releases are also disseminated to the media. Investors may subscribe to the Company's mailing list to receive the latest updates on the Group via the Company's website.

A Corporate Communications & Investor Relations contact (contact@guocoland.com) is published on the Company's website to facilitate two-way communication with investors. The Company's Corporate Communications & Investor Relations team promptly attends to calls/email enquiries on the Group and endeavours to respond within 1 week.

Release of Financial Results
In April 2020, the Company had announced that it will report its financial results on a half-yearly basis and will continue to comply with the continuing disclosure obligations under the SGX-ST Listing Manual to keep stakeholders informed of material developments relating to the Company and the Group. The Company had released its half-year financial results within 16 days of the half-year ended. Its full-year audited financial results were announced within 60 days of the FY2020. The Company's financial results are readily available on its website.

In addition, a press release on the Company's full-year audited financial results was disseminated to the media which was accordingly uploaded on the Company's website and posted on SGXNET to ensure equality of information for all stakeholders. The CFO, together with the Corporate Communications & Investor Relations team carried out meetings with investors and analysts, where appropriate. As the Company embraces openness and transparency in the conduct of its affairs, it also ensures safeguarding of its commercial interest.

Release of Annual Report
In line with the Company's sustainability efforts towards environmental conservation, the Company will continue to make available its Annual Report and Circular(s)/Addendum(s) ("AGM Document") on its corporate website. Shareholders may, if they prefer, request for a printed copy of the AGM Document. The Notice of AGM, Proxy Form and Request Form will also be available on the Company's website.

Corporate Governance

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13
Engagement with Stakeholders

The Company's material stakeholders namely, its employees, investors, customers (tenants/shoppers/home buyers), suppliers, regulators/Government are listed in the Company's Sustainability Report ("SR"). SR describes *inter alia*, the Company's sustainability governance and practices in the Group's business operations and management of stakeholder relationships. The Environmental, Social and Governance factors that are material to the Company and its stakeholders have been identified and are described in the Company's SR. The Company's SR for FY2020 and previous editions are available on the Company's corporate website: http://www.guocoland.com.

(F) DEALINGS IN SECURITIES

The Company Code provides guidelines to its officers in relation to dealings in securities. These guidelines set out, *inter alia*, that officers who are Directors of the Company or its subsidiaries must give notice in writing to the Company of the particulars of any dealings in the securities of the Company within 2 business days of such dealing or of any change in such particulars of which notice had already been given.

The guidelines also provided that officers of the Group should refrain from dealing in any securities of the Company at any time when in possession of unpublished price-sensitive information in relation to those securities, and during the Company's close period which is the relevant period of time as stipulated in the SGX-ST Listing Manual preceding the announcement of the Company's results up to and including the date of announcement of the relevant results. Officers are also reminded to refrain from dealing in the Company's securities on short-term considerations. These guidelines are disseminated to all Directors, officers and key management personnel of the Group periodically to serve as reminder.

(G) CODE OF CONDUCT

The Company has established a Code of Conduct which is made available for easy access in the Company's intranet. The Company's Code of Conduct provides guidance to employees' conduct in areas such as integrity in conducting business, prohibition on disclosure of confidential information relating to the Group, avoidance of conflict of interest, prohibition on accepting gifts/benefits from business associates, etc. The relevant information is presented to all new employees during the induction programme and the Company notifies employees of subsequent updates.

The Board emphasizes the importance of professionalism and integrity when conducting business. Employees are required to embrace and practice these values in the course of performing their duties at work, and to act in the best interest of the Group at all time.

(H) WHISTLE-BLOWING POLICY

The Company is committed to conduct business with integrity and high standards of corporate governance and conduct as well as compliance with applicable laws and regulatory requirements. In line with this commitment, the whistle-blowing policy is adopted to provide proper avenues or channels for employees and any other persons to raise or report any concerns/ issues about serious wrong doings, misconduct, malpractices or improprieties in matters relating to the Group.

The whistle-blowing policy sets out procedures and rules for employees and external parties to raise responsibly, in confidence, concerns about possible improprieties in the Group, without fear of undue reprisals. Whistle-blowers may raise potential issues through a dedicated secured email address or contact the ARC Chairman directly.

The ARC oversees the whistle-blowing policy to ensure that arrangements are in place for independent investigation of matters raised and for appropriate follow-up action to be taken. The identity of the whistle-blower and person(s) being reported on are kept confidential. The whistle-blowing policy also allows for concerns or irregularities expressed anonymously to be considered, taking into account the seriousness and credibility of the issues raised. The Company's whistle-blowing policy is published on its website.

Directors' Statement

For the year ended 30 June 2020

We are pleased to present this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2020.

In our opinion:

a. the financial statements set out on pages 59 to 149 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The Directors in office at the date of this statement are as follows:

Moses Lee Kim Poo, *Chairman*
Raymond Choong Yee How, *Group President & Chief Executive Officer*
Quek Leng Chan
Kwek Leng Hai
Timothy Teo Lai Wah
Francis Siu Wai Keung
Abdullah Bin Tarmugi
Lim Suat Jien
Jennie Chua Kheng Yeng
Tang Hong Cheong

DIRECTORS' INTERESTS

According to the registers kept by the Company for the purposes of Section 164 of the Act, particulars of interests of Directors who held office at the end of the financial year (including those held by their spouses and children below 18 years of age) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	SHAREHOLDINGS IN WHICH DIRECTORS HAVE A DIRECT INTEREST		SHAREHOLDINGS IN WHICH DIRECTORS ARE DEEMED TO HAVE AN INTEREST	
	AS AT 1 JULY 2019	**AS AT 30 JUNE 2020**	**AS AT 1 JULY 2019**	**AS AT 30 JUNE 2020**
COMPANY	Fully Paid Ordinary Shares(1)			
Quek Leng Chan	13,333,333	13,333,333	819,310,430	837,785,738
Kwek Leng Hai	35,290,914	35,290,914	-	-
Tang Hong Cheong	65,000	345,000	-	-
	Medium-Term Notes*			
Moses Lee Kim Poo	750,000	750,000	-	-
	Options to subscribe for Ordinary Shares			
Raymond Choong Yee How	20,000,000	20,000,000	-	-
Tang Hong Cheong	800,000#	520,000#	-	-
INTERMEDIATE HOLDING COMPANY				
GUOCO GROUP LIMITED	Ordinary Shares of US$0.50 each fully paid			
Quek Leng Chan	1,056,325	1,056,325	241,081,792	240,951,792
Kwek Leng Hai	3,800,775	3,800,775	-	-
Tang Hong Cheong	94,000	130,000	-	-
	Options to subscribe for Ordinary Shares			
Tang Hong Cheong	36,000	-	-	-
ULTIMATE HOLDING COMPANY				
HONG LEONG COMPANY (MALAYSIA) BERHAD	Fully Paid Ordinary Shares(2)			
Quek Leng Chan	390,000	390,000	7,487,100	7,487,100
Kwek Leng Hai	420,500	420,500	-	-
SUBSIDIARY				
GUOCOLAND (MALAYSIA) BERHAD	Fully Paid Ordinary Shares(2)			
Quek Leng Chan	19,506,780	19,506,780	455,574,796	455,574,796
Kwek Leng Hai	226,800	226,800	-	-
Tang Hong Cheong	195,000	195,000	-	-

* Please refer to Note 17 to the Financial Statements.

\# Share options granted under the HL Management Co Sdn Bhd's Executive Share Option Scheme at an exercise price of S$1.81 per share with an exercise period from 26 January 2019 to 25 July 2021.

Directors' Statement

For the year ended 30 June 2020

DIRECTORS' INTERESTS (CONT'D)

	NOMINAL VALUE PER SHARE	SHAREHOLDINGS IN WHICH DIRECTORS HAVE A DIRECT INTEREST		SHAREHOLDINGS IN WHICH DIRECTORS ARE DEEMED TO HAVE AN INTEREST	
		ORDINARY SHARES/ORDINARY SHARES ISSUED OR TO BE ISSUED OR ACQUIRED ARISING FROM THE EXERCISE OF OPTIONS/CONVERTIBLE BONDS/ CONVERSION OF REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK^			
		AS AT 1 JULY 2019	AS AT 30 JUNE 2020	AS AT 1 JULY 2019	AS AT 30 JUNE 2020
INTERESTS OF QUEK LENG CHAN IN RELATED CORPORATIONS					
Hong Leong Financial Group Berhad	(2)	5,438,664	5,438,664	893,706,226	893,706,226
Hong Leong Capital Berhad	(2)	-	-	200,805,058	200,805,058
Hong Leong Bank Berhad	(2)	-	-	1,346,237,169	1,346,027,209
	(2)	-	-	800,000,000[7]	800,000,000[7]
	(2)	-	-	1,500,000,000[8]	1,500,000,000[8]
Hong Leong MSIG Takaful Berhad	(2)	-	-	130,000,000	130,000,000
Hong Leong Assurance Berhad	(2)	-	-	140,000,000	140,000,000
Hong Leong Industries Berhad	(2)	-	-	242,665,670	242,754,003
Hong Leong Yamaha Motor Sdn Bhd	(2)	-	-	17,352,872	17,352,872
Guocera Tile Industries (Meru) Sdn Bhd	(2)	-	-	19,600,000	19,600,000
Malaysian Pacific Industries Berhad	(2)	-	-	108,853,457	108,954,790
Carter Resources Sdn Bhd	(2)	-	-	5,640,607	5,640,607
Carsem (M) Sdn Bhd	(2)	-	-	84,000,000	84,000,000
	(2)	-	-	22,400 (Redeemable Preference Shares)	22,400 (Redeemable Preference Shares)
Hume Industries Berhad	(2)	-	-	349,421,658	349,421,658
	(2)	-	-	193,083,089^	189,511,660^
Southern Steel Berhad	(2)	-	-	292,169,709	417,246,046
	(2)	-	-	140,076,337^	-
Southern Pipe Industry (Malaysia) Sdn Bhd	(2)	-	-	124,964,153	124,964,153
TPC Commercial Pte. Ltd.	(1)	-	-	189,600,000	389,600,000
TPC Hotel Pte. Ltd.	(1)	-	-	62,400,000	62,400,000
Wallich Residence Pte. Ltd.	(1)	-	-	24,000,000	24,000,000
GLL A Pte. Ltd.	(1)	-	-	10	10
GLL Chongqing 18 Steps Pte. Ltd.	(1)	-	-	149,597,307	198,657,372
Guoco Midtown Pte. Ltd.	(1)	-	-	184,000,000	184,000,000
Midtown Bay Pte. Ltd.	(1)	-	-	32,000,000	32,000,000
MTG Apartments Pte. Ltd.	(1)	-	-	-	69,180,000
MTG Retail Pte. Ltd.	(1)	-	-	-	3,000,000
Beijing Ming Hua Property Co., Ltd	(3)	-	-	3,750,000	3,750,000
Shanghai Xinhaojia Property Development Co., Ltd	(3)	-	-	315,000,000	315,000,000
Shanghai Xinhaozhong Holding Co., Ltd	(3)	-	-	490,000	490,000

DIRECTORS' INTERESTS (CONT'D)

	NOMINAL VALUE PER SHARE	SHAREHOLDINGS IN WHICH DIRECTORS HAVE A DIRECT INTEREST		SHAREHOLDINGS IN WHICH DIRECTORS ARE DEEMED TO HAVE AN INTEREST	
		ORDINARY SHARES/ORDINARY SHARES ISSUED OR TO BE ISSUED OR ACQUIRED ARISING FROM THE EXERCISE OF OPTIONS/CONVERTIBLE BONDS/ CONVERSION OF REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK^			
		AS AT 1 JULY 2019	AS AT 30 JUNE 2020	AS AT 1 JULY 2019	AS AT 30 JUNE 2020
INTERESTS OF QUEK LENG CHAN IN RELATED CORPORATIONS (CONT'D)					
JB Parade Sdn Bhd	(2)	-	-	28,000,000	28,000,000
	(2)	-	-	97,390,000 (Cumulative Redeemable Preference Shares)	97,390,000 (Cumulative Redeemable Preference Shares)
Lam Soon (Hong Kong) Limited	(5)	-	-	140,008,659	140,008,659
Guangzhou Lam Soon Food Products Limited (Dissolved by means of deregistration)	(4)	-	-	6,570,000	-
Guoman Hotel & Resort Holdings Sdn Bhd	(2)	-	-	277,000,000	277,000,000
GLM Emerald Industrial Park (Jasin) Sdn Bhd	(2)	-	-	34,408,000	34,408,000
	(2)	-	-	123,502,605 (Cumulative Redeemable Preference Shares)	123,502,605 (Cumulative Redeemable Preference Shares)
GL Limited	US$0.20	735,000	735,000	943,669,134	970,652,634
The Rank Group Plc	GBP13 8/9p	285,207	285,207	219,477,221	219,477,221
INTERESTS OF KWEK LENG HAI IN RELATED CORPORATIONS					
Hong Leong Bank Berhad	(2)	5,510,000	5,510,000	-	-
Lam Soon (Hong Kong) Limited	(5)	2,300,000	2,300,000	-	-
Hong Leong Industries Berhad	(2)	190,000	190,000	-	-
Hong Leong Financial Group Berhad	(2)	2,526,000	2,526,000	-	-
Hume Industries Berhad	(2)	205,200	205,200	-	-
	(2)	105,571^(6)	105,571^(6)	-	-
Malaysian Pacific Industries Berhad	(2)	71,250	71,250	-	-
The Rank Group Plc	GBP13 8/9p	1,026,209	1,026,209	-	-
GL Limited	US$0.20	300,000	300,000	-	-
INTERESTS OF RAYMOND CHOONG YEE HOW IN RELATED CORPORATIONS					
Hong Leong Financial Group Berhad	(2)	3,000,000	3,000,000	-	-

Directors' Statement

For the year ended 30 June 2020

DIRECTORS' INTERESTS (CONT'D)

	NOMINAL VALUE PER SHARE	SHAREHOLDINGS IN WHICH DIRECTORS HAVE A DIRECT INTEREST		SHAREHOLDINGS IN WHICH DIRECTORS ARE DEEMED TO HAVE AN INTEREST	
		ORDINARY SHARES/ORDINARY SHARES ISSUED OR TO BE ISSUED OR ACQUIRED ARISING FROM THE EXERCISE OF OPTIONS/CONVERTIBLE BONDS/ CONVERSION OF REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK^			
		AS AT 1 JULY 2019	AS AT 30 JUNE 2020	AS AT 1 JULY 2019	AS AT 30 JUNE 2020
INTERESTS OF TIMOTHY TEO LAI WAH IN RELATED CORPORATIONS					
GL Limited	US$0.20	500,000	500,000	-	-
INTERESTS OF TANG HONG CHEONG IN RELATED CORPORATIONS					
GL Limited	US$0.20	2,500,000	2,500,000	-	-
Hong Leong Industries Berhad	(2)	300,000	300,000	15,000	15,000
Hong Leong Financial Group Berhad	(2)	174,146	174,146	-	-
Hume Industries Berhad ("Hume")	(2)	2,448,100	2,448,100	16,200	16,200
	(2)	1,328,570^(6)	1,328,570^(6)	9,999^(6)	9,999^(6)
Southern Steel Berhad	(2)	71,000	71,000	-	-
	(2)	60,000 (Options to subscribe for Ordinary Shares)	-	-	-
The Rank Group Plc	GBP13 $^{8/9}$p	70,000	130,000	-	-
Lam Soon (Hong Kong) Limited	(5)	700,000	700,000	-	-

Legend

(1) Concept of par value was abolished with effect from 30 January 2006 pursuant to the Singapore Companies (Amendment) Act, 2005.
(2) Concept of par value was abolished with effect from 31 January 2017 pursuant to the Companies Act 2016, Malaysia.
(3) Capital contribution in RMB.
(4) Capital contribution in HKD.
(5) Concept of par value was abolished with effect from 3 March 2014 pursuant to the Companies Ordinance (Chapter 622), Hong Kong.
(6) The redeemable convertible unsecured loan stocks ("RCULS") are convertible into ordinary shares of Hume at the conversion price of RM0.70 RCULS for 1 Hume share.
(7) Nominal value in Ringgit Malaysia of Additional Tier 1 capital securities.
(8) Nominal value in Ringgit Malaysia of Tier 2 subordinated notes.

DIRECTORS' INTERESTS (CONT'D)

By virtue of Section 7 of the Act, Mr Quek Leng Chan is deemed to have an interest in all of Hong Leong Company (Malaysia) Berhad's direct and indirect interests in its subsidiaries and associates, at the beginning and at the end of the financial year.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in any of the above-mentioned Directors' interests in the Company between the end of the financial year and 21 July 2020.

Except as disclosed under "Share Scheme(s)" of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

Transactions entered into by the Company and/or its related corporations with connected or related parties in which certain of the Directors are deemed to have an interest comprised deposits, lease of properties and payments for professional, financial and management services. All such transactions were carried out in the normal course of business of the Group and on commercial terms.

Except as disclosed in this statement and in the Notes to the Financial Statements, since the end of the last 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.

SHARE SCHEME(S)

The GuocoLand Limited Executive Share Scheme

(a) The GuocoLand Limited Executive Share Scheme was approved by shareholders of the Company on 25 October 2018 and further approved by shareholders of Guoco Group Limited (an intermediate holding company of the Company) on 12 December 2018 ("ESS 2018") in place of the GuocoLand Limited Executives' Share Option Scheme ("ESOS 2008") which had since expired on 20 November 2018. ESS 2018 shall continue to be in force for a maximum period of 10 years from 12 December 2018 to 11 December 2028.

(b) The ESS 2018 shall be administered by the Remuneration Committee comprising Mr Abdullah Bin Tarmugi (Chairman), Mr Quek Leng Chan and Ms Jennie Chua Kheng Yeng who are non-participants.

(c) Under the ESS 2018, newly issued and/or existing issued ordinary shares of the Company ("Shares") may be offered to selected key executives of the Group ("Eligible Executives") via the executive share option scheme or the executive share grant scheme, or a combination of both.

Directors' Statement

For the year ended 30 June 2020

SHARE SCHEME(S) (CONT'D)

(d) During the financial year, no grant has been made under ESS 2018.

The termination of the ESOS 2008 does not affect options which had been granted thereunder and accepted but which remained unexercised (whether fully or partially) on termination and participants would still be able to exercise such options granted under ESOS 2008. The details relating to options granted to participants which have remained unexercised pursuant to the ESOS 2008 are as follows:

PARTICIPANT(S)	OPTIONS GRANTED DURING THE FINANCIAL YEAR	AGGREGATE OPTIONS GRANTED SINCE THE COMMENCEMENT OF ESOS 2008 TO END OF FINANCIAL YEAR	AGGREGATE OPTIONS EXERCISED SINCE THE COMMENCEMENT OF ESOS 2008 TO END OF FINANCIAL YEAR	AGGREGATE OPTIONS LAPSED SINCE THE COMMENCEMENT OF ESOS 2008 TO END OF FINANCIAL YEAR	AGGREGATE OPTIONS OUTSTANDING UNDER ESOS 2008 TO END OF FINANCIAL YEAR
EXECUTIVE DIRECTOR					
Raymond Choong Yee How	-	20,000,000	-	-	20,000,000
EXECUTIVES	-	32,521,725	-	(14,621,725)	17,900,000
TOTAL	-	52,521,725	-	(14,621,725)	37,900,000*

* The options under ESOS 2008 were granted at the exercise price of S$1.984 per Share which was set at a discount of 5.8% to the market price of the Shares based on the 5-day weighted average market price of the Shares immediately prior to 8 December 2017 being the date of grant. The options will be valid from the date of grant till the date of vesting and exercise. All the options granted had been accepted by the participants and each option shall be exercisable, in whole or in part, subject to certain performance targets being met following the end of the performance period concluding in the financial year 2018/19 and 2020/21. The options may be exercisable and valid up to 30 months from the date of vesting.

Save as disclosed, there was no participant who has received 5% or more of the total number of options available under the ESOS 2008. No new Shares were issued by virtue of the exercise of option under ESOS 2008. During the financial year, no option was exercised nor lapsed.

(e) Other information regarding the ESS 2018 is as follows:

(i) Eligibility
Eligible Executives must be at least 18 years of age on the date when an offer is made and has been confirmed in service. Non-executive directors, the Company's controlling shareholders or their associates, directors and employees of the Company's controlling shareholders, directors and employees of associated companies of the Company and directors and employees of the Company's holding company and its subsidiaries (excluding the Company and its subsidiaries) shall not participate in ESS 2018.

(ii) Maximum Entitlement
The maximum entitlement for each Eligible Executive in respect of the total number of new Shares to be issued upon exercise of options granted in any 12-month period shall not exceed 1% of the total number of issued Shares immediately before such option offer. For the avoidance of doubt, to the extent the exercise of any option granted to an Eligible Executive is satisfied by the transfer of existing issued Shares (including treasury shares), such option and number of existing issued Shares (including treasury shares) shall not be subject to or taken into account for purposes of such limit.

SHARE SCHEME(S) (CONT'D)

(iii) Grant of Options

(a) The exercise price per Share shall be a price equal to the 5-day weighted average market price of the Shares immediately preceding the date of offer of the option ("Market Price") or, if discounted, shall not be at a discount of more than 20% (or such other discount as the relevant authority shall permit) to the Market Price.

(b) Option granted to an Eligible Executive may be exercisable by that Eligible Executive only during his employment, within the option exercise period and subject to any other terms and conditions as may be contained in the option certificate. The minimum period which an option must be held before it can be exercised:

(1) where the option is granted at a discount to the Market Price, shall be at least 2 years from the date of offer; and

(2) where the option is granted without any discount, shall be at least 1 year from the date of offer.

(c) Eligible Executives to whom the options have been granted do not have the right to participate, by virtue of the option, in a share issue of any other company, except in the share scheme(s) of companies within the Group.

(iv) Grant of Shares ("Grant Offer")

(a) Grant Offer to Eligible Executives may be made upon such terms and conditions including the number of Shares to be vested pursuant to a grant at the end of the performance period based on the achievement of the prescribed financial and performance targets or criteria.

(b) Grant Offer must be accepted by the Eligible Executive who has been made a Grant Offer ("Offeree") within 30 days from the date of offer accompanied by a payment of S$1 as consideration.

(c) The Offeree may be vested Shares only during his employment or directorship within the Group and subject to any other terms and conditions as may be contained in the grant certificate.

(f) Since the commencement of the scheme, there was no grant of options or Shares made to controlling shareholders of the Company and their associates or parent group employees as they are not participants in ESS 2018.

(g) In relation to the Company's subsidiary, GuocoLand (Malaysia) Berhad ("GLM"), there were no new options granted during the financial year. As at 30 June 2020, the balance options is 18,000,000. Please refer to Note 27 to the Financial Statements for the details.

Except as disclosed above, there were no unissued Shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Directors' Statement

For the year ended 30 June 2020

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee ("ARC") during the financial year and at the date of this statement are as follows:

Timothy Teo Lai Wah, *Chairman* (Independent Non-Executive Director)
Francis Siu Wai Keung (Independent Non-Executive Director)
Lim Suat Jien (Independent Non-Executive Director)

The ARC performs the functions under its terms of reference including those specified in Section 201B of the Act, the SGX-ST Listing Manual and the Code of Corporate Governance.

The ARC held four meetings during the financial year and carried out *inter alia*, the following reviews:

- the audit plans of the internal and external auditors, their audit reports, the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system and the assistance provided by the Company's management to the internal and external auditors;

- the draft announcements of financial performance and financial statements of the Group and the Company prior to their submission to the Board of Directors of the Company for adoption;

- the interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual);

- the whistle-blowing policy of the Company; and

- the Group Risk Register.

The ARC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings.

The ARC, having reviewed the audit and non-audit services provided by the external auditors, KPMG LLP, had determined that the nature and extent of such non-audit services would not affect the independence of the external auditors.

The ARC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing the auditors for the Company, subsidiaries and significant associated companies, the Company has complied with Rules 712, 715 and 716 of the SGX-ST Listing Manual.

The details of the functions carried out by the ARC are set out under "Corporate Governance" in the Company's Annual Report 2020.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

MOSES LEE KIM POO
Director

RAYMOND CHOONG YEE HOW
Director

Singapore
24 August 2020

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 2020, 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 59 to 149.

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 2020 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. 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.

The independent valuation reports have highlighted estimation uncertainty arising from the COVID-19 outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuations and values may change significantly and unexpectedly over a short period of time.

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 rental information 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 and conditions.

We also considered industry research reports and discussed with the valuers the impact of COVID-19 on the critical assumptions applied in the valuations.

We assessed whether the disclosures in the financial statements appropriately described the judgements and uncertainties 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 available market data for comparable properties, based on market conditions. We found the disclosures in the financial statements to be appropriate in their description of the inherent judgement, estimation and uncertainties involved.

Independent Auditors' Report

Members of the Company
GuocoLand Limited

Valuation of Development Properties ($3.9 billion)
(Refer to Note 9 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. The uncertain economic outlook and market sentiments might exert downward pressure on property prices. There is therefore a risk that the carrying value of development properties exceeds future selling price, resulting in unforeseen losses when the properties are eventually sold.

Our response

We assessed the reasonableness of the forecast selling prices by considering recent transacted sales prices for the same project and/or comparable properties as well as market research reports.

We also performed sensitivity analysis for selling price decline and/or construction cost escalation to assess the risk of unforeseen losses.

Our findings

In making its estimates of the forecast selling prices, which is used in determining the NRV, the Group takes into account the macroeconomic and real estate price trend for the markets in which the properties are located. We found the Group's forecast selling prices to be within the range of observable selling prices in the market.

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.

Independent Auditors' Report

Members of the Company
GuocoLand Limited

- 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.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
24 August 2020

Statements of Financial Position

As At 30 June 2020

	NOTE	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000	COMPANY 30 JUNE 2020 $'000	COMPANY 30 JUNE 2019 $'000
Non-current assets					
Property, plant and equipment	4	**488,538**	592,263	**-**	-
Investment properties	5	**4,917,019**	4,877,319	**-**	-
Subsidiaries	6	**-**	-	**2,135,935**	2,215,738
Associates and joint ventures	7	**529,648**	543,969	**-**	-
Other receivables, including derivatives	10	**911**	891	**-**	-
Deferred tax assets	8	**24,250**	29,795	**-**	-
		5,960,366	6,044,237	**2,135,935**	2,215,738
Current assets					
Inventories	9	**3,922,646**	2,982,227	**-**	-
Contract assets	20	**40,755**	35,113	**-**	-
Trade and other receivables, including derivatives	10	**202,044**	146,154	**1**	3
Cash and cash equivalents	12	**933,892**	823,718	**167**	214
Assets held for sale	13	**78,852**	-	**-**	-
		5,178,189	3,987,212	**168**	217
Total assets		**11,138,555**	10,031,449	**2,136,103**	2,215,955
Equity					
Share capital	14	**1,926,053**	1,926,053	**1,926,053**	1,926,053
Reserves	15	**1,925,371**	1,899,645	**178,665**	258,598
Equity attributable to ordinary equity holders of the Company		**3,851,424**	3,825,698	**2,104,718**	2,184,651
Perpetual securities	16	**406,492**	405,949	**-**	-
		4,257,916	4,231,647	**2,104,718**	2,184,651
Non-controlling interests	6	**503,434**	410,866	**-**	-
Total equity		**4,761,350**	4,642,513	**2,104,718**	2,184,651
Non-current liabilities					
Other payables, including derivatives	19	**746,779**	610,771	**30,352**	30,352
Loans and borrowings	17	**4,541,806**	4,204,356	**-**	-
Deferred tax liabilities	8	**37,517**	22,874	**-**	-
		5,326,102	4,838,001	**30,352**	30,352
Current liabilities					
Trade and other payables, including derivatives	18	**247,114**	204,033	**1,033**	903
Contract liabilities	20	**20,173**	21,171	**-**	-
Loans and borrowings	17	**723,443**	285,440	**-**	-
Current tax liabilities		**60,373**	40,291	**-**	49
		1,051,103	550,935	**1,033**	952
Total liabilities		**6,377,205**	5,388,936	**31,385**	31,304
Total equity and liabilities		**11,138,555**	10,031,449	**2,136,103**	2,215,955

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

Consolidated Statement of Profit or Loss

For the year ended 30 June 2020

	NOTE	2020 $'000	2019 $'000
Revenue	20	**941,841**	926,957
Cost of sales		**(641,757)**	(631,102)
Gross profit		**300,084**	295,855
Other income	21	**162,618**	238,798
Administrative expenses		**(88,215)**	(93,290)
Other expenses	22	**(128,429)**	(37,441)
Finance costs	23	**(108,282)**	(107,691)
Share of profit of associates and joint ventures (net of tax)	7	**20,922**	12,789
Profit before tax	24	**158,698**	309,020
Tax expense	25	**(68,652)**	(21,404)
Profit for the year		**90,046**	287,616
Profit attributable to:			
Equity holders of the Company		**114,069**	255,674
Non-controlling interests		**(24,023)**	31,942
Profit for the year		**90,046**	287,616
Earnings per share (cents)	26		
Basic		**8.57**	21.30
Diluted		**8.57**	21.30

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

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2020

	2020 $'000	2019 $'000
Profit for the year	**90,046**	287,616
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:-		
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**6,670**	(117,400)
Translation differences of subsidiaries reclassified to profit or loss upon disposal	**(49)**	-
Effective portion of changes in fair value of cash flow hedges	**607**	2,407
Effective portion of changes in fair value of net investment hedges	**(1,652)**	6,763
Total other comprehensive income for the year, net of tax	**5,576**	(108,230)
Total comprehensive income for the year, net of tax	**95,622**	179,386
Attributable to:		
Equity holders of the Company	**119,966**	160,969
Non-controlling interests	**(24,344)**	18,417
Total comprehensive income for the year, net of tax	**95,622**	179,386

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY							
	SHARE CAPITAL $'000	OTHER RESERVES $'000	ACCUMULATED PROFITS $'000	TOTAL ORDINARY EQUITY $'000	PERPETUAL SECURITIES $'000	TOTAL $'000	NON-CONTROLLING INTERESTS $'000	TOTAL EQUITY $'000
At 1 July 2019	1,926,053	(230,300)	2,129,945	3,825,698	405,949	4,231,647	410,866	4,642,513
Total comprehensive income for the year								
Profit for the year	-	-	114,069	114,069	-	114,069	(24,023)	90,046
Other comprehensive income								
Items that are or may be reclassified subsequently to profit or loss:-								
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	6,483	-	6,483	-	6,483	187	6,670
Translation differences of subsidiaries reclassified to profit or loss upon disposal	-	459	-	459	-	459	(508)	(49)
Effective portion of changes in fair value of cash flow hedges	-	607	-	607	-	607	-	607
Effective portion of changes in fair value of net investment hedges	-	(1,652)	-	(1,652)	-	(1,652)	-	(1,652)
Total other comprehensive income, net of tax	-	5,897	-	5,897	-	5,897	(321)	5,576
Total comprehensive income for the year, net of tax	-	5,897	114,069	119,966	-	119,966	(24,344)	95,622
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Accrued distribution for perpetual securities	-	-	(18,943)	(18,943)	18,943	-	-	-
Distribution payment for perpetual securities	-	-	-	-	(18,400)	(18,400)	-	(18,400)
Dividends (note 28)	-	-	(77,684)	(77,684)	-	(77,684)	(1,492)	(79,176)
Capitalisation of shareholder's loan from non-controlling interests	-	-	-	-	-	-	50,000	50,000
Capital contributions from non-controlling interests of a subsidiary	-	-	-	-	-	-	68,404	68,404
Share-based payments	-	2,387	-	2,387	-	2,387	-	2,387
Total contributions by and distributions to equity holders	-	2,387	(96,627)	(94,240)	543	(93,697)	116,912	23,215
Total transactions with equity holders	-	2,387	(96,627)	(94,240)	543	(93,697)	116,912	23,215
At 30 June 2020	1,926,053	(222,016)	2,147,387	3,851,424	406,492	4,257,916	503,434	4,761,350

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

	ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY							
	SHARE CAPITAL $'000	**OTHER RESERVES $'000**	**ACCUMULATED PROFITS $'000**	**TOTAL ORDINARY EQUITY $'000**	**PERPETUAL SECURITIES $'000**	**TOTAL $'000**	**NON-CONTROLLING INTERESTS $'000**	**TOTAL EQUITY $'000**
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								
Items that are or may be reclassified subsequently to profit or loss:-								
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 (note 28)	-	-	(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

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	NOTE	2020 $'000	2019 $'000
Cash flows from operating activities			
Profit before tax		**158,698**	309,020
Adjustments for:-			
Allowance for foreseeable loss on development properties		**4,725**	1,035
Credit loss allowance on trade and other receivables		**223**	775
Depreciation of property, plant and equipment		**17,224**	16,807
Finance costs		**108,282**	107,691
Gain on disposal of interests in a subsidiary	30	**(2,798)**	-
Gain on disposal of property, plant and equipment		**(126,157)**	1
Impairment loss on investment in a joint venture		**47,000**	-
Interest income		**(18,119)**	(19,877)
Net fair value loss on derivative financial instruments		**65,475**	25,988
Net fair value loss/(gain) from investment properties		**8,275**	(197,413)
Share of profit of associates and joint ventures (net of tax)		**(20,922)**	(12,789)
Share-based payments		**2,387**	2,622
Unrealised exchange gain		**(982)**	(5,464)
		243,311	228,396
Changes in:-			
Inventories		**(891,273)**	(140,096)
Contract assets		**(5,886)**	155,993
Trade and other receivables		**(82,651)**	161,955
Trade and other payables		**40,889**	(48,003)
Contract liabilities		**(965)**	(11,987)
Balances with holding companies and related corporations		**(8,616)**	3,203
Cash (used in)/from operating activities		**(705,191)**	349,461
Tax paid		**(26,677)**	(27,993)
Net cash (used in)/from operating activities		**(731,868)**	321,468
Cash flows from investing activities			
Additions to investment properties		**(81,466)**	(42,017)
Additions to property, plant and equipment		**(2,452)**	(7,957)
Balances with associates and joint ventures		**(3,669)**	(112,971)
Capital reduction of a joint venture	7	**-**	281,293
Dividends received from associates and joint ventures	7	**29,268**	162,875
Increase in share capital of subsidiaries with non-controlling interests		**68,404**	-
Interest received		**13,102**	16,783
Proceeds from disposal of property, plant and equipment		**214,777**	-
Net cash from investing activities		**237,964**	298,006

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

	NOTE	2020 $'000	2019 $'000
Cash flows from financing activities			
Capital reduction from non-controlling interests		**-**	(258)
Dividends paid		**(77,684)**	(77,684)
Dividends paid to non-controlling interests	6	**(1,492)**	(1,749)
Distribution payment for perpetual securities		**(18,400)**	(18,299)
Decrease/(Increase) in fixed deposits pledged		**3,680**	(435)
Interest paid		**(167,877)**	(156,111)
Proceeds from loans and borrowings		**1,573,287**	1,543,923
Proceeds from loans from non-controlling interests		**98,973**	17,655
Repayment of loans and borrowings		**(805,257)**	(1,968,820)
Net cash from/(used in) financing activities		**605,230**	(661,778)
Net increase/(decrease) in cash and cash equivalents		**111,326**	(42,304)
Cash and cash equivalents at beginning of the year		**808,874**	870,340
Exchange differences on translation of balances held in foreign currencies		**2,493**	(19,162)
Cash and cash equivalents at end of the year	12	**922,693**	808,874

Significant non-cash transaction:

During the year, a subsidiary capitalised shareholder loan from non-controlling interests of $50.0 million (2019: Nil) through the issuance of shares by the subsidiary to the non-controlling interests.

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

Notes to the Financial Statements

For the year ended 30 June 2020

The financial statements were authorised for issue by the Board of Directors on 24 August 2020.

1. DOMICILE AND ACTIVITIES

GuocoLand Limited (the "Company") is incorporated in Singapore. The address of the Company's registered office is 1 Wallich Street #31-01 Guoco Tower, Singapore 078881.

The financial statements of the Group as at and for the year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and joint ventures.

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are those relating to:-

- investment holding;
- property development and investment;
- hotel operations; and
- provision of management, property management, marketing and maintenance services.

The immediate holding company is GuocoLand Assets Pte. Ltd., incorporated in the Republic of Singapore. The intermediate holding company is Guoco Group Limited, incorporated in Bermuda. The ultimate holding company is Hong Leong Company (Malaysia) Berhad, incorporated in Malaysia.

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

b. Basis of Measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

c. Functional and Presentation Currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2. BASIS OF PREPARATION (CONT'D)

d. Use of Estimates and Judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:-

Note 5 – determination of fair value of investment properties
Note 7 – impairment assessment of investment in associates and joint ventures
Note 9 – estimation of the percentage of completion relating to revenue and costs recognised on development properties and allowance for foreseeable losses on development properties

e. Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. All valuations are reviewed by the Group's Chief Financial Officer ("CFO"), who has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The CFO reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuers, broker quotes or pricing services, is used to measure fair value, then the finance team assesses the evidence obtained from the third party to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy which the resulting fair value estimate should be classified.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: 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 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Notes to the Financial Statements

For the year ended 30 June 2020

2. BASIS OF PREPARATION (CONT'D)

e. Measurement of Fair Values (cont'd)

The Group recognised transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:-

Note 5 – Investment properties
Note 31 – Financial instruments

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Group entities.

a. Basis of Consolidation

(i) *Business combinations*

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:-

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI in the recognised; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the recognised,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(i) *Business combinations (cont'd)*

When share-based payment awards (replacement awards) are exchanged for awards held by the recognise's employees (recognise's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the recognise's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the recognise's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the recognise's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) *Acquisitions from entities under common control*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(iv) *Loss of control*

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(v) *Investments in associates and joint ventures (equity accounted investees)*

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) *Joint operations*

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(vii) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(viii) *Subsidiaries, associates and joint ventures in the separate financial statements*

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(ix) *Trust for Executive Share Scheme*

The Company has established a separate trust for its Executive Share Schemes. The assets and liabilities of the trust are accounted for as assets and liabilities of the Company.

b. Foreign Currency

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the translation of:-

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

(ii) *Foreign operations*

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Foreign Currency (cont'd)

(ii) *Foreign operations (cont'd)*

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income and are presented in the translation reserve in equity.

(iii) *Hedge of a net investment in foreign operation*

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Company's functional currency (Singapore dollars), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in OCI to the extent that the hedge is effective, and are presented within equity in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

c. Property, Plant and Equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Property, Plant and Equipment (cont'd)

(i) *Recognition and measurement (cont'd)*

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:-

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) *Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Assets under construction are stated at cost and are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Property, Plant and Equipment (cont'd)

(iii) *Depreciation (cont'd)*

The estimated useful lives for the current and comparative years are as follows:-

Freehold buildings	50 years
Leasehold land	Remaining lease period
Leasehold buildings	Remaining lease period or 50 years
Furniture and fittings and other equipment	2 – 20 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

d. Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

e. Financial Instruments

(i) *Non-derivative financial assets*

Classification and measurement

The Group classifies its financial assets in the following measurement categories:-

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

(i) *Non-derivative financial assets (cont'd)*

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

At initial recognition

A financial asset is recognised if the Group becomes a party to the contractual provisions of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(1) Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

(2) Financial assets at FVOCI

The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI if these are strategic investments and the Group considers this to be more relevant. Movements in fair values of equity investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity investments are recognised in profit or loss as dividend income. On disposal of an equity investment, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in OCI relating to that asset.

(3) Financial assets at FVTPL

Financial assets that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other operating income".

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

(ii) *Non-derivative financial liabilities*

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables and loans and borrowings.

(iii) *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Where share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. Where treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(iv) *Perpetual securities*

The perpetual securities do not have a maturity date and coupon payment is optional at the discretion of the Group. As the Group does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as equity.

Any distributions made are treated as dividends and directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

(v) *Derivative financial instruments and hedge accounting*

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. 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. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge.

On initial designation of the derivative as the hedging instrument, the Group formally documents the economic relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Where the hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amounts recognised as OCI is included in the initial cost of the non-financial item.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item’s cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

(v) *Derivative financial instruments and hedge accounting (cont'd)*

Fair value hedges

The firm commitment of contracts entered into with various customers denominated in foreign currencies are designated as the hedged item. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk arising from these contracts. Under the Group's policy, the critical terms of the forward exchange contracts must align with the hedged items. The Group designates the spot component of forward contracts as the hedging instrument. The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the spot of the currency forwards designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised in profit or loss and presented separately in "other operating income or expenses".

Net investment hedge

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss on disposal of the foreign operation.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in the profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the profit or loss.

Specific policies applicable from 1 July 2019 for hedges directly affected by interbank offer rates (IBOR) reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty to the timing and the methods of transition for replacing existing benchmark interbank offered rates (IBOR)s with alternative rates. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates (SIBORs) and Singapore swap offer rates (SORs), and the transition from SOR to the Singapore Overnight Rate Average (SORA), is also ongoing.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

(v) *Derivative financial instruments and hedge accounting (cont'd)*

The Group early adopted the principles of the amendments to SFRS(I) 9, SFRS(I) 1- 39 and SFRS(I) 7 issued in December 2019 in relation to the project on interest rate benchmark reform (“the amendments”).

A hedging relationship is directly affected by the uncertainties arising from the IBOR reform with respect to the hedged risk and the timing and amount of the interest rate benchmark-based cash flows of the hedged item and hedge instruments. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate on which the cash flows are based is not altered as a result of IBOR reform.

The Group will cease to apply the amendments to its effectiveness assessment of the hedging relationship at the earlier of, when the uncertainty arising from interest rate benchmark reform is no longer present with respect to hedged risk and the timing and the amount of the interest rate benchmark-based cash flows of the hedged item and hedging instrument; and when the hedging relationship is discontinued.

(vi) *Intra-group financial guarantees in separate financial statements*

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the terms of a debt instrument.

Financial guarantees are accounted for as insurance contracts. A provision is recognised based on the Company’s estimate of the ultimate cost of setting all claims incurred but unpaid at the end of the reporting period. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

f. Inventories

(i) *Development properties for sale*

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs (applicable to construction of a development for which revenue is to be recognised at a point in time) and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f. Inventories (cont'd)

(ii) *Others*

Other inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

g. Assets held for sale

Assets that are highly probable to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets are remeasured in accordance with the applicable SFRS(I) immediately before the reclassification as held for sale. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Refer to note 3d for investment property held for sale.

h. Impairment

(i) *Non-derivative financial assets*

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVOCI, contract assets and financial guarantee contracts. For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and contract assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:-

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment (cont'd)

(i) *Non-derivative financial assets (cont'd)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment (cont'd)

(ii) *Non-financial assets (cont'd)*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

i. Employee Benefits

(i) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) *Share-based payments transactions*

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for levies is recognised when the condition that triggers the payment of the levy, as identified by the legislation, is met.

k. Income Recognition

(i) *Sale of development properties*

The Group develops and sells residential projects to customers through fixed-price contracts. Revenue is recognised when the control over the residential project has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

The residential projects have no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the residential project. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

For certain contracts where the Group does not have enforceable right to payment, revenue is recognised only when the completed residential project is delivered to the customers and the customers have accepted it in accordance with the sales contract.

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the entity adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the entity uses a discount rate that would reflect that of a separate financing transaction between the entity and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is 12 months or less.

Revenue is measured at the transaction price agreed under the contract. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Income Recognition (cont'd)

(i) *Sale of development properties (cont'd)*

The customer is invoiced on a payment schedule and are typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract, Group will capitalise these as contract costs assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

(ii) *Hotel income*

Revenue for hotel operations is recognised upon rendering of the relevant services.

(iii) *Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Rental income from subleased property is recognised as other income.

(iv) *Management fee income*

Management fee income is recognised in the profit or loss when services are rendered.

(v) *Dividends*

Dividend income is recognised on the date that the Group's right to receive payment is established.

(vi) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l. Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated.

(i) *Policy applicable from 1 July 2019*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 July 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l. Leases (cont'd)

(i) *Policy applicable from 1 July 2019 (cont'd)*

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

The Group leases out its investment properties and has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to SFRS(I) 16 for leases in which it acts as a lessor.

(ii) *Policy applicable before 1 July 2019*

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l. Leases (cont'd)

(ii) *Policy applicable before 1 July 2019 (cont'd)*

As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Rental income from investment property is recognised as “revenue” on a straight-line basis over the term of the lease. Rental income from sub-leased property is recognised as “other income”.

m. Finance Costs

Borrowing costs are recognised in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

n. Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:-

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Notes to the Financial Statements

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n. Tax (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value, the presumption that the carrying amounts will be recovered through sale has not been rebutted, except where the investment properties are held within a business model whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time. In such cases, deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

o. Earnings Per Share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p. Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets, liabilities and expenses relating to the Group's corporate office and treasury operations.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and investment properties.

Notes to the Financial Statements

For the year ended 30 June 2020

4. PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LAND $'000	FREEHOLD LAND AND BUILDINGS $'000	LEASEHOLD LAND AND BUILDINGS $'000	FURNITURE, FITTINGS AND OTHER EQUIPMENT $'000	MOTOR VEHICLES $'000	TOTAL $'000
GROUP						
COST						
At 1 July 2018	767	148,913	490,277	52,031	2,995	694,983
Additions	-	212	-	7,884	3	8,099
Reversals	-	(3,230)	(3,961)	-	-	(7,191)
Disposals	-	-	-	(20)	-	(20)
Written off	-	(61)	-	(80)	-	(141)
Translation differences	(25)	(4,719)	(6,480)	(1,330)	(49)	(12,603)
At 30 June 2019	742	141,115	479,836	58,485	2,949	683,127
At 1 July 2019	**742**	**141,115**	**479,836**	**58,485**	**2,949**	**683,127**
Additions	**-**	**160**	**641**	**1,993**	**4**	**2,798**
Reversals	**-**	**(346)**	**-**	**-**	**-**	**(346)**
Disposals	**-**	**-**	**(110,688)**	**(13,886)**	**(126)**	**(124,700)**
Written off	**-**	**(21)**	**-**	**-**	**-**	**(21)**
Translation differences	**(2)**	**(473)**	**115**	**(10)**	**(2)**	**(372)**
At 30 June 2020	**740**	**140,435**	**369,904**	**46,582**	**2,825**	**560,486**
ACCUMULATED DEPRECIATION						
At 1 July 2018	-	7,378	35,470	29,660	2,132	74,640
Depreciation charge for the year	-	2,719	6,745	6,938	405	16,807
Disposals	-	-	-	(19)	-	(19)
Written off	-	(61)	-	(80)	-	(141)
Translation differences	-	(268)	(1,248)	(1,048)	(45)	(2,609)
At 30 June 2019	-	9,768	40,967	35,451	2,492	88,678
At 1 July 2019	**-**	**9,768**	**40,967**	**35,451**	**2,492**	**88,678**
Depreciation charge for the year	**-**	**4,216**	**7,569**	**5,277**	**162**	**17,224**
Disposals	**-**	**-**	**(22,229)**	**(13,729)**	**(126)**	**(36,084)**
Written off	**-**	**(17)**	**-**	**-**	**-**	**(17)**
Translation differences	**-**	**(70)**	**7**	**19**	**(2)**	**(46)**
At 30 June 2020	**-**	**13,897**	**26,314**	**27,018**	**2,526**	**69,755**
ACCUMULATED IMPAIRMENT LOSSES						
At 1 July 2018	-	-	2,289	-	-	2,289
Translation difference	-	-	(103)	-	-	(103)
At 30 June 2019	-	-	2,186	-	-	2,186
At 1 July 2019	**-**	**-**	**2,186**	**-**	**-**	**2,186**
Translation difference	**-**	**-**	**7**	**-**	**-**	**7**
At 30 June 2020	**-**	**-**	**2,193**	**-**	**-**	**2,193**
CARRYING AMOUNTS						
At 1 July 2018	767	141,535	452,518	22,371	863	618,054
At 30 June 2019	742	131,347	436,683	23,034	457	592,263
At 30 June 2020	**740**	**126,538**	**341,397**	**19,564**	**299**	**488,538**

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

a. The Group's property, plant and equipment with a carrying amount of $470.5 million (2019: $480.7 million) have been mortgaged to secure loan facilities granted to the Group (note 17).

b. The depreciation charge for the Group is recognised in the following items:-

	30 JUNE 2020 $'000	30 JUNE 2019 $'000
Administrative expenses	**17,224**	16,807

c. During the year, the Group disposed Guoman Hotel in Shanghai for a net consideration of approximately $214.8 million and recorded a gain on disposal of $126.2 million (note 21).

5. INVESTMENT PROPERTIES

		GROUP	
	NOTE	30 JUNE 2020 $'000	30 JUNE 2019 $'000
At 1 July		**4,877,319**	4,623,436
Additions		**127,004**	67,265
Changes in fair values recognised in (other expenses)/other income (unrealised)	22, 21	**(8,275)**	197,413
Translation differences recognised in other comprehensive income		**(177)**	(10,795)
Reclassified to assets held for sale	13	**(78,852)**	-
At 30 June		**4,917,019**	4,877,319
Comprising:-			
Completed investment properties		**3,220,219**	3,309,519
Investment properties under development		**1,696,800**	1,567,800
		4,917,019	4,877,319

Investment properties comprise commercial properties, and reversionary interests in freehold land and commercial properties.

a. The Group's investment properties with a carrying value of $4,284.6 million (2019: $4,244.5 million) have been mortgaged to secure loan facilities granted to the Group (note 17).

b. During the financial year, interest expense capitalised as cost of investment properties amounted to $46.9 million (2019: $41.7 million) (note 23) and is included in additions.

Notes to the Financial Statements

For the year ended 30 June 2020

5. INVESTMENT PROPERTIES (CONT'D)

c. The commercial properties of the Group are held mainly for use by tenants under operating lease. Minimum lease payments receivable under non-cancellable operating leases of investment properties and not recognised in the financial statements are as follows:-

	GROUP 30 JUNE 2020 $'000
OPERATING LEASE UNDER SFRS(I) 16	
Within 1 year	**84,829**
Between 1 and 5 years	**116,558**
After 5 years	**9,902**
	211,289

	30 JUNE 2019 $'000
OPERATING LEASE UNDER SFRS(I) 1-17	
Within 1 year	95,012
Between 1 and 5 years	141,082
	236,094

d. Fair value hierarchy

Investment properties are stated at fair value based on independent valuations. The fair value of investment properties are determined by external independent property valuers, which have appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair values of the Group's investment property portfolio annually. The fair values are based on market values being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

The fair value measurement for the investment properties have been categorised as Level 3 fair values based on the inputs to the valuation techniques used (note 2e).

Independent valuations were carried out by the following valuers on the dates stated below:-

VALUER	**2020 VALUATION DATE**	**2019 VALUATION DATE**
CBRE	June 2020	June 2019
Savills	June 2020	June 2019
First Pacific Valuers	June 2020	June 2019

5. INVESTMENT PROPERTIES (CONT'D)

d. Fair value hierarchy (cont'd)

The valuers have considered valuation techniques including the direct comparison method, income capitalisation method and residual land method in determining the open market values. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties, taking into consideration the location, tenure, age of development, trade mix, lettable area, condition, facilities within the development, standard of finishes and fittings as well as date of transaction.

The income capitalisation approach is an investment approach whereby the gross passing income has been adjusted to reflect anticipated operating costs and an ongoing vacancy to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the date of valuation at an appropriate investment yield which reflects the nature, location and tenancy profile of the property together with current market investment criteria.

The residual land method involves the deduction of the estimated total development and related costs, together with developer’s profit margin, from the gross development value assuming it was completed as at the date of valuation. In estimating the gross development value, the valuer has considered the sale of comparable properties and adjustments are made to reflect the differences in location, tenure, size, standard of finishes and fittings as well as the dates of transactions.

Notes to the Financial Statements

For the year ended 30 June 2020

5. INVESTMENT PROPERTIES (CONT'D)

e. Valuation techniques and significant unobservable inputs

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties and the key unobservable inputs used:-

TYPE OF INVESTMENT PROPERTIES	VALUATION METHOD	KEY UNOBSERVABLE INPUTS			INTER-RELATIONSHIP BETWEEN KEY UNOBSERVABLE INPUTS AND FAIR VALUE MEASUREMENT
		SINGAPORE	CHINA	MALAYSIA	
Commercial properties	• Direct comparison method	• Sales prices of $2,444 to $3,800 (2019: $1,878 to $3,450) per square feet (psf)	• Sales prices of $828 to $917 (2019: $604 to $914) psf	• Sales prices of $319 (2019: $347 to $360) psf	The estimated fair value increases when the sales price increases
	• Income capitalisation method	• Capitalisation rate of 3.4% to 4.5% (2019: 3.4% to 4.5%)		• Capitalisation rate of 6.0% to 6.3% (2019: 5.5% to 6.3%)	The estimated fair value increases when the capitalisation rate decreases. An increase in rate of 10 basis points will result in decrease in valuation of $67 million
Commercial properties under development	• Residual land method	• Gross development value of $2,970 to $3,900 (2019: $3,000 to $4,000) psf			The estimated fair value increases when the gross development value increases
Reversionary interest in freehold land and commercial properties	• Direct comparison method	• Sales prices of $172 to $724 (2019: $168 to $686) psf			The estimated fair value increases when the sales price and gross development value increases
	• Residual land method	• Gross development value of $3,000 psf (2019: $3,000) psf			

The valuation reports for 30 June 2020 have highlighted estimation uncertainty arising from the COVID-19 outbreak and a higher degree of caution is to be exercised when relying on valuation. The valuations were based on information available and market conditions as at 30 June 2020. Values may change subsequently as the impact of COVID-19 is fluid and continue to evolve.

6. SUBSIDIARIES

	NOTE	COMPANY 30 JUNE 2020 $'000	COMPANY 30 JUNE 2019 $'000
a. Unquoted shares, at cost		**635,836**	572,596
Less: Impairment loss		**(13,503)**	(13,503)
		622,333	559,093
Amounts due from subsidiaries		**1,547,187**	1,658,230
Less: Credit loss allowance		**(33,585)**	(1,585)
		1,513,602	1,656,645
		2,135,935	2,215,738
Non-current amounts due to subsidiaries	19	**(30,352)**	(30,352)

The amounts due from/to subsidiaries are unsecured, interest-free and not expected to be repaid in the next 12 months from 30 June 2020.

During the year, credit loss allowance of $32.0 million was made in respect of an amount due from a subsidiary which held interests in EcoWorld International Berhad (note 7).

The impairment loss on investments in subsidiaries are made mainly in respect of subsidiaries which have completed or substantially completed their respective developments.

The investments in and amounts due from these subsidiaries were written down to their respective recoverable amounts, determined using the net asset values of the subsidiaries. The net asset values, which take into consideration the fair values of the underlying properties held by the subsidiaries, approximate the fair values of the subsidiaries. The fair values were categorised as Level 3 fair value measurements. Costs of disposal were assessed as insignificant.

The Company's exposure to credit risk on amounts due from subsidiaries is disclosed in note 31.

b. The details of significant subsidiaries in the Group are as follows:-

	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST/ VOTING RIGHTS HELD BY THE GROUP 30 JUNE 2020 %	30 JUNE 2019 %
(i) **DIRECTLY HELD BY THE COMPANY**			
GLL IHT Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand (Singapore) Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand (China) Limited	Bermuda	**100.00**	100.00
GuoSon Assets China Limited	Hong Kong	**100.00**	100.00
GLL Chongqing 18 Steps Pte. Ltd.	Singapore	**75.00**	75.00
GLL (Malaysia) Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand Vietnam (S) Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand Hotels Pte. Ltd.	Singapore	**100.00**	100.00

Notes to the Financial Statements

For the year ended 30 June 2020

6. SUBSIDIARIES (CONT'D)

b. The details of significant subsidiaries in the Group are as follows:- (cont'd)

	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST/ VOTING RIGHTS HELD BY THE GROUP 30 JUNE 2020 %	30 JUNE 2019 %
(ii) **DIRECTLY AND INDIRECTLY HELD BY GUOCOLAND (SINGAPORE) PTE. LTD.**			
TPC Commercial Pte. Ltd.	Singapore	**80.00**	80.00
Sims Urban Oasis Pte. Ltd.	Singapore	**100.00**	100.00
GLL Land Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand Property Maintenance Services Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand Property Management Pte. Ltd.	Singapore	**100.00**	100.00
Leedon Residence Development Pte. Ltd.	Singapore	**100.00**	100.00
Wallich Residence Pte. Ltd.	Singapore	**80.00**	80.00
Martin Modern Pte. Ltd.	Singapore	**100.00**	100.00
Midtown Bay Pte. Ltd.	Singapore	**70.00**	70.00
Guoco Midtown Pte. Ltd.	Singapore	**70.00**	70.00
Meyer Mansion Pte. Ltd.	Singapore	**100.00**	100.00
MTG Apartments Pte. Ltd.	Singapore	**60.00**	-
MTG Retail Pte. Ltd.	Singapore	**60.00**	-
(iii) **DIRECTLY HELD BY GUOCOLAND (CHINA) LIMITED**			
Beijing Jiang Sheng Property Development Co., Ltd	The People's Republic of China	**100.00**	100.00
(iv) **DIRECTLY AND INDIRECTLY HELD BY GUOSON ASSETS CHINA LIMITED**			
GuoSon Changfeng China Limited	Hong Kong	**100.00**	100.00
GuoSon Investment Company Limited	The People's Republic of China	**100.00**	100.00
Shanghai Xinhaolong Property Development Co., Ltd	The People's Republic of China	**100.00**	100.00
(v) **DIRECTLY HELD BY GLL CHONGQING 18 STEPS PTE. LTD.**			
Chongqing Yuzhong Xinhaojun Real Estate Development Co., Ltd	The People's Republic of China	**75.00**	75.00
Chongqing Xinhaoren Real Estate Development Co., Ltd	The People's Republic of China	**75.00**	-

6. SUBSIDIARIES (CONT'D)

b. The details of significant subsidiaries in the Group are as follows:- (cont'd)

	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST/ VOTING RIGHTS HELD BY THE GROUP	
		30 JUNE 2020 %	30 JUNE 2019 %
(vi) **DIRECTLY AND INDIRECTLY HELD BY GLL (MALAYSIA) PTE. LTD.**			
@ GLM Emerald Industrial Park (Jasin) Sdn Bhd	Malaysia	**46.24**	46.24
@ Damansara City Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Hotel Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Offices Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Parking Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Town Square Sdn Bhd	Malaysia	**68.00**	68.00
@ GuocoLand (Malaysia) Berhad	Malaysia	**68.00**	68.00
▲ GLM Oval Sdn Bhd	Malaysia	**68.00**	68.00
▲ Titan Debut Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM Emerald Hills (Cheras) Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM Emerald Square (Cheras) Sdn Bhd	Malaysia	**68.00**	68.00
▲ GLM Property Services Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM IHM Sdn Bhd	Malaysia	**68.00**	68.00
GLL EWI (HK) Limited	Hong Kong	**100.00**	100.00
(vii) **DIRECTLY HELD BY GUOCOLAND VIETNAM (S) PTE. LTD.**			
# GuocoLand Binh Duong Property Co., Ltd	Vietnam	**100.00**	100.00
(viii) **DIRECTLY HELD BY GUOCOLAND HOTELS PTE. LTD.**			
TPC Hotel Pte. Ltd.	Singapore	**80.00**	80.00
@ JB Parade Sdn Bhd	Malaysia	**70.00**	70.00
▲ PD Resort Sdn Bhd	Malaysia	**100.00**	100.00

KPMG LLP is the auditors of all significant Singapore incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries except for the following:-

@ Audited by Ernst & Young, Malaysia.

▲ Audited by Ling Kam Hoong & Co.

Audited by RSM Vietnam Auditing & Consulting Company Limited.

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6. SUBSIDIARIES (CONT'D)

c. Non-controlling interests in subsidiaries

The following subsidiaries have non-controlling interests ("NCI") that are material to the Group:-

	OWNERSHIP INTEREST HELD BY NCI	
	30 JUNE 2020 %	30 JUNE 2019 %
TPC Commercial Pte. Ltd.	**20.00**	20.00
Guoco Midtown Pte. Ltd.	**30.00**	30.00
GuocoLand (Malaysia) Berhad Group	**32.00**	32.00

The following table summarises the financial information of each of the Group's subsidiaries with material NCI, based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	TPC COMMERCIAL PTE. LTD.		GUOCO MIDTOWN PTE. LTD. (NOTE 29C)		GUOCOLAND (MALAYSIA) BERHAD GROUP		OTHER INDIVIDUALLY IMMATERIAL SUBSIDIARIES		TOTAL	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current assets	**2,500,046**	2,503,061	**1,646,200**	1,567,800	**312,348**	409,044				
Current assets	**107,430**	84,563	**18,069**	19,748	**615,450**	533,889				
Non-current liabilities	**(1,636,469)**	(1,844,187)	**(1,480,217)**	(1,357,917)	**(360,622)**	(354,865)				
Current liabilities	**(21,568)**	(29,383)	**(10,874)**	(12,281)	**(167,672)**	(161,674)				
NET ASSETS	**949,439**	714,054	**173,178**	217,350	**399,504**	426,394				
NET ASSETS ATTRIBUTABLE TO NCI	**189,877**	142,801	**51,953**	65,205	**148,442**	149,469	**113,162**	53,391	**503,434**	410,866
Revenue	**91,776**	90,731	**-**	-	**138,612**	137,230				
(Loss)/Profit	**(14,615)**	105,139	**(44,172)**	30,500	**(17,462)**	(10,824)				
Other comprehensive income	**-**	-	**-**	-	**(1,358)**	(15,830)				
TOTAL COMPREHENSIVE INCOME	**(14,615)**	105,139	**(44,172)**	30,500	**(18,820)**	(26,654)				
(Loss)/Profit attributable to NCI	**(2,923)**	21,028	**(13,252)**	9,150	**882**	(3,336)				
Other comprehensive income attributable to NCI	**-**	-	**-**	-	**(435)**	(5,072)				
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NCI	**(2,923)**	21,028	**(13,252)**	9,150	**447**	(8,408)	**(8,616)**	(3,353)	**(24,344)**	18,417
Cash flows from/(used in) operating activities	**66,937**	43,176	**(3,980)**	101,798	**(7,872)**	7,805				
Cash flows from/(used in) investing activities	**2,258**	11,762	**(34,149)**	(43,894)	**2,119**	510				
Cash flows (used in)/from financing activities	**(32,016)**	(83,736)	**37,845**	(62,104)	**1,816**	(3,082)				
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**37,179**	(28,798)	**(284)**	(4,200)	**(3,937)**	5,233				
Dividends paid to NCI during the year	**-**	-	**-**	-	**1,471**	1,422				

7. ASSOCIATES AND JOINT VENTURES

	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000
Investments in associates		
- quoted	**37,623**	38,209
- unquoted	**35,596**	38,256
Investments in joint ventures		
- quoted	**214,164**	238,237
- unquoted	**92,388**	89,426
Amounts due from a joint venture	**149,877**	139,841
	529,648	543,969

During the year, the Group received dividends of $29.3 million (2019: $162.9 million) from its investments in associates and joint ventures.

The details of associates and joint ventures are as follows:-

NAME OF ASSOCIATES/ JOINT VENTURES	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	OWNERSHIP INTEREST/ VOTING RIGHTS HELD BY THE GROUP 30 JUNE 2020 %	OWNERSHIP INTEREST/ VOTING RIGHTS HELD BY THE GROUP 30 JUNE 2019 %
ASSOCIATES				
* § Tower Real Estate Investment Trust ("Tower REIT")	Investment in real estate and real estate related assets	Malaysia	**14.73**	14.73
@ GLM Emerald (Sepang) Sdn Bhd ("Emerald Sepang")	Property development and operation of an oil palm estate	Malaysia	**32.20**	32.20
JOINT VENTURES				
* Shanghai Xinhaojia Property Development Co., Ltd ("Shanghai Xinhaojia")	Property development	The People's Republic of China	**50.00**	50.00
* EcoWorld International Berhad ("EWI")	Property development	Malaysia/ United Kingdom & Australia	**27.00**	27.00
▲ Carmel Development Pte. Ltd. ("Carmel")	Property development	Singapore	**40.00**	40.00

* Audited by other member firms of KPMG International.

@ Audited by Ernst & Young, Malaysia.

▲ Audited by KPMG LLP.

§ Considered to be an associate as the Group has significant influence over the financial and operating policy decisions of the investee, through its subsidiary, GuocoLand (Malaysia) Berhad.

Notes to the Financial Statements

For the year ended 30 June 2020

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

At the reporting date, the associates and joint ventures do not have any contingent liabilities. The Group has not recognised losses totally $16.1 million (2019: $2.4 million) in relation to its interests in joint ventures, because the Group has no obligation in respect of these losses.

The following tables summarise the financial information of each of the Group's material associates and joint ventures based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

Associates

PERCENTAGE OF INTEREST	TOWER REIT 21.66%*		EMERALD SEPANG 45.00%#		TOTAL	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**
Non-current assets	**190,521**	183,760	**69,550**	69,719		
Current assets	**1,242**	2,782	**14,744**	17,652		
Non-current liabilities	**(7,774)**	(9,166)	**(8,998)**	(4,027)		
Current liabilities	**(10,291)**	(971)	**(3,398)**	(5,560)		
NET ASSETS	**173,698**	176,405	**71,898**	77,784		
Group's share of net assets	**37,623**	38,209	**32,354**	35,003		
Goodwill	**-**	-	**3,242**	3,253		
GROUP'S CARRYING AMOUNT	**37,623**	38,209	**35,596**	38,256	**73,219**	76,465
Revenue	**7,100**	11,227	**1,644**	1,233		
Profit/(Loss) from continuing operations	**2,646**	2,434	**(5,327)**	1,027		
Other comprehensive income	**(575)**	(5,913)	**(326)**	(3,337)		
TOTAL COMPREHENSIVE INCOME	**2,071**	(3,479)	**(5,653)**	(2,310)		
Group's interest in net assets of investee at beginning of year	**38,209**	39,786	**38,256**	39,295	**76,465**	79,081
Group's share of profit	**573**	528	**(2,397)**	462	**(1,824)**	990
Group's share of other comprehensive income	**(124)**	(1,281)	**(147)**	(1,501)	**(271)**	(2,782)
Share of other comprehensive income attributable to the Group	**449**	(753)	**(2,544)**	(1,039)	**(2,095)**	(1,792)
Dividends received during the year	**(1,035)**	(824)	**(116)**	-	**(1,151)**	(824)
CARRYING AMOUNT OF INTEREST IN INVESTEE AT END OF THE YEAR	**37,623**	38,209	**35,596**	38,256	**73,219**	76,465

* The Group has a 68.00% (2019: 68.00%) equity interest in a subsidiary, GuocoLand (Malaysia) Berhad, which in turn holds a 21.66% (2019: 21.66%) equity interest in Tower REIT. The Group's effective equity interest in Tower REIT is 14.73% (2019: 14.73%).

Emerald Sepang is 40.00% (2019: 40.00%) and 5.00% (2019: 5.00%) owned by GuocoLand (Malaysia) Berhad and a wholly owned subsidiary of the Group respectively. The Group's effective equity interest in Emerald Sepang is 32.20% (2019: 32.20%).

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

Associates (cont'd)

None of the Group's associates are publicly listed entities except for Tower REIT, which is listed on the Malaysia Stock Exchange. Based on its closing price per unit of RM0.75 (2019: RM0.88) (Level 1 in the fair value hierarchy) at the reporting date, the fair value of the Group's investment in Tower REIT was $14.6 million (2019: $17.5 million). The Group undertook an impairment assessment of its investment in Tower REIT and estimated its recoverable amount, taking into consideration the fair value of the underlying properties held by Tower REIT. Based on the assessment, the recoverable amount of the investment approximates its carrying amount.

Joint Ventures

Shanghai Xinhaojia is an unlisted joint arrangement in which the Group has joint control via a joint venture agreement and 50.00% ownership interest. Shanghai Xinhaojia was incorporated by the Group and its related corporation and is based in The People's Republic of China, principally engaged in property development. This entity is structured as a separate vehicle and the Group has residual interest in its net assets. Accordingly, the Group has classified its interest in this entity as a joint venture, which is equity accounted.

EWI is a listed joint arrangement in which the Group has joint control via a shareholders' agreement with two other shareholders and 27.00% ownership interest in EWI via an initial public offering on the Malaysia Stock Exchange. EWI is principally engaged in property development in international markets outside of Malaysia, mainly in the United Kingdom and Australia. The entity is structured as a separate vehicle and the Group has residual interest in its net assets. Accordingly, the Group has classified its interest in this entity as a joint venture, which is equity accounted.

Carmel is an unlisted joint venture in which the Group has joint control via a shareholders' agreement with two other shareholders and 40.00% ownership interest. Carmel was incorporated by the Group and its related corporation and is based in Singapore, principally engaged in property development. The entity is structured as a separate vehicle and the Group has residual interest in its net assets. Accordingly, the Group has classified its interest in this entity as a joint venture, which is equity accounted. The Group has advanced shareholder's loan to Carmel for the development (note 29f) and the shareholder's loan bears interest of 3.2% to 4.0% (2019: 4.0%) per annum and is repayable at the discretion of the Board of Carmel. The amounts are subordinated to external bank loans of Carmel.

At the reporting date, the Group's share of the commitment in respect of capital expenditure contracted but not provided for in the financial statements by the joint ventures relating to development properties was $68.9 million (2019: $7.3 million).

None of the Group's joint ventures are publicly listed entities except for EWI, which is listed on the Malaysia Stock Exchange. Based on its closing price per share of RM0.43 (2019: RM0.67) (Level 1 in the fair value hierarchy) at the reporting date, the fair value of the Group's investment in EWI was $90.8 million (2019: $140.8 million). The Group undertook an impairment assessment of its investment in EWI and estimated its recoverable amount, taking into consideration the expected profits from the sold properties and the expected selling prices of the remaining properties held by EWI through its investees. Based on the assessment, the Group recognised an impairment loss of $47.0 million (2019: Nil) for the financial year ended 30 June 2020, reflecting the weaker market sentiments in the United Kingdom and Australia.

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For the year ended 30 June 2020

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

Joint Ventures (cont'd)

PERCENTAGE OF INTEREST	SHANGHAI XINHAOJIA 50.00% 2020 $'000	2019 $'000	EWI 27.00% 2020 $'000	2019 $'000	CARMEL 40.00% 2020 $'000	2019 $'000	OTHER IMMATERIAL JOINT VENTURES 2020 $'000	2019 $'000	TOTAL 2020 $'000	2019 $'000
Non-current assets	**270**	782	**145,380**	677,306	**5,685**	265				
Current assets	**116,186**	173,132	**1,129,819**	466,497	**1,025,629**	1,031,517				
Non-current liabilities	**-**	-	**(347,287)**	(364,095)	**(1,065,458)**	(1,035,603)				
Current liabilities	**(8,369)**	(69,502)	**(155,892)**	(92,775)	**(6,098)**	(3,546)				
Non-controlling interest	**-**	-	**(2,620)**	(2,446)	**-**	-				
NET ASSETS	**108,087**	104,412	**769,400**	684,487	**(40,242)**	(7,367)				
Cash and cash equivalents	**99,570**	154,422	**150,852**	223,222	**5,979**	5,215				
Non-current financial liabilities (excluding trade and other payables and provision)	**-**	-	**(347,287)**	(363,452)	**(1,065,458)**	(1,035,603)				
Current financial liabilities (excluding trade and other payables and provision)	**-**	-	**(129,177)**	(75,706)	**(4,263)**	(1,411)				
Group's share of net assets	**54,043**	52,205	**207,738**	184,811	**-**	-				
Goodwill	**-**	-	**53,426**	53,426	**-**	-				
Shareholder's loan	**-**	-	**-**	-	**149,877**	139,841				
Impairment loss	**-**	-	**(47,000)**	-	**-**	-				
GROUP'S CARRYING AMOUNT	**54,043**	52,205	**214,164**	238,237	**149,877**	139,841	**38,345**	37,221	**456,429**	467,504
Revenue	**4,432**	105,654	**211**	-	**-**	-				
Depreciation	**(4)**	(4)	**(747)**	(729)	**-**	-				
Interest income	**2,438**	14,784	**4,382**	2,681	**-**	37				
Interest expense	**-**	-	**(13,292)**	(11,246)	**(14,874)**	(9,806)				
Income tax expense	**(1,161)**	(7,031)	**132**	1,219	**-**	-				
Profit/(Loss) for the year	**3,347**	15,864	**70,234**	15,052	**(32,875)**	(10,074)				
Other comprehensive income	**330**	6,518	**14,681**	(47,047)	**-**	-				
TOTAL COMPREHENSIVE INCOME	**3,677**	22,382	**84,915**	(31,995)	**(32,875)**	(10,074)				
Group's share of profit/(loss) for the year	**1,673**	7,932	**18,963**	4,064	**-**	(1,600)	**2,110**	1,403	**22,746**	11,799
Group's share of other comprehensive income	**165**	3,259	**3,964**	(12,703)	**-**	-	**(986)**	(1,209)	**3,143**	(10,653)
GROUP'S SHARE OF TOTAL COMPREHENSIVE INCOME	**1,838**	11,191	**22,927**	(8,639)	**-**	(1,600)	**1,124**	194	**25,889**	1,146
Group's interest in net assets of investee at beginning of year	**52,205**	529,506	**238,237**	246,876	**139,841**	1,600	**37,221**	37,027	**467,504**	815,009
Addition during the year	**-**	-	**-**	-	**10,036**	139,841	**-**	-	**10,036**	139,841
Capital reduction during the year	**-**	(296,921)	**-**	-	**-**	-	**-**	-	**-**	(296,921)
Dividends received/receivable during the year	**-**	(191,571)	**-**	-	**-**	-	**-**	-	**-**	(191,571)
Impairment loss for the year	**-**	-	**(47,000)**	-	**-**	-	**-**	-	**(47,000)**	-
Total comprehensive income attributable to the Group	**1,838**	11,191	**22,927**	(8,639)	**-**	(1,600)	**1,124**	194	**25,889**	1,146
CARRYING AMOUNT OF INTEREST IN INVESTEE AT END OF THE YEAR	**54,043**	52,205	**214,164**	238,237	**149,877**	139,841	**38,345**	37,221	**456,429**	467,504

8. DEFERRED TAX

a. Deferred Tax Assets and Liabilities

The movements in deferred tax assets and liabilities during the financial year are as follows:-

GROUP	AT 1 JULY $'000	RECOGNISED IN PROFIT OR LOSS $'000	TRANSLATION DIFFERENCES $'000	AT 30 JUNE $'000
2020				
DEFERRED TAX LIABILITIES				
Property, plant and equipment	**3,054**	**343**	**(4)**	**3,393**
Investment properties	**14,321**	**232**	**19**	**14,572**
Development properties	**6,103**	**21,707**	**(12)**	**27,798**
Investment in joint ventures	**2,078**	**174**	**146**	**2,398**
Deferred tax liabilities	**25,556**	**22,456**	**149**	**48,161**
Set off of tax	**(2,682)**	**(7,946)**	**(16)**	**(10,644)**
Net Deferred tax liabilities	**22,874**	**14,510**	**133**	**37,517**
DEFERRED TAX ASSETS				
Unutilised tax losses	**2,682**	**1,012**	**7**	**3,701**
Development properties	**28,850**	**1,018**	**18**	**29,886**
Share options	**370**	**219**	**-**	**589**
Loans and borrowings	**575**	**143**	**-**	**718**
Deferred tax assets	**32,477**	**2,392**	**25**	**34,894**
Set off of tax	**(2,682)**	**(7,946)**	**(16)**	**(10,644)**
Net Deferred tax assets	**29,795**	**(5,554)**	**9**	**24,250**
2019				
DEFERRED TAX LIABILITIES				
Property, plant and equipment	2,731	328	(5)	3,054
Investment properties	8,251	6,492	(422)	14,321
Development properties	29,375	(23,099)	(173)	6,103
Investment in joint ventures	21,328	(18,450)	(800)	2,078
Deferred tax liabilities	61,685	(34,729)	(1,400)	25,556
Set off of tax	-	(2,721)	39	(2,682)
Net Deferred tax liabilities	61,685	(37,450)	(1,361)	22,874
DEFERRED TAX ASSETS				
Unutilised tax losses	4,769	(2,048)	(39)	2,682
Development properties	32,305	(2,760)	(695)	28,850
Share options	-	370	-	370
Loans and borrowings	217	358	-	575
Deferred tax assets	37,291	(4,080)	(734)	32,477
Set off of tax	-	(2,721)	39	(2,682)
Net Deferred tax assets	37,291	(6,801)	(695)	29,795

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For the year ended 30 June 2020

8. DEFERRED TAX (CONT'D)

a. Deferred Tax Assets and Liabilities (cont'd)

Tax assets and liabilities are recognised based on estimates made. There may be situations where certain positions may not be fully sustained upon review by tax authorities or new information may become available which impacts the judgement or estimates made.

As at 30 June 2020, the temporary differences relating to the undistributed profits of subsidiaries amounted to $191.8 million (2019: $134.2 million). Deferred tax liabilities of $19.2 million (2019: $13.4 million) have not been recognised in respect of the tax that would be payable on the distribution of these accumulated profits as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that the profits will not be distributed in the foreseeable future.

b. Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items:-

	GROUP	
	30 JUNE 2020 $'000	**30 JUNE 2019 $'000**
Deductible temporary differences	**4**	255
Tax losses	**228,398**	228,363
Unutilised capital allowances	**117,469**	112,502
	345,871	341,120

The tax losses with expiry dates are as follows:-

	GROUP	
	30 JUNE 2020 $'000	**30 JUNE 2019 $'000**
Expiry date:-		
Within 1 year	**106**	7,142
After 1 year but less than 5 years	**11,033**	7,085
	11,139	14,227

Deferred tax assets have not been recognised in respect of these items because it is not certain as to when the Group can utilise the benefits therefrom. The unutilised tax losses and capital allowances are available for set-off against future profits subject to tax conditions prevailing in the respective countries of the subsidiaries and agreement by the respective tax authorities.

9. INVENTORIES

	GROUP	
	30 JUNE 2020 $'000	**30 JUNE 2019 $'000**
Development properties	**3,921,923**	2,980,693
Consumable stocks	**723**	1,534
	3,922,646	2,982,227

Development properties

During the financial year, cost of development properties included in cost of sales in profit or loss amounted to $509.7 million (2019: $503.1 million).

		GROUP	
		30 JUNE 2020 $'000	**30 JUNE 2019 $'000**
a.	Properties under development, for which revenue is to be recognised over time	**2,272,051**	1,360,552
	Properties under development for which revenue is to be recognised at a point in time	**1,162,158**	1,019,119
		3,434,209	2,379,671
b.	Completed development properties	**476,169**	586,751
c.	Contract costs	**11,545**	14,271
	Total development properties	**3,921,923**	2,980,693

The following were capitalised as cost of development properties during the financial year:-

		GROUP	
	NOTE	**2020 $'000**	**2019 $'000**
Interest expense	23	**44,311**	40,293
Interest income		**(72)**	(125)

Certain development properties with a carrying amount of $2,955.2 million (2019: $1,799.9 million) are under legal mortgages with banks (note 17).

The Group adopts the percentage of completion method of revenue recognition for residential projects under the progressive payment scheme in Singapore. The stage of completion is measured in accordance with the accounting policy stated in note 3k, the Group relies on the experience and work of specialists.

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9. INVENTORIES (CONT'D)

Development properties (cont'd)

Contract costs mainly relates to commission fees paid to property grants for securing sale contracts for the Group's development properties. During the year $16.7 million (2019: $9.9 million) of commission fees paid were capitalised as contract costs. Capitalised commission fees are amortised when the related revenue is recognised. During the year, $19.5 million (2019: $9.7 million) was amortised. There was no impairment loss in relation to such costs.

The Group recognises an allowance for foreseeable losses on development properties taking into consideration the selling prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods. During the financial year, allowance for foreseeable losses of $4.7 million (2019: $1.0 million) has been made in respect of the Group's development properties.

10. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

		GROUP		COMPANY	
	NOTE	**30 JUNE 2020 $'000**	**30 JUNE 2019 $'000**	**30 JUNE 2020 $'000**	**30 JUNE 2019 $'000**
NON-CURRENT					
Derivatives	11	**911**	891	**-**	-
CURRENT					
Trade receivables	a	**89,301**	77,586	**-**	-
Other receivables, deposits and prepayments	b	**110,783**	65,926	**1**	3
Amount due from:-	c				
Joint ventures		**1,682**	1,786	**-**	-
Related corporations		**278**	856	**-**	-
		202,044	146,154	**1**	3

a. The maximum exposure to credit risk for trade receivables at the reporting date by operating segments is:-

	GROUP	
	30 JUNE 2020 $'000	**30 JUNE 2019 $'000**
GuocoLand Singapore	**40,913**	55,944
GuocoLand China	**459**	525
GuocoLand Malaysia	**44,665**	11,197
GuocoLand Vietnam	**2,911**	7,785
Others	**353**	2,135
	89,301	77,586

10. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES (CONT'D)

a. The ageing of trade receivables at the reporting date is:-

	GROSS 30 JUNE 2020 $'000	CREDIT LOSS ALLOWANCE 30 JUNE 2020 $'000	GROSS 30 JUNE 2019 $'000	CREDIT LOSS ALLOWANCE 30 JUNE 2019 $'000
GROUP				
Not past due	**87,681**	**-**	70,875	-
Past due 1 – 30 days	**778**	**-**	4,384	-
Past due 31 – 90 days	**542**	**-**	1,711	-
Past due more than 90 days	**1,816**	**(1,516)**	1,937	(1,321)
	90,817	**(1,516)**	78,907	(1,321)

The Group and the Company's exposure to credit risk and currency risks and expected credit loss for trade and other receivables are disclosed in note 31.

b. Other Receivables, Deposits and Prepayments

	NOTE	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000	COMPANY 30 JUNE 2020 $'000	COMPANY 30 JUNE 2019 $'000
CURRENT					
Deposits		**3,988**	2,326	**-**	-
Interest receivable		**949**	1,097	**-**	-
Prepayments		**21,701**	13,956	**-**	-
Tax recoverable		**969**	3,162	**-**	-
Derivative assets	11	**1,553**	1,352	**-**	-
Other receivables		**82,299**	44,711	**1**	3
Allowance for doubtful receivables		**(676)**	(678)	**-**	-
		81,623	44,033	**1**	3
	10	**110,783**	65,926	**1**	3

As at 30 June 2020, the other receivables included $66.4 million in relation to refundable deposit paid for land parcels in The People's Republic of China.

As at 30 June 2019, the other receivables included $28.0 million in relation to dividend receivable from a joint venture.

c. The non-trade amounts due from joint ventures and related corporations are unsecured, interest-free and repayable on demand. No credit loss allowance is recognised on these amounts.

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11. DERIVATIVE ASSETS AND LIABILITIES

	NOTE	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000
DERIVATIVE ASSETS			
NON-CURRENT			
Cross currency interest rate swaps	10	**911**	891
CURRENT			
Cross currency interest rate swaps		**1,553**	-
Forward exchange contracts		**-**	1,352
	10b	**1,553**	1,352
DERIVATIVE LIABILITIES			
NON-CURRENT			
Interest rate swaps		**92,677**	28,488
Cross currency interest rate swaps		**762**	6,777
	19	**93,439**	35,265
CURRENT			
Forward exchange contracts	19	**-**	66

As at the reporting date, the Group had entered into interest rate swaps, cross currency interest rate swaps and forward exchange contracts with a notional amount of $1,601.0 million (2019: $1,601.0 million), $327.2 million (2019: $326.2 million) and nil (2019: $218.9 million) respectively to hedge the Group's interest rate and foreign exchange exposure.

The Group has designated a cross currency interest rate swap with notional amount of $$135.4 million (2019: $135.0 million) as a cash flow hedge against interest rate exposures. The fair value gain of the cross currency interest rate swap as at reporting date is $0.9 million (2019: $0.9 million).

The Group has designated certain cross currency interest rate swaps with notional amount of $191.8 million (2019: $191.2 million) as a net investment hedge against fluctuations in foreign currency risks. The fair value gain of these cross currency interest rate swaps as at reporting date is $0.8 million (2019: fair value loss $6.8 million).

The Group also entered into interest rate swaps as economic hedges for its floating rate borrowings. The Group did not elect to apply hedge accounting for these.

11. DERIVATIVE ASSETS AND LIABILITIES (CONT'D)

Master netting or similar arrangements

The Group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The tables below set out financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

	GROSS AMOUNTS OF RECOGNISED FINANCIAL INSTRUMENTS $'000	GROSS AMOUNTS OF RECOGNISED FINANCIAL INSTRUMENTS OFFSET IN THE STATEMENT OF FINANCIAL POSITION $'000	NET AMOUNTS OF FINANCIAL INSTRUMENTS PRESENTED IN THE STATEMENT OF FINANCIAL POSITION $'000	RELATED FINANCIAL INSTRUMENTS THAT ARE OFFSET $'000	NET AMOUNT $'000
30 JUNE 2020					
FINANCIAL ASSETS					
Cross currency interest rate swaps	**2,464**	**-**	**2,464**	**-**	**2,464**
FINANCIAL LIABILITIES					
Interest rate swaps	**92,677**	**-**	**92,677**	**-**	**92,677**
Cross currency interest rate swaps	**762**	**-**	**762**	**-**	**762**
	93,439	**-**	**93,439**	**-**	**93,439**
30 JUNE 2019					
FINANCIAL ASSETS					
Cross currency interest rate swaps	891	-	891	-	891
Forward exchange contracts	1,352	-	1,352	-	1,352
	2,243	-	2,243	-	2,243
FINANCIAL LIABILITIES					
Interest rate swaps	28,488	-	28,488	-	28,488
Cross currency interest rate swaps	6,777	-	6,777	-	6,777
Forward exchange contracts	66	-	66	-	66
	35,331	-	35,331	-	35,331

Notes to the Financial Statements

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12. CASH AND CASH EQUIVALENTS

		GROUP		COMPANY	
	NOTE	30 JUNE 2020 $'000	30 JUNE 2019 $'000	30 JUNE 2020 $'000	30 JUNE 2019 $'000
Short-term deposits with banks		**717,984**	644,319	**-**	-
Cash and bank balances		**215,908**	179,399	**167**	214
Cash and cash equivalents		**933,892**	823,718	**167**	214
Bank overdrafts	17	**(35)**	-		
Cash collaterals	d	**(11,164)**	(14,844)		
Cash and cash equivalents in the statement of cash flows		**922,693**	808,874		

Included in the Group's cash and cash equivalents are:-

a. Amounts held under the Singapore Housing Developers (Project Account) Rules (the "Rules") totalling $139.3 million (2019: $86.7 million), the use of which is subject to restrictions imposed by the Rules;

b. Amounts held under the China Housing Developers Restricted Funds Agreement totalling $10.7 million (2019: Nil), the use of which is subject to restrictions imposed by the above-mentioned Agreement.

c. Amounts held in Malaysia pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 totalling $5.1 million (2019: $4.2 million), the use of which is restricted from other operations; and

d. Cash collaterals comprised deposits of $11.2 million (2019: $14.8 million) pledged with financial institutions in Singapore for bank loans.

13. ASSETS HELD FOR SALE

In March 2020, DC Offices Sdn Bhd, a Malaysian subsidiary, entered into a conditional agreement to dispose an office building known as Menara Guoco to MTrustee Berhad, the trustee of Tower Retail Estate Investment Trust ("Tower REIT"), which is an associate of the Group, for a consideration of approximately $78.9 million (RM242.1 million). Accordingly, the asset was reclassified from investment properties (note 5) to assets held for sale as at 30 June 2020 and stated at its fair value of $78.9 million. The transaction is expected to complete at the end of August 2020. The property has been mortgaged to secure the loan facilities (note 17).

Measurement of fair value

The fair value measurement for the property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used by the valuers, First Pacific Valuers.

VALUATION METHOD	KEY UNOBSERVABLE INPUTS
Income capitalisation method	Capitalisation rate of 5.5% to 5.75%

14. SHARE CAPITAL

	COMPANY	
	2020	2019
	NO. OF SHARES	NO. OF SHARES
ISSUED AND FULLY PAID ORDINARY SHARES, WITH NO PAR VALUE		
At 1 July and 30 June	**1,183,373,276**	1,183,373,276

a. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

b. As at 30 June 2020, the Trust for GuocoLand Limited Executives Share Scheme 2018 (the "ESS") held an aggregate of 73,604,933 (2019: 73,604,933) shares in the Company which had been acquired from the market for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESS (note 27).

Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which the Group defines as total equity, excluding non-controlling interests, and the level of dividends to ordinary shareholders.

The Group also monitors the net debt to equity ratio, which is defined as net borrowings divided by total equity, excluding non-controlling interests. The Group's net debt to equity ratio at the reporting date was as follows:-

	GROUP	
	30 JUNE 2020	30 JUNE 2019
	$'000	$'000
Total loans and borrowings	**5,265,249**	4,489,796
Cash and cash equivalents	**(933,892)**	(823,718)
Net debt	**4,331,357**	3,666,078
Total equity	**4,257,916**	4,231,647
Net debt to equity ratio	**1.02**	0.87

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For the year ended 30 June 2020

14. SHARE CAPITAL (CONT'D)

Capital Management (cont'd)

The Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

In addition, from time to time, the Group may purchase shares in the Company from the market. Share purchase allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased may be held as treasury shares which the Company or the Trust may transfer to participants for the purposes of or pursuant to the ESS. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders.

Under the Housing Developers (Control and Licensing) Act, in order to qualify for a housing developer's licence, certain subsidiaries of the Company are required to maintain a minimum paid-up capital of $1,000,000. These entities complied with the requirement throughout the year.

Other than as disclosed above, the Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group has operations in The People’s Republic of China. The conversion of the Chinese Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the government.

There were no changes in the Group's approach to capital management during the financial year.

15. RESERVES

		GROUP		COMPANY	
	NOTE	**30 JUNE 2020 $'000**	**30 JUNE 2019 $'000**	**30 JUNE 2020 $'000**	**30 JUNE 2019 $'000**
Reserve for own shares	a	**(157,034)**	(157,034)	**(157,034)**	(157,034)
Capital reserve	b	**(4,923)**	(4,923)	**(5,013)**	(5,013)
Translation reserve	c	**(67,636)**	(72,926)	**-**	-
Hedging reserve	d	**1,311**	704	**-**	-
Revaluation reserve	e	**8,341**	8,341	**-**	-
Share option reserve	f	**6,419**	4,032	**6,419**	4,032
Merger reserve	g	**(8,494)**	(8,494)	**-**	-
Other reserves		**(222,016)**	(230,300)	**(155,628)**	(158,015)
Accumulated profits		**2,147,387**	2,129,945	**334,293**	416,613
		1,925,371	1,899,645	**178,665**	258,598

15. RESERVES (CONT'D)

The movement of other reserves is as follows:-

	RESERVE FOR OWN SHARES $'000	CAPITAL RESERVE $'000	TRANSLATION RESERVE $'000	HEDGING RESERVE $'000	REVALUATION RESERVE $'000	SHARE OPTION RESERVE $'000	MERGER RESERVE $'000	TOTAL $'000
GROUP								
At 1 July 2019	(157,034)	(4,923)	(72,926)	704	8,341	4,032	(8,494)	(230,300)
Other comprehensive income								
Items that are or may be reclassified subsequently to profit or loss:-								
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	-	6,483	-	-	-	-	6,483
Translation differences of subsidiaries reclassified to profit or loss upon disposal	-	-	459	-	-	-	-	459
Effective portion of changes in fair value of cash flow hedges	-	-	-	607	-	-	-	607
Effective portion of changes in fair value of net investment hedges	-	-	(1,652)	-	-	-	-	(1,652)
Total other comprehensive income, net of tax	-	-	5,290	607	-	-	-	5,897
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Share-based payments	-	-	-	-	-	2,387	-	2,387
Total contributions by and distributions to equity holders	-	-	-	-	-	2,387	-	2,387
Total transactions with equity holders	-	-	-	-	-	2,387	-	2,387
At 30 June 2020	(157,034)	(4,923)	(67,636)	1,311	8,341	6,419	(8,494)	(222,016)

Notes to the Financial Statements

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15. RESERVES (CONT'D)

The movement of other reserves is as follows:- (cont'd)

	RESERVE FOR OWN SHARES $'000	CAPITAL RESERVE $'000	TRANSLATION RESERVE $'000	HEDGING RESERVE $'000	REVALUATION RESERVE $'000	SHARE OPTION RESERVE $'000	MERGER RESERVE $'000	TOTAL $'000
GROUP								
At 1 July 2018	(157,034)	(4,923)	24,186	(1,703)	8,341	1,410	(8,494)	(138,217)
Other comprehensive income								
Items that are or may be reclassified subsequently to profit or loss:-								
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	-	(103,875)	-	-	-	-	(103,875)
Effective portion of changes in fair value of cash flow hedges	-	-	-	2,407	-	-	-	2,407
Effective portion of changes in fair value of net investment hedges	-	-	6,763	-	-	-	-	6,763
Total other comprehensive income, net of tax	-	-	(97,112)	2,407	-	-	-	(94,705)
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Share-based payments	-	-	-	-	-	2,622	-	2,622
Total contributions by and distributions to equity holders	-	-	-	-	-	2,622	-	2,622
Total transactions with equity holders	-	-	-	-	-	2,622	-	2,622
At 30 June 2019	(157,034)	(4,923)	(72,926)	704	8,341	4,032	(8,494)	(230,300)

a. Reserve for Own Shares

This comprises the purchase consideration for issued shares of the Company acquired by the Trust for the ESS for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESS (note 27).

b. Capital Reserve

This comprises the gain or loss recognised when a participant exercises the share options granted under the ESS.

15. RESERVES (CONT'D)

c. Translation Reserve

This comprises the foreign exchange differences arising from the translation of the financial statements of foreign entities whose functional currencies are different from the functional currency of the Company, and exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

d. Hedging Reserve

This comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

e. Revaluation Reserve

This comprises the revaluation surplus on property, plant and equipment.

f. Share Option Reserve

This comprises the cumulative value of employee services received for the issue of share options.

g. Merger Reserve

The merger reserve of the Group arose as a result of business combinations involving entities under common control accounted for by applying the merger method of accounting.

16. PERPETUAL SECURITIES

In 2018, GLL IHT Pte Ltd (“issuer”), a wholly owned subsidiary of the Group, issued subordinated perpetual securities (the “Perpetual Securities”), guaranteed by the Company, with an aggregate principal amount of $400 million. Transaction costs incurred amounting to $2.8 million were recognised in equity as a deduction from the proceeds.

The Perpetual Securities bear distributions at a rate of 4.6% per annum for the period from 23 January 2018 to 22 January 2025. Distributions are cumulative and payable semi-annually at the option of the issuer, subject to certain restrictions as stipulated in the Programme Memorandum.

The Perpetual Securities have no fixed maturity and are redeemable at the option of the issuer on or after 23 January 2023 at their principal amount together with any unpaid distributions.

As at 30 June 2020, distribution payment of $8.0 million (2019: $8.0 million) was accrued for the relevant period relating to the semi-annual period 23 January 2020 to 30 June 2020 (2019: 23 January 2019 to 30 June 2019) as the Group had not elected to defer the payment.

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17. LOANS AND BORROWINGS

	NOTE	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000
NON-CURRENT LIABILITIES			
Secured bank loans		**3,666,504**	3,326,625
Unsecured bank loans		**149,786**	229,609
Unsecured medium-term notes		**725,516**	648,122
		4,541,806	4,204,356
CURRENT LIABILITIES			
Secured bank overdrafts	12	**35**	-
Secured bank loans		**315,986**	45,376
Unsecured bank loans		**282,482**	65,305
Unsecured medium-term notes		**124,940**	174,759
		723,443	285,440
TOTAL LOANS AND BORROWINGS		**5,265,249**	4,489,796

Maturity of loans and borrowings:-

	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000
Within 1 year	**723,443**	285,440
After 1 year but within 5 years	**4,342,676**	4,204,356
After 5 years	**199,130**	-
Total loans and borrowings	**5,265,249**	4,489,796

The secured loans and borrowings are secured on the following assets:-

	NOTE	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000
Property, plant and equipment	4	**470,533**	480,671
Investment properties	5	**4,284,596**	4,244,548
Development properties	9	**2,955,183**	1,799,882
Assets held for sale	13	**78,852**	-
		7,789,164	6,525,101

At the reporting date, the Group's loans from banks bore interest ranging from 1.0% to 5.2% (2019: 2.6% to 5.2%) per annum.

17. LOANS AND BORROWINGS (CONT'D)

Medium-Term Notes

The unsecured fixed rate medium-term notes are issued by GLL IHT Pte Ltd ("IHT") with a tenor of between 1 to 6 years (2019: 1 to 6 years). The interest rates at the reporting date ranged from 3.4% to 4.1% (2019: 3.6% to 4.2%) per annum.

During the year, IHT redeemed medium-term notes with an aggregate principal amount of $175 million (2019: $200 million) and issued medium-term notes with an aggregate principal amount of $200 million (2019: Nil). The medium-term notes are guaranteed by the Company.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	LIABILITIES				DERIVATIVES (ASSETS)/ LIABILITIES HELD TO HEDGE LONG-TERM BORROWINGS		
	BANK OVERDRAFTS $'000	OTHER LOANS AND BORROWINGS $'000	INTEREST PAYABLE $'000	AMOUNTS DUE TO NON-CONTROLLING INTERESTS $'000	CROSS CURRENCY INTEREST RATE SWAP USED FOR HEDGING - ASSETS $'000	INTEREST RATE SWAP AND CROSS CURRENCY INTEREST RATE SWAPS USED FOR HEDGING - LIABILITIES $'000	TOTAL $'000
AT 1 JULY 2019	-	4,489,796	18,855	540,912	(891)	35,265	5,083,937
CHANGES FROM FINANCING CASH FLOWS							
Proceeds from borrowings	-	1,573,287	-	-	-	-	1,573,287
Repayment of borrowings	-	(805,257)	-	-	-	-	(805,257)
Proceeds from loans from non-controlling interests	-	-	-	98,973	-	-	98,973
Interest paid	-	-	(167,877)	-	-	-	(167,877)
TOTAL CHANGES FROM FINANCING CASH FLOWS	-	768,030	(167,877)	98,973	-	-	699,126
THE EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES	-	3,011	-	570	-	-	3,581
CHANGE IN FAIR VALUE	-	-	-	-	-	64,189	64,189
OTHER CHANGES							
LIABILITY-RELATED							
Change in bank overdraft	35	-	-	-	-	-	35
Capitalised borrowing costs	-	1,368	74,925	14,961	-	-	91,254
Capitalised shareholder's loan from non-controlling interests	-	-	-	(50,000)	-	-	(50,000)
Interest expense	-	4,298	92,803	11,181	-	-	108,282
TOTAL LIABILITY-RELATED OTHER CHANGES	35	5,666	167,728	(23,858)	-	-	149,571
TOTAL EQUITY-RELATED OTHER CHANGES	-	(1,289)	8,059	-	(1,573)	(6,015)	(818)
AT 30 JUNE 2020	35	5,265,214	26,765	616,597	(2,464)	93,439	5,999,586

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17. LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	LIABILITIES				DERIVATIVES (ASSETS)/ LIABILITIES HELD TO HEDGE LONG-TERM BORROWINGS		
	BANK OVERDRAFTS	OTHER LOANS AND BORROWINGS	INTEREST PAYABLE	AMOUNTS DUE TO NON-CONTROLLING INTERESTS	CROSS CURRENCY INTEREST RATE SWAP USED FOR HEDGING - ASSETS	INTEREST RATE SWAP AND CROSS CURRENCY INTEREST RATE SWAPS USED FOR HEDGING - LIABILITIES	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AT 1 JULY 2018	185	4,923,619	14,794	503,031	-	17,787	5,459,416
CHANGES FROM FINANCING CASH FLOWS							
Proceeds from borrowings	-	1,543,923	-	-	-	-	1,543,923
Repayment of borrowings	-	(1,968,820)	-	-	-	-	(1,968,820)
Proceeds from loans from non-controlling interests	-	-	-	17,655	-	-	17,655
Interest paid	-	-	(156,111)	-	-	-	(156,111)
TOTAL CHANGES FROM FINANCING CASH FLOWS	-	(424,897)	(156,111)	17,655	-	-	(563,353)
THE EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES	-	(3,908)	-	(6,999)	-	-	(10,907)
CHANGE IN FAIR VALUE	-	-	-	-	-	28,488	28,488
OTHER CHANGES							
LIABILITY-RELATED							
Change in bank overdraft	(181)	-	-	-	-	-	(181)
Capitalised borrowing costs	-	5,033	60,677	16,269	-	-	81,979
Interest expense	-	3,360	93,375	10,956	-	-	107,691
TOTAL LIABILITY-RELATED OTHER CHANGES	(181)	8,393	154,052	27,225	-	-	189,489
TOTAL EQUITY-RELATED OTHER CHANGES	(4)	(13,411)	6,120	-	(891)	(11,010)	(19,196)
AT 30 JUNE 2019	-	4,489,796	18,855	540,912	(891)	35,265	5,083,937

18. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	NOTE	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000	COMPANY 30 JUNE 2020 $'000	COMPANY 30 JUNE 2019 $'000
Trade payables and accrued operating expenses		**112,825**	119,967	**1,033**	903
Amounts due to:-					
Associates		**45**	45	**-**	-
Joint ventures		**3**	-	**-**	-
Related corporations		**1,279**	10,362	**-**	-
Non-controlling interests		**263**	255	**-**	-
Other payables	19	**132,699**	73,404	**-**	-
		247,114	204,033	**1,033**	903

Trade payables and accrued operating expenses included $5.3 million (2019: $4.2 million) of accrued management fees to the intermediate holding company (note 24).

The amounts due to associates, joint ventures, related corporations and non-controlling interests are non-trade, unsecured, interest-free and repayable on demand. As at 30 June 2019, $9.1 million of amount due to a related corporation is interest bearing at 4.8% per annum.

19. OTHER PAYABLES, INCLUDING DERIVATIVES

	NOTE	GROUP 30 JUNE 2020 $'000	GROUP 30 JUNE 2019 $'000	COMPANY 30 JUNE 2020 $'000	COMPANY 30 JUNE 2019 $'000
NON-CURRENT					
Amounts due to non-controlling interests	29c,d,e	**616,597**	540,912	**-**	-
Rental deposits		**36,743**	34,594	**-**	-
Amounts due to subsidiaries	6	**-**	-	**30,352**	30,352
Derivatives liabilities	11	**93,439**	35,265	**-**	-
		746,779	610,771	**30,352**	30,352
CURRENT					
Deposits received		**29,854**	18,385	**-**	-
Interest payable		**26,765**	18,855	**-**	-
Rental deposits		**2,398**	1,546	**-**	-
Real estate tax payable		**42,576**	2,172	**-**	-
Employee benefits payable		**8,573**	8,036	**-**	-
Derivative liabilities	11	**-**	66	**-**	-
Others		**22,533**	24,344	**-**	-
		132,699	73,404	**-**	-

The amounts due to non-controlling interests are unsecured, bear interest ranging from 3.2% to 5.0% (2019: 4.0% to 7.3%) per annum and are repayable at the discretion of the Boards of the borrowing subsidiaries. The amounts are subordinated to external bank loans.

Real estate tax payable relates mainly to land appreciation taxes payable on the divestment of Guoman Hotel in Shanghai.

Notes to the Financial Statements

For the year ended 30 June 2020

20. REVENUE

	GROUP	
	2020	**2019**
	$'000	**$'000**
REVENUE RECOGNISED AT A POINT IN TIME:-		
Sale of development properties	**222,367**	394,874
REVENUE RECOGNISED OVER TIME:-		
Sale of development properties	**549,010**	338,509
Hotel operations	**51,482**	72,956
Rental and related income from investment properties	**116,401**	116,992
MANAGEMENT FEE INCOME FROM:-		
Related corporations	**801**	240
Third parties	**1,780**	3,386
	941,841	926,957

The following table provides information on disaggregation of revenue by countries.

	GROUP	
	2020	**2019**
	$'000	**$'000**
REVENUE RECOGNISED AT A POINT IN TIME:-		
Sale of development properties		
Singapore	**150,076**	304,533
Malaysia	**65,252**	71,163
Others	**7,039**	19,178
	222,367	394,874
REVENUE RECOGNISED OVER TIME:-		
Sale of development properties		
Singapore	**500,798**	310,051
Malaysia	**48,212**	28,458
	549,010	338,509
Hotel operations		
Singapore	**22,007**	27,428
Malaysia	**21,130**	28,988
Others	**8,345**	16,540
	51,482	72,956
Rental and related income from investment properties		
Singapore	**104,382**	101,748
Malaysia	**8,620**	11,523
Others	**3,399**	3,721
	116,401	116,992

Revenue recognised at a point in time and over time have been reclassified to align with current year's presentation.

20. REVENUE (CONT'D)

The following table provides information about contract assets and contract liabilities for contracts with customers.

		GROUP	
	NOTE	30 JUNE 2020 $'000	30 JUNE 2019 $'000
Contract assets	a	**40,755**	35,113
Contract liabilities	b	**(20,173)**	(21,171)
		20,582	13,942

a. Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The changes in contract assets are due to the differences between the agreed payment schedule and progress of the construction work.

b. Contract liabilities

Contract liabilities relate primarily to:-
- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The changes in contract liabilities are due to the differences between the agreed payment schedule and progress of the construction work.

21. OTHER INCOME

		GROUP	
	NOTE	2020 $'000	2019 $'000
Fair value gain on investment properties	5	**-**	197,413
Gain on disposal of property, plant and equipment	4	**126,157**	-
Gain on disposal of interest in a subsidiary	30	**2,798**	-
Income from forfeiture of deposit		**1,380**	2,494
Interest income from fixed deposits with banks		**12,883**	16,827
Interest income from a joint venture		**5,236**	3,050
Net foreign exchange gain		**4,935**	12,759
Rental income		**3,371**	3,202
Others		**5,858**	3,053
		162,618	238,798

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For the year ended 30 June 2020

22. OTHER EXPENSES

		GROUP	
	NOTE	2020 $'000	2019 $'000
Fair value loss on derivative financial instruments		**65,475**	25,988
Fair value loss on investment properties	5	**8,275**	-
Impairment loss on investment in a joint venture	7	**47,000**	-
Loss on disposal of property, plant and equipment		**-**	1
Others		**7,679**	11,452
		128,429	37,441

23. FINANCE COSTS

		GROUP	
	NOTE	2020 $'000	2019 $'000
Interest expense:-			
Financial institutions		**132,536**	118,438
Medium-term notes		**40,858**	44,007
Non-controlling interests	29c,d,e	**26,142**	27,225
		199,536	189,670
Less: Interest expense capitalised in:-			
Investment properties	5	**(46,943)**	(41,686)
Development properties	9	**(44,311)**	(40,293)
		(91,254)	(81,979)
		108,282	107,691

24. PROFIT BEFORE TAX

a. The following items have been included in arriving at profit before tax:-

		GROUP	
	NOTE	2020 $'000	2019 $'000
Allowance for foreseeable losses on development properties		**4,725**	1,035
Credit loss allowance on trade and other receivables		**223**	775
Depreciation of property, plant and equipment	4	**17,224**	16,807
Direct operating expenses of investment properties		**30,260**	28,284
Operating lease expenses		**556**	572
Management fees paid and payable to:-			
Intermediate holding company	29b	**5,319**	4,201
Related corporations		**888**	1,117
		6,207	5,318
Auditors' remuneration:-			
Auditors of the Company		**543**	514
Other auditors		**409**	401
		952	915
Non-audit fees:-			
Auditors of the Company		**5**	-
Other auditors		**28**	53
		33	53
Staff costs:-			
Wages, salaries and benefits		**63,760**	65,243
Contributions to defined contribution plans		**5,768**	6,359
Equity compensation benefits		**2,387**	2,622
Liability for short-term accumulating compensated absences		**156**	(68)
		72,071	74,156

b. Key Management Personnel Remuneration

The key management personnel remuneration included as part of staff costs is as follows:-

	GROUP	
	2020 $'000	2019 $'000
Wages, salaries and benefits	**8,373**	9,516
Contributions to defined contribution plans	**170**	169
Equity compensation benefits	**2,387**	2,622
	10,930	12,307
Directors' fees	**621**	647

Notes to the Financial Statements

For the year ended 30 June 2020

25. TAX EXPENSE

	GROUP	
	2020	**2019**
	$'000	**$'000**
Current tax		
Current year	**42,577**	41,976
Under/(Over) provision in respect of prior years	**4,914**	(1,084)
	47,491	40,892
Foreign withholding tax paid	**1,097**	11,161
	48,588	52,053
Deferred tax		
Movements in temporary differences	**20,064**	(30,649)
	68,652	21,404

A reconciliation of the effective tax rate is as follows:-

	2020	**2019**
Profit before tax	**158,698**	309,020
Less: Share of profit of associates and joint ventures	**(20,922)**	(12,789)
Profit before share of profit of associates, joint ventures and tax	**137,776**	296,231
Tax calculated using the Singapore tax rate of 17% (2019: 17%)	**23,422**	50,359
Effect of different tax rates in foreign jurisdictions	**8,946**	1,388
Effect of unrecognised tax losses and other deductible temporary differences	**6,419**	9,175
Expenses not deductible for tax purpose	**28,184**	8,298
Foreign withholding tax	**2,781**	(7,289)
Income not subject to tax	**(3,662)**	(39,425)
Under/(Over) provision in respect of prior years	**4,914**	(1,084)
Effect of taxable distributions from associate	**248**	198
Others	**(2,600)**	(216)
	68,652	21,404

26. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share ("EPS") was based on the profit attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of the Company in issue, after adjusting for the shares acquired by the Trust during the financial year.

Profit attributable to ordinary equity holders of the Company used in the computation of basic EPS is calculated as follows:-

	GROUP	
	2020	**2019**
	$'000	**$'000**
Profit attributable to equity holders of the Company	**114,069**	255,674
Less: Profit attributable to perpetual securities holders	**(18,943)**	(19,272)
Profit attributable to ordinary equity holders of the Company	**95,126**	236,402
	'000	**'000**
Issued ordinary shares at 30 June	**1,183,373**	1,183,373
Effect of own shares held by the Trust	**(73,605)**	(73,605)
Weighted average number of ordinary shares used in the computation of basic EPS	**1,109,768**	1,109,768

Diluted EPS is calculated on the same basis as that of EPS except that the Group's weighted average number of ordinary shares have been adjusted for the dilution effects of all dilutive potential ordinary shares as shown below:-

	GROUP	
	2020	**2019**
	$'000	**$'000**
Profit attributable to ordinary equity holders of the Company	**95,126**	236,402
	'000	**'000**
Weighted average number of ordinary shares used in the computation of basic and diluted EPS	**1,109,768**	1,109,768
Assumed exercise of share options	**-**	-
Weighted average number of ordinary shares used in the computation of diluted EPS	**1,109,768**	1,109,768

For the year ended 30 June 2020, diluted EPS was the same as the basic EPS as there were no dilutive potential ordinary shares in issue.

Notes to the Financial Statements

For the year ended 30 June 2020

27. EMPLOYEE BENEFITS

a. Company

GuocoLand Limited Executive Share Scheme

(i) The GuocoLand Limited Executive Share Scheme was approved by shareholders of the Company on 25 October 2018 and further approved by shareholders of Guoco Group Limited ("GGL") (an intermediate holding company of the Company) on 12 December 2018 ("ESS 2018") in place of the GuocoLand Limited Executives' Share Option Scheme ("ESOS 2008") which had since expired on 20 November 2018. ESS 2018 shall continue to be in force for a maximum period of 10 years from 12 December 2018 to 11 December 2028.

(ii) The ESS 2018 shall be administered by the Remuneration Committee comprising Mr Abdullah Bin Tarmugi (Chairman), Mr Quek Leng Chan and Ms Jennie Chua Kheng Yeng who are non-participants.

(iii) Under the ESS 2018, newly issued and/or existing issued ordinary shares of the Company ("Shares") may be offered to selected key executives of the Company ("Eligible Executives") via the executive share option scheme or the executive share grant scheme, or a combination of both.

(iv) During the financial year, no grant has been made under ESS 2018.

The termination of the ESOS 2008 does not affect options which had been granted thereunder and accepted but which remained unexercised (whether fully or partially) on termination and participants would still be able to exercise such options granted under ESOS 2008. The details relating to options granted to participants which have remained unexercised pursuant to the ESOS 2008 are as follows:

PARTICIPANT(S)	OPTIONS GRANTED DURING THE FINANCIAL YEAR	AGGREGATE OPTIONS GRANTED SINCE THE COMMENCEMENT OF THE ESOS 2008 TO END OF FINANCIAL YEAR	AGGREGATE OPTIONS EXERCISED SINCE THE COMMENCEMENT OF THE ESOS 2008 TO END OF FINANCIAL YEAR	AGGREGATE OPTIONS LAPSED SINCE THE COMMENCEMENT OF THE ESOS 2008 TO END OF FINANCIAL YEAR	AGGREGATE OPTIONS OUTSTANDING UNDER ESOS 2008 TO END OF FINANCIAL YEAR
Executive Director					
Raymond Choong Yee How	-	20,000,000	-	-	20,000,000
Executives	-	32,521,725	-	(14,621,725)	17,900,000
Total	-	52,521,725	-	(14,621,725)	37,900,000*

* The options under ESOS 2008 were granted at the exercise price of $1.984 per Share which was set at a discount of 5.8% to the market price of the Shares based on the 5-day weighted average market price of the Shares immediately prior to 8 December 2017 being the date of grant. The options will be valid from the date of grant till the date of vesting and exercise. All the options granted had been accepted by the Participants and each option shall be exercisable, in whole or in part, subject to certain performance targets being met following the end of the performance period concluding in the financial year ended 30 June 2019 and ending 30 June 2021. The options may be exercisable and valid up to 30 months from the date of vesting.

Save as disclosed, there was no Participant who has received 5% or more of the total number of options available under the ESOS 2008. No new Shares were issued by virtue of the exercise of option under ESOS 2008. During the financial year, no option was exercised (2019: Nil) nor lapsed (2019: 1,800,000 options lapsed).

27. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

GuocoLand Limited Executive Share Scheme (cont'd)

(v) Other information regarding the ESS 2018 is as follows:

1. Eligibility

Eligible Executives must be at least 18 years of age on the date when an offer is made and has been confirmed in service. Non-executive directors, the Company's controlling shareholders or their associates, directors and employees of the Company's controlling shareholders, directors and employees of associated companies of the Company and directors and employees of the Company's holding company and its subsidiaries (excluding the Company and its subsidiaries) shall not participate in ESS 2018.

2. Maximum Entitlement

The maximum entitlement for each Eligible Executive in respect of the total number of new Shares to be issued upon exercise of options granted in any 12-month period shall not exceed 1% of the total number of issued Shares immediately before such option offer. For the avoidance of doubt, to the extent the exercise of any option granted to an Eligible Executive is satisfied by the transfer of existing issued Shares (including treasury shares), such option and number of existing issued Shares (including treasury shares) shall not be subject to or taken into account for purposes of such limit.

3. Grant of Options

(a) The exercise price per Share shall be a price equal to the 5-day weighted average market price of the Shares immediately preceding the date of offer of the option ("Market Price") or, if discounted, shall not be at a discount of more than 20% (or such other discount as the relevant authority shall permit) to the Market Price.

(b) Option granted to an Eligible Executive may be exercisable by that Eligible Executive only during his employment, within the option exercise period and subject to any other terms and conditions as may be contained in the Option certificate. The minimum period which an option must be held before it can be exercised:

(1) where the option is granted at a discount to the Market Price, shall be at least 2 years from the date of offer; and

(2) where the option is granted without any discount, shall be at least 1 year from the date of offer.

(c) Eligible Executives to whom the options have been granted do not have the right to participate, by virtue of the option, in a share issue of any other company, except in the share scheme(s) of companies within the Group.

Notes to the Financial Statements

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27. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

GuocoLand Limited Executive Share Scheme (cont'd)

4. Grant of Shares ("Grant Offer")

(a) Grant Offer to Eligible Executives may be made upon such terms and conditions including the number of Shares to be vested pursuant to a grant at the end of the performance period based on the achievement of the prescribed financial and performance targets or criteria.

(b) Grant Offer must be accepted by the Eligible Executive who has been made a Grant Offer ("Offeree") within 30 days from the date of offer accompanied by a payment of $1 as consideration.

(c) The Offeree may be vested Shares only during his employment or directorship within the Group and subject to any other terms and conditions as may be contained in the grant certificate.

(vi) Since the commencement of the ESS 2018, there was no grant of options or Shares made to controlling shareholders of the Company and their associates or parent group employees as they are not participants in ESS 2018.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Measurement of Fair Value of Options

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility is based on the historical volatility for the expected option life period prior to the date of the grant. The expected dividend yield is based on the past one year's historical dividend payout over the market share price of the Company on the ex-dividend date.

DATE OF GRANT OF OPTIONS	**8 DECEMBER 2017**
Fair value of share options and assumptions	
Fair value at grant date	$0.241 to $0.285
Share price at grant date	$2.18
Exercise price	$1.984
Expected volatility	12.96% to 16.35%
Expected option life	1.94 years to 5.94 years
Expected dividend yield	2.95%
Risk-free interest rate	1.51% to 1.79%

27. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

Shares held by Trust

In October 2004, the Company established a Trust in respect of the Executive Share Scheme ("ESS"). Pursuant to a trust deed between the Company and the Trust, the Trust had acquired Shares from the market for the purpose of satisfying options granted or to be granted to participants under the ESS. Subject to financial performance and other targets being met by these participants, Shares held under the Trust may be transferred to them upon exercise of their share options. As at 30 June 2020, the Trust held an aggregate of 73,604,933 (2019: 73,604,933) Shares. For accounting purposes, the assets and liabilities of the Trust are recognised as assets and liabilities of the Company and Shares held by the Trust are accounted for as treasury shares of the Company.

b. GuocoLand (Malaysia) Berhad ("GLM")

GLM Executive Share Scheme

(i) The GLM Executive Share Option Scheme ("GLM ESOS") was implemented on 21 March 2012 and shall be in force for a period of 10 years.

The Executive Share Grant Scheme ("ESGS") was implemented on 28 February 2014.

The GLM ESOS, together with the ESGS, have been renamed as the Executive Share Scheme ("GLM ESS"). For ease of administration, the Bye-Laws of the GLM ESOS were amended to incorporate the ESGS to form the consolidated Bye-Laws of the GLM ESS ("GLM Bye-Laws").

The main features of the GLM ESS are, inter alia, as follows:-

1. Eligible executives are those executives of the GLM Group who have been confirmed in service on the date of offer or directors (executive or non-executive) of GLM and its subsidiaries. The Board of Directors of GLM (the "GLM Board") may from time to time at its discretion select and identify suitable eligible executives to be offered options or grants.

2. The aggregate number of shares to be issued under the ESS and any other ESOS established by GLM shall not exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of GLM at any one time ("Maximum Aggregate"). The Maximum Aggregate shall be subjected to the provision that the total number of new shares of GLM which may be issued upon exercise of options under the GLM ESS must not in aggregate exceed 10% of the issued and paid-up ordinary share capital of GLM on the date the GLM ESOS was approved by the shareholders of GGL, unless approval shall have been obtained from the shareholders of GGL.

3. The GLM ESS shall be in force until 20 March 2022.

4. The option price shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of GLM preceding the date of offer and shall in no event be less than the par value of the shares of GLM.

Notes to the Financial Statements

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27. EMPLOYEE BENEFITS (CONT'D)

b. GuocoLand (Malaysia) Berhad ("GLM") (cont'd)

GLM Executive Share Scheme (cont'd)

5. No consideration is required to be payable by eligible executives for shares of GLM to be vested pursuant to share grants.

6. Option granted to an option holder is exercisable by the option holder only during his/her employment or directorship with the GLM Group and within the option exercise period subject to any maximum limit as may be determined by the GLM Board under the GLM Bye-Laws.

7. Shares of GLM granted to a share grant holder will be vested to the share grant holder only during his/her employment or directorship with the GLM Group subject to any maximum limit as may be determined by the GLM Board under the GLM Bye-Laws.

8. The exercise of options and the vesting of shares of GLM may, at the discretion of the GLM Board, be satisfied by way of issuance of new shares, transfer of existing shares purchased by a trust established for the GLM ESS ("GLM ESS Trust"); or a combination of both new shares or existing shares.

The GLM ESS Trust did not acquire any ordinary shares of GLM during the financial years ended 30 June 2020 and 30 June 2019.

Except as disclosed above, no option or shares in GLM have been granted under the GLM ESS during the financial years ended 30 June 2020 and 30 June 2019.

(ii) On 22 August 2011, GLM has established a Value Creation Incentive Plan ("VCIP") for selected key executives of the GLM Group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options will be satisfied through the transfer of existing GLM shares held by the GLM ESS Trust.

As the VCIP does not involve any issuance of new GLM shares, the VCIP and the grant of options under the VCIP do not require the approval of shareholders of GLM and GGL.

During the financial year, no share option was granted or lapsed pursuant to the GLM's VCIP. As at 30 June 2020, the balance options is 18,000,000 (2019: 18,000,000). The options granted are subject to the achievement of certain performance criteria by the option holders over two performance periods concluding at the end of the financial years ended 30 June 2019 and ending 30 June 2021 respectively. The achievement of the performance targets and the number of GLM shares (if any) to be vested shall be determined by the GLM Board following the end of the respective performance periods.

The GLM Board shall have the discretion to determine the aggregate allocation of shares to directors and senior management of GLM pursuant to the GLM ESS and the VCIP, but in any case, it shall not exceed the Maximum Aggregate.

28. DIVIDENDS

	GROUP	
	2020 **$'000**	**2019** **$'000**
PAID BY THE COMPANY TO ORDINARY EQUITY HOLDERS OF THE COMPANY		
Final one-tier ordinary dividend paid of 7 cents (2019: 7 cents) per ordinary share in respect of the previous financial year*	**77,684**	77,684
PAID BY SUBSIDIARIES TO NON-CONTROLLING INTERESTS	**1,492**	1,749

After the reporting date, the Directors proposed a one-tier final dividend of 6 cents (2019: one-tier final dividend of 7 cents) per ordinary share amounting to $66.6 million (2019: $77.7 million). The dividends have not been provided for.

* Dividend payments in respect of 73,604,933 (2019: 73,604,933) ordinary shares of the Company which were held by the Trust for the ESS were eliminated.

29. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant related party transactions between the Group and related parties based on terms agreed between the parties during the financial year:-

a. Rental income of $2.2 million was received for the financial year ended 30 June 2020 (2019: $2.2 million) and will continue to be receivable by the Group pursuant to lease agreements entered into with companies in which two of the directors have an interest.

b. On 26 July 2017, the Company signed a renewal of the Management Agreement with an intermediate holding company, Guoco Group Limited ("GGL"), in relation to the provision of services to the Group for a further period of 3 years to 30 June 2020, on the same terms and conditions as the previous Agreement which expired on 30 June 2017. The payment of the annual fee will be based on the equivalent of 3% of the profit before tax of its subsidiaries. The aggregate fees payable by the Group in each financial year to GGL shall in any event not exceed 2% of the audited consolidated net tangible assets of the Company for the relevant financial year. Two directors of the Company are also directors and shareholders of GGL (note 24).

c. The Group has entered into shareholders' agreements with its immediate holding company, GuocoLand Assets Pte. Ltd., for the acquisition and development of a commercial site in Singapore through its subsidiaries, Guoco Midtown Pte. Ltd. and Midtown Bay Pte. Ltd. As at 30 June 2020, $54.9 million (2019: $71.0 million) of non-controlling interests and $146.6 million (2019: $128.7 million) of amount due to non-controlling interests were in relation to contributions by the immediate holding company for its equity interests in the projects. During the year, $5.6 million (2019: $5.8 million) of interest payable was accrued in the amount due to non-controlling interests.

d. The Group has entered into shareholder's agreement with a related corporation, Hong Leong Holdings (China) Pte. Ltd., for the acquisition and development of four land parcels situated within Yuzhong and Yubei districts of Chongqing, the People's Republic of China through its subsidiary, GLL Chongqing 18 Steps Pte. Ltd. As at 30 June 2020, $60.5 million (2019: $41.2 million) of non-controlling interests and $172.3 million (2019: $161.4 million) of amount due to non-controlling interests were in relation to contributions by the related corporation for its equity interests in the projects. During the year, $10.3 million (2019: $11.6 million) of interest payable was accrued in the amount due to non-controlling interests.

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29. RELATED PARTY TRANSACTIONS (CONT'D)

e. During the year, the Group has entered into shareholder's agreement with related corporations, Intrepid Investments Pte. Ltd and Hong Realty Pte. Ltd, for the acquisition and development of a residential site in Singapore through its subsidiaries, MTG Apartments Pte. Ltd. and MTG Retail Pte. Ltd. As at 30 June 2020, $44.9 million of non-controlling interests and $88.6 million of amount due to non-controlling interests were in relating to contributions by the related corporations for its equity interests in the projects. During the year, $2.0 million of interest payable was accrued in the amount due to non-controlling interests.

f. The Group has entered into shareholder's agreement with related corporations, Intrepid Investments Pte. Ltd. and Hong Realty Pte. Ltd., for the acquisition and development of a residential site in Singapore through its joint venture, Carmel Development Pte. Ltd. ("Carmel"). As at 30 June 2020, $149.9 million (2019: $139.8 million) of shareholder's loan was injected into Carmel by the Group for its equity interest in the project (note 7). During the year, $5.2 million (2019: $3.1 million) of interest receivable was accrued in the amount due from joint venture.

g. During the year, a subsidiary of the Group sold a unit in Midtown Bay, a residential development in Singapore to a relative of certain directors of the Company for a sale consideration of $1.3 million in the ordinary course of its business.

30. CHANGES IN INTERESTS IN SUBSIDIARIES

2020

Disposal of interests in a subsidiary

In 2020, the Group disposed its investment in a subsidiary, Beijing Ming Hua Property Co. Ltd. for a consideration of $4.8 million (RMB23.85 million). As at 30 June 2020, the sales consideration has been deposited in an escrow account.

The cash flows and net assets relating to the subsidiary disposed are summarised as follows:-

	2020 $'000
Inventories	1,324
Cash and cash equivalents	719
Other net current payables	(11)
Non-controlling interests	(508)
Net assets disposed	1,524
Realisation of translation reserve	459
Gain on disposal of a subsidiary	2,798
Sale consideration	4,781
Cash balances of a subsidiary disposed	(719)
Net sales consideration receivable	4,062

31. FINANCIAL INSTRUMENTS

a. Financial Risk Management Objectives and Policies

The Group operates and generates a substantial part of its business from Singapore, China, Malaysia and Vietnam. The Group's activities expose it to market risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group's overall risk management program seeks to minimise the adverse effects caused by the unpredictability of financial markets on the financial performance of the Group.

Risk management is carried out by the Treasury Department of the Group under policies approved by the Executive Committee. The Executive Committee provides principles and guidelines for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and investing excess liquidity.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates or interest rates. While these are subject to the risks of market rates changing subsequent to the execution of the derivative financial instruments, such changes are generally offset by opposite effects on the exposure being hedged.

The Group's accounting policy in relation to the derivative financial instruments are set out in note 3e.

b. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign Currency Risk

The Group generally hedges its foreign exchange exposure using forward exchange contracts with external parties where appropriate. The contracts used in its hedging program have terms of 12 months or less. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Company does not have significant exposure to foreign currency risk.

Notes to the Financial Statements

For the year ended 30 June 2020

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency and exposure arising from intercompany balances which are considered to be in the nature of interests in subsidiaries and derivatives entered into as net investment hedge (note 11) are excluded.

	US DOLLAR $'000	CHINESE RENMINBI $'000	HONG KONG DOLLAR $'000	MALAYSIAN RINGGIT $'000
GROUP				
30 JUNE 2020				
Other receivables	**-**	**93,505**	**-**	**-**
Cash and cash equivalents	**5,503**	**129**	**-**	**118**
Other payables	**-**	**(172,453)**	**(849)**	**(13)**
Loans and borrowings	**-**	**(80,858)**	**(72,040)**	**-**
Net exposure in the statement of financial position	**5,503**	**(159,677)**	**(72,889)**	**105**
Cross currency interest rate swaps	**-**	**(135,426)**	**-**	**-**
Total exposure	**5,503**	**(295,103)**	**(72,889)**	**105**
30 JUNE 2019				
Other receivables	224	28,046	-	19
Cash and cash equivalents	168,842	290	-	10,604
Other payables	-	(161,541)	(817)	(13)
Loans and borrowings	-	(80,607)	(69,280)	-
Net exposure in the statement of financial position	169,066	(213,812)	(70,097)	10,610
Forward exchange contracts	(163,561)	218,942	-	-
Cross currency interest rate swaps	-	(135,006)	-	-
Total exposure	5,505	(129,876)	(70,097)	10,610

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Sensitivity Analysis

A strengthening of the following foreign currencies against the functional currencies at the reporting date would increase or (decrease) the profit or loss by the amounts shown below. There is no impact on the other components of equity. This analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

FUNCTIONAL CURRENCIES	FOREIGN CURRENCIES	RATE OF INCREASE IN FOREIGN CURRENCIES	PROFIT BEFORE TAX $'000
GROUP			
2020			
RMB	**USD**	**1.05%**	**58**
SGD	**RMB**	**0.86%**	**(2,538)**
SGD	**HKD**	**2.19%**	**(1,596)**
SGD	**MYR**	**0.43%**	*****
2019			
RMB	USD	0.23%	13
SGD	RMB	0.79%	(1,026)
SGD	HKD	0.39%	(273)
SGD	MYR	0.07%	7

* Less than $1,000

A weakening of the above foreign currencies against the functional currencies would have an equal but opposite effect.

(ii) Interest Rate Risk

The Group's policy is to minimise adverse effects on the financial performance of the Group as a result of changes in market interest rates. The Treasury Department evaluates, recommends and carries out hedge strategies that have been approved by the Executive Committee. The management of interest rate risk is reported and reviewed by the Executive Committee on a monthly basis. To obtain the most favourable overall finance cost, the Group may use interest rate swaps to hedge its interest rate exposure. Apart from cash and cash equivalents, the Group has no other significant interest-bearing assets.

Notes to the Financial Statements

For the year ended 30 June 2020

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:-

	GROUP NOMINAL AMOUNT	
	30 JUNE 2020 $'000	30 JUNE 2019 $'000
FIXED RATE INSTRUMENTS		
Financial assets	**717,984**	644,319
Financial liabilities	**(1,549,495)**	(1,445,798)
Interest rate swaps	**(1,601,000)**	(1,601,000)
	(2,432,511)	(2,402,479)
VARIABLE RATE INSTRUMENTS		
Financial liabilities	**(4,346,379)**	(3,612,220)
Interest rate swaps	**1,601,000**	1,601,000
	(2,745,379)	(2,011,220)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate assets and liabilities, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase in the interest rates of 6 basis points for SGD and 25 basis points for MYR (2019: 10 basis points for SGD) at the reporting date would decrease the Group's profit before income tax by $3.3 million (2019: $3.2 million). The impact on the Group's profit is estimated as an annualised impact on interest expense or income of such a change in interest rates. There is no impact on the other components of equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests. A decrease in the interest rates would have an equal but opposite effect.

31. FINANCIAL INSTRUMENTS (CONT'D)

c. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets.

Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each businesses.

Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group generally considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when the Group assesses that the debtor fails to make contractual payments. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(i) The movements in credit loss allowance on trade and other receivables of the Group are as follows:

	TRADE RECEIVABLES $'000	OTHER RECEIVABLES $'000	TOTAL $'000
GROUP			
At 1 July 2019	**1,321**	**678**	**1,999**
Allowance during the year	**227**	**-**	**227**
Reversal of allowance during the year	**(4)**	**-**	**(4)**
Allowance written off during the year	**(23)**	**-**	**(23)**
Translation differences	**(5)**	**(2)**	**(7)**
At 30 June 2020	**1,516**	**676**	**2,192**
At 1 July 2018	567	694	1,261
Allowance during the year	1,061	-	1,061
Reversal of allowance during the year	(286)	-	(286)
Translation differences	(21)	(16)	(37)
At 30 June 2019	1,321	678	1,999

Notes to the Financial Statements

For the year ended 30 June 2020

31. FINANCIAL INSTRUMENTS (CONT'D)

c. Credit Risk (cont'd)

(ii) The movements in credit loss allowance on amounts due from subsidiaries of the Company are as follows:

	AMOUNTS DUE FROM SUBSIDIARIES $'000
COMPANY	
At 1 July 2018 and 2019	1,585
Allowance during the year	32,000
At 30 June 2020	33,585

No aging analysis of contract assets and other receivables are presented as the majority of outstanding balances as at 30 June 2020 are current. The Group assesses that no credit loss allowance on other receivables is required, except for the amount written off as there is no reasonable expectation of recovery.

The Company's credit risk exposure to trade and other receivables is immaterial.

The Group limits its exposure to credit risk on investments in securities by dealing exclusively with high credit rating counterparties.

Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. It is the Group's policy to enter into financial instruments with a diversity of creditworthy local and international financial institutions.

Cash is placed with regulated financial institutions. Cash and cash equivalents are subject to immaterial credit loss.

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantees is set out in note 33. At reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

d. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk by actively managing its debt portfolio and operating cash flows to ensure that all refinancing, repayments and funding requirements of the Group's operations are met. The Group maintains a sufficient level of cash and cash equivalents to meet the Group's working capital requirements.

The Group has contractual commitments to incur capital expenditure on its investment properties and development properties (note 32).

31. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk (cont'd)

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments:-

	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	CASH FLOWS: WITHIN 1 YEAR $'000	CASH FLOWS: BETWEEN 1 AND 5 YEARS $'000	CASH FLOWS: MORE THAN 5 YEARS $'000
GROUP					
30 JUNE 2020					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade and other payables*	**(283,857)**	**(283,857)**	**(207,745)**	**(74,193)**	**(1,919)**
Loans and borrowings	**(5,265,249)**	**(5,646,723)**	**(883,003)**	**(4,562,975)**	**(200,745)**
	(5,549,106)	**(5,930,580)**	**(1,090,748)**	**(4,637,168)**	**(202,664)**
DERIVATIVE FINANCIAL LIABILITIES					
Interest rate swaps	**(92,677)**	**(50,979)**	**(16,115)**	**(34,864)**	**-**
Cross currency interest rate swaps	**(762)**	**(2,069)**	**(2,224)**	**155**	**-**
	(93,439)	**(53,048)**	**(18,339)**	**(34,709)**	**-**
	(5,642,545)	**(5,983,628)**	**(1,109,087)**	**(4,671,877)**	**(202,664)**
30 JUNE 2019					
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade and other payables*	(238,561)	(238,561)	(175,147)	(61,871)	(1,543)
Loans and borrowings	(4,489,796)	(4,966,189)	(428,281)	(4,537,908)	-
	(4,728,357)	(5,204,750)	(603,428)	(4,599,779)	(1,543)
DERIVATIVE FINANCIAL LIABILITIES					
Interest rate swaps	(28,488)	(13,065)	(3,077)	(9,988)	-
Cross currency interest rate swaps	(6,777)	(9,911)	(6,183)	(3,728)	-
Forward exchange contracts	(66)	(66)	(66)	-	-
	(35,331)	(23,042)	(9,326)	(13,716)	-
	(4,763,688)	(5,227,792)	(612,754)	(4,613,495)	(1,543)

* Excludes derivatives and amounts due to non-controlling interests.

Notes to the Financial Statements

For the year ended 30 June 2020

31. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk (cont'd)

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments:- (cont'd)

	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	CASH FLOWS WITHIN 1 YEAR $'000
COMPANY			
30 JUNE 2020			
NON-DERIVATIVE FINANCIAL LIABILITIES			
Trade and other payables	**(1,033)**	**(1,033)**	**(1,033)**
30 JUNE 2019			
NON-DERIVATIVE FINANCIAL LIABILITIES			
Trade and other payables	(903)	(903)	(903)

The amounts due to non-controlling interests/amounts due to subsidiaries have not been included in the above table as the repayment is at the discretion of the Boards of the borrowing subsidiaries/the Company.

The maturity analysis shows the contractual undiscounted cash flows of the financial liabilities of the Group and the Company on the basis of their earliest possible contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement e.g. forward exchange contracts. Net-settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the Group’s floating rate loans. Except for these financial liabilities and the cash flows arising from the derivatives, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to impact profit or loss and the fair value of the related hedging instrument.

			CASH FLOWS		
	CARRYING AMOUNT $'000	CONTRACTUAL CASH FLOWS $'000	WITHIN 1 YEAR $'000	BETWEEN 1 AND 5 YEARS $'000	MORE THAN 5 YEARS $'000
GROUP					
2020					
DERIVATIVE FINANCIAL INSTRUMENTS					
Cross currency interest rate swaps	**911**	**(607)**	**(4,492)**	**3,885**	**-**
2019					
DERIVATIVE FINANCIAL INSTRUMENTS					
Cross currency interest rate swaps	891	(1,138)	(2,969)	1,831	-

31. FINANCIAL INSTRUMENTS (CONT'D)

e. Accounting Classifications and Fair Values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The carrying amounts of the Company's assets and liabilities approximate its fair value.

	CARRYING AMOUNT				FAIR VALUE			
	FAIR VALUE THROUGH PROFIT OR LOSS $'000	AT AMORTISED COST $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
GROUP								
30 JUNE 2020								
FINANCIAL ASSETS MEASURED AT FAIR VALUE								
Derivative financial assets	2,464	-	-	2,464	-	2,464	-	2,464
	2,464	-	-	2,464				
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE								
Trade and other receivables#	-	178,790	-	178,790				
Cash and cash equivalents	-	933,892	-	933,892				
	-	1,112,682	-	1,112,682				
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE								
Derivative financial liabilities	93,439	-	-	93,439	-	93,439	-	93,439
	93,439	-	-	93,439				
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE								
Loans and borrowings	-	-	5,265,249	5,265,249	-	5,265,997	-	5,265,997
Trade and other payables*	-	-	900,454	900,454				
	-	-	6,165,703	6,165,703				

Excludes prepayments and derivatives.

* Excludes derivatives.

Notes to the Financial Statements

For the year ended 30 June 2020

31. FINANCIAL INSTRUMENTS (CONT'D)

e. Accounting Classifications and Fair Values (cont'd)

	CARRYING AMOUNT				FAIR VALUE			
	FAIR VALUE THROUGH PROFIT OR LOSS $'000	AT AMORTISED COST $'000	OTHER FINANCIAL LIABILITIES $'000	TOTAL $'000	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
GROUP								
30 JUNE 2019								
FINANCIAL ASSETS MEASURED AT FAIR VALUE								
Derivative financial assets	2,243	-	-	2,243	-	2,243	-	2,243
	2,243	-	-	2,243				
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE								
Trade and other receivables#	-	130,846	-	130,846				
Cash and cash equivalents	-	823,718	-	823,718				
	-	954,564	-	954,564				
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE								
Derivative financial liabilities	35,331	-	-	35,331	-	35,331	-	35,331
	35,331	-	-	35,331				
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE								
Loans and borrowings	-	-	4,489,796	4,489,796	-	4,494,731	-	4,494,731
Trade and other payables*	-	-	779,473	779,473				
	-	-	5,269,269	5,269,269				

Excludes prepayments and derivatives.

* Excludes derivatives.

31. FINANCIAL INSTRUMENTS (CONT'D)

e. Accounting Classifications and Fair Values (cont'd)

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values.

Financial instruments measured at fair value

TYPE	VALUATION TECHNIQUE
GROUP	
Forward exchange contracts, cross currency interest rate swaps and interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Financial instruments not measured at fair value

TYPE	VALUATION TECHNIQUE
GROUP	
Loans and borrowings	*Discounted cash flow method:* The valuation model considers the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

(ii) Transfers between Level 1 and 2

There were no transfers between levels during the financial year.

32. COMMITMENTS

a. The future minimum lease rentals payable under non-cancellable operating leases as at reporting date are as follows:-

	GROUP	
	2020	**2019**
	$'000	**$'000**
Within 1 year	-	478
Between 1 and 5 years	-	251
	-	729

The leases relate to offices and office equipment and are generally for one to five years, with options to renew.

Notes to the Financial Statements

For the year ended 30 June 2020

32. COMMITMENTS (CONT'D)

b. The Group had the following commitments as at the reporting date:-

	GROUP	
	2020	**2019**
	$'000	**$'000**
Capital expenditure contracted but not provided for in the financial statements:-		
- property, plant and equipment	**-**	37
- investment properties	**510,260**	283,338
- development properties	**583,766**	240,640
	1,094,026	524,015

33. CONTINGENT LIABILITIES

a. On 20 August 2015, the Group, through its subsidiary, GuocoLand (China) Limited ("GLC"), entered into a Master Transaction Agreement (the "Agreement") to dispose of all the equity, contractual and loan interest of GLC in or relating to the Dongzhimen project in Beijing ("DZM Project"). The Agreement provides that the buyer will indemnify GLC, its affiliates and representatives from and against all actions, losses and liabilities to which any of these parties is or may become subject to arising out of or related to the DZM Project in accordance with the terms and conditions therein.

b. The Company has issued financial guarantees to financial institutions in connection with banking facilities granted to a subsidiary. The periods in which the financial guarantees expire are as follows:-

	COMPANY	
	2020	**2019**
	$'000	**$'000**
Within 1 year	**325,858**	175,000
Between 1 and 5 years	**677,040**	879,887
After 5 years	**200,000**	-
	1,202,898	1,054,887

Refer to note 16 for the guarantee in respect of the Perpetual Securities.

At the reporting date, the Company does not consider that it is probable that a claim will be made against the Company under the financial guarantee contracts. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantee contracts.

34. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Group's Chief Executive Officer ("CEO") that are used to make strategic decisions. The Group's reportable operating segments are as follows:-

a. GuocoLand Singapore – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in Singapore.

b. GuocoLand China – development of residential, commercial and integrated properties in China.

c. GuocoLand Malaysia – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in Malaysia.

d. GuocoLand Vietnam – development of residential, commercial and integrated properties in Vietnam.

e. Others – include GuocoLand Hotels which is in the management and operation of hotels in Singapore, China and Malaysia, and EWI, which is in the investment in property development projects in United Kingdom and Australia.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Non-current assets are based on the geographical location of the assets.

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34. OPERATING SEGMENTS (CONT'D)

	GUOCOLAND SINGAPORE $'000	GUOCOLAND CHINA $'000	GUOCOLAND MALAYSIA $'000	GUOCOLAND VIETNAM $'000	OTHERS $'000	SUB-TOTAL $'000	UNALLOCATED $'000	TOTAL $'000
2020								
REVENUE								
External revenue	756,027	3,399	123,864	7,039	51,482	941,811	30	941,841
RESULTS								
Segment profit/ (loss) before tax	183,149	(21,802)	18,093	1,760	105,237	286,437	(11,498)	274,939
Share of profit of associates and joint ventures (net of tax)	-	1,673	286	-	18,963	20,922	-	20,922
Impairment loss	-	-	-	-	(47,000)	(47,000)	-	(47,000)
Interest income	4,498	3,080	1,281	860	750	10,469	7,650	18,119
Finance costs	(70,558)	-	(10,457)	-	(10,365)	(91,380)	(16,902)	(108,282)
Profit/(Loss) before tax	117,089	(17,049)	9,203	2,620	67,585	179,448	(20,750)	158,698
Tax (expense)/ credit	(21,684)	3,563	(11,941)	(1,975)	(31,425)	(63,462)	(5,190)	(68,652)
Profit/(Loss) for the year	95,405	(13,486)	(2,738)	645	36,160	115,986	(25,940)	90,046
Segment assets	7,481,683	1,841,066	829,257	24,717	718,225	10,894,948	243,607	11,138,555
Segment liabilities	4,025,293	425,513	381,562	3,640	317,668	5,153,676	1,223,529	6,377,205
Other segment items:-								
Associates and joint ventures	149,877	54,043	111,564	-	214,164	529,648	-	529,648
Depreciation	(587)	(315)	(1,276)	(2)	(14,337)	(16,517)	(707)	(17,224)
Fair value (loss)/ gain from investment properties	(1,213)	(789)	(6,573)	-	-	(8,575)	300	(8,275)
Impairment loss on investment in a joint venture	-	-	-	-	(47,000)	(47,000)	-	(47,000)
Capital expenditure	127,398	851	392	6	747	129,394	62	129,456

34. OPERATING SEGMENTS (CONT'D)

	GUOCOLAND SINGAPORE $'000	GUOCOLAND CHINA $'000	GUOCOLAND MALAYSIA $'000	GUOCOLAND VIETNAM $'000	OTHERS $'000	SUB-TOTAL $'000	UNALLOCATED $'000	TOTAL $'000
2019								
REVENUE								
External revenue	716,542	3,721	114,530	19,178	72,956	926,927	30	926,957
RESULTS								
Segment profit/ (loss) before tax	383,974	2,226	12,063	7,127	(9,643)	395,747	(11,702)	384,045
Share of (loss)/ profit 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
Segment assets	6,498,095	1,400,554	813,535	34,415	864,779	9,611,378	420,071	10,031,449
Segment liabilities	3,422,551	199,336	360,038	3,291	327,237	4,312,453	1,076,483	5,388,936
Other segment items:-								
Associates and joint ventures	139,841	52,205	113,686	-	238,237	543,969	-	543,969
Depreciation	(468)	(175)	(966)	(19)	(14,094)	(15,722)	(1,085)	(16,807)
Fair value gain/ (loss) from investment properties	183,744	11,981	(212)	-	-	195,513	1,900	197,413
Capital expenditure	72,620	737	(2,282)	-	(3,416)	67,659	514	68,173

Notes to the Financial Statements

For the year ended 30 June 2020

34. OPERATING SEGMENTS (CONT'D)

Geographical information

	EXTERNAL REVENUE $'000	NON-CURRENT ASSETS# $'000
2020		
Singapore	**778,064**	**5,185,950**
China	**11,744**	**168,976**
Malaysia	**144,994**	**367,020**
Others	**7,039**	**214,170**
	941,841	**5,936,116**
2019		
Singapore	744,000	5,057,626
China	20,261	258,341
Malaysia	143,518	460,235
Others	19,178	238,240
	926,957	6,014,442

Excludes deferred tax assets.

Major customers

There are no customers contributing more than 10 percent to the revenue of the Group.

35. ADOPTION OF NEW STANDARDS

The Group has applied the following SFRS(I)s, amendments to and interpretation of SFRS(I) for the first time for the annual period beginning on 1 July 2019.

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

The application of the above standards and interpretations did not have a material effect on the financial statements.

36. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 July 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

Other Information

MAJOR PROPERTIES

The details of the major properties held by the Group are as follows:-

SINGAPORE	TENURE	STAGE OF COMPLETION	EXPECTED DATE OF COMPLETION	SITE AREA (SQ M)	GROSS FLOOR AREA (SQ M)	GROUP'S EFFECTIVE INTEREST (%)
Integrated Development						
Guoco Tower Comprises a 37-Storey Office Block, 6-Storey of Retail & F&B Space, 181 Residential Units (Wallich Residence) and a Business Hotel (Sofitel Singapore City Centre) Located at 1/3/5/7/9 Wallich Street	99-Year Lease With Effect From 21.02.2011	N/A	Completed	15,023	157,738	80.00
Guoco Midtown Comprises a 30-Storey Office Block, Network Centre, Retail and Community Spaces, and 219 Residential Units (Midtown Bay) Located at Beach Road	99-Year Lease With Effect From 02.01.2018	Structural Works	December 2022	22,202	90,029	70.00
Midtown Modern Comprises a 2-Storey Office Units and 2 Blocks of Residential Units and Community Spaces Located at Tan Quee Lan Street	99-Year Lease With Effect From 10.12.2019	Hoarding Works Completed	*	11,531	48,430	60.00
Commercial Properties						
20 Collyer Quay 24-Storey Office Block^ Located at Singapore 049319	999-Year Lease With Effect From 05.11.1862	N/A	Completed	2,273	23,248	100.00
Reversionary Interests in Freehold Land Located at Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	#	N/A	Completed	1,405	15,738	100.00
Residential						
Martin Modern Located at Martin Place	99-Year Lease With Effect From 28.09.2016	Architectural and External Works	June 2021	15,936	49,084	100.00
Meyer Mansion Located at Meyer Road	Freehold	Demolition Works	June 2024	7,920	22,175	100.00

MAJOR PROPERTIES (CONT'D)

The details of the major properties held by the Group are as follows:- (cont'd)

THE PEOPLE'S REPUBLIC OF CHINA	TENURE	STAGE OF COMPLETION	EXPECTED DATE OF COMPLETION	SITE AREA (SQ M)	GROSS FLOOR AREA (SQ M)	GROUP'S EFFECTIVE INTEREST (%)
Integrated Development						
Guoco Changfeng City Comprises two 18-Storey Office Towers, two Low-Rise Office Buildings and a Retail, Entertainment and Cultural Centre Located in Putuo District, Shanghai	50-Year Land Use Rights With Effect From 11.12.2005	Works In Progress	April 2022	143,845	195,400	100.00
18T Comprises Residential Units and Commercial Units Located in Yuzhong District, Chongqing	Residential: 50-Year Land Use Rights Till 29.06.2069 Commercial: 40-Year Land Use Rights Till 29.06.2059	Plot 1 & 2: Works In Progress	June 2023	33,097	227,705	75.00
		Plot 3: Planning	*	6,572	36,225	75.00
		Plot 4: Planning	*	9,292	77,150	75.00
Chongqing Central Park Comprises Residential Units and Commercial Units Located in Liangjiang District, Chongqing	Residential: 50-Year Land Use Rights Till 2070	Planning	*	141,958	197,600	75.00

Other Information

MAJOR PROPERTIES (CONT'D)

The details of the major properties held by the Group are as follows:- (cont'd)

MALAYSIA	TENURE	STAGE OF COMPLETION	EXPECTED DATE OF COMPLETION	SITE AREA (SQ M)	GROSS FLOOR AREA (SQ M)	GROUP'S EFFECTIVE INTEREST (%)
Integrated Development						
Damansara City Comprises 2 Condominium Blocks (DC Residensi), a Mall (DC Mall) and a Hotel (Sofitel Kuala Lumpur Damansara) Located at Lot 58303 Bukit Damansara, Kuala Lumpur	Freehold	N/A	Completed	32,450	197,814	68.00
Emerald 9 Comprises Serviced Apartments, a Hotel, Offices and Retail Located at Lot 809 and 810, Cheras Batu 8 ¼ and 8 ½, Jalan Cheras, Daerah Hulu Langat, Selangor	Freehold	Plot 1: Works In Progress Plot 2: Planning	May 2023 *	41,010	287,235	68.00
Commercial Properties						
PJ Corporate Park Located at Lot 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling Selangor	Leasehold Till 12.12.2107	Planning	*	12,974	38,053	68.00
Residential						
Emerald Hills Located at Lot 7585 to 7589, 7597 to 7600 and PT 15231, Mukim Petaling Wilayah Persekutuan, Kuala Lumpur	Freehold	Phase 1: Works In Progress Phase 2: Planning	June 2022 *	191,658	245,980	68.00
Oval Kuala Lumpur Located at Seksyen 63, Bandar & Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Freehold	N/A	Completed	7,080	19,172	68.00
Others						
Vacant Agriculture Land Located at Mukim of Jasin, Melaka Darul Amin	Freehold	Planning	*	12,967,771	12,967,771	46.24

MAJOR PROPERTIES (CONT'D)

The details of the major properties held by the Group are as follows:- (cont'd)

VIETNAM	TENURE	STAGE OF COMPLETION	EXPECTED DATE OF COMPLETION	SITE AREA (SQ M)	GROSS FLOOR AREA (SQ M)	GROUP'S EFFECTIVE INTEREST (%)
Integrated Development						
The Canary Comprises Residential Units and Commercial Units Located in Thuan An District, Binh Duong Province	Residential: 70-Year Land Use Rights Till 22.09.2076 Commercial: 50-Year Land Use Rights Till 22.09.2056	Phases 3 & 4: Planning	Phase 2 Completed	63,226	113,000	100.00

N/A: Not applicable.

^ The Group disposed of its interests in a 50-year lease (with effect from 29 January 1985) in 7 office units and a 99-year lease (with effect from 1 March 1985) in 3 office units to third parties. Accordingly, the Group recognised its reversionary interests in these office units.

The Group disposed of its interests in a 98-year lease (with effect from 19 March 1998) in the freehold land to a third party. Accordingly, the Group recognised its reversionary interests in the freehold land.

* Not available as these developments have not commenced construction or have not been launched yet.

Shareholding Statistics

9 September 2020

NUMBER OF ISSUED SHARES	:	1,183,373,276
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE
NUMBER OF TREASURY SHARES HELD	:	NIL
NUMBER OF SUBSIDIARY HOLDINGS HELD	:	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	247	4.20	5,600	0.00
100 - 1,000	835	14.22	629,703	0.05
1,001 - 10,000	3,637	61.93	17,129,676	1.45
10,001 - 1,000,000	1,134	19.31	43,816,404	3.70
1,000,001 & ABOVE	20	0.34	1,121,791,893	94.80
TOTAL	5,873	100.00	1,183,373,276	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	GUOCOLAND ASSETS PTE. LTD.	790,570,834	66.81
2.	RAFFLES NOMINEES (PTE) LIMITED	114,747,797	9.70
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	36,726,119	3.10
4.	KWEK LENG HAI	35,290,914	2.98
5.	DBS NOMINEES PTE LTD	26,884,394	2.27
6.	CITIGROUP GM SINGAPORE SECURITIES PTE. LTD.	26,726,094	2.26
7.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	23,518,995	1.99
8.	KGI SECURITIES (SINGAPORE) PTE. LTD	20,204,390	1.71
9.	HSBC (SINGAPORE) NOMINEES PTE LTD	16,193,498	1.37
10.	UOB KAY HIAN PTE LTD	5,299,464	0.45
11.	LIM AND TAN SECURITIES PTE LTD	4,265,333	0.36
12.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,546,800	0.30
13.	MAYBANK KIM ENG SECURITIES PTE. LTD	3,307,256	0.28
14.	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,054,646	0.26
15.	OCBC SECURITIES PRIVATE LTD	2,854,862	0.24
16.	DBSN SERVICES PTE LTD	2,426,388	0.20
17.	LEE YUEN SHIH	1,779,000	0.15
18.	TAN KAH BOH ROBERT@ TAN KAH BOO	1,550,000	0.13
19.	OCBC NOMINEES SINGAPORE PTE LTD	1,497,609	0.13
20.	ANG JWEE HERNG	1,347,500	0.11
	TOTAL	1,121,791,893	94.80

SHAREHOLDING IN THE HANDS OF THE PUBLIC

The percentage of shareholding in the hands of the public was approximately 18.84% of the total number of the issued and fully paid-up ordinary shares of the Company. Accordingly, Rules 723 and 1207(9)(e) of the SGX-ST Listing Manual have been complied with.

SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 9 SEPTEMBER 2020

SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST NO. OF SHARES	DEEMED INTEREST NO. OF SHARES
1. GuocoLand Assets Pte. Ltd.	790,507,734	-
2. Fairbury Pte. Ltd.[1]	73,604,933	-
3. Guoco Group Limited	-	790,507,734[2]
4. GuoLine Overseas Limited	-	790,507,734[2]
5. GuoLine Capital Assets Limited	-	822,969,052[3]
6. Hong Leong Company (Malaysia) Berhad	-	824,368,452[4]
7. HL Holdings Sdn Bhd	-	824,368,452[4]
8. Hong Leong Investment Holdings Pte. Ltd.	-	824,368,452[4]
9. Quek Leng Chan	13,333,333	837,848,838[5]

1 Trust established in respect of the Company's share scheme for its executives.
2 Deemed interest arising through GuocoLand Assets Pte. Ltd. by virtue of the operation of Section 7 of the Companies Act, Cap 50.
3 Deemed interest arising through GuocoLand Assets Pte. Ltd. and a company in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act, Cap 50.
4 Deemed interest arising through GuocoLand Assets Pte. Ltd. and 2 companies in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act, Cap 50.
5 Deemed interest arising through GuocoLand Assets Pte. Ltd. and 3 companies in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act, Cap 50.

INTERESTED PERSON TRANSACTIONS

The Audit and Risk Committee reviewed interested person transactions entered into by the Group during the financial year ended 30 June 2020. The aggregate value of interested person transactions entered into during the financial year is as follows:

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 SGX-ST Listing Manual	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000)
Hong Leong Group Malaysia	S$12,775,000	N.A.[3]
Guoco Group	S$56,706,000[1]	N.A.[3]
Singapore Hong Leong Group	S$483,075,000[2]	N.A.[3]
Mr Kwek Kon Yew (Guo Gongyou) acting in the capacity as trustee for Ms Kwek Li-Ern Elizabeth. Sale of 1 unit of the Group's residential development, Midtown Bay to Mr Kwek/Ms Kwek, relative of Directors of the Company.	S$1,298,000	N.A.

1 Include a sum of S$47.3 million being the aggregate value of joint venture with GuocoLand Assets Pte. Ltd. which falls within the exemption stipulated under SGX-ST Listing Manual Rule 916.
2 Include a sum of S$395.5 million being the aggregate value of joint ventures with Hong Leong Holdings (China) Pte. Ltd., Intrepid Investments Pte. Ltd. and Hong Realty Pte. Ltd. which falls within the exemption stipulated under SGX-ST Listing Manual Rule 916.
3 The Company does not have a general mandate from shareholders pursuant to Rule 920 of the SGX-ST Listing Manual.

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Corporate Information

BOARD OF DIRECTORS

Moses Lee Kim Poo
Chairman

Raymond Choong Yee How
Group President &
Chief Executive Officer

Quek Leng Chan

Kwek Leng Hai

Timothy Teo Lai Wah

Francis Siu Wai Keung

Abdullah Bin Tarmugi

Lim Suat Jien

Jennie Chua Kheng Yeng

Tang Hong Cheong

AUDIT AND RISK COMMITTEE

Timothy Teo Lai Wah
Chairman

Francis Siu Wai Keung

Lim Suat Jien

NOMINATING COMMITTEE

Abdullah Bin Tarmugi
Chairman

Kwek Leng Hai

Timothy Teo Lai Wah

REMUNERATION COMMITTEE

Abdullah Bin Tarmugi
Chairman

Quek Leng Chan

Jennie Chua Kheng Yeng

GROUP COMPANY SECRETARY

Mary Goh Swon Ping

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INVESTOR RELATIONS

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AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
Partner-in-charge: Lee Sze Yeng
(since FY ended June 2018)
Auditor's Registration No.: 01037

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

DATE OF INCORPORATION

31 March 1976

DATE OF CONVERSION TO A PUBLIC COMPANY

30 September 1978

GUOCOLAND LIMITED
(Reg. No. 197600660W)

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