GuocoLand Limited

A Member of the Hong Leong Group

ANNUAL REPORT 2018

WALLICH RESIDENCE AT TANJONG PAGAR CENTRE, SINGAPORE'S TALLEST RESIDENCE REACHING 290M

CORPORATE PROFILE

Listed on the Singapore Exchange Securities Trading Limited since 1978, GuocoLand Limited ("GuocoLand") is a premier 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 2018, the Group's total assets amounted to $10.5 billion.

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CHAIRMAN'S STATEMENT

Revenue rose 4% year-on-year to $1.16 billion. The higher revenue was substantially from the Group's property development business and supplemented by higher contributions from the Group's property investment business.

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of GuocoLand Limited and its subsidiaries ("the Group") for the financial year ended 30 June 2018 ("the Year").

FINANCIAL PERFORMANCE

Revenue rose 4% year-on-year to $1.16 billion. The higher revenue was substantially from the Group's property development business and supplemented by higher contributions from the Group's property investment business. Residential projects in Singapore, namely Sims Urban Oasis, Leedon Residence and Wallich Residence, were the key revenue contributors. Tanjong Pagar Centre's Guoco Tower, which was completed in October 2016, made its maiden full year contribution to the Year's results.

Profit attributable to equity holders increased by 7% to $381.3 million compared to the previous year. The better performance included a higher share of profit of associates and joint ventures of $203.6 million, due mainly to contributions from Changfeng Residence, the joint venture residential project in Shanghai that was completed during the Year. The 664-unit Changfeng Residence has been substantially sold.

Equity attributable to ordinary equity holders increased by 8% to $3.83 billion, which represents a net asset value per share of $3.45 as at 30 June 2018.

DIVIDEND

The Board is pleased to recommend a first and final one-tier tax exempt ordinary dividend of 7 cents per share for the Year. This is unchanged from the ordinary dividend of 7 cents per share last year, and higher than the ordinary dividend of 5 cents per share for the financial year 2016. The Board took into consideration the Group's working capital requirements, future investment plans and the market outlook. The dividend will be paid to shareholders on 22 November 2018, subject to shareholders' approval at the Company's Annual General Meeting to be held on 25 October 2018.

STRATEGY

While the Group has been active in both public and private land tenders during the Year, we have been selective and disciplined in our investment bids. The three acquisitions of well-located, prime land sites in Singapore in the past 12 months, namely the Beach Road Downtown Core commercial site through the government land sales and the Pacific Mansion and Casa Meyfort freehold residential sites through en bloc acquisitions, will provide a balanced pipeline of mixed-use, commercial and residential developments to contribute to the Group's profitability going forward.

While recent residential property cooling measures in Singapore may have dampened the residential property market outlook, the Group believes in the long term growth of the Singapore market and will continue to look for opportunities to acquire suitable land sites.

PROACTIVE CAPITAL MANAGEMENT

Real estate development is a capital intensive business and we continue to manage our capital structure prudently to ensure we have sufficient resources and financial flexibility. The Group is in a solid financial position to capture growth opportunities when they arise.

The Group's net debt increased to $4.04 billion as at 30 June 2018 mainly due to the financing needs for new land acquisitions. This includes the acquisition of the prime Beach Road Downtown Core commercial site for $1.62 billion for the development of a new iconic city centre work-live-play destination. However gearing has remained stable at approximately one time as at 30 June 2018, as equity attributable to equity holders had also increased to $4.23 billion due in part to the issuance of $400 million of subordinated perpetual securities. The Group's gearing is defined as net debt divided by equity attributable to equity holders.

SUSTAINABILITY

The Group believes in the importance of responsible business sustainability to ensure long-term growth, to create value for shareholders and to build a strong relationship with our customers, business partners and other stakeholders. During the Year, the Group formed a Sustainability Committee to oversee the sustainability efforts throughout the organisation. The Group published its first Sustainability Report for the Year, based on the Singapore Exchange's Sustainability Reporting Guide.

OUTLOOK

In Singapore, the Ministry of Trade and Industry maintained the 2018 GDP growth forecast at 2.5-3.5% as it expects economic growth to moderate in the second half of 2018[1]. This is lower than the 3.6% growth recorded for 2017. Meanwhile, the International Monetary Fund projected China's growth to soften from 6.9% in 2017 to 6.6% in 2018[2], and Malaysia's GDP growth is expected to moderate from the 5.9% recorded in 2017 according to the Bank Negara Malaysia[3].

In the Group's core markets of China and Singapore, the respective governments have put in place property cooling measures. With private residential property prices in Singapore rising since the third quarter of 2017 up till the second quarter of 2018, the government had announced the latest round of property cooling measures effective from 6 July 2018, which includes higher Additional Buyer Stamp Duty ("ABSD") rates, tighter Loan-to-Value limits on residential property purchases, as well as an additional non-remittable 5% ABSD to be paid upfront upon purchase of residential property for developers.

Given the generally softer economic outlook and economic uncertainties that may arise from US-China trade tensions as well as property cooling measures, the Group expects business conditions in the countries in which it operates to continue to be challenging.

GuocoLand has built a good track record as a developer of quality properties and will continue to focus on delivering well-designed, good quality properties in prime locations that appeal to buyers and tenants. The Group has also been selective in its search for suitable investment opportunities and will continue to be prudent and disciplined.

A NOTE OF APPRECIATION

On behalf of the Board, we would like to express our deepest appreciation to our shareholders, customers, tenants, business associates and investors for their unwavering support to the Group. We also wish to thank the management and staff at GuocoLand for their continued hard work, commitment and dedication. Last, but certainly not least, I would like to extend my thanks to my fellow Board members for their counsel and guidance in the Year.

MOSES LEE KIM POO
Chairman
12 September 2018

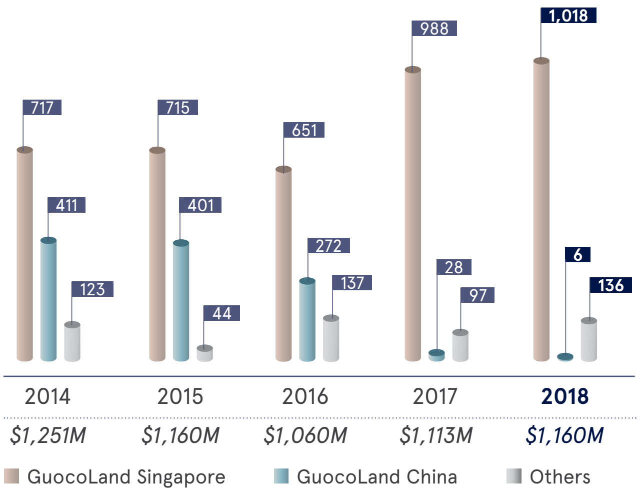
1 "MTI Maintains 2018 GDP Growth Forecast at 2.5 to 3.5 Per Cent", Ministry of Trade and Industry, 13 August 2018.
2 International Monetary Fund, World Economic Outlook Update, July 2018.
3 "Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2018", Bank Negara Malaysia, 17 August 2018.

FINANCIAL HIGHLIGHTS

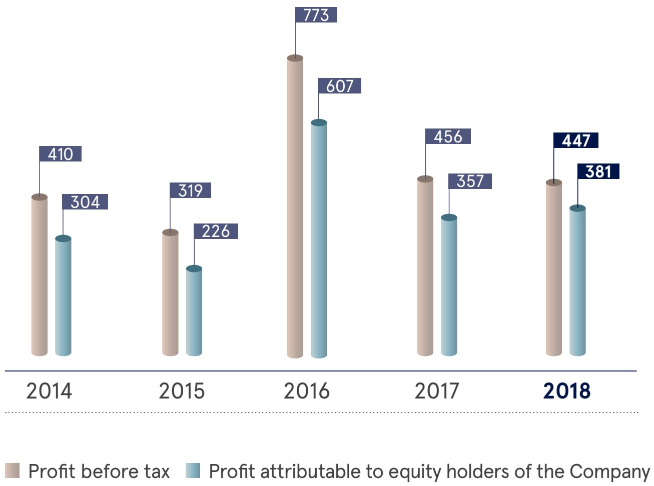
YEAR ENDED 30 JUNE	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
STATEMENTS OF PROFIT OR LOSS					
Revenue by operating segments					
GuocoLand Singapore	**1,018,367**	988,168	651,319	714,682	717,337
GuocoLand China	**5,807**	27,638	272,374	400,995	411,488
GuocoLand Malaysia	**74,939**	94,506	131,082	39,799	122,176
GuocoLand Vietnam	**2,552**	2,828	4,965	4,416	326
Others[1]	**58,516**	51	30	29	23
Total revenue	**1,160,181**	1,113,191	1,059,770	1,159,921	1,251,350
Profit before tax	**447,043**	455,800	773,158	318,661	410,013
Profit attributable to equity holders of the Company	**381,270**	357,185	606,687	226,352	304,225
Proposed dividends in respect of ordinary shares[2]	**77,684**	77,684	99,879	55,488	55,488
STATEMENTS OF FINANCIAL POSITION					
Property, plant and equipment	**618,054**	623,806	494,780	435,227	405,551
Investment properties	**4,623,436**	3,053,287	2,711,193	2,486,915	2,305,035
Associates and joint ventures	**890,121**	675,616	427,945	461,540	496,425
Inventories and deposits for land	**2,957,876**	3,265,397	2,410,452	4,711,235	4,287,193
Cash and cash equivalents	**884,934**	1,118,483	1,430,249	663,073	716,006
Other assets	**524,816**	219,086	431,986	753,768	509,249
Total assets	**10,499,237**	8,955,675	7,906,605	9,511,758	8,719,459
Total ordinary equity	**3,827,602**	3,529,862	3,276,147	2,936,448	2,620,791
Perpetual securities	**404,976**	–	–	200,295	199,795
	4,232,578	3,529,862	3,276,147	3,136,743	2,820,586
Non-controlling interests	**408,916**	303,571	166,059	159,502	152,945
Loans and borrowings	**4,923,804**	4,344,508	3,830,296	5,280,009	5,066,774
Other liabilities	**933,939**	777,734	634,103	935,504	679,154
Total equity and liabilities	**10,499,237**	8,955,675	7,906,605	9,511,758	8,719,459
RATIOS					
Net asset value per share ($)	**3.45**	3.18	2.95	2.65	2.36
Basic earnings per share[3] (cents)	**33.66**	32.19	53.85	19.50	26.53
Dividend per ordinary share (cents)	**7**	7	9[4]	5	5

1 For the year ended 30 June 2018, "Others" include hotel operations and investment in property development projects in the United Kingdom and Australia. During the year, the Group undertook an internal restructuring exercise for which certain hotels, held by and owned by different subsidiaries within the Group were consolidated under a distinct strategic business unit.
2 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 Executives' Share Option Scheme.
3 Based on profit attributable to equity holders of the Company less accrued distribution for perpetual securities holders (if any), and the weighted average number of ordinary shares of the Company in issue, after adjusting for the shares held by the Trust.
4 Included a special dividend of 4 cents per ordinary share.

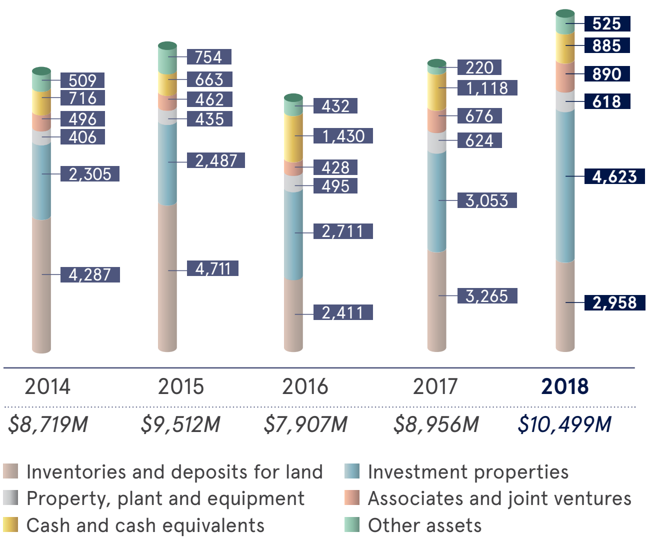
GROUP REVENUE ($ MILLION)



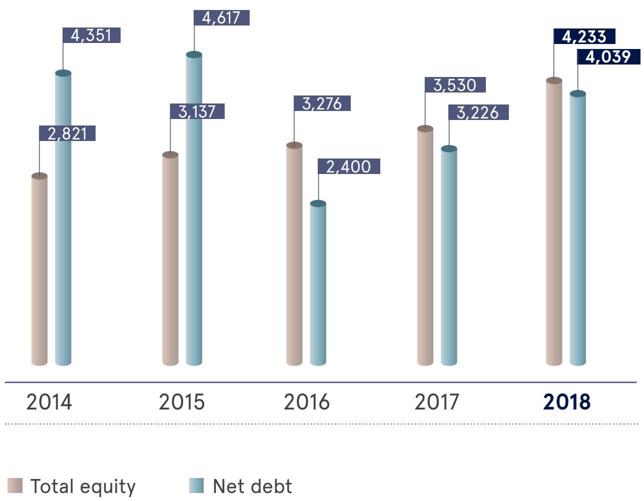
GROUP PERFORMANCE ($ MILLION)



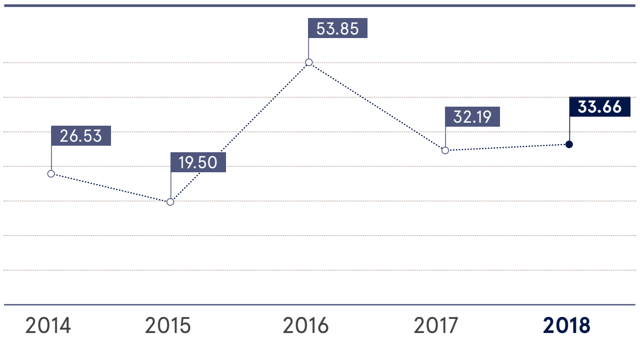
GROUP TOTAL ASSETS ($ MILLION)



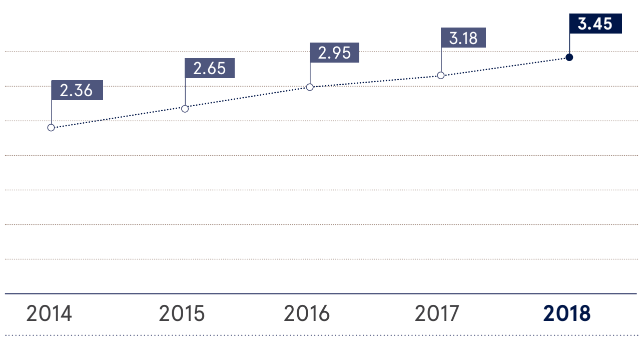
TOTAL EQUITY[5] AND NET DEBT[6] ($ MILLION)



BASIC EARNINGS PER SHARE[7] (CENTS)



NET ASSET VALUE PER SHARE ($)



5 Total equity is defined as total ordinary equity and perpetual securities.
6 Net debt is defined as loans and borrowings less cash and cash equivalents.
7 Based on profit attributable to equity holders of the Company less accrued distribution for perpetual securities holders (if any), and the weighted average number of ordinary shares of the Company in issue, after adjusting for the shares held by the Trust.

BUSINESS REVIEW

"We delivered a healthy set of results, supported by the good sales of our residential developments in Singapore and China, as well as higher contributions from our investment properties in Singapore and Malaysia."

The financial year ended 30 June 2018 ("the Year") has been a positive one for the Group. We delivered a healthy set of results, supported by the good sales of our residential developments in Singapore and China, as well as higher contributions from our investment properties in Singapore and Malaysia.

Our commitment towards quality developments has won us a number of awards during the Year. Leedon Residence clinched the World Gold Winner award at the prestigious FIABCI World Prix d'Excellence Awards 2018 for the Residential (Mid Rise) category. With an international judging panel comprising top real estate professionals and experts, this award is one of the highest honours given out to outstanding projects. Leedon Residence was also conferred the Property Development Excellence Award for Central area at the EdgeProp Singapore Excellence Award 2017.

At the PropertyGuru Asia Property Awards 2017, GuocoLand picked up a total of eight awards, including Best Developer (Asia), for being a leader in urbanisation, mixed-use public spaces and sustainable development. Tanjong Pagar Centre and the various components, namely Guoco Tower, Wallich Residence and Sofitel Singapore City Centre were also awarded the relevant awards in the various categories. In Malaysia, our latest residential development Emerald Hills, picked up the Family-Friendly Excellence Award (from RM350,000) at the StarProperty.my Awards for its well-thought out design.

We remain focused on building our development project pipeline for sustainable growth. On this front, we made selective acquisitions of well-located land sites in Singapore for mixed-use and residential developments to diversify the pipeline of projects which will contribute to future earnings.

Leedon Residence

World Gold Winner

FIABCI World Prix d'Excellence Awards
Residential (Mid Rise) Category

01

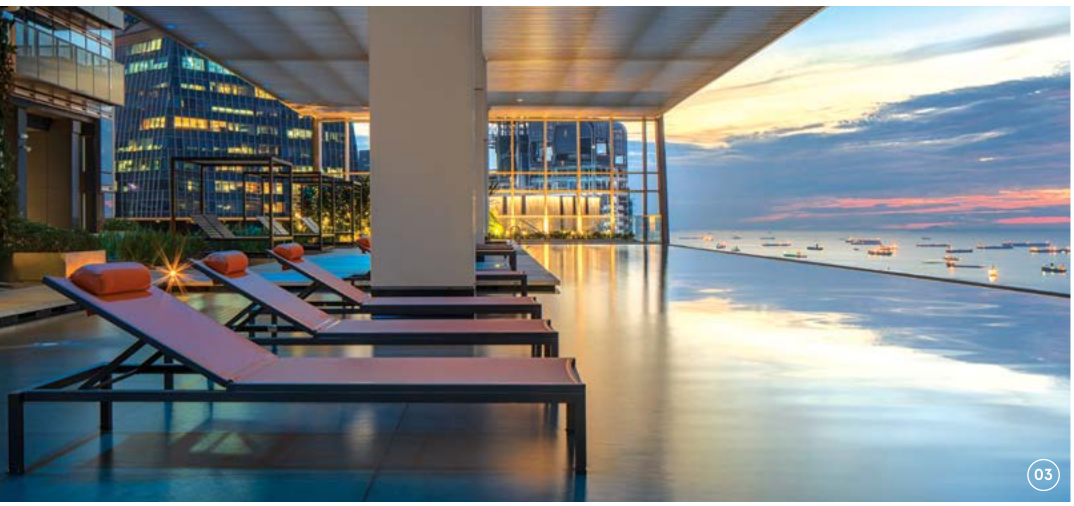
OPERATIONS HIGHLIGHTS

SINGAPORE

Our residential developments have done well in the past Year.

LEEDON RESIDENCE, our award-winning freehold luxury development in popular District 10, has been completely sold. The development's popularity can be attributed to its prime location, rare freehold status and superior design quality. Located in a Good Class Bungalow enclave, this development was designed to integrate seamlessly with its natural surroundings and with functional layouts that give home owners a unique resort lifestyle with generous living spaces and magnificent views.

WALLICH RESIDENCE, Singapore's tallest residential development reaching a height of 290 metres, is part of the iconic Tanjong Pagar Centre landmark in the heart of the Central Business District ("CBD"). Since its completion, buyers have been able to visit the luxury apartments with unparalleled sea and city views starting from 180 metres in the sky. The premium furnishing and a host of private facilities complemented by the hotel-inspired Wallich Concierge Service provides an elevated lifestyle for residents.



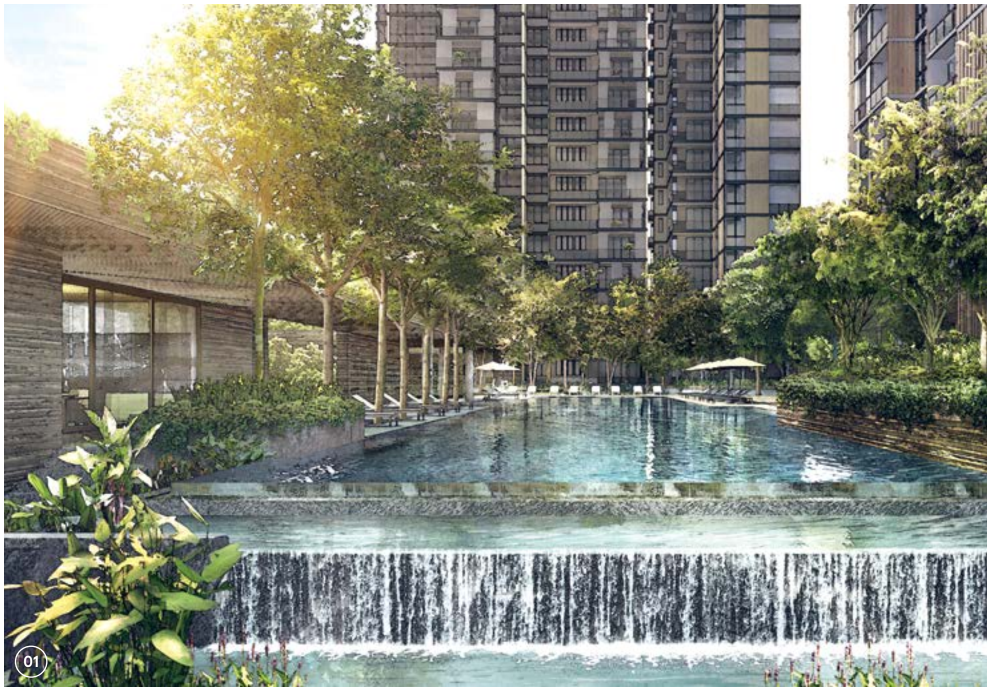
Wallich Residence
180 metres
above sea level

01: Leedon Residence

02: Tanjong Pagar Centre, an iconic integrated development

03: Wallich Residence infinity pool

BUSINESS REVIEW



MARTIN MODERN,

the Group's latest 450-unit residential development, was launched in July 2017 and the project has performed well with more than 60% of units sold currently. Located in the vibrant Robertson Quay in prime District 9, the luxury development is close to Singapore's premier shopping belt Orchard Road, the CBD, the Civic District and Marina Bay. When completed, Martin Modern will feature two towers set amidst a lush botanic garden covering about 80% of the total land area. Inspired by Good Class Bungalows and the Singapore Botanic Gardens, the homes are designed with open living areas, beautiful spaces, and well thought-out landscaping and greenery to provide residents with a private oasis. In future, Martin Modern residents will also enjoy greater connectivity with two MRT stations serving the River Valley area located close by – the current Fort Canning MRT station on the Downtown Line and the upcoming Great World MRT station on the Thomson-East Coast line.

SIMS URBAN OASIS,

the Group's city fringe residential project conveniently located just a five-minute walk from Aljunied MRT station on the East-West line and a 10-minute drive from the CBD, has also been well-received by buyers. The project received its Temporary Occupation Permit in October 2017 and approximately 1% of total units are left for sale currently. The project's good location, easy connectivity to the upcoming Paya Lebar Sub-Regional Centre, future Bidadari Estate and Kallang Riverside, as well as the development's generous green spaces and extensive facilities for active community living have proven to be popular with both owner-occupiers and investors.

TANJONG PAGAR CENTRE

All five components of Tanjong Pagar Centre, the Group's flagship integrated mixed-use development comprising premium Grade A offices at Guoco Tower, a dynamic lifestyle and F&B retail space, luxury apartments at Wallich Residence, the five-star luxury Sofitel Singapore City Centre and a 150,000 square feet ("sq ft") landscaped Tanjong Pagar Park, have been completed.

With the opening of the park, Tanjong Pagar Centre has helped to transform the district by creating vibrancy and injecting life through a wide range of activities for the whole community. Designed as a new central gathering place in Tanjong Pagar, the park is popular for al fresco dining, after work drinks, live music performances, mass workouts, flea market pop-ups and other special events for those who live and work in the vicinity.

01: Martin Modern lap pool artist impression

02: Sims Urban Oasis

03: Tanjong Pagar Park outdoor event space

04: Sofitel Singapore City Centre infinity pool

Martin Modern

450 units

more than 60% sold

Sims Urban Oasis

1,024 units

almost fully sold

Guoco Tower

99%

healthy occupancy rate

GUOCO TOWER, the Grade A office component, continues to provide an exclusive, premium address for tenants from a broad range of industries including financial services, trading, hospitality and real estate, technology, media, consumer and the 'new economy'. Tenants enjoy the efficient floor space with high ceiling height, the prime location in the CBD directly above the Tanjong Pagar MRT station, and the convenient access to dining, retail services and lifestyle amenities within Tanjong Pagar Centre. As at 30 June 2018, Guoco Tower has a healthy occupancy rate of 99%.

The retail component of Tanjong Pagar Centre provides Guoco Tower tenants and residents of Wallich Residence with a well-curated mix of dining and premium lifestyle and wellness options. Spread over six levels and catering to the needs of busy executives, dining choices range from casual local favourites to specialty coffee bars, upscale international flavours and fine delicacies for business lunches, networking dinners or intimate celebrations. As at 30 June 2018, the retail component has a healthy occupancy rate of 98%.

SOFITEL SINGAPORE CITY CENTRE offers 223 luxurious guestrooms and suites for international business and leisure travellers seeking to stay in the heart of the CBD amidst tall skyscrapers and historic shophouses. Also available are 20,000 sq ft of meetings and events space spread across 10 flexible venues for corporate and private bookings. Three lifts that provide direct access to Tanjong Pagar Centre and the MRT are available for the convenience of guests and visitors.

The Group's other investment property in Singapore is the majority-owned 20 Collyer Quay. A 24-storey office building located in a prime spot in Raffles Place overlooking the Marina Bay waterfront, it is approximately a five-minute walk along a sheltered walkway from the Raffles Place MRT interchange station which offers connectivity to the North-South and East-West train lines. The property continues to enjoy a healthy occupancy rate of 93% as at 30 June 2018.

BUSINESS
REVIEW

CHINA

CHANGFENG RESIDENCE

The Group completed the construction of Changfeng Residence, its joint venture project with Guoco Group, in August 2017. The project is in a choice location in Shanghai's Putuo District, close to Changfeng Park, educational institutions and various other amenities. A substantial number of the 664 units available have been sold and the units sold have been handed over to buyers. We are pleased to report a high buyer satisfaction rate on the product quality and the project's contribution has been recognised during the Year.

The Group has two large-scale development projects in the pipeline. These are in the major cities of Shanghai and Chongqing, two of the largest and fastest-growing cities in China with an increasing urban population.

CHANGFENG

The project in Shanghai is well-located in the mature neighbourhood of Changfeng in the Putuo District with a potential gross floor area ("GFA") of approximately 1.5 million sq ft. It is a mixed-use development that will comprise two high-rise and three low-rise office buildings, and a supporting retail, entertainment and cultural centre to bring a variety of dining and lifestyle options to tenants and residents working and living close by.

The office building will be built to international Grade A specifications to offer an attractive and conducive environment for business operations, and higher floors will enjoy views of the popular Changfeng Park located directly across from our development. In line with the Group's commitment to develop environmentally friendly buildings, the office buildings are designed to meet the U.S. Green Building Council's Leadership in Energy and Environmental Design Platinum and Gold certifications, as well as the International WELL Building Institute's Gold and Silver certifications. Our project is one of the few in China and the first commercial project in Shanghai to adopt the WELL Building Standard, which is developed with human health and well-being in mind.

Business travellers will also be able to enjoy the convenience of staying at the adjacent Guoman Hotel Shanghai, which is owned and operated by the Group. The development is expected to benefit from its strategic location in Changfeng, being well-served by several major roads and public transportation networks. The development will be directly connected to the upcoming Shanghai metro station at Changfeng Park, providing even better connectivity in future.

CHONGQING

The Group's other development project is ideally situated in Chongqing's central Yuzhong district, in the vicinity of the Jiefangbei (Liberation Square) CBD. Lying close to the riverfront, the development will offer views of the Yangtze River and is in one of Chongqing's historical neighbourhoods named 18 Steps, which is currently being redeveloped and revitalised into a new urban attraction. Well connected via key thoroughfares running through the Yuzhong peninsula, as well as the adjacent metro station of the No.1 and No.2 metro lines, the mixed-use development will feature prime residential and commercial properties.


01

02

01: Exterior view of Changfeng Residence

02: Guoman Hotel Shanghai

03: Emerald Hills entrance

Changfeng Residence

664 units

almost fully sold

Emerald Hills

21 acres

of open space for leisure activities

MALAYSIA

Amidst a lacklustre property market in Malaysia, the Group continued to focus on the sales of its residential developments. This includes high-rise residential projects such as DC Residensi which is part of the integrated mixed-use Damansara City, The Oval which is located right in the middle of Kuala Lumpur ("KL") city centre with views of the Petronas Twin Towers, as well as landed homes in the township developments of Emerald Rawang and Pantai Sepang Putra.

EMERALD HILLS

The Group launched the first phase of its new development project Emerald Hills during the Year. Located in the mature township of Alam Damai in Cheras, Emerald Hills is a gated and guarded residential development comprising lakefront condominiums and garden terraces. Situated at one of the highest points in Alam Damai, Emerald Hills offers residents a serene, calming home environment with 21 acres of open space, a central park and lake, clubhouse facilities and other facilities for leisure and recreation. The development is also close to several major highways and expressways and residents can expect to benefit from the good connectivity and easy access to KL.

DAMANSARA CITY

Located in the upscale neighbourhood of Damansara Heights at the KL city fringe, Damansara City is a 2.6 million sq ft development comprising luxury apartments at DC Residensi, two Grade A office towers named Menara Guoco and Menara Hong Leong, a F&B-centric DC Mall and the five-star luxury Sofitel Kuala Lumpur Damansara.

Menara Guoco and DC Mall, the office and retail components owned by the Group, continued to enjoy healthy commitment levels of 98% and 80% respectively as at 30 June 2018. Sofitel Kuala Lumpur Damansara, which is operated by AccorHotels, opened its doors in August 2017 and offers 312 rooms for business and leisure travellers. Damansara City is situated a short walk away from KL's new Pusat Bandar Damansara MRT station offering easy access and connectivity to the rest of KL for residents, tenants and travellers.

BUSINESS REVIEW

LOOKING AHEAD

Singapore is one of the Group's core markets and it is where we have established a foothold and built a track record as a quality developer. The recent selected acquisitions of land sites in Singapore will allow us to leverage on our expertise and showcase our development capabilities.

After being awarded the land tender for the Beach Road site in October 2017, the Group has been working hard to obtain the planning and building approvals from the authorities for an integrated mixed-use development. Drawing on our experience at Tanjong Pagar Centre, and cognizant of the changing workplace needs of tenants resulting from new technologies and new lifestyles, we envision a vibrant, innovative development that will provide a dynamic workplace and bring new life into the district. We are excited about this project which is on one of the last available commercial sites in the Downtown Core CBD, and expect to be able to release the details on this exciting development in 2019.

The Group has also successfully tendered for the en bloc acquisitions of Pacific Mansion and Casa Meyfort in Singapore and expects the acquisitions to be completed in the current financial year. These are two freehold sites with advantageous locations in River Valley which is close to Orchard Road, and Meyer Road which is close to the East Coast Park. Set within mature residential zones, the sites are surrounded by many amenities including malls, schools, parks and other residential developments. These sites enjoy good public transport connectivity and are close to the city centre and the CBD. The Group has plans for luxury residential developments offering good views of the surrounding neighbourhood.

The Group's upcoming developments in Shanghai and Chongqing are currently in the final planning stages. We look forward to unveiling the details of the development and target to commence construction of these projects in the current financial year. Chongqing is one of China's fastest growing cities with a growing population and rising income per capita. The official data from China's National Bureau of Statistics show that new home prices in Chongqing have been rising at a steady rate. Given the favourable conditions, our development, which comprises

01: Tanjong Pagar skyline and neighbourhood

02: Night view of Tanjong Pagar Centre and Wallich Residence

03: Emerald 9 façade artist impression

mainly residential components, is well positioned to benefit from Chongqing's future growth prospects.

The property market in Malaysia is expected to remain challenging. Nonetheless, the demand for housing remains healthy from owner-occupiers, especially those priced affordably in sought-after locations with good public transport connectivity and a range of amenities. The Group's next major development in Malaysia is Emerald 9, an integrated residential and commercial project located in the mature neighbourhood of Cheras and close to one of KL's new MRT stations. The Group monitors the market situation closely and this project will be launched according to prevailing market sentiments.

The Group has a healthy pipeline of development projects in Singapore, China and Malaysia. Nonetheless, we continue to be on the lookout for suitable investment opportunities while remaining selective and disciplined as competition for land sites, especially in China, remains intense. While the residential property market sentiment has been dampened by the recent residential property cooling measures, the Group will continue to look for opportunities to acquire suitable land sites.

RAYMOND CHOONG YEE HOW
Group President &
Chief Executive Officer
12 September 2018

Beach Road Site

~90,000 sqm

GFA in Downtown Core

Pacific Mansion & Casa Meyfort

Freehold

sites in good locations

Shanghai Changfeng project

1.5 mil sq ft

mixed-use development

BOARD OF DIRECTORS

MOSES LEE KIM POO, 67
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 2016.

Mr Lee is concurrently the Chairman of Singapore Totalisator Board as well as Chairman of Sentosa Development Corporation, and a Director of M1 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
- M1 Limited, listed on the Singapore Exchange Securities Trading Limited ("SGX-ST")

Past directorships in listed companies held over the preceding 3 years
- Nil

RAYMOND CHOONG YEE HOW, 62
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, and was re-elected as Director at the Company's AGM held on 16 October 2015. Mr Choong is proposed for re-election at the Company's AGM to be held on 25 October 2018.

Mr Choong is the Chairman of GuocoLand (Malaysia) Berhad, an indirect subsidiary of the Company, and Director of Eco World International Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad ("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, listed on Bursa Malaysia
- Eco World International Berhad, listed on Bursa Malaysia

Past directorships in listed companies held over the preceding 3 years
- Nil

QUEK LENG CHAN, 75
Non-Independent Non-Executive Director
Mr Quek was appointed to the Board on 19 December 1988, and was re-appointed as Director at the Company's AGM held on 16 October 2015. He is a member of the Remuneration Committee. Mr Quek is proposed for re-election at the Company's AGM to be held on 25 October 2018.

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 3 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, 65
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 the Executive Chairman of Guoco Group Limited and the Chairman of Lam Soon (Hong Kong) Limited, both listed on HKSE. He was the President, CEO of Guoco Group Limited from 1995 up to 1 September 2016. Mr Kwek is also the Non-Executive Chairman of GL Limited which is listed on SGX-ST. He is concurrently a Director of Hong Leong Company (Malaysia) Berhad, Hong Leong Bank Berhad which is listed on Bursa Malaysia and Bank of Chengdu Co., Ltd which is listed on the Shanghai Stock Exchange. Mr Kwek's present and past directorships in listed companies are set out herein.

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 3 years

- Nil

TIMOTHY TEO LAI WAH, 66

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 2016. He is Chairman of the Audit and Risk Committee and a member of the Nominating Committee.

Mr Teo also serves on the board of GL Limited as Chairman of its Audit and Risk Management Committee as well as charities such as St Luke's ElderCare Ltd and Jurong Health Fund. Mr Teo 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 3 years

- Nil

FRANCIS SIU WAI KEUNG, 64

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 is concurrently a director of BHG Retail Trust Management Pte. Ltd., which manages BHG Retail REIT listed on SGX-ST. 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
- CGN Power Co., Ltd
- China International Capital Corporation Ltd

Mr Siu is an Independent Non-Executive Director of the above companies, all listed on HKSE.

Past directorships in listed companies held over the preceding 3 years

- Nil

ABDULLAH BIN TARMUGI, 74

Independent Non-Executive Director

Mr Abdullah was appointed to the Board on 1 March 2012, and was re-appointed as Director at the Company's AGM held on 16 October 2015. He is the Chairman of the Nominating Committee and Remuneration Committee. Mr Abdullah is proposed for re-election at the Company's AGM to be held on 25 October 2018.

Mr Abdullah also serves on the boards of Goodhope Asia Holdings Ltd, The Islamic Bank of Asia Limited, Summit Power International Pte Ltd and iShine Cloud Limited. He is a member of the Presidential Council for Minority Rights, National University of Singapore Board of Trustees, Tsao Foundation, 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 3 years

- Nil

BOARD OF DIRECTORS

LIM SUAT JIEN, 61

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 2016. Ms Lim 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, 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 School of Business Advisory Committee, Temasek Polytechnic and 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

- Nil

Past directorships in listed companies held over the preceding 3 years

- Nil

JENNIE CHUA KHENG YENG, 74

Independent Non-Executive Director

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

Ms Chua sits on the boards of two other entities listed on SGX-ST i.e. GL Limited and Far East Orchard Limited. 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 Committee Member of 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 and Singapore's Non-Resident Ambassador to The United Mexican States. 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 3 years

- Nil

TANG HONG CHEONG, 63

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 2016.

Mr Tang is a Director and the President & CEO of Guoco Group Limited as well as a Director of Lam Soon (Hong Kong) Limited, both 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 Real Estate Investment Trust ("Tower REIT"). Tower REIT, which is listed on Bursa Malaysia, is an associate of the Company.

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

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

Past directorship in listed companies held over the preceding 3 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. He is also a director of Eco World International Berhad. He joined the Group in 2012, as Chief Operating Officer of GuocoLand Singapore, before becoming Managing Director, Group Project Office in GuocoLand Limited. 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 Redevelopment Authority's Design Advisory Committee as well as Heritage and Identity Partnership. He is also a member of the Urban Land Institute Singapore Executive Committee. 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 32 years of experience in the property development and construction industry, of which 19 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 28 years of experience in the property development and construction industry. He started his career as a Senior Architect in BEP Arkitek Sdn Bhd. He served as the Director of Project and Product Planning of Perdana Parkcity Sdn Bhd from 2003 to 2008, where he played a major role in the planning and designing of the township called Desa ParkCity, Kuala Lumpur. He joined TA Global Berhad in April 2008 as the Director of Planning & Design and was then promoted to Chief Operating Officer in August 2008. Prior to joining GuocoLand, he was Group Managing Director of Tropicana Corporation Berhad. Datuk Kong holds a Bachelor of Architecture (Honours) from University of Wales Institute of Science and Technology, Wales, United Kingdom. He is a member of the Architects Registration Board in the United Kingdom and a corporate member of Pertubuhan Akitek Malaysia.

GROUP CHIEF FINANCIAL OFFICER

MR MICHAEL LIM
Mr Michael Lim is the Group Chief Financial Officer ("CFO"). He joined the Group in August 2018. 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. Mr Lim has more than 25 years of experience in various industries in China, Hong Kong and Malaysia. Prior to joining GuocoLand, he was the CFO of Lafarge Malaysia Berhad. Other previous senior management positions held include Group CFO of The Lion Group, CFO of CP Lotus Corporation, and CFO (China) of Sun Hung Kai Properties. Mr Lim holds a Master of Science in Management from the London Business School, a Master of Business Administration from the University of Strathclyde, United Kingdom and a Bachelor of Laws from the University of London. He is a fellow member of the Chartered Institute of Management Accountants, United Kingdom and the Hong Kong Institute of Certified Public Accountants; and a member of the Malaysian Institute of Accountants.

SUSTAINABILITY OVERVIEW

GuocoLand is focused on achieving sustainable growth in its core markets and has published its first Sustainability Report to disclose our sustainability outlook.

The report discusses our sustainability performance for the financial year ended 30 June 2018 and will be published annually. It has been prepared with reference to the Global Reporting Initiative Standards: Core option, and will focus on our Singapore operations. We have included data for our China operations, where available, and will continue to enhance our data collection process going forward. Our subsidiary, GuocoLand (Malaysia) Berhad, issues a separate sustainability report.

Through the report, GuocoLand aims to present and share its commitment to sustainability with its varied and valued stakeholders.

GuocoLand has not obtained any independent assurance of the information being reported for the financial year ended 30 June 2018, but may consider to do so in future.

In line with the Group's sustainability efforts, the full Sustainability Report is published exclusively online and is available for download from the corporate website at https://www.guocoland.com.sg/sustainabilityreports.shtml.

STAKEHOLDER ENGAGEMENT

Understanding and engaging with our stakeholders is fundamental to sustainable growth. We identify our key stakeholders by assessing their dependence on, involvement in, as well as influence on our business. The table below lays out our engagement processes with these key stakeholders:

STAKEHOLDER	FREQUENCY	METHOD	TOPICS RAISED	OUR RESPONSE
EMPLOYEES	· Weekly · Monthly · Annual · Ad hoc	· Festive celebrations · Management meetings · Performance review discussions · Lunch talks · Knowledge sharing sessions · Staff excursion · Internal newsletters and e-communications	· Welfare · Health and wellbeing · Performance	Refer to Nurturing Our Workforce in the Sustainability Report
INVESTORS	· Quarterly · Annual	· Annual General Meeting · Investor meetings · Quarterly results announcements · Email and phone communication · Property visits	· Long term value creation · Strategy for growth · Corporate Governance	Refer to Chairman's Statement, Business Review and Corporate Governance sections, and Business Ethics and Anti-corruption in the Sustainability Report

STAKEHOLDER	FREQUENCY	METHOD	TOPICS RAISED	OUR RESPONSE
TENANTS/ CUSTOMERS (PROPERTY)	• Weekly • Monthly	• Emails • Letters • Network sessions • Lunches • Individual meetings	• Operational and sales matters • Space and lease management planning	Refer to Product Quality, Health and Safety and Business Ethics and Anti-corruption in the Sustainability Report
REGULATORS/ GOVERNMENT	• Ad hoc	• On-site inspections • In-person meetings • Emails • Telephone communication	• Environmental compliance • Labour standard compliance • SGX listing requirements	Refer to Reducing our Environmental Footprint and Product Quality, Health and Safety in the Sustainability Report
SUPPLIERS	• Regularly	• On-site inspections • In-person meetings	• Occupational health and safety • Product quality, health and safety • Environmental compliance • Labour standards	Refer to Occupational Health and Safety in the Sustainability Report

SUSTAINABILITY GOVERNANCE

We have established a sustainability committee to facilitate the adoption and integration of our sustainability agenda and to oversee its management. The committee gathers information from our various departments and stakeholders, including Human Resources, Finance and Facilities Management. This information is presented to our Board of Directors and is capitalised on to update and improve upon our strategy.

SUSTAINABILITY OVERVIEW

MATERIALITY ASSESSMENT

To conduct our materiality assessment, we procured feedback from stakeholders and employees and also gathered industry standards to establish a preliminary shortlist of material factors. Through a workshop, we narrowed down these factors by determining what are considered to be our greatest impacts on the environment, economy and communities.

Although the scope of our report does not cover our China operations, where we have data on operations based in China, we have chosen to include it in our report.

MATERIAL TOPICS	GRI STANDARD REPORTED	GEOGRAPHICAL BOUNDARY REPORTED FOR FY 2018	IMPACT BOUNDARY
Reducing our Environmental Footprint			
Energy Consumption	• Energy (GRI 302)	Singapore, China	• Managed properties and hotel
Environmental Compliance	• Environmental Compliance (GRI 307)	Singapore, China	• All construction projects
Nurturing our Workforce			
Human Capital Development	• Employment (GRI 401) • Training and Education (GRI 404)	Singapore, China	• Employees
Occupational Health & Safety	• Occupational Health and Safety (GRI 403)	Singapore	• Employees • Workers • Tenants • Visitors
Doing Ethical Business			
Business Ethics and Anti-corruption	• Anti-corruption (GRI 205)	Singapore	• All business operations
Product Quality, Health and Safety	• Customer Health and Safety (GRI 416)	Singapore, China	• All construction projects

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CORPORATE GOVERNANCE

GuocoLand Limited (the "Company") is committed to maintaining high standards of corporate governance and endeavours to continuously keep abreast of new developments and practices in corporate governance. During the financial year ended 30 June 2018 ("FY2018"), the Company supported the Corporate Governance – Statement Of Support 2017 (organised by the Securities Investors Association Singapore) to demonstrate its commitment to uphold high standards of corporate governance to enhance shareholders value.

The Company has established its own Code of corporate governance ("Company Code") comprising the terms of reference for the Board of Directors and its Committees which are substantially in line with the principles and guidelines of the Code of Corporate Governance 2012 ("Code 2012"). Such terms of reference are being reviewed periodically and updated as appropriate. During the FY2018, the Company adhered to the provisions of the Code 2012 as presented below.

(A) BOARD MATTERS

Principle 1
Board's Conduct of its Affairs

The Company is headed by an effective Board which oversees the business affairs of the Group. The Board 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 and the Group;

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

(c) establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(d) reviewing Management's performance;

(e) identifying the key stakeholder groups and recognizing that their perceptions affect the Company's reputation; and

(f) considering sustainability issues including environmental, social and governance factors as part of the Company's overall strategy.

The Board also sets the Company's value and standards through codes of conduct and corporate policies and procedures handbook which are being emphasized regularly to serve as constant reminders to its executives. The Company has a strong corporate culture exemplified by its core values which are set out in the Company's intranet system and readily accessible by employees.

In accordance with the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company has issued its Sustainability Report for FY2018 ("SR 2018") which describes *inter alia*, the Company's sustainability governance and practices in the Group's business operations and dealings with its stakeholders. The Environmental, Social and Governance (ESG) factors that are material to the Company and its stakeholders have been identified and are also described in the SR 2018.

CORPORATE

GOVERNANCE

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.

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 FY2018, the financial results announcements of the Company and interested person transactions which required announcements to be made.

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 quarterly 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 FY2018, 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:

2017/2018 Meetings Attendance	**Board**	**ARC**	**NC**	**RC**	**AGM**
Total Number of Meetings	**4**	**4**	**1**	**2**	**1**
Moses Lee Kim Poo	4	1	–	–	1
Raymond Choong Yee How	4	4	–	1	1
Quek Leng Chan	4	–	–	2	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	2	1
Lim Suat Jien	4	4	–	–	1
Jennie Chua Kheng Yeng	4	–	–	2	1
Tang Hong Cheong	4	–	–	–	1

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, Code 2012 and Guidebook setting out the duties and obligations of Directors of the Company, etc.

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 Essentials co-organised by SID and the Institute of Singapore Chartered Accountants and supported by Accounting and Corporate Regulatory Authority ("ACRA"), where relevant.

CORPORATE GOVERNANCE

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.

Training for Directors

The Company will arrange for new Directors to attend the training in the relevant areas as appropriate. All Directors are updated regularly on key regulatory and accounting changes and risk management at Board meetings. During the FY2018, Directors attended training programmes and seminars organised by SID such as SID Directors Conference 2017 and Master classes for Directors. Directors are also informed of other training programmes and seminars organised by SGX-ST, ACRA and KPMG. The NC has reviewed the training and professional development programmes attended by Directors and supported by the Company. To further enhance the Directors' understanding of the Group's business, they had visited the Group's development projects in Singapore as well as overseas operations.

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 based on the definition of independence and guidance on relationships which could deem a director not to be independent as set out in the Code 2012 e.g. relationship with the Company, its officers, related corporations and major shareholder(s). 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 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 benefits 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.

CORPORATE GOVERNANCE

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. To enhance the Board's competencies, induction programme will be conducted for newly appointed Directors as described under Principle 1 above.

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.

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.

Non-Executive Directors are encouraged to constructively challenge and help develop proposals on strategy. During the FY2018, 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).

CORPORATE GOVERNANCE

The terms of reference of the NC are set out in the Company's 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.

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. The NC will review the profile of the candidate proposed for appointment, having regard to the competencies, skills, professional expertise, experiences, background and track record, and make recommendation to the Board on the appointment of new Director. The NC is also tasked to review succession and renewal plans for Board continuation.

As prescribed by the Company's Constitution and recommended by the Code 2012, 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 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-appointment/re-election, academic and professional qualifications, background and experience, directorships or chairmanships in other listed companies and principal commitments over the past 3 years, and other relevant information can be found in the "Board of Directors" section of this Annual Report.

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 FY2018, 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.

Principle 6
Access to Information

In order to enable the Directors to make informed decisions in the discharge of their duties and responsibilities, Management recognizes the importance of providing the Board with relevant, complete and adequate information in a timely manner.

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.

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Directors have separate and independent access to 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 have access to independent professional advice at the Company's expense, in consultation with the CEO of the Company.

(B) REMUNERATION MATTERS

Principle 7
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's 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 Executives' Share Option Scheme ("ESOS"). 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 RC may seek remuneration consultants' advice on remuneration matters for Directors as it deems appropriate. For the FY2018, 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 or the CEO).

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Principle 8
Level and Mix of Remuneration

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.

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 incentives in the form of affirmative action bonus and value creation incentive are also incorporated in the remuneration framework of key management personnel. The Company also has a performance-linked ESOS.

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.

Principle 9
Disclosure on Remuneration

Directors and CEO

The breakdown of remuneration of Directors and CEO of the Company for the FY2018 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	31,305	141,305
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	–	–	86,000	–	86,000
Lim Suat Jien	–	–	110,000	–	110,000
Jennie Chua Kheng Yeng	–	–	75,000	–	75,000
Tang Hong Cheong	–	–	–	–	–
				Total	647,305

CEO	**%**	**%**	**%**	**%**	**%**
S$4.75 million to S$5 million					
Raymond Choong Yee How	33.4	66.1	-	0.5	100

Having considered the guidelines in the Code 2012 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 FY2018 which aggregate to S$647,305 and will be tabled at the forthcoming AGM under Agenda Item No. 3 for shareholders' approval.

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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. For the FY2018, there were 20 million share options granted to the CEO.

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 4 key management personnel (who are not Directors or the CEO), comprising mainly salaries and bonuses, aggregated to a total remuneration of S$4,317,820 for the FY2018. The number of key management personnel (who are not Directors or the CEO) under each remuneration bands of S$250,000 is set out below:

Total Remuneration in Bands of S$250,000	**Number of Key Management Personnel (who are not Directors or the CEO)**
S$1,500,001 to S$1,750,000	1
S$1,250,001 to S$1,500,000	1
S$750,001 to S$1,000,000	1
S$500,001 to S$750,000	1
	4

As regards the Company's ESOS, the details of which are set out in the Directors' Statement and Note 29 to the Financial Statements. For the FY2018, the Company has announced an aggregate grant of 39.7 million share options to the CEO and certain key management personnel.

During the financial year, there was no termination, retirement and post-employment benefits granted to Directors, the CEO and the top 4 key management personnel (who are not Directors or the CEO).

The Company and its principal subsidiaries do not have any employees who are the immediate family members of any of the Directors or the CEO and whose remuneration exceeded S$50,000 for the FY2018.

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(C) ACCOUNTABILITY AND AUDIT

Principle 10
Accountability

The Board is committed to provide shareholders with a balanced and understandable assessment of the Company's financial performance, position, and prospects. Such information are furnished through the Company's announcements of its quarterly, interim and annual financial results and press releases (where appropriate) to the SGX-ST.

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. On a quarterly basis, the Company Secretary would update the Board on salient laws and regulations that might have an impact on the Company or the Group's business operations.

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.

Principle 11
Risk Management and Internal Controls

The Board recognizes the importance of risk management and the need to establish a sound system of internal controls to safeguard shareholders' interests/investments and the Group's assets. 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 control 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.

<u>Key Risks</u>

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 33 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 information technology 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 with key risks profile update on a half-yearly basis. 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.

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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, and the Group's risk management and internal control systems are effective and adequate.

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 2018.

Principle 12
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. 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's 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 quarterly, interim and full-year results prior to submission to the Board;
- 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 scope and results of the external audit;
- meeting with the Company's external auditors and IA, in the absence of Management;

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- reviewing the independence of the Company's external auditors. 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 26 to the Financial Statements; the ARC is satisfied with the independence and objectivity of the external auditors;
- making recommendations to the Board on the re-appointment of the external auditors;
- 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 raised by staff of the Company or external parties, and that appropriate follow up action has been taken; 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 FY2018, 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 FY2018. 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 and the underlying key assumptions applied in the valuation of investment properties. 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.

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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 31 to the Financial Statements.

The external auditors keep the ARC apprised of any changes to the accounting standards and issues which have a direct impact on the Company's Financial Statements periodically at the ARC meeting.

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.

Principle 13
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 FY2018, 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 and effectiveness 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) COMMUNICATION WITH SHAREHOLDERS

Principle 14
Shareholder Rights

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 sufficient and regular information to its shareholders on the development of the Company's business and financial performance that could materially affect the price or value of the Company's shares.

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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 are sent to all shareholders by post, published in a local newspaper, announced via SGXNET and uploaded on the Company's website. General meetings are 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.

Principle 15
Communication 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, 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, Annual Reports, etc.

Investor Relations Policy

The Company has a Corporate Communications & Investor Relations department, and regularly conveys to shareholders, information on the Company's financial performance, position and prospects in the Company's Annual Reports and on the Company's website. In addition, the Company keeps shareholders apprised of the Group's corporate development by disseminating press releases to the media which are also uploaded on the Company's website and releasing announcements via SGXNET, when appropriate. Investors may also subscribe to receive the latest updates on the Group via the Company's website.

To facilitate access to pertinent information, a clearly dedicated "Investors & Media" link is provided on the Company's website and its Corporate Communications & Investor Relations contacts e.g. email link is also available to facilitate communication. 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

During the FY2018, the Company announced its unaudited quarterly results within 30 days for its first and third quarter ended. Its full-year audited financial results were announced within 60 days of the FY2018. 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.

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Release of Annual Report

In line with the Company's sustainability efforts towards environmental conservation, from FY2018, the Company will make available its Annual Reports and Circulars/Addendums (the "AGM Document") on its corporate website, in place of them being produced and distributed in the form of CD-ROMs. The Notice of AGM, Proxy Form and Request Form will be sent to shareholders to, *inter alia*, notify them of the AGM and the availability of the AGM Document on the Company's website. Shareholders may, if they prefer, request for a printed copy of the AGM Document.

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.

Dividend

The Company does not have a fixed dividend policy. The amount of dividends depend on the Company's earnings, cash flow, capital requirements, general financial and business conditions and other relevant factors as the Board deems appropriate. Embracing the consistent approach as in previous years, the Board will be proposing at the forthcoming AGM in October 2018, the declaration of a first and final tax exempt one-tier dividend of 7 cents per ordinary share in respect of the FY2018. The proposed dividend, when approved by shareholders at the AGM, shall be paid on 22 November 2018.

Principle 16
Conduct of Shareholder 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 affecting 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, adoption of a new executive share scheme in place of the Company's existing ESOS, 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.

Voting Process & Appointment of Independent Scrutineer

To promote effective shareholders' participation and enhance transparency of the voting process at general meetings, the Company had since its 2012 AGM implemented electronic poll voting and will continue to adopt the electronic poll voting system at its forthcoming AGM in October 2018. The electronic voting procedures are 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.

Minutes of AGM

Minutes of the AGM which incorporated substantial comments or queries from shareholders and responses from the Board and Management are prepared and are available to shareholders upon request.

CORPORATE
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Attendance of Directors, CEO and Committees Chairmen at 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.

(E) DEALINGS IN SECURITIES

The Company's 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 defined as two weeks immediately preceding the announcement of the Company's quarterly results or half yearly results and one month preceding the announcement of the annual results, as the case may be, 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 on a quarterly basis to serve as reminder.

(F) CODE OF CONDUCT

The Company has established a Code of Conduct which is incorporated in its Employee Handbook. 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 Employee Handbook 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.

(G) 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 actions 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 2018

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 2018.

In our opinion:

a. the financial statements set out on pages 53 to 135 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 2018 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; 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'
STATEMENT

For The Year Ended 30 June 2018

DIRECTORS' INTERESTS

According to the register 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 2017	**As at 30 June 2018**	**As at 1 July 2017**	**As at 30 June 2018**
Company	Fully Paid Ordinary Shares[1]			
Quek Leng Chan	13,333,333	13,333,333	819,266,530	819,266,530
Kwek Leng Hai	35,290,914	35,290,914	-	-
Timothy Teo Lai Wah	33,333	-	-	-
Tang Hong Cheong	65,000	65,000	-	-
	Medium-Term Notes*			
Moses Lee Kim Poo	750,000	750,000	-	-
	Options to subscribe for Ordinary Shares			
Raymond Choong Yee How	-	20,000,000	-	-
Tang Hong Cheong	800,000	800,000	-	-
Intermediate Holding Company				
Guoco Group Limited	Ordinary Shares of US$0.50 each fully paid			
Quek Leng Chan	1,056,325	1,056,325	241,151,792	241,151,792
Kwek Leng Hai	3,800,775	3,800,775	-	-
Tang Hong Cheong	10,000	10,000	-	-
	Options to subscribe for Ordinary Shares			
Tang Hong Cheong	120,000	120,000	-	-
Ultimate Holding Company				
Hong Leong Company (Malaysia) Berhad	Fully Paid Ordinary Shares[2]			
Quek Leng Chan	390,000	390,000	7,537,100	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	90,000	195,000	-	-
	Options to subscribe for Ordinary Shares			
Tang Hong Cheong	210,000	105,000	-	-

* Please refer to Note 19 to the Financial Statements.

DIRECTORS' STATEMENT

For The Year Ended 30 June 2018

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	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 stocks^			
		As at 1 July 2017	As at 30 June 2018	As at 1 July 2017	As at 30 June 2018
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	1,346,237,169
Hong Leong MSIG Takaful Berhad	(2)	–	–	65,000,000	65,000,000
Hong Leong Assurance Berhad	(2)	–	–	140,000,000	140,000,000
Hong Leong Industries Berhad	(2)	–	–	242,665,670	242,665,670
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
Century Touch Sdn Bhd (In members' voluntary liquidation)	(2)	–	–	6,545,001	6,545,001
Varinet Sdn Bhd (In members' voluntary liquidation)	(2)	–	–	10,560,627	10,560,627
Malaysian Pacific Industries Berhad	(2)	–	–	108,950,757	108,715,257
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
Southern Steel Berhad	(2)	–	–	292,169,709	292,169,709
	(2)	–	–	140,076,337^	140,076,337^
Southern Pipe Industry (Malaysia) Sdn Bhd	(2)	–	–	123,372,953	124,964,153
TPC Commercial Pte. Ltd.	(1)	–	–	189,600,000	189,600,000
TPC Hotel Pte. Ltd.	(1)	–	–	8,000,000	62,400,000
Wallich Residence Pte. Ltd.	(1)	–	–	24,000,000	24,000,000
GLL A Pte. Ltd.	(1)	–	–	1 (6)	10 (7)
GLL Chengdu Pte. Ltd.	(1)	–	–	149,597,307	149,597,307
GLL Prosper Pte. Ltd.	(1)	–	–	–	184,000,000 (7)
GLL Thrive Pte. Ltd.	(1)	–	–	–	32,000,000 (7)
Beijing Ming Hua Property Co., Ltd	(3)	–	–	150,000,000	150,000,000

DIRECTORS'
STATEMENT

For The Year Ended 30 June 2018

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	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 stocks^			
		As at 1 July 2017	As at 30 June 2018	As at 1 July 2017	As at 30 June 2018
Shanghai Xinhaojia Property Development Co., Ltd	(3)	–	–	3,150,000,000	3,150,000,000
Shanghai Xinhaozhong Holding Co., Ltd	(3)	–	–	490,000	490,000
JB Parade Sdn Bhd	(2)	–	–	28,000,000	28,000,000
	(2)	–	–	68,594,000 (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	(4)	–	–	6,570,000	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
(formerly known as Continental Estates Sdn Bhd)	(2)	–	–	123,502,605 (Redeemable Preference Shares)	123,502,605 (Redeemable Preference Shares)
GL Limited	US$0.20	735,000	735,000	922,283,734	922,283,734
The Rank Group Plc	GBP13 8/9p	285,207	285,207	219,582,221	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	–	–
Malaysian Pacific Industries Berhad	(2)	71,250	71,250	–	–
The Rank Group Plc	GBP13 8/9p	1,026,209	1,026,209	–	–

DIRECTORS'
STATEMENT

For The Year Ended 30 June 2018

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	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 stocks^			
		As at 1 July 2017	As at 30 June 2018	As at 1 July 2017	As at 30 June 2018
Interests of Raymond Choong Yee How in Related Corporations					
Hong Leong Financial Group Berhad	(2)	3,996,400	3,000,000	–	–
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	300,000	300,000	–	–
		130,000 (Options to subscribe for Ordinary Shares)	130,000 (Options to subscribe for Ordinary Shares)	–	–
Hong Leong Industries Berhad	(2)	300,000	300,000	15,000	15,000
Hong Leong Financial Group Berhad	(2)	178,000	249,146	–	–
		71,146 (Options to subscribe for Ordinary Shares)	–	–	–
Hume Industries Berhad	(2)	1,275,600	1,275,600	16,200	16,200
		130,000 (Options to subscribe for Ordinary Shares)	130,000 (Options to subscribe for Ordinary Shares)	–	–
Southern Steel Berhad	(2)	1,000	71,000	–	–
		130,000 (Options to subscribe for Ordinary Shares)	60,000 (Options to subscribe for Ordinary Shares)	–	–

DIRECTORS'

STATEMENT

For The Year Ended 30 June 2018

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	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 stocks^			
		As at 1 July 2017	As at 30 June 2018	As at 1 July 2017	As at 30 June 2018
The Rank Group Plc	GBP13 8/9p	-	70,000	-	-
		200,000 (Options to subscribe for Ordinary Shares)	130,000 (Options to subscribe for Ordinary Shares)	-	-
Lam Soon (Hong Kong) Limited	[5]	-	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 New Companies Ordinance (Chapter 622), Hong Kong.

(6) A wholly-owned subsidiary.

(7) Became a non-wholly owned subsidiary during the financial year.

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 2018.

Except as disclosed under "Share Options" 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.

DIRECTORS'
STATEMENT

For The Year Ended 30 June 2018

DIRECTORS' INTERESTS (CONT'D)

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 OPTIONS

The GuocoLand Limited Executives' Share Option Scheme ("ESOS")

a. The ESOS was approved by shareholders of the Company on 17 October 2008 and further aproved by shareholders of Guoco Group Limited (an intermediate holding company of the Company) on 21 November 2008 ("ESOS 2008"), to replace the Company's former ESOS ("ESOS 2004"), which expired in December 2008. The terms of the ESOS 2008 are substantially similar to those of the ESOS 2004. The ESOS 2008 shall continue to be in force for a maximum of 10 years from 21 November 2008 till 20 November 2018.

b. Under the ESOS 2008, options may be granted over newly issued and/or existing issued ordinary shares of the Company ("Shares"). During the financial year, the ESOS 2008 was 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. The ESOS 2008 provides for options to be granted to selected key executives of the Company ("Participants").

c. Details relating to options granted to Participants pursuant to the ESOS 2008 are as follows:

Participants	Options granted during the financial year (including terms*)	Aggregate options granted since the commencement of the ESOS to end of financial year	Aggregate options exercised since the commencement of the ESOS to end of financial year	Aggregate options lapsed since the commencement of the ESOS to end of financial year	Aggregate options outstanding as at end of financial year
Executive Director Raymond Choong Yee How	20,000,000	20,000,000	–	–	20,000,000
Executives	19,700,000	87,390,418	(20,780,300)	(46,910,118)	19,700,000
Total	39,700,000	107,390,418	(20,780,300)	(46,910,118)	39,700,000

* The 39,700,000 options 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.

DIRECTORS'
STATEMENT

For The Year Ended 30 June 2018

SHARE OPTIONS (CONT'D)

d. Save as disclosed in c. and f., there was no Participant who has received 5% or more of the total number of options available under the ESOS 2008, and no options were exercised or lapsed, during the financial year. Further, no new Shares were issued pursuant to the ESOS 2008.

e. Other information regarding the above options is as follows:

(i) In relation to ESOS 2008, the exercise price per Share shall be fixed as follows:

(a) where the option is granted without any discount, the exercise price shall be a price equal to the 5-day weighted average market price of the Shares immediately prior to the date of grant of the option for which there was trading in the Shares ("Market Price"); and

(b) where the option is granted at a discount, the exercise price shall be the Market Price discounted by not more than:

(1) 20%; or

(2) such other maximum discount as may be permitted under the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual.

(ii) An option may be exercisable on any date after the following date:

(a) where the option is granted without any discount:

(1) the second anniversary of the date of grant (for employees who have been employed for less than one year); or

(2) the first anniversary of the date of grant (for all other employees);

(b) where the option is granted at a discount, the second anniversary of the date of grant,

and to end on a date not later than 10 years after the date of grant.

(iii) The persons 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.

f. Since the commencement of the ESOS, no options have been granted to controlling shareholders of the Company and their associates or parent group employees.

g. In relation to the Company's subsidiary, GuocoLand (Malaysia) Berhad ("GLM"), options of 20,000,000 GLM shares were granted pursuant to the GLM's Value Creation Incentive Plan during the financial year, of which 2,000,000 options had lapsed following the resignation of a grantee in June 2018. Please refer to Note 29 to the Financial Statements for the details of the share options.

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 2018

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*
Francis Siu Wai Keung
Lim Suat Jien

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 2012.

The ARC held four meetings during the financial year. In performing its functions, the ARC had met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system.

The ARC also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the Board of Directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual);
- 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 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 2018.

DIRECTORS' STATEMENT

For The Year Ended 30 June 2018

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 2018

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 2018, 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 53 to 135.

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 Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2018 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.

INDEPENDENT

AUDITORS' REPORT

Members of the Company
GuocoLand Limited

VALUATION OF INVESTMENT PROPERTIES ($4.6 BILLION)
(Refer to Note 5 to the financial statements)

Risk

The Group owns a portfolio of investment properties in Singapore, Malaysia and China. As at 30 June 2018, the investment properties represent the single largest asset category on the statement of financial position.

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

Our response

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

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

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

Our findings

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

INDEPENDENT
AUDITORS' REPORT

Members of the Company
GuocoLand Limited

VALUATION OF DEVELOPMENT PROPERTIES ($3.0 BILLION)
(Refer to Note 10 to the financial statements)

Risk

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

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

Our response

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

Our findings

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

Other information

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

INDEPENDENT
AUDITORS' REPORT

Members of the Company
GuocoLand Limited

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 FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT

AUDITORS' REPORT

Members of the Company
GuocoLand Limited

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 2018

STATEMENTS OF

FINANCIAL POSITION

As At 30 June 2018

		Group		Company	
		2018	**2017**	**2018**	**2017**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets					
Property, plant and equipment	4	**618,054**	623,806	**–**	–
Investment properties	5	**4,623,436**	3,053,287	**–**	–
Subsidiaries	6	**–**	–	**1,970,630**	1,966,514
Associates and joint ventures	7	**890,121**	675,616	**–**	–
Other investments	8	**–**	507	**–**	–
Deferred tax assets	9	**21,440**	19,557	**–**	–
		6,153,051	4,372,773	**1,970,630**	1,966,514
Current assets					
Inventories	10	**2,957,876**	2,798,504	**–**	–
Deposits for land	11	**–**	466,893	**–**	–
Trade and other receivables, including derivatives	12	**503,376**	199,022	**7,021**	6
Cash and cash equivalents	15	**884,934**	1,118,483	**225**	206
		4,346,186	4,582,902	**7,246**	212
Total assets		**10,499,237**	8,955,675	**1,977,876**	1,966,726
Equity					
Share capital	16	**1,926,053**	1,926,053	**1,926,053**	1,926,053
Reserves	17	**1,901,549**	1,603,809	**20,315**	8,438
Equity attributable to ordinary equity holders of the Company		**3,827,602**	3,529,862	**1,946,368**	1,934,491
Perpetual securities	18	**404,976**	–	**–**	–
		4,232,578	3,529,862	**1,946,368**	1,934,491
Non-controlling interests	6	**408,916**	303,571	**–**	–
Total equity		**4,641,494**	3,833,433	**1,946,368**	1,934,491
Non-current liabilities					
Other payables, including derivatives	21	**550,907**	342,560	**30,528**	31,298
Loans and borrowings	19	**3,291,844**	2,254,031	**–**	–
Deferred tax liabilities	9	**62,263**	33,717	**–**	–
		3,905,014	2,630,308	**30,528**	31,298
Current liabilities					
Trade and other payables, including derivatives	20	**301,113**	377,329	**933**	859
Loans and borrowings	19	**1,631,960**	2,090,477	**–**	–
Current tax liabilities		**19,656**	24,128	**47**	78
		1,952,729	2,491,934	**980**	937
Total liabilities		**5,857,743**	5,122,242	**31,508**	32,235
Total equity and liabilities		**10,499,237**	8,955,675	**1,977,876**	1,966,726

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

CONSOLIDATED STATEMENT OF

PROFIT OR LOSS

For The Year Ended 30 June 2018

	Note	2018 $'000	2017 $'000
Revenue	22	**1,160,181**	1,113,191
Cost of sales		**(880,090)**	(860,481)
Gross profit		**280,091**	252,710
Other income	23	**164,478**	318,193
Administrative expenses		**(90,620)**	(73,437)
Other expenses	24	**(14,257)**	(14,219)
Finance costs	25	**(96,247)**	(72,392)
Share of profit of associates and joint ventures (net of tax)	7	**203,598**	44,945
Profit before tax	26	**447,043**	455,800
Tax expense	27	**(54,307)**	(43,230)
Profit for the year		**392,736**	412,570
Profit attributable to:			
Equity holders of the Company		**381,270**	357,185
Non-controlling interests		**11,466**	55,385
Profit for the year		**392,736**	412,570
Earnings per share (cents)	28		
Basic		**33.66**	32.19
Diluted		**33.61**	32.19

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

CONSOLIDATED STATEMENT OF

COMPREHENSIVE INCOME

For The Year Ended 30 June 2018

	Note	2018 $'000	2017 $'000
Profit for the year		**392,736**	412,570
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		**47,867**	(7,674)
Translation reserve of subsidiaries reclassified to profit or loss upon disposal	32c	**(11,724)**	-
Effective portion of changes in fair value of cash flow hedges		**(1,703)**	-
Effective portion of changes in fair value of net investment hedges		**(14,880)**	-
Net change in fair value of available-for-sale securities		**(239)**	329
Fair value reserve relating to available-for-sale securities reclassified to profit or loss upon disposal		**(1,101)**	230
Total other comprehensive income for the year, net of tax		**18,220**	(7,115)
Total comprehensive income for the year, net of tax		**410,956**	405,455
Attributable to:			
Equity holders of the Company		**390,791**	353,494
Non-controlling interests		**20,165**	51,961
Total comprehensive income for the year, net of tax		**410,956**	405,455

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For The Year Ended 30 June 2018

	←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 2017	1,926,053	(278,431)	1,882,240	3,529,862	-	3,529,862	303,571	3,833,433
Total comprehensive income for the year								
Profit for the year	-	-	381,270	381,270	-	381,270	11,466	392,736
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	-	39,066	-	39,066	-	39,066	8,801	47,867
Translation reserve of subsidiaries reclassified to profit or loss upon disposal	-	(11,724)	-	(11,724)	-	(11,724)	-	(11,724)
Effective portion of changes in fair value of cash flow hedges	-	(1,703)	-	(1,703)	-	(1,703)	-	(1,703)
Effective portion of changes in fair value of net investment hedges	-	(14,880)	-	(14,880)	-	(14,880)	-	(14,880)
Net change in fair value of available-for-sale securities	-	(163)	-	(163)	-	(163)	(76)	(239)
Fair value reserve relating to available-for-sale securities reclassified to profit or loss upon disposal	-	(1,075)	-	(1,075)	-	(1,075)	(26)	(1,101)
Total other comprehensive income, net of tax	-	9,521	-	9,521	-	9,521	8,699	18,220
Total comprehensive income for the year, net of tax	-	9,521	381,270	390,791	-	390,791	20,165	410,956
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Issue of perpetual securities (note 18)	-	-	-	-	397,218	397,218	-	397,218
Accrued distribution for perpetual securities	-	-	(7,758)	(7,758)	7,758	-	-	-
Dividends (note 30)	-	-	(77,684)	(77,684)	-	(77,684)	(1,553)	(79,237)
Capital reduction of a subsidiary with non-controlling interests	-	-	-	-	-	-	(686)	(686)
Capitalisation of shareholder's loan from non-controlling interests	-	-	-	-	-	-	78,400	78,400
Share-based payments	-	1,410	-	1,410	-	1,410	-	1,410
Total contributions by and distributions to equity holders	-	1,410	(85,442)	(84,032)	404,976	320,944	76,161	397,105
Changes in ownership interests in subsidiaries								
Acquisition of interests in subsidiaries without a change in control (note 32a)	-	-	(9,019)	(9,019)	-	(9,019)	9,019	-
Total changes in ownership interests in subsidiaries	-	-	(9,019)	(9,019)	-	(9,019)	9,019	-
Total transactions with equity holders	-	1,410	(94,461)	(93,051)	404,976	311,925	85,180	397,105
At 30 June 2018	1,926,053	(267,500)	2,169,049	3,827,602	404,976	4,232,578	408,916	4,641,494

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

CONSOLIDATED STATEMENT OF

CHANGES IN EQUITY

For The Year Ended 30 June 2018

	←Attributable to ordinary equity holders of the Company→						
	Share Capital $'000	Other Reserves $'000	Accumulated Profits $'000	Total Ordinary Equity $'000	Total $'000	Non-Controlling Interests $'000	Total Equity $'000
At 1 July 2016	1,926,053	(274,740)	1,624,834	3,276,147	3,276,147	166,059	3,442,206
Total comprehensive income for the year							
Profit for the year	-	-	357,185	357,185	357,185	55,385	412,570
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	-	(4,065)	-	(4,065)	(4,065)	(3,609)	(7,674)
Net change in fair value of available-for-sale securities	-	218	-	218	218	111	329
Fair value reserve relating to available-for-sale securities reclassified to profit or loss upon disposal	-	156	-	156	156	74	230
Total other comprehensive income, net of tax	-	(3,691)	-	(3,691)	(3,691)	(3,424)	(7,115)
Total comprehensive income for the year, net of tax	-	(3,691)	357,185	353,494	353,494	51,961	405,455
Transactions with equity holders, recorded directly in equity							
Contributions by and distributions to equity holders							
Dividends (note 30)	-	-	(99,879)	(99,879)	(99,879)	(1,473)	(101,352)
Capitalisation of shareholder's loans from non-controlling interests	-	-	-	-	-	37,400	37,400
Total contributions by and distributions to equity holders	-	-	(99,879)	(99,879)	(99,879)	35,927	(63,952)
Changes in ownership interests in subsidiaries							
Dilution of interest in a subsidiary without a change in control (note 32)	-	-	-	-	-	49,866	49,866
Acquisition of interest in a subsidiary without a change in control	-	-	100	100	100	(242)	(142)
Total changes in ownership interests in subsidiaries	-	-	100	100	100	49,624	49,724
Total transactions with equity holders	-	-	(99,779)	(99,779)	(99,779)	85,551	(14,228)
At 30 June 2017	1,926,053	(278,431)	1,882,240	3,529,862	3,529,862	303,571	3,833,433

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

CONSOLIDATED STATEMENT OF

CASH FLOWS

For The Year Ended 30 June 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Profit before tax		**447,043**	455,800
Adjustments for:-			
Allowance for doubtful receivables		**261**	184
Allowance for impairment loss on property, plant and equipment		**2,289**	-
Depreciation of property, plant and equipment		**16,061**	6,548
Dividend income from equity securities		**(50)**	(84)
Finance costs		**96,247**	72,392
(Gain)/Loss on disposal of equity securities		**(1,340)**	230
(Gain)/Loss on disposal of property, plant and equipment		**(33)**	467
Gain on disposal of interests in subsidiary	32c	**(474)**	-
Interest income		**(10,902)**	(13,845)
Loss on liquidation of subsidiaries		**1,571**	-
Net allowance for foreseeable losses on development properties		**-**	38
Net fair value gain from investment properties		**(142,465)**	(254,451)
Net fair value loss on derivative financial instruments		**1,207**	6,419
Share of profit of associates and joint ventures (net of tax)		**(203,598)**	(44,945)
Share-based payments		**1,410**	-
Unrealised exchange loss/(gain)		**8,249**	(1,171)
		215,476	227,582
Changes in:-			
Inventories		**732,839**	(355,947)
Deposits for land		**(482,539)**	(466,893)
Trade and other receivables		**(125,998)**	71,800
Trade and other payables		**(37,772)**	1,388
Balances with holding companies and related corporations		**(36,995)**	9,976
Cash generated from/(used in) operating activities		**265,011**	(512,094)
Tax paid		**(33,984)**	(59,244)
Net cash from/(used in) operating activities		**231,027**	(571,338)
Cash flows from investing activities			
Additions to investment properties		**(1,426,013)**	(59,001)
Additions to property, plant and equipment		**(27,805)**	(98,649)
Balances with associates and joint ventures		**6,954**	91
Dividends received from associates and joint ventures	7	**1,201**	45,020
Dividends received from equity securities		**50**	84
Interest received		**13,269**	12,940
Investment in equity-accounted investee	7	**(1,600)**	(245,255)
Proceeds from disposal of equity securities		**506**	432
Proceeds from disposal of interests in subsidiaries	13	**-**	130,121
Proceeds from disposal of property, plant and equipment		**438**	189
Net cash used in investing activities		**(1,433,000)**	(214,028)

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

CONSOLIDATED STATEMENT OF

CASH FLOWS

For The Year Ended 30 June 2018

	Note	2018 $'000	2017 $'000
Cash flows from financing activities			
Acquisition of non-controlling interests in a subsidiary		**(686)**	(142)
Capital contribution from non-controlling interests		**–**	49,866
Dividends paid		**(77,684)**	(99,879)
Dividends paid to non-controlling interests	6	**(1,553)**	(1,473)
Increase in fixed deposits pledged		**(1,853)**	(12,556)
Interest paid		**(151,015)**	(128,934)
Proceeds from issuance of perpetual securities	18	**397,218**	–
Proceeds from loans and borrowings		**4,220,337**	3,232,791
Proceeds from loans from non-controlling interests		**240,197**	135,031
Repayment of loans and borrowings		**(3,664,955)**	(2,709,566)
Net cash from financing activities		**960,006**	465,138
Net decrease in cash and cash equivalents		**(241,967)**	(320,228)
Cash and cash equivalents at beginning of the year		**1,105,927**	1,429,038
Exchange differences on translation of balances held in foreign currencies		**6,380**	(2,883)
Cash and cash equivalents at end of the year	15	**870,340**	1,105,927

Significant non-cash transactions

During the year, certain subsidiaries capitalised loans from non-controlling interests of $78.4 million (2017: $37.4 million) through the issuance of shares by these subsidiaries 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 2018

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 August 2018.

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 2018 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 the Singapore Financial Reporting Standards ("FRSs").

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.

d. Use of Estimates and Judgements
The preparation of the financial statements in conformity with FRSs 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 joint ventures and associates
Note 10 – estimation of the percentage of completion relating to revenue and costs recognised on development properties and allowance for foreseeable losses on development properties

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

2. BASIS OF PREPARATION (CONT'D)

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 FRS, 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).

The Group recognises 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 33 – Financial instruments

f. Changes in accounting policies

Disclosure Initiative (Amendment to FRS 7)

From 1 July 2017, as a result of the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financial activities for the year ended 30 June 2018 (see note 19). Comparative information has not been presented.

NOTES TO
THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

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 the Group entities, except as explained in note 2f, which addresses changes in accounting policies.

a. Basis of Consolidation

(i) *Business combinations*

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:-
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

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.

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

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, 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 non-controlling interests arising from transactions that do not involve the loss of control are based on proportionate amount of net assets of the subsidiary.

NOTES TO
THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(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.

(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. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(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.

(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 Executives' Share Option Scheme*

The Company has established a separate trust for its Executives' Share Option 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:-

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- 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.

NOTES TO
THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Foreign Currency (cont'd)

(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.

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.

NOTES TO
THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 2018

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 and 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. Leased Assets

Leases in which the Group assumes substantially all risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f. Financial Instruments

(i) *Non-derivative financial assets*

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) 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 asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal 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 assets into the following categories:-
- loans and receivables; and
- available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3h) are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f. 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.

NOTES TO
THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f. Financial Instruments (cont'd)

(v) *Derivative financial instruments, including hedge accounting*

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially recognised at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in its fair value are recognised immediately in profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the 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, and whether the actual results of each hedge are within a range of 80 - 125%. 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 initially measured at fair value; any attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in OCI and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

(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 initially measured at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. 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 and other costs directly attributable to the development activities. Cost includes an appropriate share of development overheads allocated based on normal capacity.

Borrowing costs that are directly attributable to the acquisition and development of the development property are capitalised as part of development property during the period of development.

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

Properties under development, the sales of which are recognised using the percentage of completion method

The aggregated costs incurred together with attributable profits and net of progress billings are presented as development properties in the statement of financial position. If progress billings exceed costs incurred plus recognised profits, the balance is presented as part of trade and other payables.

Other properties under development

The aggregated costs incurred are presented as development properties while progress billings are presented separately as part of trade and other payables in the statement of financial position.

(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.

h. Impairment

(i) *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment (cont'd)

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

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale investment in equity securities are recognised by reclassifying losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Associates and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3h(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment (cont'd)

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories 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.

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.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Income Recognition

(i) *Sale of development properties*

Revenue from sales of properties under development is recognised by reference to the stage of completion using the percentage of completion method when the Group determines that (a) control and the significant risks and rewards of ownership of the work-in-progress transfer to the buyer in its current state as construction progresses, (b) the sales price is fixed and collectible, (c) the percentage of completion can be measured reliably, (d) there is no significant uncertainty as to the ability of the Group to complete the development, and (e) costs incurred or to be incurred can be measured reliably.

In all other instances, revenue from sales of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. No revenue is recognised when there is significant uncertainty as to the collectability of the consideration due or the possible return of units sold.

The percentage of completion is measured by reference to the work performed, based on the ratio of construction costs incurred to date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

(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.

l. Lease Payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 2018

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 2016	749	83,303	428,651	40,058	2,742	555,503
Additions	–	59,538	69,704	9,169	500	138,911
Disposals	–	–	–	(38)	(317)	(355)
Written off	–	–	–	(8,436)	–	(8,436)
Translation differences	(13)	(1,503)	(1,371)	(297)	(17)	(3,201)
At 30 June 2017	736	141,338	496,984	40,456	2,908	682,422
At 1 July 2017	**736**	**141,338**	**496,984**	**40,456**	**2,908**	**682,422**
Additions	**–**	**1,483**	**–**	**12,537**	**273**	**14,293**
Reversals	**–**	**–**	**(10,142)**	**–**	**–**	**(10,142)**
Disposals	**–**	**–**	**–**	**(1,451)**	**(195)**	**(1,646)**
Disposal of subsidiary	**–**	**–**	**–**	**(120)**	**–**	**(120)**
Written off	**–**	**–**	**–**	**(17)**	**–**	**(17)**
Translation differences	**31**	**6,092**	**3,435**	**626**	**9**	**10,193**
At 30 June 2018	**767**	**148,913**	**490,277**	**52,031**	**2,995**	**694,983**
Accumulated Depreciation						
At 1 July 2016	–	4,083	23,925	30,998	1,717	60,723
Depreciation charge for the year	–	370	3,176	2,601	401	6,548
Disposals	–	–	–	(5)	(247)	(252)
Written off	–	–	–	(7,883)	–	(7,883)
Translation differences	–	(73)	(259)	(173)	(15)	(520)
At 30 June 2017	–	4,380	26,842	25,538	1,856	58,616
At 1 July 2017	**–**	**4,380**	**26,842**	**25,538**	**1,856**	**58,616**
Depreciation charge for the year	**–**	**2,742**	**7,983**	**4,855**	**481**	**16,061**
Disposals	**–**	**–**	**–**	**(1,062)**	**(194)**	**(1,256)**
Disposal of subsidiary	**–**	**–**	**–**	**(119)**	**–**	**(119)**
Written off	**–**	**–**	**–**	**(2)**	**–**	**(2)**
Translation differences	**–**	**256**	**645**	**450**	**(11)**	**1,340**
At 30 June 2018	**–**	**7,378**	**35,470**	**29,660**	**2,132**	**74,640**
Accumulated Impairment Losses						
At 1 July 2017	**–**	**–**	**–**	**–**	**–**	**–**
Impairment loss	**–**	**–**	**2,289**	**–**	**–**	**2,289**
At 30 June 2018	**–**	**–**	**2,289**	**–**	**–**	**2,289**
Carrying Amounts						
At 1 July 2016	**749**	**79,220**	**404,726**	**9,060**	**1,025**	**494,780**
At 30 June 2017	**736**	**136,958**	**470,142**	**14,918**	**1,052**	**623,806**
At 30 June 2018	**767**	**141,535**	**452,518**	**22,371**	**863**	**618,054**

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For The Year Ended 30 June 2018

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

a. The Group's property, plant and equipment with a carrying amount of $506.3 million (2017: $504.8 million) have been mortgaged to secure loan facilities granted to the Group (see note 19).

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

	2018 $'000	2017 $'000
Administrative expenses	**16,061**	6,548

c. In 2017, interest expense capitalised as cost of property, plant and equipment amounted to $8.9 million (see note 25).

d. As at 30 June 2018, the Group has assessed its property, plant and equipment for impairment and recognised an impairment loss of $2.3 million with respect to leasehold land and building based on independent valuation obtained.

5. INVESTMENT PROPERTIES

		Group	
	Note	2018 $'000	2017 $'000
At 1 July		**3,053,287**	2,711,193
Additions		**1,418,655**	91,339
Changes in fair values recognised in other income (unrealised)	23	**142,465**	254,451
Translation differences recognised in other comprehensive income		**9,029**	(3,696)
At 30 June		**4,623,436**	3,053,287
Comprising:-			
Completed investment properties		**3,186,236**	3,053,287
Investment properties under development		**1,437,200**	-
		4,623,436	3,053,287

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 $4,020.5 million (2017: $2,484.8 million) have been mortgaged to secure loan facilities granted to the Group (see note 19).

b. During the financial year, interest expense capitalised as cost of investment properties amounted to $22.9 million (2017: $12.1 million) (see note 25).

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	
	2018	**2017**
	$'000	**$'000**
Within 1 year	**121,642**	83,514
Between 1 and 5 years	**268,776**	305,819
After 5 years	**14,565**	39,932
	404,983	429,265

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 (see note 2e).

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

Valuer	2018 Valuation Date	2017 Valuation Date
CBRE	June 2018	June 2017
Rahim & Co	June 2018	June 2017
Savills	June 2018	June 2017

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.

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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 $2,100 to $3,550 (2017: $1,810 to $3,524) per square feet (psf)	· Sales prices of $407 to $497 psf (2017: $402 to $426) psf		The estimated fair value increases when the sales price increases
	· Income capitalisation method	· Capitalisation rate of 3.5% to 4.8% (2017: 3.5% to 4.9%)		· Capitalisation rate of 5.5% to 6.3% (2017: 5.5% to 6.3%)	The estimated fair value increases when the capitalisation rate decreases
Commercial properties under development	· Residual land method	· Gross development value of $3,000 to $4,000 psf (2017: not applicable)			The estimated fair value increases when the gross development value increases
Reversionary interest in freehold land and commercial properties	· Direct comparison method · Residual land method	· Sales prices of $142 to $626 (2017: $113 to $559) psf · Gross development value of $2,750 (2017: $2,600) psf			The estimated fair value increases when the sales price and gross development value increases

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6. SUBSIDIARIES

			Company	
			2018	2017
		Note	$'000	$'000
a.	Unquoted shares, at cost		**568,564**	529,668
	Less: Impairment loss		**(13,503)**	(66,580)
			555,061	463,088
	Amounts due from subsidiaries		**1,417,154**	1,505,011
	Less: Allowance for doubtful receivables		**(1,585)**	(1,585)
			1,415,569	1,503,426
			1,970,630	1,966,514
	Non-current amounts due to subsidiaries	21	**(30,528)**	(31,298)

The amounts due from/to subsidiaries are unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts form part of the Company's net investments in the subsidiaries, they are stated at cost.

The impairment loss on investments in subsidiaries and allowance for doubtful receivables 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.

During the year, an impairment loss on the investments in subsidiaries of $53.1 million (2017: $102.1 million) was utilised by the Company following the liquidation of the subsidiaries.

In 2017, an allowance for doubtful receivables from subsidiaries of $1.3 million was utilised by the Company and $21.6 million was transferred to impairment loss on investments in subsidiaries following the capitalisation of the receivables from subsidiaries.

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THE FINANCIAL STATEMENTS

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6. SUBSIDIARIES (CONT'D)

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	
			2018	2017
			%	%
(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 Chengdu 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
(ii)	**Directly 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
	Goodwood Residence Development Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand Property Management Pte. Ltd.	Singapore	**100.00**	100.00
	TPC Hotel Pte. Ltd.*	Singapore	**–**	80.00
	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
	GLL Thrive Pte. Ltd.	Singapore	**70.00**	-
	GLL Prosper Pte. Ltd.	Singapore	**70.00**	-
(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
	Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd	The People's Republic of China	**–**	100.00

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

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	
			2018	2017
			%	%
(v)	**Directly held by GLL Chengdu Pte. Ltd. ("GLL Chengdu")**			
	Chongqing Yuzhong Xinhaojun Real Estate Development Co., Ltd	The People's Republic of China	**75.00**	75.00
(vi)	**Directly and indirectly held by GLL (Malaysia) Pte. Ltd.**			
	@ GLM Emerald Industrial Park (Jasin) Sdn Bhd (formerly known as Continental Estates 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 (formerly known as Hong Leong Real Estate Management Sdn Bhd)	Malaysia	**68.00**	68.00
	@ JB Parade Sdn Bhd*	Malaysia	**–**	54.32
	▲ PD Resort Sdn Bhd*	Malaysia	**–**	77.60
	▲ Titan Debut Sdn Bhd	Malaysia	**68.00**	68.00
	▲ GLM Emerald Hills (Cheras) Sdn Bhd (formerly known as GLM Alam Damai Sdn Bhd)	Malaysia	**68.00**	68.00
	@ GLM Emerald Square (Cheras) Sdn Bhd (formerly known as Tujuan Optima 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**	–
	@ JB Parade Sdn Bhd*	Malaysia	**70.00**	–
	▲ PD Resort Sdn Bhd*	Malaysia	**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.

* The entities were transferred within the Group arising from the internal restructuring exercise undertaken by the Group during the year (see note 32).

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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 2018 %	2017 %
TPC Commercial Pte. Ltd.	**20.00**	20.00
GLL Prosper Pte. Ltd.	**30.00**	-
GLL Chengdu Group	**25.00**	25.00
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 FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	TPC Commercial Pte. Ltd.		GLL Prosper Pte. Ltd. (see note 31c)		GLL Chengdu Group (see note 31d)		GuocoLand (Malaysia) Berhad Group		Other individually immaterial subsidiaries		Total	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**
Non-current assets	**2,398,025**	2,310,389	**1,437,200**	-	**324**	266	**421,843**	457,374				
Current assets	**127,450**	151,005	**115,784**	-	**820,992**	474,096	**571,638**	602,761				
Non-current liabilities	**(1,858,438)**	(842,179)	**(285,937)**	-	**(627,374)**	(285,762)	**(372,399)**	(383,979)				
Current liabilities	**(58,122)**	(1,116,660)	**(1,080,197)**	-	**(21,750)**	(1,708)	**(159,500)**	(177,199)				
Net assets	**608,915**	502,555	**186,850**	-	**172,192**	186,892	**461,582**	498,957				
Net assets attributable to NCI	**121,773**	100,511	**56,055**	-	**43,048**	46,723	**162,162**	148,430	**25,878**	7,907	**408,916**	303,571
Revenue	**91,363**	47,702	**-**	-	**-**	-	**102,788**	94,506				
Profit/(Loss)	**106,310**	223,690	**2,849**	-	**(22,288)**	(7,820)	**13,392**	38,704				
Other comprehensive income	**-**	-	**-**	-	**7,588**	-	**21,254**	(7,143)				
Total comprehensive income	**106,310**	223,690	**2,849**	-	**(14,700)**	(7,820)	**34,646**	31,561				
Profit/(Loss) attributable to NCI	**21,262**	44,738	**855**	-	**(5,572)**	(1,955)	**5,418**	13,458				
Other comprehensive income attributable to NCI	**-**	-	**-**	-	**1,897**	-	**6,802**	(2,290)				
Total comprehensive income attributable to NCI	**21,262**	44,738	**855**	-	**(3,675)**	(1,955)	**12,220**	11,168	**(10,497)**	(1,990)	**20,165**	51,961
Cash flows from/(used in) operating activities	**192**	(36,342)	**(94,673)**	-	**(305,408)**	(468,114)	**(9,241)**	27,172				
Cash flows from/(used in) investing activities	**26,421**	(71,205)	**(1,411,357)**	-	**(135)**	199,402	**66,840**	(65,269)				
Cash flows (used in)/from financing activities	**(54,042)**	173,305	**1,526,177**	-	**313,588**	275,873	**(70,617)**	44,460				
Net (decrease)/increase in cash and cash equivalents	**(27,429)**	65,758	**20,147**	-	**8,045**	7,161	**(13,018)**	6,363				
Dividends paid to NCI during the year	**-**	-	**-**	-	**-**	-	**1,553**	1,473				

7. ASSOCIATES AND JOINT VENTURES

	Group 2018 $'000	Group 2017 $'000
Investments in associates		
- quoted	**39,786**	38,226
- unquoted	**39,313**	35,823
Investments in joint ventures		
- quoted	**242,855**	250,195
- unquoted	**568,167**	351,372
	890,121	675,616

During the year, the Group received dividends of $1.2 million (2017: $45.0 million) from its investments in associates and joint ventures.

The details of significant 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 2018 %	2017 %
Associates				
*§ Tower Real Estate Investment Trust ("Tower REIT")	Investment in real estate and real estate related assets	Malaysia	**14.73**	14.73
@ Vintage Heights Sdn Bhd ("Vintage Heights")	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**	-

* Audited by other member firms of KPMG International.
# Audited by Mazars Plt.
@ 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.

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7. ASSOCIATES AND JOINT VENTURES (CONT'D)

At the reporting date, the associates and joint ventures do not have any contingent liabilities. The Group does not have any unrecognised losses in relation to its interests in associates and joint ventures.

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 FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

Associates

	Tower REIT		Vintage Heights			
Place of business	**Malaysia**		**Malaysia**		**Total**	
Percentage of interest	**21.66%***		**45.00%#**			
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**
Non-current assets	**189,787**	181,004	**81,154**	68,196		
Current assets	**1,980**	3,062	**5,097**	18,914		
Non-current liabilities	**(6,404)**	(5,125)	**(4,422)**	–		
Current liabilities	**(1,675)**	(2,459)	**(1,936)**	(14,666)		
Net assets	**183,688**	176,482	**79,893**	72,444		
Group's share of net assets	**39,786**	38,226	**35,952**	32,600		
Goodwill	**–**	–	**3,361**	3,223		
Group's carrying amount	**39,786**	38,226	**39,313**	35,823	**79,099**	74,049
Revenue	**9,528**	11,431	**5,867**	125,185		
Profit from continuing operations	**5,182**	5,656	**4,340**	95,913		
Other comprehensive income	**7,567**	(3,227)	**3,416**	(1,496)		
Total comprehensive income	**12,749**	2,429	**7,756**	94,417		
Group's interest in net assets of investee at beginning of year	**38,226**	39,064	**35,823**	36,991	**74,049**	76,055
Group's share of profit	**1,122**	1,225	**1,953**	43,161	**3,075**	44,386
Group's share of other comprehensive income	**1,639**	(699)	**1,537**	(673)	**3,176**	(1,372)
Share of other comprehensive income attributable to the Group	**2,761**	526	**3,490**	42,488	**6,251**	43,014
Dividends received during the year	**(1,201)**	(1,364)	**–**	(43,656)	**(1,201)**	(45,020)
Carrying amount of interest in investee at end of the year	**39,786**	38,226	**39,313**	35,823	**79,099**	74,049

* The Group has a 68.00% (2017: 68.00%) equity interest in a subsidiary, GuocoLand (Malaysia) Berhad, which in turn holds a 21.66% (2017: 21.66%) equity interest in Tower REIT. The Group's effective equity interest in Tower REIT is 14.73% (2017: 14.73%).

\# Vintage Heights is 40.00% (2017: 40.00%) and 5.00% (2017: 5.00%) owned by GuocoLand (Malaysia) Berhad and a wholly owned subsidiary of the Group respectively. The Group's effective equity interest in Vintage Heights is 32.20% (2017: 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 RM0.99 (2017: RM1.21) (Level 1 in the fair value hierarchy) at the reporting date, the fair value of the Group's investment is $19.8 million (2017: $23.8 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. During the year, the residential project in Shanghai Xinhaojia has been completed and contributed to a profit of $209.4 million.

EWI is a listed joint arrangement in which the Group has joint control via a shareholders' agreement with two other shareholders. In 2017, the Group paid a consideration of RM777.6 million ($245.3 million) for its 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. Carmel was incorporated by the Group and its related corporation during the year for the enbloc acquisition and development of a site in Singapore. The acquisition is subject to conditions to be fulfilled and has not been completed as at the reporting date (see note 12c). During the year, the Group made an equity injection of $1.6 million into Carmel. 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.

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7. ASSOCIATES AND JOINT VENTURES (CONT'D)

Joint Ventures (cont'd)

Percentage of interest	Shanghai Xinhaojia 50.00%		EWI 27.00%		Other immaterial joint ventures		Total	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Non-current assets	**3,971**	14	**562,446**	310,750				
Current assets	**1,139,362**	818,597	**241,732**	441,810				
Non-current liabilities	**–**	–	**(86,496)**	(611)				
Current liabilities	**(84,321)**	(187,069)	**(10,660)**	(20,919)				
Non-controlling interest	**–**	–	**(5,432)**	(2,256)				
Net assets	**1,059,012**	631,542	**701,590**	728,774				
Cash and cash equivalents	**1,023,206**	393,275	**90,963**	16,376				
Non-current financial liabilities (excluding trade and other payables and provision)	**–**	–	**(85,851)**	–				
Current financial liabilities (excluding trade and other payables and provision)	**–**	(7,309)	**–**	(16,019)				
Group's share of net assets	**529,506**	315,771	**189,429**	196,769				
Goodwill	**–**	–	**53,426**	53,426				
Group's carrying amount	**529,506**	315,771	**242,855**	250,195	**38,661**	35,601	**811,022**	601,567
Revenue	**1,541,447**	–	**15**	31				
Depreciation	**(4)**	(3)	**(1,038)**	(284)				
Interest income	**22,801**	9,954	**7,604**	3,263				
Interest expense	**–**	–	**(1,113)**	(451)				
Income tax expense	**(145,145)**	(510)	**1,455**	(537)				
Profit/(loss) for the year	**418,811**	1,526	**(33,289)**	(5,400)				
Other comprehensive income	**8,658**	(3,621)	**6,104**	23,696				
Total comprehensive income	**427,469**	(2,095)	**(27,185)**	18,296				
Group's share of profit/(loss) for the year	**209,406**	763	**(8,988)**	(1,458)	**105**	1,254	**200,523**	559
Group's share of other comprehensive income	**4,329**	(1,811)	**1,648**	6,398	**1,355**	(724)	**7,332**	3,863
Group's share of total comprehensive income	**213,735**	(1,048)	**(7,340)**	4,940	**1,460**	530	**207,855**	4,422
Group's interest in net assets of investee at beginning of year	**315,771**	316,819	**250,195**	–	**35,601**	35,071	**601,567**	351,890
Addition during the year	**–**	–	**–**	245,255	**1,600**	–	**1,600**	245,255
Total comprehensive income attributable to the Group	**213,735**	(1,048)	**(7,340)**	4,940	**1,460**	530	**207,855**	4,422
Carrying amount of interest in investee at end of the year	**529,506**	315,771	**242,855**	250,195	**38,661**	35,601	**811,022**	601,567

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

Joint Ventures (cont'd)

Included in the Group's carrying amount of EWI is goodwill of $53.4 million (2017: $53.4 million). The amount has been determined based on the fair values of the underlying assets and liabilities of EWI as at the acquisition date.

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 $480.9 million (2017: $55.6 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 RM0.92 (2017: RM1.11) (Level 1 in the fair value hierarchy) at the reporting date, the fair value of the Group's investment is $201.3 million (2017: $232.9 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 recoverable amount of the investment exceeded its carrying amount.

8. OTHER INVESTMENTS

	Group	
	2018	2017
	$'000	$'000
Available-for-sale financial assets		
- Equity securities	-	507

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9. 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	Recognised in other compre-hensive income $'000	Translation differences $'000	At 30 June $'000
2018					
Deferred tax liabilities					
Property, plant and equipment	**334**	**2,390**	**-**	**7**	**2,731**
Investment properties	**10,688**	**(2,605)**	**-**	**168**	**8,251**
Development properties	**16,427**	**13,266**	**-**	**260**	**29,953**
Investment in joint ventures	**6,268**	**15,047**	**-**	**13**	**21,328**
Total	**33,717**	**28,098**	**-**	**448**	**62,263**
Deferred tax assets					
Unutilised tax losses	**3,810**	**959**	**-**	**-**	**4,769**
Development properties	**15,747**	**417**	**-**	**290**	**16,454**
Loans and borrowings	**-**	**217**	**-**	**-**	**217**
Total	**19,557**	**1,593**	**-**	**290**	**21,440**
2017					
Deferred tax liabilities					
Property, plant and equipment	347	(7)	-	(6)	334
Investment properties	10,254	495	-	(61)	10,688
Development properties	3,047	13,578	(48)	(150)	16,427
Investment in joint ventures	-	6,268	-	-	6,268
Total	13,648	20,334	(48)	(217)	33,717
Deferred tax assets					
Unutilised tax losses	1,788	2,036	-	(14)	3,810
Development properties	27,712	(11,873)	-	(92)	15,747
Total	29,500	(9,837)	-	(106)	19,557

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 2018, the temporary differences relating to the undistributed profits of subsidiaries amounted to $155.3 million (2017: $368.1 million). Deferred tax liabilities of $15.5 million (2017: $36.8 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.

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For The Year Ended 30 June 2018

9. DEFERRED TAX (CONT'D)

b. Unrecognised Deferred Tax Assets

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

	Group	
	2018	**2017**
	$'000	**$'000**
Deductible temporary differences	**1,008**	605
Tax losses	**227,160**	227,091
Unutilised capital allowances	**98,594**	71,807
	326,762	299,503

The tax losses with expiry dates are as follows:-

	Group	
	2018	**2017**
	$'000	**$'000**
Expiry date:-		
Within 1 year	**-**	674
After 1 year but less than 5 years	**15,881**	18,313
	15,881	18,987

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.

10. INVENTORIES

	Group	
	2018	**2017**
	$'000	**$'000**
Development properties	**2,955,980**	2,797,885
Consumable stocks	**1,896**	619
	2,957,876	2,798,504

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10. INVENTORIES (CONT'D)

Development properties

During the financial year, cost of development properties included in cost of sales in profit or loss amounted to $739.7 million (2017: $772.0 million).

		Group	
		2018	**2017**
		$'000	**$'000**
a.	Properties under development, sold units for which revenue is recognised using percentage of completion method		
	Cost incurred and attributable profits	**1,550,868**	1,851,828
	Progress billings	**(763,927)**	(430,715)
		786,941	1,421,113
	Other properties under development		
	Cost incurred	**1,252,640**	720,626
	Allowance for foreseeable losses	**(6,971)**	(6,684)
		1,245,669	713,942
		2,032,610	2,135,055
b.	Completed development properties, at cost	**923,370**	662,830
	Total development properties	**2,955,980**	2,797,885

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

		Group	
		2018	**2017**
	Note	**$'000**	**$'000**
Interest expense	25	**50,172**	43,504
Interest income		**(686)**	(231)

Certain development properties with a carrying amount of $1,689.5 million (2017: $2,601.9 million) are under legal mortgages with banks (see note 19).

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. In determining the stage of completion, certain assumptions are made in estimating the total estimated development costs. The estimated total construction costs are based on contracted amounts, and in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration the historical trends of the amounts incurred and prevailing construction costs. Any change in the estimated total construction costs or variation could impact the computation of the stage of completion and the amount of revenue and cost of sales recognised in profit or loss in the period in which the change is made and in subsequent periods.

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.

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11. DEPOSITS FOR LAND

The deposits for land of $466.9 million as at 30 June 2017 were related to the progressive payment made for the acquisition of four land parcels within Yuzhong District of Chongqing, the People's Republic of China. The acquisition was completed during the year.

12. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

		Group		Company	
		2018	2017	2018	2017
	Note	$'000	$'000	$'000	$'000
Trade receivables	a	**246,012**	123,379	**-**	-
Accrued receivables	b	**196,115**	42,282	**-**	-
Other receivables, deposits and prepayments	13	**26,441**	25,810	**7,021**	6
Amounts due from:-	c				
Joint ventures		**34,379**	7,310	**-**	-
Related corporations		**429**	241	**-**	-
		503,376	199,022	**7,021**	6

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

	Group	
	2018	2017
	$'000	$'000
GuocoLand Singapore	**212,353**	94,461
GuocoLand China	**757**	2,057
GuocoLand Malaysia	**30,848**	26,545
GuocoLand Vietnam	**436**	316
Others	**1,618**	-
	246,012	123,379

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

	Gross 2018 $'000	Allowance for doubtful receivables 2018 $'000	Gross 2017 $'000	Allowance for doubtful receivables 2017 $'000
Group				
Not past due	**221,839**	**-**	115,764	-
Past due 1 – 30 days	**10,454**	**-**	2,883	-
Past due 31 – 90 days	**11,427**	**-**	2,945	-
Past due more than 90 days	**2,859**	**(567)**	2,160	(373)
	246,579	**(567)**	123,752	(373)

Based on historical default rates, the Group believes that no additional allowance for doubtful receivables is necessary in respect of unimpaired trade receivables that are past due.

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For The Year Ended 30 June 2018

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

The movement in allowance for doubtful receivables during the financial year is as follows:-

	Group 2018 $'000	Group 2017 $'000
At 1 July	**373**	191
Allowance made during the financial year	**261**	189
Translation differences	**(67)**	(7)
At 30 June	**567**	373

b. Accrued receivables relate to the remaining sales consideration not yet billed on completed development properties for sale.

c. The non-trade amounts due from joint ventures and related corporations are unsecured, interest-free and repayable on demand. No allowance for doubtful receivables is recognised on these amounts. The non-trade amounts due from joint ventures of $33.7 million (2017: Nil) is in relation to the payment of deposits for the enbloc acquisition of a site in Singapore on behalf of the joint venture.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Current					
Deposits		**2,787**	3,958	**–**	–
Interest receivable		**927**	2,607	**–**	–
Prepayments		**6,890**	3,561	**–**	–
Tax recoverable		**4,552**	7,834	**–**	–
Derivative assets	14	**–**	38	**–**	–
Other receivables		**11,979**	8,478	**7,021**	6
Allowance for doubtful receivables		**(694)**	(666)	**–**	–
		11,285	7,812	**7,021**	6
	12	**26,441**	25,810	**7,021**	6

In 2017, the remaining consideration of $130.1 million from the disposal of certain subsidiaries in 2016 was received in full.

The movement in allowance for doubtful receivables in respect of other receivables during the financial year is as follows:-

	Group 2018 $'000	Group 2017 $'000
At 1 July	**666**	683
Allowance written back	**–**	(5)
Translation differences	**28**	(12)
At 30 June	**694**	666

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THE FINANCIAL STATEMENTS

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14. DERIVATIVE ASSETS AND LIABILITIES

		Group	
		2018	2017
	Note	$'000	$'000
Derivative assets			
Current			
Interest rate swaps	13	-	38
Derivative liabilities			
Non-Current			
Cross currency interest rate swaps	21	**17,787**	-
Current			
Interest rate swaps		-	33
Cross currency interest rate swaps		-	6,188
Forward exchange contracts		**1,214**	11
	21	**1,214**	6,232

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 nil (2017: $40.8 million), $337.9 million (2017: $197.2 million) and $67.7 million (2017: $97.1 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 $140.7 million as a cash flow hedge against interest rate exposures. The fair value of the cross currency interest rate swap as at reporting date is $1.7 million (2017: Nil).

The Group has designated certain cross currency interest rate swaps with notional amount of $197.2 million (2017: $197.2 million) as a net investment hedge against fluctuations in foreign currency risks. The fair value of these cross currency interest rate swaps as at reporting date is $16.1 million (2017: $6.2 million).

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.

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14. DERIVATIVE ASSETS AND LIABILITIES (CONT'D)

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
2018					
Financial liabilities					
Cross currency interest rate swaps	**17,787**	**–**	**17,787**	**–**	**17,787**
Forward exchange contracts	**1,214**	**–**	**1,214**	**–**	**1,214**
	19,001	**–**	**19,001**	**–**	**19,001**
2017					
Financial assets					
Interest rate swaps	38	–	38	(24)	14
Financial liabilities					
Interest rate swaps	33	–	33	(24)	9
Cross currency interest rate swaps	6,188	–	6,188	–	6,188
Forward exchange contracts	11	–	11	–	11
	6,232	–	6,232	(24)	6,208

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THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

15. CASH AND CASH EQUIVALENTS

		Group		Company	
		2018	2017	2018	2017
	Note	$'000	$'000	$'000	$'000
Short-term deposits with banks		**676,621**	1,014,217	**-**	-
Cash and bank balances		**208,313**	104,266	**225**	206
Cash and cash equivalents		**884,934**	1,118,483	**225**	206
Bank overdrafts	19	**(185)**	-		
Cash collaterals	c	**(14,409)**	(12,556)		
Cash and cash equivalents in the statement of cash flows		**870,340**	1,105,927		

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

a. Amounts held under the Singapore Housing Developers (Project Account) Rules (the "Rules") totalling $220.8 million (2017: $250.6 million), the use of which is subject to restrictions imposed by the Rules;

b. Amounts held in Malaysia pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 totalling $2.8 million (2017: $1.5 million), the use of which is restricted from other operations; and

c. Cash collaterals comprised deposits of $14.4 million (2017: $12.6 million) pledged with financial institutions in Singapore for bank loans.

16. SHARE CAPITAL

	Company	
	2018	2017
	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 2018, the Trust for GuocoLand Limited Executives' Share Option Scheme (the "ESOS") held an aggregate of 73,604,933 (2017: 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 ESOS (see note 29).

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16. SHARE CAPITAL (CONT'D)

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	
	2018	**2017**
	$'000	**$'000**
Total loans and borrowings	**4,923,804**	4,344,508
Cash and cash equivalents	**(884,934)**	(1,118,483)
Net debt	**4,038,870**	3,226,025
Total equity	**4,232,578**	3,529,862
Net debt to equity ratio at 30 June	**0.95**	0.91

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 ESOS. 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.

17. RESERVES

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'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	**(105,097)**	(117,559)	**–**	–
Hedging reserve	d	**(1,703)**	–	**–**	–
Revaluation reserve	e	**8,341**	8,341	**–**	–
Share option reserves	f	**1,410**	–	**1,410**	–
Fair value reserve	g	**–**	1,238	**–**	–
Merger reserve	h	**(8,494)**	(8,494)	**–**	–
Other reserves		**(267,500)**	(278,431)	**(160,637)**	(162,047)
Accumulated profits		**2,169,049**	1,882,240	**180,952**	170,485
		1,901,549	1,603,809	**20,315**	8,438

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	Fair value reserve $'000	Merger reserve $'000	Total $'000
Group									
At 1 July 2017	**(157,034)**	**(4,923)**	**(117,559)**	**–**	**8,341**	**–**	**1,238**	**(8,494)**	**(278,431)**
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	**–**	**–**	**39,066**	**–**	**–**	**–**	**–**	**–**	**39,066**
Translation reserve of subsidiaries reclassified to profit or loss upon disposal	**–**	**–**	**(11,724)**	**–**	**–**	**–**	**–**	**–**	**(11,724)**
Effective portion of changes in fair value of cash flow hedges	**–**	**–**	**–**	**(1,703)**	**–**	**–**	**–**	**–**	**(1,703)**
Effective portion of changes in fair value of net investment hedges	**–**	**–**	**(14,880)**	**–**	**–**	**–**	**–**	**–**	**(14,880)**
Net change in fair value of available-for-sale securities	**–**	**–**	**–**	**–**	**–**	**–**	**(163)**	**–**	**(163)**
Fair value reserve relating to available-for-sale securities reclassified to profit or loss upon disposal	**–**	**–**	**–**	**–**	**–**	**–**	**(1,075)**	**–**	**(1,075)**
Total other comprehensive income, net of tax	**–**	**–**	**12,462**	**(1,703)**	**–**	**–**	**(1,238)**	**–**	**9,521**
Transactions with equity holders, recorded directly in equity									
Contributions by and distributions to equity holders									
Share-based payments	**–**	**–**	**–**	**–**	**–**	**1,410**	**–**	**–**	**1,410**
Total contributions by and distributions to equity holders	**–**	**–**	**–**	**–**	**–**	**1,410**	**–**	**–**	**1,410**
Total transactions with equity holders	**–**	**–**	**–**	**–**	**–**	**1,410**	**–**	**–**	**1,410**
At 30 June 2018	**(157,034)**	**(4,923)**	**(105,097)**	**(1,703)**	**8,341**	**1,410**	**–**	**(8,494)**	**(267,500)**

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17. RESERVES (CONT'D)

	Reserve for own shares $'000	Capital reserve $'000	Translation reserve $'000	Revaluation reserve $'000	Fair value reserve $'000	Merger reserve $'000	Total $'000
Group							
At 1 July 2016	(157,034)	(4,923)	(113,494)	8,341	864	(8,494)	(274,740)
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	–	–	(4,065)	–	–	–	(4,065)
Net change in fair value of available-for-sale securities	–	–	–	–	218	–	218
Fair value reserve relating to available-for-sale securities reclassified to profit or loss upon disposal	–	–	–	–	156	–	156
Total other comprehensive income, net of tax	–	–	(4,065)	–	374	–	(3,691)
Transactions with equity holders, recorded directly in equity	–	–	–	–	–	–	–
At 30 June 2017	(157,034)	(4,923)	(117,559)	8,341	1,238	(8,494)	(278,431)

a. Reserve for Own Shares

This comprises the purchase consideration for issued shares of the Company acquired by the Trust for GuocoLand Limited Executives' Share Option Scheme (the "ESOS") for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESOS (see note 29).

b. Capital Reserve

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

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.

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17. RESERVES (CONT'D)

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. Fair Value Reserve

This comprises the cumulative net changes in fair value of available-for-sale investments until the investments are derecognised or impaired.

h. 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.

18. PERPETUAL SECURITIES

During the year, 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 (2017: Nil). Transaction costs incurred amounting to $2.8 million (2017: Nil) 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 has 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 2018, distribution payment of $7.8 million (2017: Nil) was accrued for the relevant period relating to the semi-annual period 23 January 2018 to 22 July 2018 as the Group had not elected to defer the payment.

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19. LOANS AND BORROWINGS

	Note	Group 2018 $'000	Group 2017 $'000
Non-current Liabilities			
Secured bank loans		**2,236,679**	1,182,076
Unsecured bank loans		**232,805**	49,441
Unsecured medium-term notes		**822,360**	1,022,514
		3,291,844	2,254,031
Current Liabilities			
Unsecured bank overdrafts	15	**185**	-
Secured bank loans		**1,329,090**	1,590,157
Unsecured bank loans		**102,833**	225,380
Unsecured medium-term notes		**199,852**	274,940
		1,631,960	2,090,477
Total loans and borrowings		**4,923,804**	4,344,508

Maturity of loans and borrowings:-

	Group 2018 $'000	Group 2017 $'000
Within 1 year	**1,631,960**	2,090,477
After 1 year but within 5 years	**3,287,906**	1,973,289
After 5 years	**3,938**	280,742
Total loans and borrowings	**4,923,804**	4,344,508

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

	Note	Group 2018 $'000	Group 2017 $'000
Property, plant and equipment	4	**506,262**	504,808
Investment properties	5	**4,020,517**	2,484,793
Development properties	10	**1,689,506**	2,601,913
		6,216,285	5,591,514

At the reporting date, the Group's loans from banks bore interest ranging from 1.0% to 7.5% (2017: 1.6% to 4.8%) per annum.

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 (2017: 1 to 5 years). The interest rates at the reporting date ranged from 3.4% to 4.2% (2017: 3.4% to 4.4%) per annum.

During the year, IHT redeemed medium-term notes with an aggregate principal amount of $275 million (2017: $285 million). In 2017, IHT issued medium-term notes with an aggregate principal amount of $651 million. The medium-term notes are guaranteed by the Company.

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19. LOANS AND BORROWINGS (CONT'D)

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	Accounts due to non-controlling interests $'000	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 2017	–	4,344,508	19,404	316,446	(38)	6,221	4,686,541
Changes from financing cash flows							
Proceeds from borrowings	–	4,220,337	–	–	–	–	4,220,337
Repayment of borrowings	–	(3,664,955)	–	–	–	–	(3,664,955)
Proceeds from loans from non-controlling interests	–	–	–	240,197	–	–	240,197
Interest paid	–	–	(151,015)	–	–	–	(151,015)
Total changes from financing cash flows	–	555,382	(151,015)	240,197	–	–	644,564
The effect of changes in foreign exchange rates	–	(615)	–	1,343	–	–	728
Change in fair value	–	–	–	–	38	(33)	5
Other changes							
Liability-related							
Capitalisation of shareholder's loan from non-controlling interests	–	–	–	(78,400)	–	–	(78,400)
Change in bank overdraft	181	–	–	–	–	–	181
Capitalised borrowing costs	–	1,092	61,244	10,731	–	–	73,067
Interest expense	–	5,079	79,465	11,703	–	–	96,247
Total liability-related other changes	181	6,171	140,709	(55,966)	–	–	91,095
Total equity-related other changes	4	18,173	5,696	1,011	–	11,599	36,483
At 30 June 2018	185	4,923,619	14,794	503,031	–	17,787	5,459,416

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THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

20. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

		Group		Company	
		2018	2017	2018	2017
	Note	$'000	$'000	$'000	$'000
Trade payables and accrued operating expenses		**167,654**	265,710	**882**	847
Progress billings		**15,603**	42	**–**	–
Amounts due to:-					
Associates		**46**	44	**–**	–
Related corporations		**7,172**	10,128	**–**	–
Non-controlling interests		**257**	261	**–**	–
Other payables	21	**110,381**	101,144	**51**	12
		301,113	377,329	**933**	859

Trade payables and accrued operating expenses included $4.4 million (2017: $5.0 million) of accrued management fees to the intermediate holding company (see note 26).

The amounts due to associates, related corporations and non-controlling interests are non-trade, unsecured, interest-free and repayable on demand except for $5.3 million (2017: Nil) of amount due to a related corporation which is interest bearing at 4.8% per annum (2017: Nil).

21. OTHER PAYABLES, INCLUDING DERIVATIVES

		Group		Company	
		2018	2017	2018	2017
	Note	$'000	$'000	$'000	$'000
Non-current					
Amounts due to non-controlling interests	31d	**503,031**	316,446	**–**	–
Rental deposits		**30,089**	26,114	**–**	–
Amounts due to subsidiaries	6	**–**	–	**30,528**	31,298
Derivatives liabilities	14	**17,787**	–	**–**	–
		550,907	342,560	**30,528**	31,298
Current					
Deposits received		**44,617**	35,442	**–**	–
Interest payable		**14,794**	19,404	**–**	–
Rental deposits		**9,714**	4,952	**–**	–
Real estate tax payable		**3,620**	3,651	**–**	–
Employee benefits payable		**8,661**	9,190	**–**	–
Derivative liabilities	14	**1,214**	6,232	**–**	–
Others		**27,761**	22,273	**51**	12
		110,381	101,144	**51**	12

The amounts due to non-controlling interests are non-trade, unsecured, bear interest ranging from 4.0% to 7.3% (2017: 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.

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For The Year Ended 30 June 2018

22. REVENUE

	Group 2018 $'000	Group 2017 $'000
Sale of development properties:-		
Percentage of completion method	**917,776**	929,257
Others	**66,290**	71,867
Hotel operations	**58,444**	36,508
Rental and related income from investment properties	**114,908**	69,649
Management fee income from:-		
Related corporations	**181**	63
Third parties	**2,582**	5,847
	1,160,181	1,113,191

23. OTHER INCOME

	Group 2018 $'000	Group 2017 $'000
Dividend income from equity securities	**50**	84
Fair value gain on investment properties	**142,465**	254,451
Gain on disposal of interests in a subsidiary	**474**	-
Gain on disposal of property, plant and equipment	**33**	-
Income from forfeiture of deposit	**413**	656
Interest income from fixed deposits with banks	**10,902**	13,845
Net foreign exchange gain	**–**	37,745
Rental income	**3,222**	4,427
Others	**6,919**	6,985
	164,478	318,193

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THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

24. OTHER EXPENSES

	Group	
	2018	2017
	$'000	$'000
Fair value loss on derivative financial instruments	**1,207**	6,419
Impairment loss on property, plant and equipment	**2,289**	–
Loss on disposal of property, plant and equipment	**–**	467
Loss on liquidation of interests in subsidiaries	**1,571**	–
Net foreign exchange loss	**2,634**	–
Others	**6,556**	7,333
	14,257	14,219

25. FINANCE COSTS

		Group	
		2018	2017
	Note	$'000	$'000
Interest expense:-			
Financial institutions		**97,362**	84,679
Medium-term notes		**49,518**	40,889
Non-controlling interests	31c,d	**22,434**	11,275
		169,314	136,843
Less: Interest expense capitalised in:-			
Property, plant and equipment	4	**–**	(8,870)
Investment properties	5	**(22,895)**	(12,077)
Development properties	10	**(50,172)**	(43,504)
		(73,067)	(64,451)
		96,247	72,392

NOTES TO
THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

26. PROFIT BEFORE TAX

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

	Note	Group 2018 $'000	Group 2017 $'000
Allowance for doubtful receivables		**261**	184
Depreciation of property, plant and equipment	4	**16,061**	6,548
Direct operating expenses of investment properties		**30,634**	20,236
Net allowance for foreseeable losses on development properties		**–**	38
Operating lease expenses		**421**	1,314
Management fees paid and payable to:-			
Intermediate holding company	31b	**4,424**	4,994
Related corporations		**596**	302
		5,020	5,296
Auditors' remuneration:-			
Auditors of the Company		**466**	424
Other auditors		**346**	494
		812	918
Non-audit fees:-			
Auditors of the Company		**–**	190
Other auditors		**34**	18
		34	208
Staff costs:-			
Wages, salaries and benefits		**64,247**	53,350
Contributions to defined contribution plans		**5,875**	5,408
Liability for short-term accumulating compensated absences		**203**	21
		70,325	58,779

b. Key Management Personnel Remuneration

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

	Group 2018 $'000	Group 2017 $'000
Wages, salaries and benefits	**10,258**	8,920
Contributions to defined contribution plans	**173**	202
Equity compensation benefits	**1,410**	-
	11,841	9,122
Directors' fees	**647**	645

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27. TAX EXPENSE

	Group	
	2018	**2017**
	$'000	**$'000**
Current tax		
Current year	**21,925**	10,792
Over provision in respect of prior years	**(159)**	(2,819)
	21,766	7,973
Foreign withholding tax paid	**6,036**	5,086
	27,802	13,059
Deferred tax		
Movements in temporary differences	**26,505**	30,171
	54,307	43,230

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

Profit before tax	**447,043**	455,800
Less: Share of profit of associates and joint ventures	**(203,598)**	(44,945)
Profit before share of profit of associates, joint ventures and tax	**243,445**	410,855
Tax calculated using the Singapore tax rate of 17% (2017: 17%)	**41,386**	69,845
Effect of different tax rates in foreign jurisdictions	**542**	1,466
Effect of unrecognised tax losses and other deductible temporary differences	**7,145**	1,557
Expenses not deductible for tax purpose	**8,301**	5,117
Foreign withholding tax	**21,083**	11,354
Income not subject to tax	**(24,327)**	(45,757)
Over provision in respect of prior years	**(159)**	(2,819)
Effect of taxable distributions from associate	**288**	654
Others	**48**	1,813
	54,307	43,230

28. 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	
	2018	2017
	$'000	$'000
Profit attributable to equity holders of the Company	**381,270**	357,185
Less: Profit attributable to perpetual securities holders	**(7,758)**	–
Profit attributable to ordinary equity holders of the Company	**373,512**	357,185
	'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	
	2018	2017
	$'000	$'000
Profit attributable to ordinary equity holders of the Company	**373,512**	357,185
	'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	**1,680**	–
Weighted average number of ordinary shares used in the computation of diluted EPS	**1,111,448**	1,109,768

In 2017, diluted EPS was the same as the basic EPS as there were no dilutive potential ordinary shares in issue.

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29. EMPLOYEE BENEFITS

a. Company

GuocoLand Limited Executives' Share Option Scheme ("ESOS")

(i) The ESOS was approved by shareholders of the Company on 17 October 2008 and further approved by shareholders of Guoco Group Limited ("GGL") (an intermediate holding company of the Company) on 21 November 2008 ("ESOS 2008"), to replace the Company's former ESOS ("ESOS 2004"), which expired in December 2008. The terms of the ESOS 2008 are substantially similar to those of the ESOS 2004. The ESOS 2008 shall continue to be in force for a maximum of 10 years from 21 November 2008 till 20 November 2018.

(ii) Under the ESOS 2008, options may be granted over newly issued and/or existing issued ordinary shares of the Company ("Shares"). During the financial year, the ESOS 2008 was 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. The ESOS 2008 provides for options to be granted to selected key executives of the Company ("Participants").

(iii) Details relating to options granted to Participants pursuant to the ESOS 2008 are as follows:-

Participants	Options granted during the financial year (including terms*)	Aggregate options granted since the commencement of the ESOS to end of financial year	Aggregate options exercised since the commencement of the ESOS to end of financial year	Aggregate options lapsed since the commencement of the ESOS to end of financial year	Aggregate options outstanding as at end of financial year
Executive Director					
Raymond Choong Yee How	20,000,000	20,000,000	-	-	20,000,000
Executives	19,700,000	87,390,418	(20,780,300)	(46,910,118)	19,700,000
Total	39,700,000	107,390,418	(20,780,300)	(46,910,118)	39,700,000

* The 39,700,000 options 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 2018/19 and 2020/21. The options may be exercisable and valid up to 30 months from the date of vesting.

(iv) Save as disclosed in (iii) and (vi), there was no Participant who has received 5% or more of the total number of options available under the ESOS 2008, and no options were exercised or lapsed, during the financial year. Further, no new Shares were issued pursuant to the ESOS 2008.

29. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

GuocoLand Limited Executives' Share Option Scheme ("ESOS") (cont'd)

(v) Other information regarding the above options is as follows:-

1. In relation to ESOS 2008, the exercise price per Share shall be fixed as follows:-

   (a) where the option is granted without any discount, the exercise price shall be a price equal to the 5-day weighted average market price of the Shares immediately prior to the date of grant of the option for which there was trading in the Shares ("Market Price"); and

   (b) where the option is granted at a discount, the exercise price shall be the Market Price discounted by not more than:

      (1) 20%; or

      (2) such other maximum discount as may be permitted under the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual.

2. An option may be exercisable on any date after the following date:-

   (a) where the option is granted without any discount:-

      (1) the second anniversary of the date of grant (for employees who have been employed for less than one year); or

      (2) the first anniversary of the date of grant (for all other employees);

   (b) where the option is granted at a discount, the second anniversary of the date of grant,

   and to end on a date not later than 10 years after the date of grant.

3. The persons 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.

(vi) Since the commencement of the ESOS, no options have been granted to controlling shareholders of the Company and their associates or parent group employees.

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

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29. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

GuocoLand Limited Executives' Share Option Scheme ("ESOS") (cont'd)

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%

Shares held by Trust

In October 2004, the Company established a Trust in respect of the ESOS. 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 ESOS. 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 2018, the Trust held an aggregate of 73,604,933 (2017: 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) At an Extraordinary General Meeting ("EGM") held on 11 October 2011, the shareholders of GLM had approved the establishment of a new executive share option scheme ("GLM ESOS"). The GLM ESOS was further approved by the shareholders of GGL on 25 November 2011 ("Approval Date"). The GLM ESOS was established on 21 March 2012 and shall be in force for a period of 10 years.

The GLM ESOS would provide an opportunity for eligible executives who had contributed to the growth and development of GLM Group to participate in the equity of GLM.

Subsequently, at an EGM held on 21 October 2013, the shareholders of GLM had approved the establishment of an executive share grant scheme ("ESGS"). The ESGS was established on 28 February 2014. The ESGS would reward the eligible executives for their contribution to GLM Group with grants without any consideration payable by the eligible executives.

29. EMPLOYEE BENEFITS (CONT'D)

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

GLM Executive Share Scheme (cont'd)

The GLM ESOS, together with the ESGS, have been renamed as the Executive Share Scheme ("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 ESS ("GLM Bye-Laws").

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

1. Eligible executives are those executives of 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 ESS must not in aggregate exceed 10% of the issued and paid-up ordinary share capital of GLM as at the Approval Date unless approval shall have been obtained from the shareholders of GGL.

3. The 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.

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 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 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 ESS ("ESS Trust"); or a combination of both new shares or existing shares.

The ESS Trust did not acquire any ordinary shares of GLM during the financial years ended 30 June 2018 and 30 June 2017.

Except as disclosed above, no option or shares in GLM have been granted under the ESS during the financial years ended 30 June 2018 and 30 June 2017.

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29. EMPLOYEE BENEFITS (CONT'D)

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

GLM Executive Share Scheme (cont'd)

(ii) On 22 August 2011, GLM has established a Value Creation Incentive Plan ("VCIP") for selected key executives of 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 ended 30 June 2018, options of 20,000,000 GLM shares were granted pursuant to the GLM's VCIP, of which 2,000,000 options had lapsed following the resignation of a grantee in June 2018 (2017: Nil). 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 ending 30 June 2019 and 30 June 2021 respectively. The achievement of the performance targets and the numbers of shares (if any) to be vested shall be determined 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 pursuant to the ESS and the VCIP, but in any case, it shall not exceed the Maximum Aggregate.

30. DIVIDENDS

	2018 $'000	2017 $'000
Paid by the Company to ordinary equity holders of the Company		
Final one-tier ordinary dividend paid of 7 cents (2017: 5 cents and a special dividend of 4 cents) per ordinary share in respect of the previous financial year*	**77,684**	99,879
Paid by subsidiaries to non-controlling interests	**1,553**	1,473

After the reporting date, the Directors proposed a one-tier final dividend of 7 cents (2017: one-tier final dividend of 7 cents) per ordinary share amounting to $77.7 million (2017: $77.7 million). The dividends have not been provided for.

* Dividend payments in respect of 73,604,933 (2017: 73,604,933) ordinary shares of the Company which were held by the Trust for Executives' Share Option Scheme were eliminated.

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31. 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 2018 (2017: $2.3 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 (see note 26).

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, GLL Prosper Pte. Ltd. and GLL Thrive Pte. Ltd. As at 30 June 2018, $65.7 million (2017: Nil) of non-controlling interests and $105.2 million (2017: Nil) 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, $4.4 million (2017: Nil) of interests payable were 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 within Yuzhong District of Chongqing, the People's Republic of China through its subsidiary, GLL Chengdu Pte. Ltd. As at 30 June 2018, $43.0 million (2017: $46.7 million) of non-controlling interests and $156.8 million (2017: $71.4 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, $9.5 million (2017: $2.5 million) of interests payable were accrued in the amount due to non-controlling interests.

e. During the year, a subsidiary of the Group sold a unit in Martin Modern, a residential development in Singapore to a relative of certain Company's directors for a sale consideration of $4.4 million in the ordinary course of its business.

f. In 2017, a subsidiary of the Group sold a unit in The Oval, a residential development in Malaysia, to a director of the Company for a sale consideration of $1.1 million in the ordinary course of its business. Another unit in The Oval was sold to a relative of certain Company's directors for a sale consideration of $2.7 million in the ordinary course of its business.

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32. CHANGES IN INTERESTS IN SUBSIDIARIES

2018

a. *Internal restructuring*

During the year, the Company has undertaken an internal restructuring exercise for which certain hotels in the Group, held by and owned by different subsidiaries within the Group in Singapore and Malaysia were consolidated under a distinct strategic business unit, GuocoLand Hotels Pte. Ltd. ("GLL Hotels"). Consequently, TPC Hotel Pte. Ltd. ("TPC Hotel") was transferred from GuocoLand (Singapore) Pte. Ltd. to GLL Hotels during the year with the Group's interest in TPC Hotel remains unchanged at 80%.

b. *Acquisition of non-controlling interests*

As described above, arising from the internal restructuring exercise for GLL Hotels, the Group was deemed to have acquired additional interest of 15.68% and 22.4% in JB Parade Sdn Bhd ("JB Parade") and PD Resort Sdn Bhd ("PD Resort") respectively during the year. As at 30 June 2018, the Group's interest in JB Parade is 70.00% (2017: 54.32%) and 100.00% (2017: 77.60%) in PD Resort.

The following summarises the effect of changes in the Group's ownership interest in JB Parade and PD Resort on the equity attributable to owners of the Company:-

	2018 $'000
Carrying amount of non-controlling interests acquired	5,515
Deemed consideration attributable to non-controlling interests	14,534
Decrease in equity attributable to owners of the Company	(9,019)

c. *Disposal of interests in a subsidiary*

During the year, the Group disposed its investment in a subsidiary, Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd ("TJZX"), for a consideration of $118.4 million (RMB581.4 million). The consideration was set off against an equivalent amount of debts owing by a wholly-owned subsidiary of the Group to TJZX, by way of novation of the debts to the buyer.

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

	2018 $'000
Property, plant and equipment	1
Inventories	1,724
Other net current receivables	10,206
Amount owing by a wholly-owned subsidiary of the Group	108,968
Cash and cash equivalents	9,441
Net assets disposed	130,340
Realisation of translation reserve	(12,405)
Gain on disposal of a subsidiary	474
Sale consideration	118,409
Cash balances of a subsidiary disposed	(9,441)
Novation of amount owing by a wholly-owned subsidiary of the Group	(108,968)
Net cash flow on disposal of a subsidiary	-

32. CHANGES IN INTERESTS IN SUBSIDIARIES (CONT'D)

2017

Dilution of interest in a subsidiary without a change in control

In 2017, the Group's subsidiary, GLL Chengdu Pte. Ltd. ("GLL Chengdu"), issued new shares to Hong Leong Holdings (China) Pte. Ltd., a related party, amounting to $49.9 million. Consequently, the Group's interest in GLL Chengdu was diluted from 100% to 75%.

33. 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 3f.

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.

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33. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(i) Foreign Currency Risk

The Group has overseas investments in China, Malaysia and Vietnam. Currency exposure to the Group's overseas investments is managed primarily at the Group level. Hedging strategies are included in the monthly reporting to the Executive Committee of the Company.

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.

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 14) are excluded.

	US Dollar $'000	Chinese Renminbi $'000	Hong Kong Dollar $'000
Group			
2018			
Cash and cash equivalents	**5,703**	**359**	**–**
Other payables	**–**	**(156,953)**	**(808)**
Loans and borrowings	**–**	**(84,275)**	**(69,520)**
Net exposure in the statement of financial position	**5,703**	**(240,869)**	**(70,328)**
Forward exchange contracts	**–**	**(67,697)**	**–**
Cross currency interest rate swaps	**–**	**(140,739)**	**–**
Total exposure	**5,703**	**(449,305)**	**(70,328)**
2017			
Cash and cash equivalents	6,140	208	–
Other payables	–	(71,431)	(1,842)
Loans and borrowings	–	–	(70,746)
Net exposure in the statement of financial position	6,140	(71,223)	(72,588)
Forward exchange contracts	–	(97,132)	–
Total exposure	6,140	(168,355)	(72,588)

33. 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			
2018			
RMB	**USD**	**2.92%**	**167**
SGD	**RMB**	**0.32%**	**(1,438)**
SGD	**HKD**	**2.78%**	**(1,955)**
2017			
RMB	USD	3.13%	185
SGD	RMB	1.50%	(2,525)
SGD	HKD	1.33%	(952)

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.

As at 30 June 2017, the Group had interest rate swap contracts with a notional amount of $40.8 million to hedge the Group's interest rate exposure.

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THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

33. 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	
	2018 $'000	2017 $'000
Fixed rate instruments		
Financial assets	**676,621**	1,014,217
Financial liabilities	**(1,561,926)**	(1,852,446)
Interest rate swaps	**-**	(40,799)
	(885,305)	(879,028)
Variable rate instruments		
Financial liabilities	**(3,777,855)**	(2,819,777)
Interest rate swaps	**-**	40,799
	(3,777,855)	(2,778,978)

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 54 (2017: 60) basis points at the reporting date would decrease the Group's profit before income tax and accumulated profits by $18.2 million (2017: $14.2 million). The impact on the Group's profit and accumulated profits 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.

33. 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 and other receivables
The Group's exposure to credit risk is minimal as customers fund their purchases of residential housing units with mortgaged home loans from independent financial institutions. For trade receivables from tenants of the Group's commercial buildings, the Group has guidelines governing the process of granting credit. There is no concentration of customer risks in the Group and Company.

Investments
The Group limits its exposure to credit risk on investments in securities by dealing exclusively with high credit rating counterparties.

Derivatives
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 and cash equivalents
Cash is placed with regulated financial institutions.

Guarantees
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 35b. 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 property, plant and equipment, investment properties and development properties (see note 34).

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For The Year Ended 30 June 2018

33. 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	Between 1 and 5 years $'000	More than 5 years $'000
Group					
2018					
Non-derivative financial liabilities					
Trade and other payables*	**(314,385)**	**(314,385)**	**(232,323)**	**(81,890)**	**(172)**
Loans and borrowings	**(4,923,804)**	**(5,322,904)**	**(1,753,118)**	**(3,565,790)**	**(3,996)**
	(5,238,189)	**(5,637,289)**	**(1,985,441)**	**(3,647,680)**	**(4,168)**
Derivative financial instruments					
Cross currency interest rate swaps	**(17,787)**	**(39,696)**	**(10,647)**	**(29,049)**	**-**
Forward exchange contracts	**(1,214)**	**(1,216)**	**(1,216)**	**-**	**-**
	(19,001)	**(40,912)**	**(11,863)**	**(29,049)**	**-**
	(5,257,190)	**(5,678,201)**	**(1,997,304)**	**(3,676,729)**	**(4,168)**
2017					
Non-derivative financial liabilities					
Trade and other payables*	(397,169)	(397,169)	(313,687)	(75,906)	(7,576)
Loans and borrowings	(4,344,508)	(4,639,320)	(2,199,254)	(2,153,515)	(286,551)
	(4,741,677)	(5,036,489)	(2,512,941)	(2,229,421)	(294,127)
Derivative financial instruments					
Interest rate swaps	(33)	(21)	(21)	-	-
Cross currency interest rate swaps	(6,188)	(27,950)	(6,520)	(21,430)	-
Forward exchange contracts	(11)	(11)	(11)	-	-
	(6,232)	(27,982)	(6,552)	(21,430)	-
	(4,747,909)	(5,064,471)	(2,519,493)	(2,250,851)	(294,127)

* Excludes progress billings and derivatives.

The amounts due to non-controlling interests have not been included in the above table as the repayment is at the discretion of the Boards of the borrowing subsidiaries.

33. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows within 1 year $'000
Company			
2018			
Non-derivative financial liabilities			
Trade and other payables	**(933)**	**(933)**	**(933)**
2017			
Non-derivative financial liabilities			
Trade and other payables	(859)	(859)	(859)

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					
2018					
Derivative financial instruments					
Cross currency interest rate swaps	**(1,703)**	**(13,280)**	**(3,876)**	**(9,404)**	**-**

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THE FINANCIAL STATEMENTS

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33. 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	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2018									
Financial assets not measured at fair value									
Trade and other receivables#	–	496,486	–	–	496,486				
Cash and cash equivalents	–	884,934	–	–	884,934				
	–	1,381,420	–	–	1,381,420				
Financial liabilities measured at fair value									
Derivative financial liabilities	19,001	–	–	–	19,001	–	19,001	–	19,001
	19,001	–	–	–	19,001				
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	4,923,804	4,923,804	–	4,912,371	–	4,912,371
Trade and other payables*	–	–	–	817,416	817,416				
	–	–	–	5,741,220	5,741,220				

Excludes prepayments and derivatives.
* Excludes progress billings and derivatives.

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THE FINANCIAL STATEMENTS

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33. FINANCIAL INSTRUMENTS (CONT'D)

e. Accounting Classifications and Fair Values (cont'd)

	Carrying amount					Fair value			
	Fair value through profit or loss $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2017									
Financial assets measured at fair value									
Other investments	–	–	507	–	507	507	–	–	507
Derivative financial assets	38	–	–	–	38	–	38	–	38
	38	–	507	–	545				
Financial assets not measured at fair value									
Trade and other receivables#	–	195,423	–	–	195,423				
Cash and cash equivalents	–	1,118,483	–	–	1,118,483				
	–	1,313,906	–	–	1,313,906				
Financial liabilities measured at fair value									
Derivative financial liabilities	6,232	–	–	–	6,232	–	6,232	–	6,232
	6,232	–	–	–	6,232				
Financial liabilities not measured at fair value									
Loans and borrowings	–	–	–	4,344,508	4,344,508	–	4,345,450	–	4,345,450
Trade and other payables*	–	–	–	713,615	713,615				
	–	–	–	5,058,123	5,058,123				

Excludes prepayments and derivatives.
* Excludes progress billings and derivatives.

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33. 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.

34. COMMITMENTS

a. The future minimum lease rentals payable under non-cancellable operating leases as at reporting date are as follows:-

	Group	
	2018	**2017**
	$'000	**$'000**
Within 1 year	**222**	501
Between 1 and 5 years	**170**	335
	392	836

The leases relate to offices and office equipment and are generally for one to five years, with options to renew.

b. The Group had the following commitments as at the reporting date:-

	Group	
	2018	**2017**
	$'000	**$'000**
Capital expenditure contracted but not provided for in the financial statements:		
- property, plant and equipment	**119**	21,369
- investment properties	**14,039**	90,568
- development properties	**249,527**	66,517
- purchase of land	**-**	295,666
	263,685	474,120

35. 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	
	2018	**2017**
	$'000	**$'000**
Within 1 year	**250,000**	472,690
Between 1 and 5 years	**1,058,795**	1,076,000
	1,308,795	1,548,690

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.

36. 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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36. 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
2018								
Revenue								
External revenue	1,018,367	5,807	74,939	2,552	58,483	1,160,148	33	1,160,181
Results								
Segment profit/(loss) before tax	367,233	(29,024)	14,304	(172)	(13,697)	338,644	(9,854)	328,790
Share of profit/(loss) of associates and joint ventures (net of tax)	-	209,406	3,181	-	(8,989)	203,598	-	203,598
Interest income	2,767	3,709	1,412	504	554	8,946	1,956	10,902
Finance costs	(40,571)	(4,066)	(16,692)	-	(4,863)	(66,192)	(30,055)	(96,247)
Profit/(loss) before tax	329,429	180,025	2,205	332	(26,995)	484,996	(37,953)	447,043
Tax expense	(26,091)	(22,147)	(3,416)	(426)	(1,919)	(53,999)	(308)	(54,307)
Profit/(loss) for the year	303,338	157,878	(1,211)	(94)	(28,914)	430,997	(38,261)	392,736
Segment assets	6,681,387	1,888,261	883,338	27,338	905,093	10,385,417	113,820	10,499,237
Segment liabilities	3,579,101	214,258	388,549	763	339,762	4,522,433	1,335,310	5,857,743
Other segment items:-								
Associates and joint ventures	1,600	529,506	116,160	-	242,855	890,121	-	890,121
Depreciation	(430)	(353)	(593)	(8)	(13,724)	(15,108)	(953)	(16,061)
Impairment of property, plant and equipment	-	(2,289)	-	-	-	(2,289)	-	(2,289)
Fair value gain from investment properties	135,276	2,123	2,966	-	-	140,365	2,100	142,465
Capital expenditure	1,418,686	151	860	-	3,077	1,422,774	32	1,422,806

* Others include hotels operations and investment in property development projects in United Kingdom and Australia. During the year, the Group has undertaken an internal restructuring exercise for which certain hotels in the Group, held by and owned by different subsidiaries within the Group were consolidated under a distinct strategic business unit. If the internal restructuring has not occurred, revenue for GuocoLand Singapore, China and Malaysia operating segments would be $1,031.9 million, $25.0 million and $100.7 million respectively, the effect on segment results are not material.

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36. 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
2017								
Revenue								
External revenue	988,168	27,638	94,506	2,828	–	1,113,140	51	1,113,191
Results								
Segment profit/(loss) before tax	451,361	(8,084)	16,598	(49)	–	459,826	9,576	469,402
Share of profit/(loss) of associates and joint ventures (net of tax)	–	764	45,640	–	–	46,404	(1,459)	44,945
Interest income	1,464	5,880	1,363	988	–	9,695	4,150	13,845
Finance costs	(27,741)	(2,472)	(13,028)	–	–	(43,241)	(29,151)	(72,392)
Profit/(loss) before tax	425,084	(3,912)	50,573	939	–	472,684	(16,884)	455,800
Tax expense	(21,965)	(12,520)	(6,283)	(259)	–	(41,027)	(2,203)	(43,230)
Profit/(loss) for the year	403,119	(16,432)	44,290	680	–	431,657	(19,087)	412,570
Segment assets	5,860,120	1,547,539	1,039,895	44,310	250,195	8,742,059	213,616	8,955,675
Segment liabilities	2,874,271	115,646	547,236	1,475	–	3,538,628	1,583,614	5,122,242
Other segment items:-								
Associates and joint ventures	–	315,770	109,651	–	250,195	675,616	–	675,616
Depreciation	(457)	(2,896)	(2,274)	(78)	–	(5,705)	(843)	(6,548)
Fair value gain/(loss) from investment properties	261,058	(9,062)	1,555	–	–	253,551	900	254,451
Capital expenditure	161,125	471	65,879	–	–	227,475	2,775	230,250

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THE FINANCIAL STATEMENTS

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36. OPERATING SEGMENTS (CONT'D)

Geographical information

	External Revenue $'000	Non-current Assets# $'000
2018		
Singapore	**1,031,919**	**4,670,701**
China	**24,981**	**734,673**
Malaysia	**100,729**	**483,361**
Others	**2,552**	**242,876**
	1,160,181	**6,131,611**
2017		
Singapore	988,219	3,121,270
China	27,638	521,119
Malaysia	94,506	460,030
Others	2,828	250,290
	1,113,191	4,352,709

Excludes other investments and deferred tax assets.

Major customers

There are no customers contributing more than 10 percent to the revenue of the Group.

37. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW ACCOUNTING STANDARDS

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 30 June 2019 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply the new accounting standards SFRS(I) 15 Revenue from Contracts with Customers and SFRS(I) 9 Financial Instruments.

The Group has performed an assessment on the adoption of the new framework and does not expect a significant impact on the financial statements in the year of initial application, except for SFRS(I) 15.

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37. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW ACCOUNTING STANDARDS (CONT'D)

a. *Summary of quantitative impact*

The Group is currently finalising the transition adjustments. The following reconciliations provide an estimate of the expected impact on initial application of SFRS(I) 15 on the Group's statement of financial position as at 30 June 2018 and the Group's statement of profit or loss for the year ended 30 June 2018.

Group **Statement of Financial Position** **As at 30 June 2018**	**Current framework** **$'000**	**SFRS(I) 15** **$'000**	**SFRS(I) framework** **$'000**
Property, plant and equipment	618,054	–	618,054
Investment properties	4,623,436	–	4,623,436
Associates and joint ventures	890,121	166	890,287
Deferred tax assets	21,440	(1,911)	19,529
Inventories	2,957,876	1,656	2,959,532
Trade and other receivables	503,376	–	503,376
Cash and cash equivalents	884,934	–	884,934
Total assets	10,499,237	(89)	10,499,148
Current trade and other payables	301,113	(12,508)	288,605
Short term loans and borrowings	1,631,960	–	1,631,960
Current tax liabilities	19,656	554	20,210
Non-current other payables	550,907	–	550,907
Long term loans and borrowings	3,291,844	–	3,291,844
Deferred tax liabilities	62,263	–	62,263
Total liabilities	5,857,743	(11,954)	5,845,789
Share capital	1,926,053	–	1,926,053
Revenue reserves	2,169,049	11,486	2,180,535
Other reserves	(267,500)	–	(267,500)
Perpetual securities	404,976	–	404,976
Non-controlling interests	408,916	379	409,295
Total equity	4,641,494	11,865	4,653,359

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

37. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW ACCOUNTING STANDARDS (CONT'D)

a. ***Summary of quantitative impact (cont'd)***

Group **Statement of Profit or Loss** **For the year ended 30 June 2018**	**Current framework** **$'000**	**SFRS(I) 15** **$'000**	**SFRS(I) framework** **$'000**
Revenue	1,160,181	4,453	1,164,634
Cost of sales	(880,090)	9,691	(870,399)
Gross profit	280,091	14,144	294,235
Other income	164,478	–	164,478
Administrative expenses	(90,620)	–	(90,620)
Other expenses	(14,257)	–	(14,257)
Finance costs	(96,247)	–	(96,247)
Share of results of associates and joint ventures (net of tax)	203,598	(692)	202,906
Profit before tax	447,043	13,452	460,495
Tax expense	(54,307)	(2,460)	(56,767)
Profit for the year	392,736	10,992	403,728
Profit attributable to:			
Equity holders of the Company	381,270	10,879	392,149
Non-controlling interests	11,466	113	11,579
Profit for the year	392,736	10,992	403,728

b. ***SFRS(I) 1***

When the Group adopts SFRS(I) in 2019, the Group will apply SFRS(I) with 1 July 2017 as the date of SFRS(I) generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2019, restatement of comparatives may be required because SFRS(I) requires both the opening statement of financial position and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to FRS financial statements. The Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) to have any significant impact on the financial statements.

NOTES TO
THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

37. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW ACCOUNTING STANDARDS (CONT'D)

c. *SFRS(I) 15*

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

The Group plans to adopt SFRS(I) 15 in its financial statements for the year ending 30 June 2019, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the comparative period presented in the 2019 financial statement will be restated.

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

On adoption of SFRS(I) 15, the Group expects to continue to recognize revenue on its Singapore development properties over time. Revenue on certain overseas development projects will be recognized over time instead of a point in time upon transfer of control and significant risks and rewards to buyers.

Sales commissions paid to sales or marketing agents on the sale of real estate units

The Group pays commissions to property agents on the sale of property and currently recognises such commissions as expense when incurred. Under SFRS(I) 15, the Group will capitalise such commissions as incremental costs to obtain a contract with customer if these costs are recoverable. These costs are amortised to profit or loss as the Group recognises the related revenue.

d. *SFRS(I) 9*

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9. Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS(I) 9. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held.

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

The Group expects that all its existing hedges that are designated in effective hedging relationship will continue to qualify for hedge accounting under SFRS(I) 9. The relaxation of hedge accounting rules is likely to present more opportunities for the Group to adopt hedge accounting.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting SFRS(I) 9 based on currently available information and the Group does not expect the adoption of SFRS(I) 9 to have any significant impact on the financial statements. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts SFRS(I) 9 in 2019.

NOTES TO

THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2018

37. CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND ADOPTION OF NEW ACCOUNTING STANDARDS (CONT'D)

e. *SFRS(I) 16*

SFRS(I) 16 requires lessees to recognise most leases on statements of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 July 2019.

The Group has performed a preliminary impact assessment of the adoption of SFRS(I) 16. The Group expects that the adoption of SFRS(I) 16 will not have any significant impact to the Group.

The Group plans to adopt the new standard on the required effective date by applying SFRS(I) 16 retrospectively using the modified retrospective approach as an adjustment to the opening balance of retained earnings as at 1 July 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to SFRS(I) 16 and assessing the possible impact of adoption.

OTHER
INFORMATION

1. DEVELOPMENT PROPERTIES

The details of the major development properties held by the Group are as follows:-

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Singapore						
Leedon Residence Situated at Leedon Heights	Residential	TOP obtained in Jun 2015	N/A	48,525	85,270	100.00
Tanjong Pagar Centre Situated at 1/3/5/7/9 Wallich Street	Residential/ Commercial#/ Office#/ Hotel▲	TOP obtained in Oct 2017	N/A	15,023	157,738	80.00
Sims Urban Oasis Situated at Sims Drive	Residential	TOP obtained in Oct 2017	N/A	23,900	78,870	100.00
Martin Modern Situated at Martin Place	Residential	Structural works in progress	2nd Quarter 2020	15,936	49,084	100.00
Integrated Development Situated at Beach Road	Residential/ Commercial#/ Office#	Design stage	2022	22,202	90,029	70.00
Malaysia						
Damansara City Situated at Damansara Town Centre, Kuala Lumpur	Residential	TOP obtained in Nov 2015	N/A	32,450	228,420	68.00
	Commercial#/ Office#	TOP obtained in Dec 2015				
	Hotel▲	TOP obtained in May 2017				
Emerald Hills Situated at Lot 7585-7589, 7597-7600 and PT15231, Alam Damai, Kuala Lumpur	Residential	Pilling works in progress	2nd Quarter 2022	184,531	184,531	68.00

OTHER
INFORMATION

1. DEVELOPMENT PROPERTIES (CONT'D)

The details of the major development properties held by the Group are as follows:- (cont'd)

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Malaysia (cont'd)						
PJ City Corporate Hub Situated at Lot 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling	Commercial	Works in progress	4th Quarter 2019	12,974	38,053	68.00
The Oval Situated at Seksyen 63, Jalan Binjai, Kuala Lumpur	Residential	TOP obtained in Sep 2009	N/A	7,080	54,474	68.00
Site situated at Mukim of Jasin, Melaka Darul Amin	Residential	Planning	*	15,467,341	15,467,341	46.24
Emerald 9 Site situated at Lot 809, 810, Cheras Batu 8 ¼ and Batu 9, Jalan Cheras, 43200 Cheras	Residential	Planning	*	41,047	41,047	68.00
The People's Republic of China						
Shanghai Guoson Centre Situated in Putuo District, Shanghai	Commercial#	Phase 1: TOP obtained in Jul 2010	N/A	67,335	120,902	100.00
	Hotel▲	TOP obtained in Jun 2010	N/A			
	Commercial/ Office	Phase 2: Planning	*	76,510	148,001	100.00

OTHER
INFORMATION

1. DEVELOPMENT PROPERTIES (CONT'D)

The details of the major development properties held by the Group are as follows:- (cont'd)

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
The People's Republic of China (cont'd)						
Chongqing 18 Steps Situated in Yuzhong District, ChongQing	Residential/ Commercial	Planning	*	48,961	513,600	75.00
Vietnam						
The Canary Situated in Thuan An District, Binh Duong Province	Residential/ Commercial	Phase 2: TOP obtained in Sep 2013	N/A	98,131	177,000	100.00
		Phases 3 & 4: Planning	*			

* Not available as these developments have not commenced construction or have not been launched yet.

\# The carrying value is included in Investment Properties.

▲ The carrying value is included in Property, Plant and Equipment.

N/A: Not applicable.

OTHER
INFORMATION

2. INVESTMENT PROPERTIES

The details of the major investment properties held by the Group are as follows:-

Property	Description	Tenure of Land
Singapore		
20 Collyer Quay Singapore 049319	24-storey office block*	999-year lease with effect from 05.11.1862
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interests in freehold land	#
Tanjong Pagar Centre 1/5/7 Wallich Street Singapore 078881	Consists of 37-storey office block and 6-storey F&B retail mall	99-year lease with effect from 21.02.2011
Integrated Development Beach Road Singapore	A mixed-use development consists of office and retail mall	99-year lease with effect from 02.01.2018
Malaysia		
Damansara City Lot 58303 Damansara Heights Jalan Damanlela 50490 Kuala Lumpur	Consists of 19-storey office block and 4-storey F&B retail mall	Freehold
The People's Republic of China		
Shanghai Guoson Centre No. 452 Daduhe Road Shanghai	4-storey commercial building	50-year land use rights with effect from 11.12.2005

* 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.

SHAREHOLDING
STATISTICS

As at 12 September 2018

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

DISTRIBUTION OF SHAREHOLDINGS

SIze of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	238	4.02	5,424	0.00
100 - 1,000	790	13.36	603,796	0.05
1,001 - 10,000	3,741	63.26	17,498,875	1.48
10,001 - 1,000,000	1,123	18.99	46,915,352	3.96
1,000,001 & ABOVE	22	0.37	1,118,349,829	94.51
TOTAL	**5,914**	**100.00**	**1,183,373,276**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	GUOCOLAND ASSETS PTE. LTD.	772,032,426	65.24
2	HL BANK NOMINEES (S) PTE LTD	80,533,487	6.81
3	CITIBANK NOMINEES S'PORE PTE LTD	43,802,478	3.70
4	RAFFLES NOMINEES (PTE) LTD	41,061,679	3.47
5	KWEK LENG HAI	35,290,914	2.98
6	CITIGROUP GM SINGAPORE SECURITIES PTE LTD	26,683,000	2.25
7	CGS-CIMB SECURITIES (S'PORE) PTE LTD	23,606,732	1.99
8	KGI SECURITIES (SINGAPORE) PTE LTD	19,624,790	1.66
9	DBS NOMINEES PTE LTD	18,823,115	1.59
10	HSBC (SINGAPORE) NOMINEES PTE LTD	16,369,065	1.38
11	DB NOMINEES (S) PTE LTD	8,917,874	0.75
12	UOB KAY HIAN PTE LTD	5,853,064	0.49
13	LIM & TAN SECURITIES PTE LTD	4,690,533	0.40
14	DBS VICKERS SECURITIES (S) PTE LTD	4,637,666	0.39
15	MAYBANK KIM ENG SECURITIES PTE LTD	3,729,069	0.32
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,281,066	0.28
17	DBSN SERVICES PTE LTD	2,069,485	0.17
18	LEE YUEN SHIH	1,779,000	0.15
19	TAN KAH BOH ROBERT@ TAN KAH BOO	1,550,000	0.13
20	OCBC NOMINEES SINGAPORE PTE LTD	1,508,675	0.13
	TOTAL	**1,115,844,118**	**94.28**

SHAREHOLDING IN THE HANDS OF THE PUBLIC

The percentage of shareholding in the hands of the public was approximately 20.43% 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.

SHAREHOLDING
STATISTICS

As at 12 September 2018

SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Substantial Shareholders	Direct Interest No. of Shares	Deemed Interest No. of Shares
1.	GuocoLand Assets Pte. Ltd.	772,032,426	–
2.	Fairbury Pte. Ltd.[1]	73,604,933	–
3.	Guoco Group Limited	–	772,032,426[2]
4.	GuoLine Overseas Limited	–	772,032,426[2]
5.	GuoLine Capital Assets Limited	–	804,493,744[3]
6.	Hong Leong Company (Malaysia) Berhad	–	804,693,744[4]
7.	HL Holdings Sdn Bhd	–	804,693,744[4]
8.	Hong Leong Investment Holdings Pte. Ltd.	–	804,693,744[4]
9.	Quek Leng Chan	13,333,333	819,266,530[5]

[1] Trust established in respect of GuocoLand Limited Executives' Share Option Scheme.

[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 2018. 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$6,266,299	N.A. [2]
Guoco Group	S$1,197,562,165[1]	N.A. [2]
Singapore Hong Leong Group	S$94,950,839	N.A. [2]
Ms Kwek Sue Ping Sale of 1 unit of the Group's residential development, Martin Modern to Ms Kwek, a relative of Directors of the Company	S$4,445,700	N.A. [2]

[1] Include a sum of S$1,185 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 as announced via SGXNet on 3 October 2017.

[2] The Company does not have a general mandate from shareholders pursuant to Rule 920 of the SGX-ST Listing Manual.

NOTICE OF
ANNUAL GENERAL MEETING

GuocoLand Limited
Company Registration Number: 197600660W
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting ("**AGM**") of GuocoLand Limited (the "**Company**") will be held on Thursday, 25 October 2018 at 2.30 pm at Wallich Ballroom 2, Level 5 Sofitel Singapore City Centre, 9 Wallich Street Singapore 078885 for the following purposes:

(A) ORDINARY BUSINESS

1. To lay before the AGM the Directors' Statement and audited Financial Statements of the Company for the financial year ended 30 June 2018.

2. To declare a first and final tax exempt one-tier dividend of 7 cents per ordinary share in respect of the financial year ended 30 June 2018. **Resolution 1**

3. To approve the payment of Director fees of S$647,305 for the financial year ended 30 June 2018 (2017: S$644,708). **Resolution 2**

4. To re-elect the following Directors retiring by rotation pursuant to Article 109 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   Mr Raymond Choong Yee How; **Resolution 3**

   Mr Quek Leng Chan; and **Resolution 4**

   Mr Abdullah Bin Tarmugi. **Resolution 5**

5. To re-appoint Messrs KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following Ordinary Resolutions:

6. Authority to issue Shares **Resolution 7**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares (collectively, "**Instrument**"),

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instrument made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instrument made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

and, in sub-paragraph (1) above and this sub-paragraph (2), "**subsidiary holdings**" has the meaning given to it in the Listing Manual of the SGX-ST;

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

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

7. Renewal of Share Purchase Mandate **Resolution 8**

(a) That for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM of the Company is held or required by law to be held; or

(ii) the date on which the purchases of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means ten per cent. (10%) of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings); and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, applicable goods and services tax, stamp duties and other related expenses) not exceeding:

(i) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) market days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made by the Company, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) market days; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, twenty per cent. (20%) above the average of the closing market prices of the Shares over the five (5) market days, on which transactions in the Shares were recorded, before the day on which the Company makes an announcement of an offer under an Off-Market Purchase scheme, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) market days; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

8. Adoption of the GuocoLand Limited Executive Share Scheme 2018 ("**New Scheme**") **Resolution 9**

(a) That the New Scheme, details of which are set out in the Addendum in relation to the proposed adoption of the GuocoLand Limited Executive Share Scheme 2018 in place of the existing GuocoLand Limited Executives' Share Option Scheme 2008; and the proposed grant of options at a discount to the market price under the New Scheme, and, in particular, the rules of the New Scheme as set out in Appendix A to the Addendum, be approved and adopted;

(b) That the Directors be and are hereby authorised to appoint the Committee to administer the New Scheme and to authorise the Committee:

(i) to establish and administer the New Scheme;

NOTICE OF
ANNUAL GENERAL MEETING

(ii) to modify and/or amend the New Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the rules of the New Scheme;

(iii) to grant options in accordance with the rules of the New Scheme and to allot and issue or deliver from time to time such number of Shares as may be required to be issued or delivered pursuant to the exercise of the options under the New Scheme;

(iv) to make grant offers in accordance with the rules of the New Scheme and to allot and issue or deliver from time to time such number of Shares as may be required to be issued or delivered pursuant to the vesting of the Shares pursuant to grants under the New Scheme; and

(v) to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give full effect to the New Scheme.

9. Grant of options at a discount to the market price under the New Scheme **Resolution 10**

That subject to and contingent upon the passing of Ordinary Resolution 9 above, approval be given for options to be granted in accordance with the rules of the New Scheme at exercise prices which may, at the discretion of the Committee, be subject to a discount to the Market Price of the respective options, provided that the maximum discount which may be given shall not exceed twenty per cent. (20%) of the relevant market price in respect of that option.

(C) TO TRANSACT ANY OTHER ORDINARY BUSINESS.

BY ORDER OF THE BOARD

MARY GOH SWON PING
Group Company Secretary

9 October 2018
Singapore

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes to the Notice of the 42nd AGM:

Resolution 1 – is to approve the first and final tax exempt one-tier dividend of 7 cents per ordinary share in respect of the financial year ended 30 June 2018. The proposed dividend, if approved, will be paid on 22 November 2018.

Resolution 2 – is to approve the payment of Director fees of S$647,305 for the financial year ended 30 June 2018, for services rendered by the Directors on the Board as well as on various Board Committees. Detailed information on the Director fees is set out under "**Corporate Governance**" in the Company's Annual Report 2018.

Resolution 3 – Mr Raymond Choong Yee How, upon re-election as Director of the Company, will remain as the Group President & Chief Executive Officer. He is considered a Non-Independent Executive Director.

Resolution 4 – Mr Quek Leng Chan, upon re-election as Director of the Company, will remain as a member of the Remuneration Committee. He is considered a Non-Independent Non-Executive Director.

Resolution 5 – Mr Abdullah Bin Tarmugi, upon re-election as Director of the Company, will remain as Chairman of the Nominating Committee and Chairman of the Remuneration Committee. He is considered an Independent Non-Executive Director.

Detailed information on Mr Raymond Choong Yee How, Mr Quek Leng Chan and Mr Abdullah Bin Tarmugi can be found under "**Board of Directors**" in the Company's Annual Report 2018.

Resolution 6 – is to re-appoint Messrs KPMG LLP, as the Company's Auditors and to authorise the Directors to fix their remuneration. The Company has complied with Rule 713(1) of the SGX-ST Listing Manual by ensuring that the audit partner is not in charge of more than 5 consecutive years of audits. The current audit partner, Ms Lee Sze Yeng was appointed in July 2017.

Resolution 7 – is to empower the Directors to allot and issue Shares and/or Instrument (as defined above). The aggregate number of Shares to be issued pursuant to Resolution 7 (including Shares to be issued in pursuance of Instrument made or granted) shall not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company, with a sub-limit of 20% for Shares issued other than on a pro rata basis (including Shares to be issued in pursuance of Instrument made or granted pursuant to Resolution 7) to shareholders of the Company. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company will be based on the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company at the time of the passing of Resolution 7, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities; (ii) new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 7; and (iii) any subsequent bonus issue, consolidation or subdivision of Shares. The authority conferred by Resolution 7 will continue in force until the next AGM of the Company is held or is required by law to be held, whichever is earlier, unless previously varied or revoked by the Company in a general meeting.

Resolution 8 – is to renew the Share Purchase Mandate as described in the Addendum in relation to the proposed renewal of the Share Purchase Mandate circulated to shareholders of the Company on 9 October 2018 (the "**SPM Addendum**"). The Share Purchase Mandate will, unless varied or revoked by the Company in a general meeting, continue to be in force until the next AGM of the Company is held or is required by law to be held, whichever is earlier. This Ordinary Resolution, if passed, will authorise the Directors of the Company to make purchases or otherwise acquire Shares pursuant to and in accordance with the guidelines as set out in the SPM Addendum.

Resolution 9 – is to adopt a new executive share scheme as described in the Addendum in relation to the proposed adoption of the GuocoLand Limited Executive Share Scheme 2018 in place of the existing GuocoLand Limited Executives' Share Option Scheme 2008 circulated to shareholders of the Company on 9 October 2018 (the "**Share Scheme Addendum**"). This Ordinary Resolution, if passed, will approve the proposed adoption of the New Scheme as well as the rules of the New Scheme.

Resolution 10 – is to allow the Company to grant share options to Eligible Executives at a maximum discount not exceeding 20%; and share options granted at a discount may be exercisable after 2 years from the date of grant. The details are presented in the Share Scheme Addendum.

NOTICE OF
ANNUAL GENERAL MEETING

Meeting Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.

3. Completion and return of an instrument appointing a proxy or proxies shall not preclude a member from attending and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.

4. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at 1 Wallich Street #31-01 Guoco Tower Singapore 078881 not less than 72 hours before the time appointed for holding the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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GuocoLand Limited

A Member of the Hong Leong Group

Company Registration Number: 197600660W
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in GuocoLand Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

PERSONAL DATA PRIVACY:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 October 2018.

*I/We ________________________________ (Name) NRIC No: ____________________

of ____ (Address)

being *member/members of GuocoLand Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

*and/or

or, failing *him/her, the Chairman of the 42nd Annual General Meeting ("**AGM**") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be held on Thursday, 25 October 2018 at 2.30 pm and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific indication as to voting is given, the *proxy/proxies may vote or abstain from voting at *his/her discretion, as *he/she will on any other matter arising at the AGM. If no person is named in the space above, the Chairman of the AGM shall be *my/our *proxy/proxies to vote, for or against the Resolutions to be proposed at the AGM, as indicated below, for *me/us and on *my/our behalf at the AGM and at any adjournment thereof.

Please indicate with an "**X**" in the spaces provided whether you wish your vote(s) to be cast "**For**" or "**Against**" the Resolutions as set out in the Notice of the AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit.

No.	Resolution	For	Against
ORDINARY BUSINESS			
1	To declare a first and final tax exempt one-tier dividend of 7 cents per ordinary share		
2	To approve Director fees		
3	To re-elect Mr Raymond Choong Yee How as a Director		
4	To re-elect Mr Quek Leng Chan as a Director		
5	To re-elect Mr Abdullah Bin Tarmugi as a Director		
6	To re-appoint Messrs KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
7	To authorise the Directors to issue shares in the Company		
8	To approve the renewal of Share Purchase Mandate		
9	To approve the proposed adoption of the GuocoLand Limited Executive Share Scheme 2018 ("**New Scheme**")		
10	To approve the grant of options at a discount to the market price under the New Scheme		

Signed this ______________ day of ________________________ 2018

____

Signature(s) of member(s)/common seal*

Total Number of Ordinary Shares Held	

*** delete as appropriate**

IMPORTANT: PLEASE READ NOTES OVERLEAF

FOLD HERE

AFFIX
STAMP
HERE

GROUP COMPANY SECRETARY
GUOCOLAND LIMITED
1 WALLICH STREET
#31-01 GUOCO TOWER
SINGAPORE 078881

FOLD HERE

NOTES:

1. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore (the "Companies Act").

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be lodged at the Registered Office of the Company at 1 Wallich Street #31-01 Guoco Tower Singapore 078881, not less than 72 hours before the time fixed for holding the AGM or any adjournment thereof.

5. Completion and return of an instrument appointing a proxy or proxies shall not preclude a member from attending and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.

6. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its seal or signed by its attorney or officer duly authorised.

7. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument (including any related attachment) appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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

REGISTERED OFFICE
1 Wallich Street
#31-01 Guoco Tower
Singapore 078881
Tel: (65) 6535 6455
Fax: (65) 6428 7897

INVESTOR RELATIONS
Email: contact@guocoland.com

WEBSITE
http://www.guocoland.com

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)

1 Wallich Street
#31-01 Guoco Tower
Singapore 078881
Tel : (65) 6535 6455
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www.guocoland.com

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