



GuocoLand Limited
annual report 2002/03



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board of directors

Sat Pal Khattar, Chairman
Quek Chee Hoon, Chief Executive Officer
Quek Leng Chan
Kwek Leng Hai
Lum Choong Wah
Goh Yong Hong
Reggie Thein

audit committee

Reggie Thein, Chairman
Lum Choong Wah
Goh Yong Hong

nominating committee

Sat Pal Khattar, Chairman
Kwek Leng Hai
Lum Choong Wah

remuneration committee

Sat Pal Khattar, Chairman
Quek Leng Chan
Reggie Thein

company secretary

Dawn Pamela Lum

registered office

20 Collyer Quay #02-02
Tung Centre, Singapore 049319
Tel : (65) 6535 6455
Telefax : (65) 6532 6196

website

<http://www.guocoland.com.sg>

auditors

KPMG
Certified Public Accountants
Partner-in-charge : Danny Teoh
(with effect from FY ended June 2003)
Practising Register No : 647

registrar

B.A.C.S Private Limited
63 Cantonment Road, Singapore 089758

bankers

Bumiputra-Commerce Bank Berhad
Citibank N.A.
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
The Agricultural Bank of China
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

stock exchange listing

Singapore Exchange Securities Trading Limited

date of incorporation

31 March 1976

date of conversion to a public company

30 September 1978

year in review

Mr Sat Pal Khattar, Chairman of **GuocoLand** Limited, discusses the year in review.



a challenging year

The financial year ended 30 June 2003 was challenging for most businesses in Singapore including the Group. A continuing lethargic growth in the US economy, the principal driver of global growth, exacerbated by the Bali bomb blasts and military action in Iraq affected recovery in the international economy. Against this backdrop of weak economic confidence, business sentiment was further aggravated in March 2003 by the unexpected outbreak of the severe acute respiratory syndrome ("SARS") in Singapore. The Singapore economy registered a general decline, contracting sharply to -4.2% in the second quarter of 2003.

The beginning of the financial year looked promising with the easing of the Central Provident Fund ("CPF") rules in September 2002, making homes more affordable. Notwithstanding the fact that this period straddled the traditionally quiet Hungry Ghost Festival period, Singapore developers sold 2,346 residential units in the third quarter of 2002, the highest number in all quarters of the financial year.

The local property market however cooled off quickly thereafter with buying interest only returning during the months of May to July 2003 in response to major developers launching their projects following the substantial control of SARS. Overall, private residential property prices fell 1.8% in 2002 and 1.5% in the first half of 2003.

group performance

Despite the difficult business conditions, the Group achieved creditable results. Profit attributable to shareholders for the year was S\$94.2 million, compared to a loss of S\$179.9 million in the preceding financial year ended 30 June 2002. Group turnover was S\$364.9 million, representing an increase of 56% over the previous financial year.

During the year, the Group stayed focused on its strategy of divesting non-core / non-strategic assets and reducing debt. Under its divestment programme, the Group took concrete steps to streamline and allocate resources to the Group's core business of property and property-related activities.

The Company undertook a rights issue comprising 101,671,676 new ordinary shares and 101,671,676 new non-redeemable convertible cumulative preference shares during the financial year. The issue raised S\$203 million, which was primarily deployed to fund the Group's acquisitions of the remaining 55% interest in its associate, Guoco Properties Limited ("GPL") and a 30% stake in Guoman Hotel & Resort Holdings Sdn Bhd ("GHRH") in December 2002.

In March 2003, the Group divested its remaining interest in the securitised *Century Square Shopping Centre* in Singapore, a suburban retail mall and realised a profit of S\$25 million. The Group also divested its entire interest in its former insurance subsidiary, with the accelerated transfer of its remaining 41.7% stake in May 2003.

In China, the Group disposed of its interest in its Suzhou development site, generating a net profit of S\$25 million. In May 2003, the Group acquired an interest in a prime site for residential development in Beijing. This is in line with the Group's strategy of redeploying resources so as to concentrate its property development and investment activities in niche markets in Beijing and Shanghai.

The Group has management teams with good local knowledge in its core operating markets of Singapore, China and the United Kingdom. It has also on 25 September 2003 announced the conditional acquisition of a substantial stake in Hong Leong

Properties Berhad ("HLPB"), a property group listed on the Kuala Lumpur Stock Exchange, thereby adding Malaysia as a core geographical area. We see growth in all these four countries in which we will concentrate.

As a result of the enlarged share capital arising from the rights issue and a decrease in the revaluation reserve, the net asset value per ordinary share of the Company decreased from S\$1.92 as at 30 June 2002 to S\$1.52 as at 30 June 2003. Earnings per ordinary share however rose from a loss of 49.41 cents in the preceding financial year to a net profit of 19.91 cents in the financial year. The Company also focused on reducing its debt, which decreased from S\$1,404 million as at 30 June 2002 to S\$1,056 million as at 30 June 2003.

dividend

The Group is committed to improving sustainable returns for its shareholders. As the Group has sustained substantial turnaround, the Board is proposing a first and final ordinary dividend of 8% or 8 cents per ordinary share less tax. The dividend is subject to approval by shareholders at the Annual General Meeting of the Company to be held on 21 November 2003. If approved, the dividend will be paid on 11 December 2003.

business review

SINGAPORE: RESIDENTIAL PROPERTIES

The Group has continued to build on its core competency as a focused property developer of quality, affordable homes. The Group currently has the following launched developments in Singapore including *Sanctuary Green*, *The Gardens at Bishan*, *Bishan Point*, *Le Crescendo* and *Leonie Studio* all owned by our Group. In addition, we have *The Ladyhill* and *Boulevard Residence* in which the Group has a 40% interest. Altogether the Group

sold 426 units in the financial year which represent a market share of 7.7% of an industry aggregate of 5,559 units.

The Group had an active period of sales between the months of August to November 2002 in response to the relaxation of the CPF rules, helped substantially by lower mortgage rates. During this period, the Group's launch of *Le Crescendo* was followed closely with the very successful launch of *D'elias*. *D'elias* was well received with all 17 units sold out on the first day after its preview.

The Group had another active period of sales in Singapore following the containment of the SARS outbreak when homebuyers came back into the market. In May and June 2003, the Group sold more than 180 of the 249 units launched in *The Gardens at Bishan*. These sales are in line with the Group's strategy of offering units at attractive prices for homebuyers.

The Group plans to launch *Nathan Place* in the current financial year. Meanwhile, the Group will selectively replenish its land bank with quality sites. In building up the Group's land bank, we will continue to evaluate suitable sites based on location and pricing with a view to generating sustainable future earnings. We are not rushing into making purchases at unrealistic prices. If we cannot see decent returns for our efforts, we will not make hasty purchases.

SINGAPORE: INVESTMENT PROPERTIES

Singapore's office space saw a decline in the rental index during the financial year, with the first quarter of 2003 registering the greatest fall of 3.5%, compared with a fall of 3.2% in the previous quarter. Vacancy rates also increased from 14.8% at the beginning of the financial year to 17% at the end of the financial year.

The Group currently has two investment properties, *Tung Centre* and *Robinson Centre*. Despite the soft market and stiff competition, the Group enjoyed over 90% occupancy for *Tung Centre* and 100% occupancy for *Robinson Centre*. However, to reflect market values, the Group had to provide for a S\$35 million writedown in value in respect of its investment properties.

CHINA

Notwithstanding the dampening effects of SARS, China's economic growth rose to a high of 8.2% in the first half of 2003. Recognising the opportunities in the China market, the Group is well positioned to strengthen its property development, investment and management activities in China through its now wholly-owned subsidiary, GPL, which has had an active presence in China for the past 10 years.

In Beijing, the Group has a 75% stake in *Corporate Square*, a prime office building at the capital's Financial Street in the Xicheng District, which is now 63% sold. The Group's focus is to generate further sales of the remaining office space in this modern 17-storey office building. In addition, GPL has entered into a new joint venture (where it has a 96.5% interest) to acquire and develop a land parcel of approximately 13,000 square metres at *Zhenwumiao*, situated in Beijing's Xicheng District. This residential development is close to the main Chang An Road in the heart of Beijing.

In Shanghai, the Group holds a 98% interest in *Central Park*, a luxurious 262-unit development located parallel to the upscale Huai Hai Middle Road in the Luwan District. *Central Park* is undertaken in joint venture with Central City Group Co Ltd, a wholly owned subsidiary of the Luwan District Government. Groundbreaking has taken place and the main construction works have started.

A sales launch is slated for early 2004 and we are confident of good sales for this development.

UNITED KINGDOM

The UK economic growth increased to 0.3% in the last quarter of the financial year from 0.1% in the previous quarter. This sluggish economic growth saw a deterioration of the rental market and heavy discounting of property values during the financial year.

Benchmark Group PLC ("Benchmark") is a specialist niche player in the West End and Central London area specialising in investment and development sales. The Group has a 34.54% interest in Benchmark. During the financial year, the Group recognised a writedown of S\$104.4 million in its revaluation reserve arising from its share of the deficit on revaluation of Benchmark's portfolio. Nonetheless, Benchmark was able to contribute S\$25.9 million towards the Group's profits.

Benchmark's profit contribution for the financial year included profit recognised from the dilution of its interest in the specialist property unit trust, The West End of London Property Unit Trust ("WELPUT") from 73% to 55.3% following subscriptions by Schroder Exempt Property Unit Trust and Allied Dunbar Assurance PLC for units in WELPUT.

corporate governance

The Group is committed to ensuring high standards of corporate governance so as to achieve greater transparency and communication with the public and our shareholders. In this regard, the Group has substantially adopted the Singapore Code of Corporate Governance as part of its corporate governance practices. Quarterly reporting of the Group's results will commence in 2003 with the first quarter being the three-month period ending September 2003.

looking ahead

The Government's economic growth forecast for Singapore for 2003 was revised downwards at the height of the SARS outbreak from 2% to 5% to between 0.5% and 2.5%. The year's median forecast has now been further trimmed to 0.8%. However as the US economy, which posted a 3.1% growth in the second quarter of 2003 seems to be showing signs of recovery, this could pave the way for an earlier than expected economic recovery in Singapore in the coming months.

The Group nonetheless expects the operating economic environment in Singapore to continue to remain challenging. The domestic economy is restructuring rapidly in response to the reorganisation of the global economy but sustained recovery is patchy. For its local residential projects, the Group has to ensure that its pricing strategy remains competitive in order to achieve a favourable share of the Singapore market. As for overseas investments, the Group expects continuing and substantial contribution for the current financial year from sales generated by the proposed launch of *Central Park* in Shanghai, as well as from Benchmark.

The Group recognises that the property business in all the areas in which we operate is inherently cyclical. In the markets we operate, growth opportunities will occur at different times. To this end, the recent proposed acquisition of a substantial stake in HLPB, represents an attractive entry for the Group to acquire a substantial holding in a major Malaysian property group. We will become a focused property company within the larger Hong Leong Group Malaysia which will offer us exciting opportunities in the areas in which the Group operates.

The Group's continued adoption of the fair value accounting standards, SAS 33 since July 2001 means that it will have to

factor into its accounts market price movements of its financial assets including equities and derivatives which have all to be marked to market. This will have an impact on the Group's reserves and profitability.

With a proactive and experienced management team in place, the Group is well positioned to effectively manage its businesses in the overall interests of its shareholders. We shall endeavour to deliver sustainable earnings from the markets in which we have our operations.

appreciation

In closing, I would like to take this opportunity to again express my sincere appreciation and thanks to all our loyal shareholders, my fellow directors for their wise counsel as well as to the management and staff for their dedication and hard work during the financial year. I am also grateful to all our valued customers and bankers for their continued support in these challenging times.

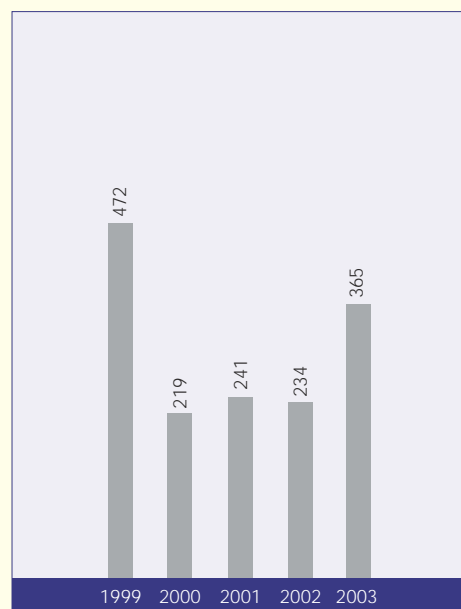
Sat Pal Khattar

Chairman

15 October 2003

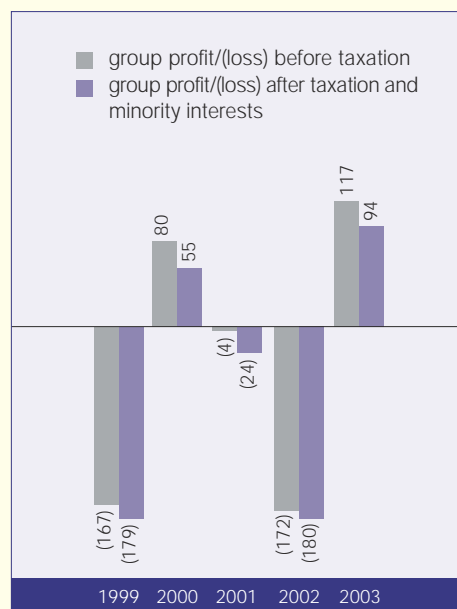
group revenue

(S\$ million)



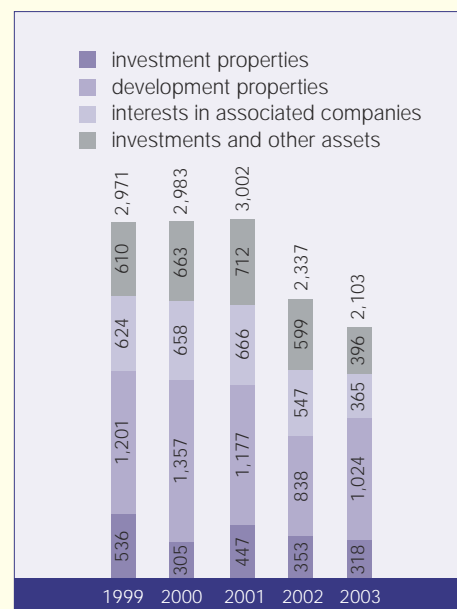
profit performance

(S\$ million)



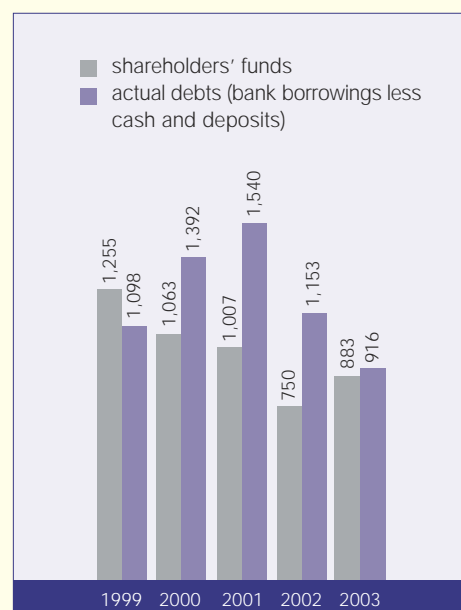
group total assets

(S\$ million)



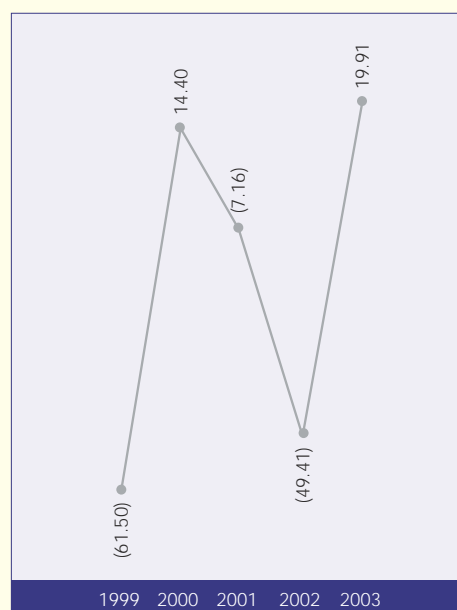
shareholders' funds and actual debts

(S\$ million)



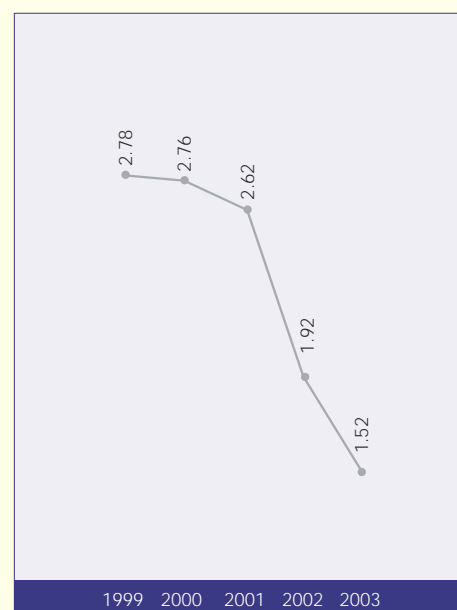
earnings per share

(cents)



net tangible assets per share

(S\$)



year ended 30 june	2003 S\$'000	2002 S\$'000	2001 S\$'000	2000 S\$'000	1999 S\$'000
profit & loss accounts					
revenue by business segments					
property development	338,111	192,327	175,559	158,154	398,352
property investment	16,465	18,324	16,482	20,206	36,606
insurance	-	13,305	13,442	14,895	13,955
fund management and investment trading	966	(4,478)	5,639	20,116	8,910
equity investment	4,641	11,355	23,617	1,574	1,922
other operations	4,671	3,297	6,704	4,322	11,926
total	364,854	234,130	241,443	219,267	471,671
profit/(loss) before taxation	117,100	(171,616)	(3,843)	79,672	(166,618)
profit/(loss) after taxation and minority interests	94,205	(179,925)	(24,194)	55,056	(179,379)
dividends (ordinary)	32,145	15,863	13,919	19,228	13,635
balance sheets					
investment properties	318,000	353,000	446,600	305,170	536,372
development properties	1,024,262	838,159	1,176,913	1,356,917	1,200,595
interests in associated companies	365,338	546,969	666,224	657,641	623,932
investments and other assets	395,683	598,724	712,073	663,109	610,525
total assets	2,103,283	2,336,852	3,001,810	2,982,837	2,971,424
bank borrowings	(1,055,697)	(1,404,022)	(1,742,476)	(1,619,313)	(1,361,000)
other liabilities	(125,082)	(156,669)	(210,638)	(254,724)	(304,101)
total liabilities	(1,180,779)	(1,560,691)	(1,953,114)	(1,874,037)	(1,665,101)
minority interests	(39,882)	(26,394)	(42,074)	(46,204)	(51,327)
net assets	882,622	749,767	1,006,622	1,062,596	1,254,996
share capital	516,137	369,162	369,126	368,955	363,569
reserves	366,485	380,605	637,496	693,641	891,427
share capital & reserves	882,622	749,767	1,006,622	1,062,596	1,254,996
ratios					
net tangible assets per share (S\$)	1.52	1.92	2.62	2.76	2.78
earnings per share (cents)	19.91	(49.41)	(7.16)	14.40	(61.50)
gross ordinary dividends (cents)	8	5	5	7	5

Note: Only 2001 comparative figures have been restated to conform with requirements arising from the adoption of new/revised accounting standards in 2002.

"Corporate governance refers to the processes and structure by which the business and affairs of the Company are directed and managed in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of other shareholders. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance)."

- Corporate Governance Committee

The Company is committed to ensuring high standards of corporate governance. This Report sets out the Company's corporate governance practices as documented in the Company's own code of corporate governance, which are substantially in line with the principles of the Singapore Code of Corporate Governance ("Code"). The Company's policies and guidelines relating to dealings in securities by directors and officers are also in accordance with the Best Practices Guide issued by the Singapore Exchange Securities Trading Limited ("SGX-ST").

The following sections describe the corporate governance practices adopted by the Company.

(a) board matters

BOARD'S CONDUCT OF ITS AFFAIRS

The role and responsibilities of the Board include setting the overall business strategy and direction of the Company and the Group. The Board also reviews and approves key strategic and financial initiatives, the business plan and budget, interim and annual results, quarterly results (when quarterly reporting commences), and major investments and divestments.

The Board met three times during the last financial year and intends to hold four meetings in the current financial year. Physical meetings are held and the Company's Articles of Association allow for meetings to be conducted via teleconferencing or videoconferencing.

New directors are apprised of the business activities of the Group and its strategic directions. All directors are provided with relevant information on the Company's policies, procedures and practices relating to governance issues, including disclosure of interests in securities, prohibitions on dealings in the Company's securities, restrictions on disclosure of price sensitive information and disclosure

of interests relating to property transactions. Directors are also updated regularly on key regulatory and accounting changes and receive relevant training, where necessary.

BOARD COMPOSITION AND BALANCE

The Board currently comprises seven well-qualified members who are business leaders and professionals with financial, banking and legal backgrounds. Although the Company's Articles of Association provide for a maximum of twelve directors, the Board considers its present size to be appropriate for the current nature and scope of the Group's operations. Profiles of the directors are set out on pages 14 and 15. The majority of the directors (five out of seven) are non-executive and are considered independent.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

The respective roles of the Chairman and Chief Executive Officer are held separately by Messrs Sat Pal Khattar and Quek Chee Hoon. As the Chairman is a non-executive director, the Company Secretary assists the Chairman to schedule and prepare agendas for Board meetings. These are reviewed by the CEO and then approved by the Chairman. The CEO ensures the quality and timeliness of information flow between the Board and Management, which comprises key executive personnel of the Company.

BOARD MEMBERSHIP

The Company has established a Nominating Committee (details are set out in the section entitled "Board Committees"), which recommends all Board appointments and re-nominations of directors. As prescribed by the Company's Articles of Association and recommended by the Code, one-third of the directors for the time being are required to retire from office and are subject to re-election by shareholders at the Company's Annual General Meeting.

BOARD PERFORMANCE

The Board will carry out an annual self-evaluation to assess its effectiveness and contributions. The assessment will include a review of matters such as the independence of the directors, individual skills and experience as well as the overall Board size and composition. The results of the assessment will be communicated to the Chairman of the Nominating Committee who will discuss this assessment with the Nominating Committee members and convey their comments for constructive feedback to the full Board.

ACCESS TO INFORMATION

Directors have separate and independent access to Management and the Company Secretary, whose role includes inter alia ensuring that Board procedures as well as applicable rules and regulations are complied with. The Company Secretary attends all Board and Board Committee meetings. Management keeps the Board apprised of the Company's operations and performance through regular updates and reports as well as through separate meetings and discussions. Directors may take independent professional advice at the Company's expense, if necessary.

BOARD COMMITTEES

To assist the Board in executing its duties, the Board has delegated specific functions to the following committees:

1. *Executive Committee*: The Executive Committee is entrusted with the conduct of the Company's business and affairs, in line with the overall strategy set by the Board. The members of the Executive Committee are the CEO and Messrs Quek Leng Chan and Kwek Leng Hai, and certain key senior management personnel. The Executive Committee meets regularly, on an average of once a month.
2. *Audit Committee*: The members of the Audit Committee comprise Messrs Reggie Thein (who is the Chairman), Lum Choong Wah and Goh Yong Hong, all of whom are non-executive directors and are considered independent. As part of the Company's corporate governance practices, the CEO will attend all Audit Committee meetings, which were held three times during the last financial year. The Audit Committee intends to meet at least four times in the current financial year.
3. *Executives' Share Option Scheme ("ESOS") Committee*: The ESOS Committee assists the Board in administering the ESOS. It determines the eligibility of employees to participate in the ESOS and the number of options to be granted to each participant. The ESOS Committee comprises Mr Sat Pal Khattar, a non-executive director and Mr Quek Leng Chan, an executive director. Presently, both Messrs Sat Pal Khattar and Quek Leng Chan are non-participants of the ESOS. Details of the ESOS are contained in the Directors' Report on pages 39 and 40.
4. *Nominating Committee*: This committee was established in September 2002 and comprises three directors, two of whom are considered to be independent. Mr Sat Pal Khattar chairs the Nominating Committee and the other members are Messrs Kwek Leng Hai and Lum Choong Wah. This committee will meet at least annually.
5. *Remuneration Committee*: This committee was also established in September 2002 and comprises two non-executive independent directors and an executive non-independent director. Mr Sat Pal Khattar chairs the Remuneration Committee and the other members are Messrs Quek Leng Chan and Reggie Thein. The Remuneration Committee will meet at least annually.

(b) remuneration matters

The Remuneration Committee, in consultation with the Executive Committee, reviews and recommends to the Board a framework of remuneration for the Board and key executives.

Non-executive directors do not receive any salary. However, non-executive directors together with executive directors receive directors' fees that are based on corporate and individual responsibilities and which are in line with industry norm. The fees for the seven directors for the last financial year amounted in the aggregate to S\$301,250 and will be subject to the approval of shareholders. This is disclosed in Note No. 27(a) to the Financial Statement.

The remuneration package comprising mainly salaries and bonuses, for the executive directors (including the CEO) and the top four key executives who may also be the directors of the Company's subsidiaries, are disclosed in bands of S\$250,000 so as to maintain confidentiality of staff remuneration matters. This information is contained in Note No. 27(b) to the Financial Statement.

The Company does not have any employees who are the immediate family members of any of the directors or the CEO and whose remuneration exceeded S\$150,000 during the last financial year.

(c) accountability and audit

AUDIT COMMITTEE AND INTERNAL CONTROLS

The terms of reference of the Audit Committee which incorporates the principles and guidelines of the Code are documented in the Company's own code of corporate governance.

In performing its functions, the Audit Committee undertook, inter alia, the following:-

- reviewing the Group's interim and final financial statements prior to submission to the Board;
- meeting the Company's external and internal auditors, in the absence of Management;
- reviewing the independence of the Company's external auditors;
- ensuring that a review of the effectiveness of the Company's material internal controls (including financial, operational and compliance controls, and risk management) was conducted;
- noting or reviewing interested person transactions; and
- reviewing all non-audit services provided by the external auditors of the Company and confirming that such non-audit services do not affect the independence of the external auditors.

The Company has an internal audit team comprising qualified personnel, which assists the Audit Committee in discharging its responsibilities. This ensures that Management maintains a sound system of internal controls, to safeguard shareholders' investments and the assets of the Company.

To assist the Board in inter alia, identifying, assessing and managing the significant business risks faced by the Group within its operating environment, a risk management framework has been developed.

Although the internal controls of the risk management framework are not designed to eliminate all risks of failure, these control mechanisms seek to provide a reasonable assurance against material misstatement of management and financial information and against fraud.

Having regard to the reviews carried out by the Audit Committee and internal auditor, the Board believes that the system of internal controls maintained by Management together with the ongoing process of identifying, assessing and managing significant risks faced by the Group, should meet the needs of the Company in its current business environment.

(d) internal and external communication

Internally, Management updates the Board with reports of the Company's performance, financial position and prospects for review at each Board meeting.

The Company ensures timely and adequate disclosure of information on matters of material impact to shareholders. Shareholders are provided with information on the Company's financial performance, position and prospects through MASNET announcements and through the Company's annual reports, press releases to the SGX-ST and the Company's website at <http://www.guocoland.com.sg>

Shareholders are given opportunities to participate at the Company's general meetings. The Board and Management are present at these meetings to address any questions that shareholders may have. The Company's external auditors are also present to assist the Board in addressing any queries raised by shareholders.

The Company will implement its first quarterly reporting of its results for the quarter ending 30 September 2003 in November 2003.

THE BEST PRACTICES GUIDE

The Company has adopted the Best Practices Guide with respect to dealings in securities by its directors and officers. These guidelines provide direction to directors and officers on dealings in the securities of the Company and have been disseminated to all directors, officers and key employees of the Group.

MR SAT PAL KHATTAR was appointed to the Board in 1988. He has been the Chairman of the Group since 1990 and is proposed for re-election at the Company's Annual General Meeting in November 2003. Mr Khattar is the Chairman of the Nominating Committee and Remuneration Committee which were established in September 2002. Mr Khattar is also a Director of other listed companies such as Haw Par Corporation Limited in Singapore, Guoco Group Limited in Hong Kong and Benchmark Group PLC in London. Mr Khattar is also a Consultant in Messrs Khattar Wong and Partners. Mr Khattar holds a LLM degree and a LLB (Hons) degree from the University of Singapore.

Mr Khattar attended two of the three Board meetings of the Company held during the financial year ended 30 June 2003. He also attended all the Audit Committee meetings held during the financial year ended 30 June 2003 in his capacity as a member and Chairman of the Audit Committee.

MR QUEK CHEE HOON was appointed to the Board in 1998, and was last re-elected to the Board at the Company's Annual General Meeting in November 2001. He is the Chief Executive Officer of the Group. Mr Quek has 26 years' extensive experience in various investment, corporate and management activities, including projects in infrastructure and property-related activities and businesses. He is Alternate Director to Mr Sat Pal Khattar on the Board of Benchmark Group PLC in London. Mr Quek holds a Bachelor of Accountancy degree from the University of Singapore.

Mr Quek attended all the Board and Executive Committee meetings of the Company held during the financial year ended 30 June 2003. He also attended all the Audit Committee meetings held during the financial year ended 30 June 2003 in his capacity as a member of the Audit Committee.

MR QUEK LENG CHAN was appointed to the Board in 1988, and is proposed for re-election at the Company's Annual General Meeting in November 2003. He is the Chairman of the Executive Committee and a member of the Remuneration Committee. Mr Quek is the Executive Chairman of the Hong Leong Group Malaysia. He is also the Executive Chairman of Guoco Group Limited in Hong Kong and the Chairman of Benchmark Group PLC in London. 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.

Mr Quek attended all the Board and Executive Committee meetings of the Company held during the financial year ended 30 June 2003.

MR KWEK LENG HAI was appointed to the Board in 1988, and was last re-elected to the Board at the Company's Annual General Meeting in November 2002. He is a member of the Nominating Committee. Mr Kwek is the President and Chief Executive Officer of Guoco Group Limited in Hong Kong. Mr Kwek is a qualified chartered accountant of the Institute of Chartered Accountants in England and Wales, and has extensive experience in financial services, manufacturing and property investment.

Mr Kwek attended all the Board and Executive Committee meetings of the Company held during the financial year ended 30 June 2003.

MR LUM CHOONG WAH was appointed to the Board in 1997, and is proposed for re-election at the Company's Annual General Meeting in November 2003. He is a member of the Audit Committee and Nominating Committee. Mr Lum's other appointments include directorships in SAFE Superstore Holdings Pte Ltd, Fastech Synergy Ltd of which he is Chairman of the Remuneration Committee and Greatronics Limited (formerly known as Cybermast Ltd). He had previously been the Executive Chairman of SNP Corporation Ltd and President of Temasek Holdings Pte Ltd. Mr Lum holds a Master of Public Administration from Harvard University in USA (1972) and Bachelor of Arts (Hons) degree from the University of Malaya in Singapore (1961).

Mr Lum attended all the Board meetings and Audit Committee meetings of the Company held during the financial year ended 30 June 2003.

MR GOH YONG HONG was appointed to the Board in 1999, and was last re-elected to the Board at the Company's Annual General Meeting in November 2002. Mr Goh is a member of the Audit Committee. He had served 31 years in the Singapore Police Force, being Commissioner of Police from 1979 until his retirement from service in 1992. His other appointments include being Chairman of the Board of Advisors of Raffles Town Club, Director of Asia Pacific Breweries Limited, Asia Pacific Breweries (S) Pte Ltd, Dragon Land Limited and SC Global Developments Ltd. He is also the President of Singapore Swimming Association. Mr Goh holds a Bachelor of Law (Hons) degree from the University of Malaya in Singapore (1961).

Mr Goh attended all the Board meetings and two of the three Audit Committee meetings of the Company held during the financial year ended 30 June 2003.

MR REGGIE THEIN was appointed to the Board in July 2002, and was last re-elected to the Board at the Company's Annual General Meeting in November 2002. Mr Thein was appointed Chairman of the Audit Committee in September 2002 and is a member of the Remuneration Committee. Mr Thein was with Coopers & Lybrand, the legacy firm of PricewaterhouseCoopers for 37 years, and retired from the firm as a Senior Partner in 1999. He was Vice Chairman of Coopers & Lybrand and the Managing Director of its management consulting services firm from its inception in 1972 until its global integration in 1995 into the world firm. Mr Thein is Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Certified Public Accountants of Singapore. He is also a member of the governing council of the Singapore Institute of Directors and is active in promoting and advancing the practice of corporate governance in Singapore. Mr Thein was awarded the Public Service Medal by the President of Singapore in 1999. He is currently a director of several listed companies in Singapore which include BIL International Limited, Central Properties Limited, F J Benjamin Holdings Ltd, GB Holdings Limited, Goodwood Park Hotel Limited, Haw Par Corporation Limited, Hotel Malaysia Limited, Keppel Telecommunications & Transportation Limited, MFS Technology Ltd and MobileOne Ltd.

Mr Thein attended all the Board meetings and Audit Committee meetings of the Company held during the financial year ended 30 June 2003.

MRS TRINA LOH is the General Manager of the Group's Singapore Property Division. She joined the Group in 1999. Mrs Loh has 21 years' experience in various aspects of the real estate business, particularly in Singapore, United Kingdom and New Zealand. Mrs Loh was a Colombo Plan Scholar and holds a Bachelor of Property Administration degree from the University of Auckland, New Zealand.

MS VIOLET LEE is the General Manager of the Group's China Property Division. She joined the Group in 2000. Ms Lee has a total of 19 years' working experience, spanning business development, marketing and management of various projects, including real estate-related projects in China. Ms Lee holds a Bachelor of Accountancy degree from the National University of Singapore.

MR JERRY LEE is the Group Financial Controller. He had been with the Group since 1996. Mr Lee has 24 years of working experience and held various positions in management, business development, corporate finance, corporate treasury, accounting and banking. Mr Lee holds a Bachelor of Accountancy degree from the University of Singapore, a Master of Business Administration degree from the Australian Graduate School of Management, University of New South Wales and a Master Degree in Applied Finance from Macquarie University.

MRS DAWN PAMELA LUM is the General Manager, Corporate Affairs and concurrently, the Group Company Secretary of the Group. Mrs Lum has been with the Company since 1987. Mrs Lum has a total of 27 years of working experience and has assumed key functions in the corporate and management team of the Company. Mrs Lum holds a LLB (Hons) degree from the University of Singapore. She was admitted to the Rolls of the Supreme Court of Singapore as an advocate and solicitor in 1977.



SINGAPORE RESIDENTIAL PROPERTIES

GuocoLand is committed to building quality homes for our valued customers at various attractive locations in Singapore.



99-year leasehold developments

The Group currently has the following 99-year leasehold developments which have been launched, namely, *The Gardens at Bishan*, *Bishan Point*, *Sanctuary Green* and *Leonie Studio*.





the gardens at bishan

The new release of units in phase two of this 756-unit development along Sin Ming Walk yielded encouraging sales. About 83% of *The Gardens at Bishan* has been sold with the Temporary Occupation Permit ("TOP") for phases one and two targeted for mid and end 2004 respectively.

There are four blocks of 20 storeys in this development. High-floor residents may be able to enjoy the relaxing views of either the expansive fairways of the near-by Singapore Island Country Club or the refreshing calmness of the Lower Pierce Reservoir. The Ai Tong School is in the vicinity of the development.

The distinct European garden setting comprising Italian gazebos, statues and water fountains offers residents a breathtaking view of lush greenery at their doorsteps. No one will have to leave home to experience the brilliance and grandeur of a European garden.



bishan point

Bishan Point is 88% sold. This 32-storey suburban development has 164 charming units, which have been designed to maximise natural lighting and ventilation.

Bishan Point is in the vicinity of the beautiful expanse of the Lower Pierce Reservoir and its serene surroundings. The development is also close to convenient shopping amenities, such as Thomson Plaza and Junction 8 as well as premier educational institutions, including Ai Tong School. The Bishan MRT station is just a few minutes' drive away.



sanctuary green

52% of the 522 units in *Sanctuary Green* have been sold. The TOP for 280 phase one units was obtained in September 2003. The TOP for the remaining phase two units is targeted for June 2004.

This Tanjong Rhu development lies on the fringe of the City's central business hub and the shopping / convention halls of Suntec City. The nearby East Coast Parkway gives quick accessibility by car between Changi Airport and the western sectors of the island. Residents will also be able to use the proposed new Boulevard MRT station when the future Circle Line comes into operation.

In addition, the close proximity to the scenic East Coast Park, the beautiful Marina waterfront and the newly opened Theatres-At-The-Bay on The Esplanade ensure fun-filled days and recreation for the whole family.

leonie studio

Located on elevated ground at the top of Leonie Hill and on the borders of the Orchard Road shopping belt is *Leonie Studio*, a development comprising 97 elegant units within a 32-storey tower. Designed with a full glass curtain wall for each unit and a sky terrace garden with a panoramic vista, *Leonie Studio* offers grand views of the City's landscape and beyond, whilst combining the convenience and the best of urbanised living.





999-year leasehold and freehold developments

The Group also presently has within its property portfolio a 999-year leasehold development, *D'elias* and six freehold development sites, namely, *Le Crescendo*, *Nathan Place*, *Paterson Residence*, a site at *Meyer Road* and *The Ladyhill* and *Boulevard Residence*, with the latter two developments being joint venture projects.

d'elias

All 17 cluster houses in *D'elias* were fully sold on the first day after the preview launch of this project in October 2002.

This cluster housing development situated at Elias Terrace is close to the Group's former projects, *Elias Terrace* and *Elias Green Condominium*, which were both completed in the early 1990s. Construction for *D'elias* has just commenced in July 2003 and the TOP is expected to be obtained by June 2005.

le crescendo

Launched in September 2002, *Le Crescendo* is 40% sold. This is a suburban freehold development at Paya Lebar Road, which seeks to offer residents more space and natural light within each of its 228 units. As an environmentally conscious developer, *Le Crescendo* units have been especially designed to allow for natural ventilation and lighting, with the use of large bay windows that are both aesthetically pleasing and functional.

Le Crescendo is close to established schools and is linked by an excellent transportation system. The development is within walking distance to the proposed Upper Paya Lebar and MacPherson MRT stations, which will offer easy accessibility to all parts of the island, especially when the orbital Circle Line comes into full operation. Residents will also be able to use the future 12km long Kallang-Paya Lebar Expressway connecting the East Coast Parkway in the south to the Tampines Expressway in the north-east, and this will cut travelling time considerably.





nathan place

Nathan Place is a freehold 46-unit development located in juxtaposition with the gracious homes of the Nathan / Chatsworth vicinity, close to many embassy buildings. A charming conservation bungalow on site gives a unique blend of old and new to this boutique housing project.

The development is easily accessible to both the City's financial district as well as the Orchard Road shopping belt. Yet its exclusive location within a tree conservation area designated by the National Parks Board enables residents to enjoy the mature greenery all year round.



paterson residence

This freehold development is centrally located in downtown Singapore with the Orchard MRT station being a short walk away. It is also within close proximity of the entertainment and dining hubs of the City. The proposed 123-unit *Paterson Residence* will offer grand panoramic views of the city skyline.

the ladyhill

Centrally located in the prestigious District 10, this high-end development comprises 55 units embraced by lush surroundings. The TOP for the condominium was issued in December 2002. Residents can enjoy the extraordinary refinements of their luxurious units which include individual light courtyards or roof terraces. *The Ladyhill* achieved the highest Construction Quality Assessment Systems score of 91.9 points from the Building and Construction Authority in 2002.



meyer road site

Located in the eastern side of the island, the *Meyer Road* site comprises 3,352 square metres of prime residential land within a prestigious neighbourhood. There are plans to construct a 50-unit development with low floor units overlooking the Katong Park or alternatively, a sea-view facing for higher floor residents.

With the nearby Tanjong Rhu flyover linking the East Coast Parkway, residents can gain quick access to Changi Airport in the east or Jurong in the west. Further, the future Old Airport Road MRT station that forms part of the proposed Circle Line will also provide easy accessibility to other parts of the island.



boulevard residence

Occupying a 3,568 square metre site at Cuscaden Walk, the 46-unit *Boulevard Residence* within a 36-storey building was launched in January 2003. To date, ten units have been sold.

These high-level homes start from the sixth level, all with individual lift access. Located in the prime district of Orchard Road, *Boulevard Residence* offers the thrills and excitement of living just next door to the sights and sounds of Singapore's liveliest city centre.

PROPERTY-RELATED SERVICES

The Group's property management subsidiary, GuocoLand Property Management Pte Ltd ("GLPM") undertakes both marketing as well as "after-sales" project management services relating to the Group's development projects in Singapore. GLPM has built up a wealth of expertise and experience over the last decade or so and extends its ongoing professional services to the Group.

The Group also continues to hold a 60% interest in MyHome Online Pte Ltd, which manages "www.myhome.com.sg", an internet portal providing updates and developments on the Group's development projects. A complete range of services, including valuations and loan applications are available online, giving added convenience to every prospective homebuyer.

SINGAPORE INVESTMENT PROPERTIES

The Group has two prime office buildings in the heart of the City's central business district.

tung centre

Facing the beautiful Marina Bay, this 24-storey office block located at the heart of Singapore's financial centre houses GuocoLand's Corporate Office. Presently, *Tung Centre* has an occupancy rate of over 90% and accommodates the offices of many foreign banks and international firms.





robinson centre

Robinson Centre at Robinson Road has a total leased area of 130,000 square feet and continues to be occupied by anchor tenant DBS Bank. Enjoying a 100% take-up rate, this 20-storey office building is close to the offices of many businesses of finance and commerce as well as the CPF Building.

OVERSEAS INVESTMENTS

In line with the Group's strategy of engaging in property and property-related business both locally and abroad, the Group continues to undertake its foreign investments in key overseas markets identified for growth.

china

The entry of China into the World Trade Organisation in December 2001 has spurred further growth in this emerging market, with the accelerated absorption of foreign direct investments in recent years.

In China, the Group continues to have its presence in Beijing and Shanghai through investments held by Guoco Properties Limited ("GPL"), which became a wholly owned subsidiary of GuocoLand in December 2002.





SHANGHAI CENTRAL PARK



SHANGHAI CENTRAL PARK

beijing

Having entered into a joint venture with a local Chinese company in 1994, GPL has a 75% stake in *Corporate Square*. This is an up-market 17-storey office block located along Financial Street in the Xicheng District, which is one of the four central districts of the Beijing municipality within the capital's Second Ring Road. With an available 95,757 square metres of total saleable area, *Corporate Square* is currently 63% sold and 3% leased to both international and Chinese companies.

GPL has also acquired a 96.5% interest in a land parcel, northwest of the city centre, five miles of Zhenwumiao at Xicheng District, which is encircled by the multi-lane freeway of the Second Ring Road. This 13,000 square metres site can accommodate a condominium of up to 15-storeys with clubhouse and car park facilities.

shanghai

The Group's 262-unit *Central Park* is located at the junctions of Taoyuan Road and Liulin Road in the prestigious Luwan District, close to the high-end shopping and entertainment belt of Huai Hai Middle Road. It is just minutes away from the Bund (waitan), one of the most recognisable architectural symbols of Shanghai's heritage.



CUBITT HOUSE AND WAITROSE STORE, BELGRAVIA

United Kingdom

The Group's 34.54% associate, Benchmark Group PLC ("Benchmark"), which specialises in West End and Central London properties, currently manages a portfolio of 1.7 million square feet valued at £953 million, with 97% by value in the West End.

During the financial year, Benchmark completed the development of the new *Waitrose* retail store on Motcomb Street in Belgravia. The 17,000 square feet offices above *Waitrose*, named *Cubitt House*, are now ready for occupation and are being marketed actively.

India

The Group has a 14% interest in a technology park, *Infocity*, situated at Gurgaon's Technology Park and also a 13% interest in a residential cum technology park project in the heart of Old Delhi, north of New Delhi.

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directors' report

for the year ended 30 June 2003

We are pleased to submit this annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2003.

DIRECTORS

The directors in office at the date of this report are as follows:-

Sat Pal Khattar
Quek Chee Hoon
Quek Leng Chan
Kwek Leng Hai
Lum Choong Wah
Goh Yong Hong
Reggie Thein (Appointed on 1 July 2002)

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the activities of the Group or of the Company during the financial year.

CHANGE OF NAME

During the financial year, the Company changed its name from First Capital Corporation Ltd to GuocoLand Limited.

ACQUISITIONS AND DISPOSALS OF INTERESTS IN SUBSIDIARIES

The following acquisitions and disposals of subsidiaries were made during the financial year:-

NAME OF SUBSIDIARY	CONSIDERATION \$'000	GROUP'S SHARE OF NET TANGIBLE ASSETS ACQUIRED/ DISPOSED OF \$'000	EFFECTIVE EQUITY INTEREST ACQUIRED/ DISPOSED OF %	GROUP'S EFFECTIVE EQUITY INTEREST AFTER ACQUISITION/ DISPOSAL %
By the Company				
Acquisitions:-				
Guoco Properties Limited	*	*	55	100
Pemberton Limited	*	5,752	100	100
Disposal:-				
First Capital Insurance Limited (see Note 29a)	54,196	54,403	97.7	-

*Less than \$1,000.

NAME OF SUBSIDIARY	CONSIDERATION \$'000	GROUP'S SHARE OF NET TANGIBLE ASSETS ACQUIRED/ DISPOSED OF \$'000	EFFECTIVE EQUITY INTEREST ACQUIRED/ DISPOSED OF %	GROUP'S EFFECTIVE EQUITY INTEREST AFTER ACQUISITION/ DISPOSAL %
By Subsidiaries				
Acquisitions:-				
China Fine Development Limited	472	780	10	100
Eagleman Development Limited	838	558	10	100
Superwell Properties Limited	426	310	10	100
Top Known International Limited	925	1,875	10	100
Disposals:-				
Suzhou China Fine Real Estate Development Co., Ltd	15,023	8,180	90	-
Suzhou Eagleman Real Estate Development Co., Ltd	26,660	21,835	90	-
Suzhou Superwell Real Estate Development Co., Ltd	13,541	13,421	90	-
Suzhou Top Known Real Estate Development Co., Ltd	29,411	13,068	90	-

There were no acquisitions or disposals of any other subsidiaries during the financial year.

FINANCIAL RESULTS

The results of the Group and of the Company for the financial year are as follows:-

	GROUP \$'000	COMPANY \$'000
Profit after taxation but before minority interests	98,438	20,813
Minority interests	(4,233)	-
Profit attributable to members of the Company	94,205	20,813
Unappropriated profits brought forward	1,137	104,962
Profits available for appropriation	95,342	125,775
From which the following appropriations have been made:-		
Non-redeemable convertible cumulative preference dividend of 7 cents per preference share per annum, based on the issue price of \$1 per preference share less 22.0% tax	(436)	(436)
Non-redeemable convertible cumulative preference dividend of 4.5 cents per preference share per annum, based on the issue price of \$1 per preference share less 22.0% tax	(1,956)	(1,956)
Final ordinary dividend paid of 5 cents per ordinary share less 22.0% tax in respect of year 2002	(15,863)	(15,863)
	(18,255)	(18,255)
Unappropriated profits carried forward	77,087	107,520

TRANSFERS TO AND FROM RESERVES AND PROVISIONS

Details of movement in reserves are shown in the Statement of Changes in Equity.

Material movements in provisions (including allowance, impairment and depreciation) are set out in the accompanying notes to the financial statements.

ISSUE OF SHARES AND DEBENTURES

- a. During the financial year, the Company increased its authorised share capital from \$503,000,000 to \$1,005,000,000 by the creation of an additional 500,000,000 ordinary shares of \$1.00 each and 200,000,000 non-redeemable convertible cumulative preference shares of \$0.01 each.
- b. On 29 November 2002, the Company issued 101,671,676 new ordinary shares of \$1.00 each ("rights share") and 101,671,676 new 4.5% non-redeemable convertible cumulative preference shares of \$0.01 each ("NCCPS 2005") at an issue price of \$1.00 for each rights share and \$1.00 for each NCCPS 2005 ("rights issue") for cash. One rights share and one NCCPS 2005 were issued for every four ordinary shares of \$1.00 each held in the share capital of the Company. The purpose of the rights issue was to principally finance the acquisitions of a 55% interest in Guoco Properties Limited and a 30% interest in Guoman Hotel & Resort Holdings Sdn Bhd from Guoco Group Limited (see Note 35).
- c. During the financial year, the Company issued 38,084,230 ordinary shares of \$1.00 each at par for cash to holders of non-redeemable convertible cumulative preference shares (NCCPS 2004) who exercised their conversion rights.

The Company also issued 6,649,611 ordinary shares of \$1.00 each at par for cash to holders of NCCPS 2005 who exercised their conversion rights.

- d. During the financial year, the Company issued the following series of notes under a S\$300 million Medium Term Note ("MTN") Programme which is constituted by a Trust Deed dated 15 March 2000:-
 - S\$25 million MTN due 29.04.2005 at 2.38% p.a.
 - S\$35 million MTN due 14.05.2005 at 2.56% p.a.

The purpose of the issue was to finance the Group's general working capital requirements and to refinance the Group's existing borrowings.

Save as aforesaid, no other shares or debentures were issued by the Company and its subsidiaries.

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Cap. 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year and their immediate families in shares and share options in the Company and in related corporations 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 2002	AS AT 30 JUNE 2003	AS AT 1 JULY 2002	AS AT 30 JUNE 2003
The Company				
	Ordinary Shares of S\$1.00 each fully paid			
Sat Pal Khattar	-	2,500,000	100,000	4,493,635
Quek Chee Hoon	241,817	2,802,271	-	-
Quek Leng Chan	662,261	13,947,687	201,660,299	316,563,884
Kwek Leng Hai	1,180,261	10,042,617	-	-
	7% Non-Redeemable Convertible Cumulative Preference Share (NCCPS 2004) of S\$0.01 each fully paid			
Sat Pal Khattar	-	-	3,494,908	-
Quek Chee Hoon	500,000	500,000	-	-
Quek Leng Chan	53,833	53,833	34,383,489	-
Kwek Leng Hai	53,833	-	-	-
	4.5% Non-Redeemable Convertible Cumulative Preference Shares (NCCPS 2005) of S\$0.01 each fully paid			
Sat Pal Khattar	-	2,500,000	-	898,727
Quek Chee Hoon	-	2,560,454	-	-
Quek Leng Chan	-	45,704	-	79,776,096
Kwek Leng Hai	-	8,808,523	-	-
	Options to subscribe for Ordinary Shares of S\$1.00 each			
Quek Chee Hoon	2,000,000	2,000,000	-	-
Ultimate Holding Company				
Guoco Group Limited				
	Ordinary Shares of US\$0.50 each fully paid			
Sat Pal Khattar	391,125	631,125	-	-
Quek Chee Hoon	-	-	40,000	-
Quek Leng Chan	456,325	1,056,325	137,374,315	137,374,315
Kwek Leng Hai	570,775	2,220,775	-	-
	Options to subscribe for Ordinary Shares of US\$0.50 each			
Sat Pal Khattar	300,000	60,000	-	-
Quek Leng Chan	1,200,000	600,000	-	-
Kwek Leng Hai	2,250,000	600,000	-	-

None of the directors who held office at the end of the financial year had interests in debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

directors' report

for the year ended 30 June 2003

By virtue of Section 7 of the Act, Mr Quek Leng Chan is deemed to have an interest in all of Guoco Group Limited's direct and indirect interests in its subsidiaries and associated companies.

The directors' direct and deemed interest in the share capital of the Company as at 21 July 2003 (being 21 days after the end of the financial year) remained unchanged from 30 June 2003.

Except as disclosed in this report, neither at the end of, nor at anytime 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.

DIVIDENDS

Since the end of the last financial year, the Company has paid:-

- a. a first and final ordinary dividend of 5 cents per ordinary share less income tax, amounting to \$14,380,957 in respect of the previous financial year as proposed in the Directors' Report of that year. In addition, \$1,481,755 was paid to shareholders who had converted their non-redeemable convertible cumulative preference shares into ordinary shares prior to the books closure date for the payment of the first and final dividend in respect of the financial year ended 30 June 2002;
- b. a non-redeemable convertible cumulative preference dividend of 7 cents per preference share per annum, based on the issue price of \$1.00 per preference share less income tax, amounting to \$1,245,338 of which \$891,329 was accrued for in the previous financial year. The Company has further accrued \$82,357 as at the end of the financial year; and
- c. a non-redeemable convertible cumulative preference dividend of 4.5 cents per preference share per annum, based on the issue price of \$1.00 per preference share less income tax, amounting to \$1,653,996. The Company has further accrued \$301,545 as at the end of the financial year.

The Directors now propose the payment of a first and final ordinary dividend of 8 cents per ordinary share less income tax, amounting to \$32,145,235 in respect of the financial year under review.

BAD AND DOUBTFUL DEBTS

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and providing for doubtful debts of the Company. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

CURRENT ASSETS

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ensure that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provision has been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report which would render the values attributable to current assets in the Group misleading.

CHARGES AND CONTINGENT LIABILITIES

Since the end of the financial year:-

- a. no charge on the assets of the Group or of the Company has arisen which secures the liabilities of any other person; and
- b. no contingent liability of the Group or of the Company has arisen.

ABILITY TO MEET OBLIGATIONS

No contingent liability or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render misleading any amount stated in the financial statements of the Group or of the Company.

UNUSUAL ITEMS

In the opinion of the directors, no item, transaction or event of a material and unusual nature has substantially affected the results of the operations of the Group or of the Company during the financial year.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' INTERESTS IN CONTRACTS

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 report and in Notes 24, 25, 27 and 35 to the financial statements, since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

OPTIONS

1. The GuocoLand Limited (formerly known as First Capital Corporation Ltd) Executives' Share Option Scheme
 - a. The GuocoLand Limited (formerly known as First Capital Corporation Ltd) Executives' Share Option Scheme ("the Scheme") was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 31 December 1998. The Scheme was further approved by The Stock Exchange of Hong Kong Limited and the shareholders of Guoco Group Limited, the ultimate holding company of the Company, at an Extraordinary General Meeting held on 1 February 1999.
 - b. The Scheme is administered by a Committee of Directors comprising Mr Sat Pal Khattar and Mr Quek Leng Chan who are not presently participating in the Scheme.
 - c. During the financial year, no additional Options were granted pursuant to the Scheme.
 - d. There were no Shares issued during the financial year by virtue of the exercise of the Options.

directors' report

for the year ended 30 June 2003

e. As at the end of the financial year, the status of the Options was as follows:-

NAME OF PARTICIPANTS	OPTIONS GRANTED DURING FINANCIAL YEAR UNDER REVIEW	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEME TO END OF FINANCIAL YEAR UNDER REVIEW	AGGREGATE OPTIONS EXERCISED/LAPSED SINCE COMMENCEMENT OF SCHEME TO END OF FINANCIAL YEAR UNDER REVIEW	AGGREGATE OPTIONS OUTSTANDING AS AT END OF FINANCIAL YEAR UNDER REVIEW
Executive Director, Quek Chee Hoon	-	2,000,000	-	2,000,000
Other Executives	-	3,380,000	1,940,000 (lapsed)	1,440,000
Total	-	5,380,000	1,940,000 (lapsed)	3,440,000

f. Statutory information regarding the above Options is as follows:-

i. The exercise price of the Options is \$2.28 per Share and the date of expiration of the Options is 26 April 2009 unless any such Option is cancelled or has lapsed.

ii. Options may be exercised under the following conditions:-

- after the first anniversary of the date of grant of Options to executives who have been employed for at least one year as at the date of grant of Options;
- after the second anniversary of the date of grant of Options to executives who have been employed for less than one year as at the date of grant of Options;

and in every case not later than the tenth anniversary of the date of grant of Options.

iii. The persons to whom the Options have been granted do not have the right to participate, by virtue of the Options, in a share issue of any other company.

g. No Options have been granted to controlling shareholders of the Company and their associates or parent group employees. No participant has received 5% or more of the total number of Options available under the Scheme.

h. None of the Options which were offered since the commencement of the Scheme was granted at a discount.

2. Non-Redeemable Convertible Cumulative Preference Shares

a. On 9 February 1999, the Company issued 87,900,892 7% Non-Redeemable Convertible Cumulative Preference Shares ("NCCPS 2004") which are convertible into ordinary shares of the Company based on one ordinary share for every one NCCPS 2004 held. Any outstanding NCCPS 2004 on 9 February 2004 will be automatically converted into ordinary shares of the Company.

During the financial year under review, the Company issued 38,084,230 ordinary shares to the holders of the NCCPS 2004 upon the conversion of 38,084,230 NCCPS 2004. As at 30 June 2003, there are 3,877,161 outstanding NCCPS 2004.

b. On 29 November 2002, the Company issued 101,671,676 4.5% Non-Redeemable Convertible Cumulative Preference Shares ("NCCPS 2005") which are convertible into ordinary shares of the Company based on one ordinary share for every one NCCPS 2005 held. Any outstanding NCCPS 2005 on 29 November 2005 will be automatically converted into ordinary shares of the Company.

During the financial year under review, the Company issued 6,649,611 ordinary shares to the holders of the NCCPS 2005 upon the conversion of 6,649,611 NCCPS 2005. As at 30 June 2003, there are 95,022,065 outstanding NCCPS 2005.

3. Warrants 2002

The 20 million Warrants issued by the Company on 7 July 1999, in conjunction with a S\$50 million unsecured transferable loan facility and an issue of S\$50 million unsecured fixed rate bonds which were redeemed on 8 July 2002, expired unexercised on 5 July 2002.

Other than the Options granted under the GuocoLand Limited (formerly known as First Capital Corporation Ltd) Executives' Share Option Scheme and the Options granted to the holders of the Non-Redeemable Convertible Cumulative Preference Shares, no option to take up unissued shares of the Company or any related corporations was granted during the financial year.

AUDIT COMMITTEE

The members of the Audit Committee at the date of this report are as follows:-

Reggie Thein, Chairman
Lum Choong Wah
Goh Yong Hong

The Audit Committee held three meetings since the last directors' report. In performing its functions, the Audit Committee 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 Company's internal accounting control system.

The Audit Committee also reviewed the following:-

- assistance provided by the Company's officers to the internal and external auditors;
- financial statements of the Group and of the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

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

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS

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

On behalf of the Board of Directors

SAT PAL KHATTAR

Director

QUEK CHEE HOON

Director

Singapore
19 September 2003

statement by directors

for the year ended 30 june 2003

We, being directors of the Company, do hereby state that in our opinion:-

- a. the financial statements set out on pages 44 to 99 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2003 and of the results of the business and the changes in equity of the Group and of the Company and the cash flows of the Group for the year ended on that date; 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.

On behalf of the Board of Directors

SAT PAL KHATTAR

Director

QUEK CHEE HOON

Director

Singapore

19 September 2003

We have audited the consolidated financial statements of the Group and the financial statements of the Company for the year ended 30 June 2003 as set out on pages 44 to 99. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard so as to give a true and fair view of:-
 - (i) the state of affairs of the Group and of the Company as at 30 June 2003 and of the results and changes in equity of the Group and of the Company and of the cash flows of the Group for the year ended on that date; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' report of the subsidiaries of which we have not acted as auditors, and also considered the financial statements of those subsidiaries which are not required by law of their country of incorporation to be audited, being financial statements that have been included in the consolidated financial statements of the Group. The names of these subsidiaries are disclosed in note 5 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

KPMG

Certified Public Accountants

Singapore

19 September 2003

balance sheets
as at 30 june 2003

			GROUP		COMPANY
	NOTE	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Non-Current Assets					
Plant and Equipment	3	1,865	1,886	-	-
Investment Properties	4	318,000	353,000	-	-
Interests in Subsidiaries	5	-	-	1,113,839	966,999
Interests in Associated Companies	6	365,338	546,969	10,767	207,830
Amounts due from Minority Shareholders of Subsidiaries	7	18,221	19,021	-	-
Investment Securities	8a	130,191	132,511	-	-
		833,615	1,053,387	1,124,606	1,174,829
Current Assets					
Development Properties	9	1,024,262	838,159	-	-
Trade and Other Receivables	10	90,740	60,381	452	685
Investment Securities	8b	15,000	134,129	-	-
Cash and Cash Equivalents	13	139,666	250,796	20,423	272
		1,269,668	1,283,465	20,875	957
Less : Current Liabilities					
Trade and Other Payables	14	55,136	73,562	6,113	6,962
Interest Bearing Bank Loans and Borrowings – Current Portion	16	675,415	619,093	125,561	298,632
Provision for Taxation		36,685	18,669	24,357	15,962
Preference Dividend Payable		384	891	384	891
		767,620	712,215	156,415	322,447
Net Current Assets/(Liabilities)		502,048	571,250	(135,540)	(321,490)
Less : Non-Current Liabilities					
Amounts due to Minority Shareholders of Subsidiaries	7	17,181	16,460	-	-
Amount due to a Related Party (non-trade)		-	16,536	-	-
Interest Bearing Bank Loans and Borrowings	16	380,282	784,929	107,582	157,629
Deferred Taxation	20	15,696	11,051	-	-
Deferred Profit	21	-	19,500	-	19,500
		413,159	848,476	107,582	177,129
Less : Minority Interests		39,882	26,394	-	-
Net Assets		882,622	749,767	881,484	676,210
Capital and Reserves					
Share Capital	22	516,137	369,162	516,137	369,162
Reserves	23	366,485	380,605	365,347	307,048
		882,622	749,767	881,484	676,210

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

profit and loss accounts
for the year ended 30 june 2003

	NOTE	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Revenue	24	364,854	234,130	124,023	128,760
Cost of sales		(338,460)	(363,928)	-	-
Gross profit/(loss)		26,394	(129,798)	124,023	128,760
Other operating income	25	84,181	15,151	42,723	57
Administrative expenses		(6,908)	(6,695)	(4,231)	(2,467)
Other operating expenses	26	(684)	(52,044)	(101,814)	(76,129)
Profit/(Loss) from operations	27	102,983	(173,386)	60,701	50,221
Finance costs	28	(10,275)	(31,330)	(14,418)	(31,223)
Share of profit from associated companies		24,392	33,100	-	-
Profit/(Loss) from ordinary activities before taxation		117,100	(171,616)	46,283	18,998
Taxation	30	(18,662)	(15,115)	(25,470)	(23,754)
Profit/(Loss) from ordinary activities after taxation		98,438	(186,731)	20,813	(4,756)
Minority interests		(4,233)	6,806	-	-
Net profit/(loss) for the year		94,205	(179,925)	20,813	(4,756)
Earnings per ordinary share (cents)	31				
Basic		19.91	(49.41)		
Diluted		17.58	(43.81)		

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

statements of changes in equity
for the year ended 30 june 2003

	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Share Capital				
At beginning of the year	369,162	369,126	369,162	369,126
Issue of 101,671,676 ordinary shares of \$1.00 each	101,672	-	101,672	-
Issue of 101,671,676 NCCPS 2005 of \$0.01 each	1,017	-	1,017	-
Issue of shares to holders of NCCPS 2004 who exercised their conversion rights	37,703	36	37,703	36
Issue of shares to holders of NCCPS 2005 who exercised their conversion rights	6,583	-	6,583	-
At end of the year	516,137	369,162	516,137	369,162
Share Premium				
At beginning of the year	192,267	192,303	192,267	192,303
Premium on issue of NCCPS 2005	100,654	-	100,654	-
Expenses incurred on rights issue of ordinary shares and NCCPS 2005	(744)	-	(744)	-
Issue of shares to holders of NCCPS 2004 who exercised their conversion rights	(37,703)	(36)	(37,703)	(36)
Issue of shares to holders of NCCPS 2005 who exercised their conversion rights	(6,583)	-	(6,583)	-
At end of the year	247,891	192,267	247,891	192,267
Capital Reserve				
At beginning of the year	13,538	10,074	1,300	1,300
Disposal of interest in a subsidiary	226	-	-	-
Transfer to profit and loss account upon disposal of available-for-sale securities previously accounted for as an associated company	-	3,464	-	-
At end of the year	13,764	13,538	1,300	1,300
Exchange Translation Reserve				
At beginning of the year	30,143	15,147	5,519	10,181
Net translation differences on foreign subsidiaries, associated companies and foreign currency assets forming part of net investments in such entities	16,839	14,996	117	(4,662)
At end of the year	46,982	30,143	5,636	5,519

	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Investment Revaluation Reserve				
At beginning of the year	165,950	196,207	-	-
Deficit arising from revaluation of investment properties of:-				
- subsidiaries	(35,000)	(31,000)	-	-
- an associated company	(104,366)	(2,929)	-	-
Transfer to profit and loss account upon disposal of investment properties by:-				
- a subsidiary	-	22,617	-	-
- an associated company	(20,732)	(18,813)	-	-
Reduction in revaluation reserve upon dilution of the Group's interest in an associated company	-	(132)	-	-
At end of the year	5,852	165,950	-	-
Capital Redemption Reserve				
At beginning and end of the year	3,083	3,083	3,000	3,000
Mark-to-market Reserve				
At beginning of the year	(25,513)	-	-	-
Net unrealised losses on:-				
- Available-for-sale securities	(2,320)	(23,476)	-	-
- Available-for-sale securities held by an associated company	(341)	(2,037)	-	-
At end of the year	(28,174)	(25,513)	-	-
Unappropriated Profits				
At beginning of the year	1,137	197,231	104,962	125,887
Net profit/(loss) for the year	94,205	(179,925)	20,813	(4,756)
Dividends (see Note 32)	(18,255)	(16,169)	(18,255)	(16,169)
At end of the year	77,087	1,137	107,520	104,962
Capital and Reserves	882,622	749,767	881,484	676,210

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

consolidated statement of cash flows

for the year ended 30 june 2003

	2003 \$'000	2002 \$'000
Profit/(Loss) from ordinary activities before taxation	117,100	(171,616)
Adjustment for:-		
Depreciation of plant and equipment	766	998
Gain on disposal of plant and equipment	(154)	(273)
Share of profit from associated companies	(24,392)	(33,100)
Interest expense	10,275	31,330
Interest income	(5,613)	(5,399)
Dividend income	(4,010)	(11,905)
Allowance for foreseeable losses on development properties (net)	14,307	161,996
Plant and equipment written off	2	4
Loss on dilution of interest in an associated company	-	6
Loss on disposal of investment properties by a subsidiary	-	23,754
Mark-to-market gain in respect of equity swap	(20,911)	(5,113)
Mark-to-market (gain)/loss on trading securities	(956)	21,024
Mark-to-market gain on derivative financial instruments	(164)	(37)
Negative goodwill written off	(6,614)	-
Gain on disposal of available-for-sale securities	-	(6,225)
Gain on disposal of investments in subsidiaries	(27,698)	-
Gain on disposal of investment in an associated company	(24,653)	-
	(89,815)	177,060
Operating profit before working capital changes	27,285	5,444
Increase/(Decrease) in working capital:-		
Development properties	15,925	211,278
Trading securities	120,085	139,625
Trade and other receivables	(29,492)	(4,651)
Trade and other payables	(96)	(23,562)
Changes in working capital	106,422	322,690
Cash flow from operations	133,707	328,134
Income taxes paid	(529)	(8,839)
Net cash from operating activities	133,178	319,295

	2003 \$'000	2002 \$'000
Cash flows from investing activities:-		
Proceeds from disposal of plant and equipment	214	331
Purchase of plant and equipment	(591)	(480)
Dividends received	4,010	11,905
Interests in associated companies	2,613	89,304
Balances with minority shareholders of subsidiaries	(59)	4,362
Acquisition of available-for-sale securities	-	(8,071)
Proceeds from disposal of available-for-sale securities	-	39,046
Settlement of equity swap	18,291	(34,183)
Net proceeds from disposal of investment properties	-	61,463
Inter-company balances	3,072	6
Related party balances	(20,151)	4,399
Acquisition of interest in subsidiaries	24,262	(4,400)
Acquisition of an amount due from a subsidiary	(134,490)	-
Net proceeds from disposal of interest in subsidiaries	62,120	-
Acquisition of interest in an associated company	(21,128)	-
Net proceeds from disposal of interest in an associated company	20,421	-
Net cash (used in)/from investing activities	(41,416)	163,682
Cash flows from financing activities:-		
Dividends paid	(18,762)	(16,137)
Dividends paid to minority shareholders of a subsidiary	(832)	(2,822)
Interest paid	(43,110)	(78,925)
Interest received	5,709	6,210
Repayment of long-term loans	(222,452)	(213,413)
Repayment of short-term loans	(51,982)	(48,718)
Repayment of long-term bonds	(49,991)	(149,101)
(Repayment of)/Net proceeds from medium-term notes	(4,964)	47,967
(Repayment of)/Proceeds from short-term notes	(20,000)	20,000
* Net proceeds from rights issue	202,599	-
Net cash used in financing activities	(203,785)	(434,939)
Net (decrease)/increase in cash and cash equivalents	(112,023)	48,038
Cash and cash equivalents at beginning of the year	250,796	202,758
Exchange differences on translation of balances held in foreign currency	893	-
Cash and cash equivalents at end of the year (see Note 13)	139,666	250,796

- * As at 30 June 2003, the Company had utilised the total net proceeds from the rights issue to finance the acquisitions of Guoco Properties Limited and Guoman Hotel & Resort Holdings Sdn Bhd, to repay bank loans, to partially finance a new investment undertaken by the Group in Beijing and for general working capital purposes.

NOTES TO STATEMENT OF CASH FLOWS

	2003 \$'000	2002 \$'000
A. SUMMARY OF EFFECTS OF ACQUISITIONS OF SUBSIDIARIES		
Plant and equipment	381	-
Current assets	280,068	55,984
Current liabilities	(20,605)	(356)
Non-current liabilities	(262,118)	(27,000)
Minority interests	(14,703)	-
	(16,977)	28,628
Add/(Less) :		
Previously accounted for as		
- Interest in subsidiary	-	(24,228)
- Interest in associated company	22,729	-
Minority interests acquired	3,523	-
Net assets acquired	9,275	4,400
Negative goodwill on acquisition	(6,614)	-
Purchase consideration	2,661	4,400
Cash of subsidiaries acquired	(26,923)	-
Net cash (inflow)/outflow	(24,262)	4,400
B. SUMMARY OF EFFECTS OF DISPOSALS OF SUBSIDIARIES		
Plant and equipment	163	-
Current assets	141,336	-
Current liabilities	(29,318)	-
Minority interests	(1,274)	-
Net assets disposed	110,907	-
Add : Capital reserve	226	-
Add : Profit on disposal of investments in subsidiaries	27,698	-
Sale consideration	138,831	-
Cash of subsidiaries disposed	(76,711)	-
Net cash inflow	62,120	-

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on 19 September 2003.

1. DOMICILE AND ACTIVITIES

GuocoLand Limited (formerly known as First Capital Corporation Ltd) (the "Company") is incorporated in the Republic of Singapore and has its registered office at 20 Collyer Quay, #02-02 Tung Centre, Singapore 049319.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The immediate holding company is Guoco Investment Pte Ltd, incorporated in the Republic of Singapore. The ultimate holding company is Guoco Group Limited, incorporated in Bermuda.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associated companies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis Of Preparation

The financial statements are prepared in accordance with Singapore Statements of Accounting Standard ("SAS") including related Interpretations promulgated by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Singapore Companies Act, Chapter 50.

The historical cost basis is used except that:

- investment properties are stated at valuation;
- investment securities are stated at fair value; and
- derivative financial instruments are stated at fair value.

Amounts are expressed in Singapore dollars, unless stated otherwise.

b. Basis of Consolidation

The Group financial statements include the financial statements of the Company and all its subsidiaries made up to 30 June. All significant intra-group transactions and balances are eliminated upon consolidation. The Group results include, in respect of any subsidiaries acquired during the year, their results attributable to the periods since the dates of acquisition and in the case of interests in subsidiaries disposed of during the year, their results attributable to the periods up to the dates of disposal.

Investments in associated companies are accounted for in the consolidated financial statements under the equity method and are initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of the associated companies' net assets. The Group's share of the post-acquisition results of the associated companies is included in the consolidated profit and loss account and is based on their latest available management financial statements.

Where necessary, accounting policies for associated companies have been changed to be consistent with the policies adopted by the Group.

c. Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

Dividends from subsidiaries are included in the profit and loss account when the shareholder's right to receive payment is established.

d. Associated Companies

An associated company is defined as a company, not being a subsidiary, in which the Group has a substantial interest (not less than 20% of the equity) and in whose financial and operating policy decisions the Group exercises significant influence.

Investments in associated companies are stated in the Company's balance sheet at cost less impairment losses.

Dividends from associated companies are included in the profit and loss account when the shareholder's right to receive payment is established.

e. Foreign Currencies

i. Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange approximate to those ruling at the balance sheet date. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are dealt with either through the profit and loss account or capitalised as part of the cost of development properties where appropriate except for those translation differences that, in substance, form part of the Group's net investment in foreign subsidiaries and associated companies. These translation differences are recognised directly in equity until the disposal of the investment, at which time they are dealt with through the profit and loss account.

ii. Foreign operations

The assets and liabilities of foreign operations are translated into Singapore dollars at rates of exchange approximate to those ruling at the balance sheet date. The results of foreign operations are translated at the average exchange rates for the year. Exchange differences arising on translation are recognised directly in equity. Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on transaction dates.

f. Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight line basis so as to write off their costs over their estimated useful lives as follows:-

	No. of Years
Furniture and fittings	3 – 5
Office equipment	2 – 5
Motor vehicles	5

g. Intangible Assets*i. Goodwill*

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is stated at cost less accumulated amortisation and impairment losses. In respect of associated companies, the carrying amount of goodwill is included in the carrying amount of the investment in associated companies. Goodwill is amortised in the profit and loss account using the straight-line method over its estimated useful life of up to 15 years.

Goodwill arising on acquisition of subsidiaries and associated companies that occurred prior to 1 July 2001 were written off against reserves and has not been retrospectively capitalised and amortised.

ii. Negative goodwill

Negative goodwill arising on acquisition represents the excess of the fair value of the Group's share of the identifiable net assets acquired over the cost of acquisition.

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss account over the weighted average useful life of those assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the profit and loss account.

In respect of associated companies, the carrying amount of negative goodwill is included in the carrying amount of the investment in associated companies. The carrying amount of other negative goodwill is deducted from the carrying amount of intangible assets.

h. Investment Properties

Investment properties are defined as properties which are held for the primary purpose of producing rental income and are not held for resale in the ordinary course of business.

Completed properties are stated at annual valuation. A property is considered physically completed on receipt of the Temporary Occupation Permit.

An independent professional valuation is made at least once every three years. The net surplus or deficit on revaluation is taken to investment revaluation reserve except when the total of the reserve is not sufficient to cover a deficit on an aggregate basis, in which case the amount by which the deficit exceeds the amount in the investment revaluation reserve is charged to the profit and loss account.

For properties under development or awaiting development, the land component is stated at annual valuation whereas the development expenditures are stated at cost.

When an investment property is disposed of, the resulting gain or loss recognised in the profit and loss account is the difference between net disposal proceeds and the carrying amount of the property. Any amount in the investment revaluation reserve that relates to the property is transferred to the profit and loss account in calculating the gain or loss.

i. Development Properties

Development properties are those properties which are held with the intention of sale in the ordinary course of business. These include properties held for sale and properties in the course of development and are classified as current assets.

Development properties in the course of development are stated at the lower of cost, plus where appropriate a portion of attributable profit and estimated net realisable value, net of progress billings. Land, related acquisition expenses, development expenditure, interest and other related expenditure are capitalised as part of the cost of development properties. Properties held for sale are stated at the lower of cost and their estimated net realisable value.

j. Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition and construction of investment and development properties, commencing from the time these costs are incurred until the receipt of the Temporary Occupation Permit.

k. Investment Securities

All investment securities are initially recognised at cost. After initial recognition, investment securities which are classified as "trading" and "available-for-sale" are measured at fair values, with unrealised gains or losses on trading securities recognised in the profit and loss account and unrealised gains or losses on available-for-sale securities reported as a separate component of equity until the security is sold, collected or otherwise disposed of, or until the security is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

For securities actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For securities where there is no quoted market price and whose fair value cannot be reliably measured, they are measured at amortised cost, less impairment losses if they have a fixed maturity and at cost, less impairment losses if they do not have a fixed maturity.

l. Trade and Settlement Date Accounting

Purchases of investment securities are recognised on the "trade date", that is, the date that the Group commits to purchase the security. Sales of investment securities are recognised on the "trade date", that is, the date that the Group commits to sell the security.

m. Derivative Financial Instruments

The Group uses derivative financial instruments such as interest rate swaps and foreign exchange contracts to hedge its risks associated primarily with interest rate and foreign currency fluctuations. Details of the Group's financial risk management objectives and policies are set out in Note 36.

Any gains or losses arising from changes in the fair value of the hedged item and the hedging instrument are taken directly to the profit and loss account. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates and by discounting the future cash flows. The fair value of interest rate swap contracts is determined as the difference in the present value of the future interest cash flows.

Interest expense in respect of the notional amount borrowed for equity swap transactions is recognised in the profit and loss account on an accrual basis.

n. Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful receivables.

o. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and deposits with financial institutions.

p. Impairment

The carrying amounts of the Group's and the Company's assets, other than development properties, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of investment property carried at a revalued amount is recognised in the same way as a revaluation decrease. All other impairment losses are recognised in the profit and loss account.

i. Calculation of recoverable amount

The recoverable amount is the greater of the asset's net selling price and value in use. 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 asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii. Reversal of impairment loss

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. A reversal of an impairment loss in respect of investment property carried at a revalued amount is recognised in the same way as a revaluation increase. All other reversals of impairment are recognised in the profit and loss account.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

q. Trade and Other Payables

Trade and other payables are stated at cost.

r. Interest-bearing Bank Loans and Borrowings

Interest-bearing bank loans and borrowings are initially recognised at cost less attributable transaction costs. Subsequent to initial recognition, these are stated at amortised cost, that is, the initial cost minus principal repayment and plus or minus the cumulative amortisation of any difference between the initial cost and the maturity amount. The difference between the initial cost and the maturity amount is amortised using the effective interest rate method over the repayment period.

s. Employee Benefits*i. Defined contribution plans*

Contributions to defined contribution plans are recognised as an expense in the profit and loss account as incurred.

ii. Equity and equity-related compensation benefits

The GuocoLand Limited (formerly known as First Capital Corporation Ltd) Executives' Share Option Scheme allows Group employees to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

iii. Short-term compensated absences

Short-term compensated absences are recognised in the profit and loss account when the employees render services that increase their entitlement to future compensated absences.

t. Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.

u. Deferred Taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

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

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

v. Revenue Recognition

- i. Revenue from the sale of properties under development is recognised in the financial statements using the percentage of completion method based on the stage of completion as certified by the architects or quantity surveyors. Allowance for foreseeable loss is made in the year in which such loss is determined.
- ii. Revenue from the disposal of properties held for sale is recognised when substantially all the conditions of sales have been met and the risks and rewards of ownership have been transferred to the buyers.
- iii. Rental income is recognised as and when they are due.
- iv. Dividend income from investments in securities is recognised in the profit and loss account on receipt.
- v. Interest income is recognised on an accrual basis.
- vi. Premium income on direct insurance business is recognised at the time a policy is issued, regardless of the period covered by the policy. Reinsurance premium income is recognised when advised. The insurance results are determined after making provisions for unexpired risks and outstanding claims.

w. Operating Lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

x. Discontinuing Operations

A discontinuing operation is a clearly distinguishable component of the Group's business that is abandoned or terminated pursuant to a single plan, and which represents a separate major line of business or geographical area of operations.

3. PLANT AND EQUIPMENT

	FURNITURE & FITTINGS \$'000	OFFICE EQUIPMENT \$'000	MOTOR VEHICLES \$'000	TOTAL \$'000
The Group				
Cost				
At beginning of the year	1,977	3,017	2,019	7,013
Additions	7	160	424	591
Assets of a subsidiary acquired	706	362	213	1,281
Disposals	-	(3)	(852)	(855)
Assets of subsidiaries disposed	(562)	(1,102)	(196)	(1,860)
Written off	(18)	(201)	-	(219)
Exchange differences on translation	(2)	(1)	-	(3)
At end of the year	2,108	2,232	1,608	5,948
Accumulated Depreciation				
At beginning of the year	1,042	2,786	1,299	5,127
Charge for the financial year	326	179	261	766
Assets of a subsidiary acquired	390	297	213	900
Disposals	-	(3)	(792)	(795)
Assets of subsidiaries disposed	(414)	(1,087)	(196)	(1,697)
Written off	(17)	(200)	-	(217)
Exchange differences on translation	-	(1)	-	(1)
At end of the year	1,327	1,971	785	4,083
Depreciation charge for 2002	312	448	238	998
Net Book Value as at:-				
30 June 2003	781	261	823	1,865
30 June 2002	935	231	720	1,886

4. INVESTMENT PROPERTIES

	2003 \$'000	GROUP 2002 \$'000
Completed properties, at valuation	318,000	353,000

Investment properties comprise commercial properties that are leased mainly to external customers. The leases are for a period of two to three years.

Movements in the investment properties are as follows:-

	2003 \$'000	GROUP 2002 \$'000
Balance at beginning of the year	353,000	446,600
Deficit arising from revaluation of investment properties	(35,000)	(31,000)
Disposals	-	(62,600)
Balance at end of the year	318,000	353,000

a. Details of the investment properties are as follows:-

INVESTMENT PROPERTY	DESCRIPTION	TENURE OF LAND	OPEN MARKET VALUE	VALUATION DATE
Tung Centre 20 Collyer Quay Singapore 049319	24-storey office building	999-year lease w.e.f. 5.11.1862	\$188.0 million	30.6.2003
Robinson Centre 61 Robinson Road Singapore 068893	20-storey office building	99-year lease w.e.f. 19.3.1997/ 98-year lease w.e.f. 19.3.1998	\$130.0 million	30.06.2003
			<u>\$318.0 million</u>	

b. In accordance with the Group's accounting policy, the Group's investment properties were valued on 30 June 2003 on an open market basis by DTZ Debenham Tie Leung (SEA) Pte Ltd, an independent firm of professional valuers.

c. The Group's investment property with a book value of \$130.0 million (2002: \$145.0 million) has been mortgaged to secure loan facilities granted to the Group (see Note 18).

5. INTERESTS IN SUBSIDIARIES

	2003 \$'000	COMPANY 2002 \$'000
a. Unquoted shares, at cost	1,083,883	1,109,026
Less:		
Impairment losses		
Balance at beginning of the year	(396,703)	(323,236)
Impairment losses made (net) (see Note 26)	(159)	(73,467)
Transfer from interests in associated companies (see Note 6)	(12,881)	-
Balance at end of the year	(409,743)	(396,703)
	674,140	712,323
Amounts due from subsidiaries (non-trade)	1,072,612	876,036
Less:		
Allowance for doubtful receivables	(38,872)	(2,324)
	1,033,740	873,712
Less:		
Amounts due to subsidiaries (non-trade)	(594,041)	(619,036)
	1,113,839	966,999
Movements in allowance for doubtful receivables are as follows:-		
Balance at beginning of the year	2,324	2,324
Allowance made (net) (see Note 26)	33,118	-
Transfer from interests in associated companies (see Note 6)	3,430	-
Balance at end of the year	38,872	2,324

The amounts due from subsidiaries consist of \$135.8 million (2002 : \$66.4 million) interest-free loans and \$936.8 million (2002 : \$809.6 million) interest bearing loans which carry interest ranging from 4.0% to 5.0% p.a. (2002 : 5.0% to 5.6% p.a.).

The amounts due to subsidiaries consist of \$571.0 million (2002 : \$595.5 million) interest-free loans and \$23.0 million (2002 : \$23.5 million) interest bearing loans which carry interest ranging from 0.4% to 5.0% p.a. (2002 : 0.6% to 6.2% p.a.).

The amounts due from/(to) subsidiaries are unsecured.

The weighted average effective interest rates per annum at the balance sheet date are as follows:-

	2003 %	2002 %
Amounts due from subsidiaries	4.00	5.00
Amounts due to subsidiaries	2.82	3.25

The above interest rates reprice within one year.

b. The investments in shares of subsidiaries as at 30 June 2003 are as follows:-

NAME OF COMPANY	EFFECTIVE EQUITY INTEREST HELD BY THE GROUP		AMOUNT OF INVESTMENT	
	2003 %	2002 %	2003 \$'000	2002 \$'000
A-Z Holdings Pte Ltd	100	100	31,636	32,026
Branmil Holdings Pte Ltd	100	100	4	4
Checkenden Limited	100	100	1	1
Chelford Pte Ltd	100	100	2	2
Cheltenham Investments Pte Ltd	100	100	503	503
Chiltern Park Development Pte Ltd	100	100	28,300	28,300
Da Zhong Investment Pte Ltd and its subsidiary:-	100	100	53,476	53,476
Zeltand Holdings Limited	100	100	-	-
Everian Holdings Pte Ltd	100	100	32,003	32,003
FCC Holdings Pte Ltd	100	100	3	3
FCC Net Pte Ltd and its subsidiary:-	100	100	2	2
MyHome Online Pte Ltd	60	60	-	-
Fasidon Holdings Pte Ltd	100	100	66,090	66,090
Fica Nominees Pte Ltd	100	100	*	*
Balance carried forward			212,020	212,410

NAME OF COMPANY	EFFECTIVE EQUITY INTEREST HELD BY THE GROUP		AMOUNT OF INVESTMENT	
	2003 %	2002 %	2003 \$'000	2002 \$'000
Balance brought forward			212,020	212,410
First Bedok Land Pte Ltd	100	100	57,600	57,600
First Bukit Panjang Land Pte Ltd	100	100	71,190	71,190
First Capital Asia Pte Ltd and its subsidiary:-	100	100	19,000	19,000
First Capital Asia Land Pte Ltd	100	100	-	-
First Capital Assets Pte Ltd and its subsidiaries:-	100	100	15,000	15,000
First Capital Assets (BVI) Ltd	100	100	-	-
FCC Equities Pte Ltd and its subsidiary:-	100	100	-	-
Imej Maju Sdn Bhd	100	100	-	-
First Capital Corporation Realty Pte. Ltd. (formerly known as Deyrolle Pte Ltd)	100	100	2	2
First Capital Development Pte Ltd and its subsidiary:-	100	100	1,430	1,430
Elias Development Pte Ltd	100	100	-	-
First Capital Fund Management Pte Ltd	100	100	1,000	1,000
First Capital Holdings (HK) Pte Ltd	100	100	4,503	4,503
First Capital Holdings (Thailand) Pte Ltd	100	100	3	3
First Capital Holdings (U.K.) Pte Ltd	100	100	9,003	9,003
First Capital Holdings Pte Ltd	100	100	*	*
First Capital Hotels Pte Ltd	100	100	*	*
First Capital Insurance Limited and its subsidiary (see Note 29a):-	-	98	-	37,634
Prime Underwriting Managers (Pte) Ltd	-	98	-	-
Balance carried forward			390,751	428,775

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NAME OF COMPANY	EFFECTIVE EQUITY INTEREST HELD BY THE GROUP		AMOUNT OF INVESTMENT	
	2003 %	2002 %	2003 \$'000	2002 \$'000
Balance brought forward			390,751	428,775
First Capital Investment Ltd	100	100	10,000	10,000
First Capital Land Pte Ltd	100	100	106,365	106,365
First Capital Management Pte Ltd	100	100	500	500
First Capital Properties Pte Ltd	100	100	10,000	10,000
First Capital Property Management Pte Ltd	100	100	*	*
First Capital Realty Pte Ltd	100	100	30,000	30,000
First Cavendish Development Pte Ltd	100	100	23,400	23,400
First Changi Development Pte Ltd	90	90	40,002	40,002
First Coventry Development Pte Ltd	100	100	17,830	17,830
First Garden Development Pte Ltd	90	90	72,000	72,000
First Loyang Land Pte Ltd	100	100	55,835	55,835
First Meyer Development Pte Ltd	100	100	118,930	118,930
First Tanglin Land Pte Ltd	100	100	25,629	25,629
Guoco Properties Limited and its subsidiaries (see Note 6):-	100	45	12,881	-
Beijing Minghua Property Development Co., Ltd	75	34	-	-
China Fine Development Limited	100	41	-	-
Eagleman Development Limited	100	41	-	-
Guoco Property Management Limited	100	45	-	-
Guoco Property Management Pte Ltd	100	45	-	-
Shanghai Xin Hao Zhong Property Development Co., Ltd	98	44	-	-
Superwell Properties Limited	100	41	-	-
Top Known International Limited	100	41	-	-
Balance carried forward			914,123	939,266

NAME OF COMPANY	EFFECTIVE EQUITY INTEREST HELD BY THE GROUP		AMOUNT OF INVESTMENT	
	2003 %	2002 %	2003 \$'000	2002 \$'000
Balance brought forward			914,123	939,266
Harbour View Development Pte Ltd	100	100	13,100	13,100
Hedover Holdings Pte Ltd	100	100	5,003	5,003
Leonie Land Pte Ltd	100	100	19,310	19,310
Lilleham Investments Pte Ltd	100	100	2	2
Melville Park Development Pte Ltd	80	80	57,840	57,840
Pemberton Limited and its subsidiary:-	100	-	*	-
Century Square Development Ltd	100	-	-	-
Rivaldo Investments Pte Ltd	100	100	2	2
Sanctuary Land Pte Ltd	90	90	54,000	54,000
Tanamera Development Pte Ltd	100	100	20,500	20,500
Winterhall Pte Ltd	100	100	3	3
			<u>1,083,883</u>	<u>1,109,026</u>

* Cost of investment is less than \$1,000.

The principal activities and place of incorporation of the subsidiaries are as follows:-

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION
A-Z Holdings Pte Ltd	Investment holding and holding properties for rental	Singapore
Branmil Holdings Pte Ltd	Investment holding	Singapore
# Checkenden Limited	Investment holding	British Virgin Islands
Chelford Pte Ltd	Investment holding	Singapore
Cheltenham Investments Pte Ltd	Investment holding	Singapore
Chiltern Park Development Pte Ltd	Property development	Singapore
Da Zhong Investment Pte Ltd	Investment holding	Singapore
# Zeltand Holdings Limited	Investment holding	British Virgin Islands
Everian Holdings Pte Ltd	Property development	Singapore
FCC Holdings Pte Ltd	Investment holding	Singapore
FCC Net Pte Ltd	Investment holding	Singapore
MyHome Online Pte Ltd	Provider of internet commerce services	Singapore
Fasidon Holdings Pte Ltd	Property development	Singapore
Fica Nominees Pte Ltd	Investment holding and provision of nominee services	Singapore
First Bedok Land Pte Ltd	Property development	Singapore
First Bukit Panjang Land Pte Ltd	Property development	Singapore
First Capital Asia Pte Ltd	Investment holding	Singapore
First Capital Asia Land Pte Ltd	Holding properties for rental	Singapore
First Capital Assets Pte Ltd	Investment holding	Singapore
# First Capital Assets (BVI) Ltd	Investment trading	British Virgin Islands

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION
FCC Equities Pte Ltd	Investment holding and trading	Singapore
* Imej Maju Sdn Bhd	Ceased operations and is dormant	Malaysia
First Capital Corporation Realty Pte. Ltd.	Investment holding	Singapore
First Capital Development Pte Ltd	Holding properties for rental	Singapore
Elias Development Pte Ltd	Property development	Singapore
First Capital Fund Management Pte Ltd	Ceased operations and is dormant	Singapore
First Capital Holdings (HK) Pte Ltd	Investment holding	Singapore
First Capital Holdings (Thailand) Pte Ltd	Investment holding	Singapore
First Capital Holdings (U.K.) Pte Ltd	Investment holding	Singapore
First Capital Holdings Pte Ltd	Investment holding and trading	Singapore
First Capital Hotels Pte Ltd	Investment holding	Singapore
First Capital Investment Ltd	Investment trading	Singapore
First Capital Land Pte Ltd	Holding properties for rental	Singapore
First Capital Management Pte Ltd	Provision of management services	Singapore
First Capital Properties Pte Ltd	Holding properties for rental	Singapore
First Capital Property Management Pte Ltd	Property management, marketing and maintenance services	Singapore
First Capital Realty Pte Ltd	Property development	Singapore
First Cavendish Development Pte Ltd	Property development	Singapore
First Changi Development Pte Ltd	Property development	Singapore
First Coventry Development Pte Ltd	Property development	Singapore
First Garden Development Pte Ltd	Property development	Singapore
First Loyang Land Pte Ltd	Property development	Singapore

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NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION
First Meyer Development Pte Ltd	Property development	Singapore
First Tanglin Land Pte Ltd	Property development	Singapore
* Guoco Properties Limited	Investment holding	Bermuda
* Beijing Minghua Property Development Co., Ltd	Property development	The People's Republic of China
* China Fine Development Limited	Investment holding	Hong Kong
* Eagleman Development Limited	Investment holding	Hong Kong
* Guoco Property Management Limited	Dormant	Hong Kong
Guoco Property Management Pte Ltd	Property management	Singapore
* Shanghai Xin Hao Zhong Property Development Co., Ltd	Property development	The People's Republic of China
* Superwell Properties Limited	Investment holding	Hong Kong
* Top Known International Limited	Investment holding	Hong Kong
Harbour View Development Pte Ltd	Property development	Singapore
Hedover Holdings Pte Ltd	Holding properties for rental	Singapore
Leonie Land Pte Ltd	Property development	Singapore
Lilleham Investments Pte Ltd	Investment holding	Singapore
Melville Park Development Pte Ltd	Property development	Singapore
Pemberton Limited	Investment holding	Singapore
Century Square Development Ltd	Holding properties for rental	Singapore
Rivaldo Investments Pte Ltd	Investment holding and trading	Singapore
Sanctuary Land Pte Ltd	Property development	Singapore
Tanamera Development Pte Ltd	Property development	Singapore
Winterhall Pte Ltd	Investment holding and trading	Singapore

Not required to be audited by law in country of incorporation.

* Audited by other member firms of KPMG International.

The principal place of business of each subsidiary is its place of incorporation.

6. INTERESTS IN ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unquoted equity shares, at cost	-	-	3,726	16,692
Less:				
Impairment losses				
Balance at beginning of the year	-	-	(12,881)	(12,881)
Transfer to interests in subsidiaries (see Note 5)	-	-	12,881	-
Balance at end of the year	-	-	-	(12,881)
	-	-	3,726	3,811
Share of net assets				
- Quoted	260,497	350,137	-	-
- Unquoted	(25,272)	(71,554)	-	-
Negative goodwill	(6,423)	-	-	-
	228,802	278,583	3,726	3,811
5.75% quoted convertible unsecured loan stock due 2013, at cost	35,580	35,580	-	-
	264,382	314,163	3,726	3,811
Amounts due from associated companies (non-trade)	102,538	233,603	75,578	207,449
Less :				
Amounts due within 1 year shown under trade and other receivables (see Note 10)	(1,582)	(797)	-	-
Allowance for doubtful receivables	-	-	(68,537)	(3,430)
	100,956	232,806	7,041	204,019
	365,338	546,969	10,767	207,830
Movements in negative goodwill are as follows:-				
Acquisitions through business combinations	6,529	-	-	-
Less : Amortisation charge	(106)	-	-	-
Balance at end of the year	6,423	-	-	-

The amortisation of negative goodwill is included in the share of profit from associated companies.

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	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Movements in allowance for doubtful receivables are as follows:-				
Balance at beginning of the year	-	-	3,430	3,430
Allowance made (see Note 26)	-	-	68,537	-
Transfer to interests in subsidiaries (see Note 5)	-	-	(3,430)	-
Balance at end of the year	-	-	68,537	3,430

The market value of quoted investments is as follows:-

Quoted equity shares	168,915	226,119	-	-
5.75% quoted convertible unsecured loan stock due 2013	33,907	33,694	-	-

The 5.75% quoted convertible unsecured loan stock has been pledged to a bank for short-term credit facilities granted to a subsidiary (see Note 17).

The amounts due from associated companies are unsecured and consist of \$40.9 million (2002 : \$158.2 million) interest-free loans and \$61.6 million (2002 : \$75.4 million) interest bearing loans. Interest is charged at 1.5% p.a. (2002 : 1.5% to 5.6% p.a.) for interest bearing loans.

The weighted average effective interest rates per annum at the balance sheet date and the periods in which they reprice for amounts due from associated companies are as follows:-

	EFFECTIVE INTEREST RATE %	FIXED INTEREST RATE MATURING WITHIN 1 YEAR \$'000	1 TO 5 YEARS \$'000	TOTAL \$'000
Group and Company				
2003	1.50	-	61,637	61,637
2002	2.32	-	75,381	75,381

Details of associated companies held by the Group as at 30 June 2003 are as follows:-

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE GROUP EQUITY INTEREST 2003 %	2002 %
* Benchmark Group PLC and its subsidiaries	Property investment and development	The United Kingdom	34.54	34.54
# Camerlin (B.V.I.) Limited	Investment holding	British Virgin Islands	40	40
# Camerlin Pte Ltd and its subsidiaries	Investment holding	Singapore	40	40

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE GROUP EQUITY INTEREST	
			2003 %	2002 %
@ Century Square Holding Pte Ltd (see Note 21)	Investment holding	Mauritius	-	50
# Crawford Pte Ltd	Property development	Singapore	40	40
# First Capital Property Ventures Pte Ltd	Investment holding	Singapore	35	35
* Guoco Properties Limited and its subsidiaries	Investment holding	Bermuda	**	45
^ Guoman Hotel & Resort Holdings Sdn Bhd and its subsidiaries	Investment holding	Malaysia	30	-
# Razgrad Pte Ltd	Property development	Singapore	40	40
# Stockton Investments Pte Ltd	Investment holding	Singapore	41.27	41.27
@ Tiara Investment Holdings Limited	Investment holding	Mauritius	40	40

* Audited by other member firms of KPMG International.

Audited by the Company's auditors.

@ Audited by Sui Chong Ng Fuk Chong.

^ Audited by Ernst & Young.

** During the financial year, the Company increased its investment in Guoco Properties Limited from 45% to 100%, making Guoco Properties Limited a subsidiary of the Group (see Note 5).

7. AMOUNTS DUE FROM/(TO) MINORITY SHAREHOLDERS OF SUBSIDIARIES

The amounts due from/(to) minority shareholders of subsidiaries are unsecured and have no fixed terms of repayment. Interest is charged at 4.0% to 5.0% p.a. (2002 : 5.0% to 5.6% p.a.). The weighted average effective interest rates for amounts due to minority shareholders of subsidiaries at balance sheet date is 4.0% p.a. (2002 : 5.0% p.a.) and the interest rates reprice within one year.

8. INVESTMENT SECURITIES

a. Available-for-sale Securities

	2003 \$'000	GROUP 2002 \$'000
Quoted equity securities, at market value	121,194	123,514
Unquoted equity securities, at cost	8,997	8,997
	<u>130,191</u>	<u>132,511</u>

Quoted equity securities with a market value of \$100.9 million (2002 : \$109.5 million) are pledged with a bank to secure short-term loan facilities (see Note 17).

It is not practicable to estimate fair value of the unquoted equity securities without incurring excessive costs. However, management believes that the carrying amount recorded at balance sheet reflects the corresponding fair value.

b. Trading Securities

	2003 \$'000	GROUP 2002 \$'000
At market value:-		
Quoted equity securities	1,416	132,210
Other quoted securities	-	1,919
Quoted loan stocks	13,584	-
	<u>15,000</u>	<u>134,129</u>

In the previous financial year, quoted equity securities with a market value of \$118.6 million were pledged with a bank to secure short-term loan facilities (see Note 17).

9. DEVELOPMENT PROPERTIES

	2003 \$'000	GROUP 2002 \$'000
Properties in the course of development	916,893	833,285
Properties held for sale	107,369	4,874
	<u>1,024,262</u>	<u>838,159</u>
a. Properties in the course of development, at cost		
Land and related costs	972,856	888,743
Development cost	270,349	167,317
Property tax, interest and others	255,530	224,528
	<u>1,498,735</u>	<u>1,280,588</u>
Less:		
Attributable loss	(57,033)	(50,897)
Allowance for foreseeable losses	(200,354)	(196,519)
	<u>1,241,348</u>	<u>1,033,172</u>
Less : Progress instalments received and receivable	(324,455)	(199,887)
	<u>916,893</u>	<u>833,285</u>
 Movements in allowance for foreseeable losses are as follows:-		
Balance at beginning of the year	196,519	108,158
Allowance of a subsidiary acquired	7,687	-
Allowance made (net)	15,727	161,996
Realised loss written off against allowance	(19,566)	(72,168)
Exchange differences on translation	(13)	-
Transfer to properties held for sale	-	(1,467)
Balance at end of the year	<u>200,354</u>	<u>196,519</u>
 The following were capitalised as cost of development properties during the financial year:-		
Interest expense	28,118	36,761
Interest income	(366)	(584)
Net exchange loss	-	1,853
Realised loss on interest rate collar arrangements and forward interest rate agreement	-	2,168

	2003 \$'000	GROUP 2002 \$'000
b. Properties held for sale		
Properties held for sale	114,649	6,341
Less: Allowance for foreseeable losses	(7,280)	(1,467)
	<u>107,369</u>	<u>4,874</u>
 Movements in allowance for foreseeable losses are as follows:-		
Balance at beginning of the year	1,467	-
Allowance of a subsidiary acquired	7,944	-
Writeback of allowance made	(1,420)	-
Realised loss written off against allowance	(695)	-
Exchange differences on translation	(16)	-
Transfer from properties in the course of development	-	1,467
Balance at end of the year	<u>7,280</u>	<u>1,467</u>

Certain development properties with a book value of \$0.84 billion (2002 : \$0.84 billion) are under legal mortgages with banks (see Note 18).

Included in interest capitalised is an amount of \$0.7 million (2002 : \$0.8 million) payable to minority shareholders of subsidiaries.

Details of the development properties of the Group are as follows:-

Properties in the course of development:-

PROPERTY	INTENDED USE	STAGE OF COMPLETION	EXPECTED TEMPORARY OCCUPATION PERMIT ("TOP") DATE	SITE AREA (SQ M)	GROSS FLOOR AREA (SQ M)	GROUP'S INTEREST
Singapore						
Sanctuary Green Situating at Tanjong Rhu Road	Residential	Superstructure and architectural works in progress	Phase 1 – } 9/2003 } Phase 2 – } 6/2004 }	23,551	66,040	90%
The Gardens at Bishan Situating at Sin Ming Ave/ Sin Ming Walk	Residential	Superstructure and architectural works in progress	Phase 1 – } 2/2004 } Phase 2 – } 8/2004 }	34,949	87,373	90%
Le Crescendo Situating at Paya Lebar Road	Residential	Substructure works in progress	2/2006	12,323	26,176	100%
Bishan Point Situating at Sin Ming Ave/ Bright Hill Drive	Residential	Substructure works in progress	4/2005	6,800	19,038	100%

PROPERTY	INTENDED USE	STAGE OF COMPLETION	EXPECTED TEMPORARY OCCUPATION PERMIT ("TOP") DATE	SITE AREA (SQ M)	GROSS FLOOR AREA (SQ M)	GROUP'S INTEREST
D'elias Situating at Tampines Expressway/Elias Road Junction	Residential	Site preliminary works	7/2005	4,429	4,230	100%
Leonie Studio Situating at Leonie Hill	Residential	Tender preparations	*	2,850	8,690	100%
Nathan Place Situating at Nathan Road	Residential	Tender preparations	*	4,421	6,189	100%
Paterson Residence Situating at Paterson Road	Residential	Planning	*	7,774	16,327	100%
Site situating at Meyer Road	Residential	Planning	*	3,352	7,039	100%
The People's Republic of China						
Central Park Situating in Luwan District, Shanghai	Residential	Substructure works in progress	4/2005	14,841	63,935	98%

* Not applicable as construction for these developments have not commenced.

Major property held for sale:-

PROPERTY	DESCRIPTION	GROSS FLOOR AREA (SQ M)	GROUP'S INTEREST
Corporate Square Situating in Xicheng District, Beijing The People's Republic of China	17-storey office building	35,847 [@]	75%

[@] Refers to the remaining unsold gross floor area.

10. TRADE AND OTHER RECEIVABLES

	NOTE	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Trade receivables	11	41,895	36,005	-	-
Accrued receivables		-	11,347	-	-
Other receivables, deposits and prepayments	12	47,127	12,074	452	685
Amounts due from:-					
Associated companies (non-trade)	6	1,582	797	-	-
Related corporations (non-trade)		44	37	-	-
Related parties (trade)		92	121	-	-
		90,740	60,381	452	685

11. TRADE RECEIVABLES

Trade receivables are stated after allowance for doubtful receivables. The movements during the financial year in the allowance for doubtful receivables are as follows:-

	2003 \$'000	GROUP 2002 \$'000
Balance at beginning of the year	1,291	1,633
Allowance of a subsidiary disposed	(1,291)	-
Writeback of allowance made	-	(101)
Receivables written off against allowance	-	(241)
Balance at end of the year	-	1,291

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Deposits	946	733	251	251
Prepayments	768	1,159	200	397
Tax recoverables	9,679	8,590	-	-
Interest receivables	631	361	1	-
Mark-to-market gain on derivative financial instruments	3,195	612	-	37
Deposit for purchase of properties	29,409	-	-	-
Others	2,499	619	-	-
	47,127	12,074	452	685

13. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Short-term deposits with banks	107,029	226,802	20,415	-
Cash and bank balances	32,637	23,994	8	272
	139,666	250,796	20,423	272

Included in the Group's cash and bank balances and short-term deposits with banks are amounts held under the Housing Developers (Project Account) Rules 1985 ("Rules") totalling \$18.0 million (2002 : \$79.0 million), the use of which is subject to restrictions imposed by the above-mentioned Rules. In the previous financial year, included in the short-term deposits was an amount of \$0.2 million pledged to a bank for letter of guarantee issued. Cash collaterals of \$18.8 million (2002 : \$18.8 million) is deposited with a bank for equity swap transactions.

The weighted average effective interest rates per annum at the balance sheet date are as follows:-

	GROUP		COMPANY	
	2003 %	2002 %	2003 %	2002 %
Short-term deposits with banks				
- S\$ balances	0.52	0.72	-	-
- US\$ balances	1.05	0.69	1.05	-

The above interest rates reprice at intervals of one, three or six months.

14. TRADE AND OTHER PAYABLES

		GROUP		COMPANY	
	NOTE	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade payables and accrued operating expenses		30,245	51,861	489	440
Amounts due to:-					
Ultimate holding company (non-trade)		3,045	-	3,045	-
Associated company (non-trade)		1	-	-	-
Related corporation (non-trade)		39	42	-	-
Related parties					
- Trade		81	3,725	-	-
- Non-trade		202	202	-	-
Other payables	15	21,523	17,732	2,579	6,522
		55,136	73,562	6,113	6,962

15. OTHER PAYABLES

	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Rental deposits	3,149	2,501	-	-
Deposits received	1,711	168	-	-
Interest payable	5,650	10,367	2,579	6,522
Mark-to-market loss on derivative financial instruments	774	-	-	-
Real estate tax payable	3,007	-	-	-
Others	7,232	4,696	-	-
	21,523	17,732	2,579	6,522

16. INTEREST BEARING BANK LOANS AND BORROWINGS

	NOTE	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Current Liabilities					
Short-term bank loans					
- secured	17	66,800	93,300	-	-
- unsecured		18,158	42,576	15,604	42,576
Current portion of long-term bank loans	18				
- secured		389,500	227,161	-	-
- unsecured		91,000	121,191	-	121,191
Short-term notes (unsecured)		-	20,000	-	20,000
Current portion of long-term notes and bonds (unsecured)	19	109,957	114,865	109,957	114,865
		675,415	619,093	125,561	298,632
Non-Current Liabilities					
Long-term bank loans	18	272,700	627,300	-	-
Long-term notes and bonds	19	107,582	157,629	107,582	157,629
		380,282	784,929	107,582	157,629
Total bank loans and borrowings		1,055,697	1,404,022	233,143	456,261

All the non-current bank loans and borrowings have maturity dates due after one year but within five years.

Weighted average effective interest rates and repricing analysis:-

	EFFECTIVE INTEREST RATE %	FLOATING INTEREST RATE \$'000	FIXED INTEREST RATE MATURING		TOTAL \$'000
			WITHIN 1 YEAR \$'000	1 TO 5 YEARS \$'000	
Group					
2003					
Secured bank loans					
- S\$ floating rate loans	1.95	613,500	-	-	613,500
- S\$ fixed rate loan	6.13	-	42,000	-	42,000
Unsecured bank loans					
- S\$ floating rate loans	2.10	175,700	-	-	175,700
- S\$ fixed rate notes	4.23	-	109,957	107,582	217,539
- US\$ floating rate loan	2.54	4,404	-	-	4,404
- RMB fixed rate loan	4.78	-	2,554	-	2,554
		793,604	154,511	107,582	1,055,697
2002					
Secured bank loans					
- S\$ floating rate loans	2.47	701,161	-	-	701,161
- S\$ fixed rate loan	6.13	-	-	42,000	42,000
Unsecured bank loans					
- S\$ floating rate loans	2.45	290,800	-	-	290,800
- S\$ fixed rate loan	7.00	-	49,991	-	49,991
- S\$ fixed rate notes and bonds	5.13	-	134,865	157,629	292,494
- US\$ floating rate loans	3.43	27,576	-	-	27,576
		1,019,537	184,856	199,629	1,404,022
Company					
2003					
Unsecured bank loans					
- S\$ floating rate loans	2.20	11,200	-	-	11,200
- S\$ fixed rate notes	4.23	-	109,957	107,582	217,539
- US\$ floating rate loan	2.54	4,404	-	-	4,404
		15,604	109,957	107,582	233,143
2002					
Unsecured bank loans					
- S\$ floating rate loans	2.38	86,200	-	-	86,200
- S\$ fixed rate loan	7.00	-	49,991	-	49,991
- S\$ fixed rate notes and bonds	5.13	-	134,865	157,629	292,494
- US\$ floating rate loans	3.43	27,576	-	-	27,576
		113,776	184,856	157,629	456,261

17. SHORT-TERM BANK LOANS (SECURED)

The secured short-term loan facilities are secured by legal mortgages on the 5.75% quoted convertible unsecured loan stock and certain quoted equity securities (see Notes 6 and 8).

18. LONG-TERM BANK LOANS

	NOTE	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Long-term bank loans (secured)	(a)	459,200	515,800	-	-
Long-term bank loan (secured)	(b)	57,000	57,000	-	-
Long-term bank loan (secured)	(c)	72,500	77,061	-	-
Long-term bank loan (unsecured)	(d)	73,500	75,000	-	-
Long-term bank loan (unsecured)	(e)	91,000	129,600	-	-
Long-term bank loan (unsecured)	(f)	-	21,200	-	21,200
Long-term bank loan (unsecured)	(g)	-	49,991	-	49,991
Long-term bank loan (unsecured)	(h)	-	50,000	-	50,000
		753,200	975,652	-	121,191
Less :					
Current portion (see Note 16)					
- secured		(389,500)	(227,161)	-	-
- unsecured		(91,000)	(121,191)	-	(121,191)
		272,700	627,300	-	-

- The bank loans, which are denominated in Singapore dollars, are secured by legal mortgages on certain development properties of subsidiaries (see Note 9). Interest is charged at up to 1.5% p.a. above the bank's Singapore dollar swap rate and at 1.25% p.a. above the bank's Singapore Interbank Offer Rate. The bank loans are repayable by the year 2006.
- The bank loan, which is denominated in Singapore dollars, is secured by a legal mortgage on a development property of a subsidiary (see Note 9). Interest is charged at 6.125% p.a. on the loan of \$42 million and at 1.625% p.a. above the bank's Singapore dollar swap rate on the remaining loan of \$15 million. The bank loan is repayable on 15 March 2004.
- The bank loan, which is denominated in Singapore dollars, is secured by a legal mortgage on an investment property of a subsidiary (see Note 4). Interest is charged at 1.25% p.a. above the bank's Singapore dollar swap rate. An amount of \$2.5 million is repayable on 30 September 2003 and the remaining amount of \$70 million is repayable on 31 March 2004.
- Interest on the unsecured bank loan, which is denominated in Singapore dollars, is charged at 1.5% p.a. above the bank's Singapore dollar swap rate. The bank loan is repayable on 4 December 2004.
- Interest on the unsecured bank loan, which is denominated in Singapore dollars, is charged at 1.5% p.a. above the bank's Singapore dollar swap rate. The bank loan is repayable on 11 May 2004.
- Interest on the unsecured bank loan, which was denominated in Singapore dollars, was charged at 1.5% p.a. above the bank's Singapore dollar swap rate. The bank loan was repaid on 5 December 2002.
- Interest on the unsecured bank loan, which was denominated in Singapore dollars, was charged at 7% p.a.. The bank loan was repaid on 8 July 2002 (see Note 19a).

- h. Interest on the unsecured bank loan, which was denominated in Singapore dollars, was charged at 1.5% p.a. above the bank's Singapore dollar swap rate. The bank loan was repaid in two instalments. The first instalment of \$31 million was repaid on 13 September 2002 and the second instalment of \$19 million was repaid on 27 June 2003.

19. LONG-TERM NOTES AND BONDS

	NOTE	GROUP AND COMPANY	
		2003 \$'000	2002 \$'000
\$50.0 million fixed rate bonds (unsecured)	(a)	-	49,991
\$217.75 million (2002 : \$222.75 million) medium term notes (unsecured)	(b)	217,539	222,503
		217,539	272,494
Less:			
Current portion (see Note 16)		(109,957)	(114,865)
		107,582	157,629

a. Unsecured Bonds Due 2002

The unsecured fixed rate bonds due 2002 ("Bonds") and the unsecured bank loan (see Note 18g) having face value of \$50.0 million each were issued on 7 July 1999 together with 20 million warrants. The interest rate on the unsecured bonds was fixed at 6.875% p.a.. The Bonds were redeemed at 100% of their principal amount on 8 July 2002.

b. Medium Term Notes

The unsecured medium term notes with maturity amounts of \$217.75 million (2002 : \$222.75 million) comprise:-

	GROUP AND COMPANY	
	2003 \$'000	2002 \$'000
4.5% Medium Term Notes due 10 March 2003	-	19,975
5.25% Medium Term Notes due 16 May 2003	-	44,899
5.2% Medium Term Notes due 13 November 2003	39,984	39,943
4.7% Medium Term Notes due 22 March 2004	49,973	49,936
4.58% Medium Term Notes due 16 April 2004	20,000	20,000
4.6% Medium Term Notes due 12 July 2004	20,000	20,000
2.38% Medium Term Notes due 29 April 2005	24,832	-
2.56% Medium Term Notes due 14 May 2005	35,000	-
5.2% Medium Term Notes due 12 July 2006	27,750	27,750
	217,539	222,503

These Notes are redeemable at 100% of their principal amount on their respective due dates.

20. DEFERRED TAX ASSETS AND LIABILITIES

a. Movement in deferred taxation

	2003 \$'000	GROUP 2002 \$'000
Balance at beginning of the year	11,051	16,585
Deferred taxation of a subsidiary acquired	7,920	-
Writeback of provision made	(3,265)	(5,534)
Overprovision in prior year	(2)	-
Exchange differences on translation	(8)	-
Balance at end of the year	15,696	11,051

b. Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:-

	2003 \$'000	GROUP 2002 \$'000
Development properties	12,136	1,223
Investment properties	3,400	3,400
Trading securities	-	6,366
Others	160	62
	15,696	11,051

c. Unrecognised deferred tax assets

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

	2003 \$'000	GROUP 2002 \$'000
Deductible temporary differences	293,012	252,579
Unutilised tax losses/capital allowances	182,650	191,565
	475,662	444,144
Deferred tax assets	104,646	97,712

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.

As at 30 June 2003, the Group has unutilised tax losses and capital allowances which are available for set-off against future profits subject to tax conditions prevailing in the respective countries of the subsidiaries and agreements by the respective tax authorities.

21. DEFERRED PROFIT

On 27 March 2003, the Company divested its 50% interest in Century Square Holding Pte Ltd ("CSH") (see Note 6). CSH held \$30 million in principal amount of the tranche C bonds issued as part of the sale and asset securitisation of the retail mall known as Century Square Shopping Centre. On the same day, the entire bond issue was redeemed. The deferred profit of \$19.5 million, which was previously set aside from the initial profit arising from the sale and asset securitisation of Century Square Shopping Centre to primarily provide for the risk on the acquisition of the tranche C bonds, was transferred to the profit and loss account upon the redemption of the tranche C bonds and the divestment of the Company's interest in CSH.

22. SHARE CAPITAL

	COMPANY	
	2003 \$'000	2002 \$'000
a. Ordinary Shares		
Authorised:		
- 1,000,000,000 (2002 : 500,000,000) ordinary shares of \$1.00 each	1,000,000	500,000
Issued and fully paid:		
- 515,147,993 (2002 : 368,742,476) ordinary shares of \$1.00 each	515,148	368,742
b. Redeemable Cumulative Preference Shares ("RCPS")		
Authorised:		
- 200,000,000 RCPS of \$0.01 each	2,000	2,000
c. Non-Redeemable Convertible Cumulative Preference Shares ("NCCPS")		
Authorised:		
- 300,000,000 (2002 : 100,000,000) NCCPS of \$0.01 each	3,000	1,000
Issued and fully paid:		
- 3,877,161 (2002 : 41,961,391) NCCPS 2004 of \$0.01 each	39	420
- 95,022,065 (2002 : Nil) NCCPS 2005 of \$0.01 each	950	-
Total share capital issued at end of the year	516,137	369,162

On 9 February 1999, the Company issued 87,900,892 NCCPS 2004 of \$0.01 each at the issue price of \$1.00 each for cash. The NCCPS 2004 carry the right to a cumulative preference dividend of 7% p.a. and the right to convert into ordinary shares of the Company within five years from the date of issue based on the conversion ratio of one ordinary share for every one NCCPS 2004 held. All outstanding NCCPS 2004 on the fifth anniversary of the issue date are convertible into ordinary shares of the Company based on the aforementioned conversion ratio.

During the financial year, the Company increased its authorised share capital from \$503,000,000 to \$1,005,000,000 by the creation of an additional 500,000,000 ordinary shares of \$1.00 each and 200,000,000 NCCPS of \$0.01 each.

On 29 November 2002, the Company issued 101,671,676 new ordinary shares of \$1.00 each ("rights share") and 101,671,676 new 4.5% non-redeemable convertible cumulative preference shares of \$0.01 each ("NCCPS 2005") at an issue price of \$1.00 for each rights share and \$1.00 for each NCCPS 2005 for cash. One rights share and one NCCPS 2005 were issued for every four ordinary shares of \$1.00 each held in the share capital of the Company.

The NCCPS 2005 carry the right to a cumulative preference dividend of 4.5% p.a. and the right to convert into ordinary shares of the Company within three years from the date of issue based on the conversion ratio of one ordinary share for every one NCCPS 2005 held. All outstanding NCCPS 2005 on the third anniversary of the issue date are convertible into ordinary shares of the Company based on the aforementioned conversion ratio.

23. RESERVES

	NOTE	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Share premium	(a)	247,891	192,267	247,891	192,267
Capital reserve	(b)	13,764	13,538	1,300	1,300
Exchange translation reserve	(c)	46,982	30,143	5,636	5,519
Investment revaluation reserve	(d)	5,852	165,950	-	-
Capital redemption reserve	(e)	3,083	3,083	3,000	3,000
Mark-to-market reserve	(f)	(28,174)	(25,513)	-	-
Unappropriated profits	(g)	77,087	1,137	107,520	104,962
		366,485	380,605	365,347	307,048

a. Share Premium

The application of the share premium account is governed by Sections 69 and 70(4) of the Companies Act, Chapter 50.

b. Capital Reserve

This comprises reserve arising on consolidation of subsidiaries and associated companies and the allocated value of the warrants issued with debt securities.

c. Exchange Translation Reserve

This comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and associated companies as well as translation of foreign currency assets forming part of net investments in such entities.

d. Investment Revaluation Reserve

This comprises net surplus arising from the revaluation of investment properties by subsidiaries and associated companies.

e. Capital Redemption Reserve

This represents the nominal value of redeemable cumulative preference shares transferred from the Unappropriated Profits upon the redemption of such shares.

f. Mark-to-market Reserve

This comprises unrealised gain or loss arising from changes in fair value of available-for-sale securities.

g. Unappropriated Profits

	2003 \$'000	GROUP 2002 \$'000
Unappropriated profits/(losses) are retained in:-		
The Company	107,520	104,962
Subsidiaries	(41,010)	(63,604)
Associated companies	10,577	(40,221)
	77,087	1,137

24. REVENUE

Revenue for the Group comprises mainly revenue from sale of development properties, rental income, net investment income, gross dividend income, interest income and net general insurance and re-insurance premiums.

Revenue from sale of development properties in the course of development consists of an appropriate portion of the contracted sales value on which profit has been recognised under the percentage of completion method.

Revenue for the Company comprises mainly gross dividend and interest income.

Revenue by significant categories are as follows:-

	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenue from sale of development properties	332,094	188,318	-	-
Gross rental from investment properties	16,280	18,324	-	-
Net gain/(loss) on sale of trading securities	1,047	(5,669)	-	-
Dividend income from -				
Unquoted subsidiaries	-	-	85,959	82,830
Associated company	-	-	9	-
Quoted equity securities	4,010	11,310	-	-
Unquoted equity securities	-	498	-	-
Interest income from -				
Deposits				
- Related party	80	44	80	44
- Others	38	253	36	237
Subsidiaries	-	-	35,684	43,992
Associated companies	3,532	3,614	1,488	1,657
Related party	548	-	-	-
Others	767	1	767	-
Insurance premiums	-	13,305	-	-
Management fee income from -				
Immediate holding company	6	3	-	-
Associated companies	2,086	944	-	-
Related corporations	22	12	-	-
Related parties	22	19	-	-
Others	4,081	3,152	-	-
Others	241	2	-	-
	364,854	234,130	124,023	128,760

25. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Dividend income from quoted equity securities	-	97	-	-
Gain on disposal of plant and equipment	154	273	-	-
Gain on disposal of available-for-sale securities	-	6,225	-	-
Gain on disposal of investments in subsidiaries	28,131	-	16,563	-
Gain on disposal of investment in an associated company	24,653	-	24,836	-
Interest income from -				
Deposits				
- Related party	181	305	-	-
- Others	460	761	-	-
Quoted securities	-	22	-	-
Unquoted securities	-	319	-	-
Others	7	80	-	-
Mark-to-market gain in respect of equity swap	20,911	5,113	-	-
Mark-to-market gain on derivative financial instruments	164	37	-	37
Mark-to-market gain on trading securities	956	-	-	-
Negative goodwill written off	6,614	-	-	-
Net exchange gain	865	-	1,274	-
Others	1,085	1,919	50	20
	84,181	15,151	42,723	57

26. OTHER OPERATING EXPENSES

	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Allowance for doubtful receivables from -				
Subsidiaries (see Note 5)	-	-	33,118	-
Associated companies (see Note 6)	-	-	68,537	-
Impairment losses on investment in subsidiaries (net) (see Note 5)	-	-	159	73,467
Loss on dilution of interest in an associated company	-	6	-	-
Loss on disposal of investment in a subsidiary (see Note 29a)	433	-	-	-
Loss on disposal of investment properties by a subsidiary	-	23,754	-	-
Loss on disposal of trading securities	-	2,801	-	-
Mark-to-market loss on trading securities	-	21,024	-	-
Net exchange loss	-	4,306	-	2,662
Others	251	153	-	-
	684	52,044	101,814	76,129

27. PROFIT/(LOSS) FROM OPERATIONS

	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
a. This is arrived at:-				
After charging:-				
Allowance for doubtful trade receivables	7	-	-	-
Allowance for foreseeable losses on development properties (net)	14,307	161,996	-	-
Auditors' remuneration -				
Auditors of the Company				
- Current	136	208	61	61
- Overprovision in prior year	(4)	(5)	-	-
Other Auditors	63	1	-	-
Non-audit fees paid to Auditors of the Company	22	23	19	19
Receivables written off -				
Trade	2	1	-	-
Non-trade	12	114	-	-
Depreciation of plant and equipment	766	998	-	-
Directors' emoluments -				
Directors of the Company				
- Other emoluments	1,145	1,145	273	273
- Fees	301	212	301	192
- Contributions to defined contribution plans	25	29	3	6
- (Reversal of liability)/Liability for short-term accumulating compensated absences	(56)	53	-	-
Other directors of subsidiaries				
- Other emoluments	1,084	1,228	-	-
- Fees	-	10	-	-
- Contributions to defined contribution plans	52	67	-	-
- (Reversal of liability)/Liability for short-term accumulating compensated absences	(18)	29	-	-
Plant and equipment written off	2	4	-	-
Operating lease expenses	621	783	-	-
Staff costs -				
Wages and salaries	4,661	6,155	-	-
Contributions to defined contribution plans	659	837	-	-
(Reversal of liability)/Liability for short-term accumulating compensated absences	(105)	175	-	-
	5,215	7,167	-	-
After crediting:-				
Write-back of allowance for doubtful trade receivables	-	101	-	-

- b. The remuneration of executive directors of the Company and key executives who may also be directors of the Company's subsidiaries under each remuneration band is as follows:-

REMUNERATION	2003	2002
\$500,000 & above	1	1
\$250,000 to \$499,999	5	5
\$249,999 and below	5	5
	11	11

- c. Number of Employees

The number of employees in the Group as at 30 June 2003 was 113 (2002 : 143).

28. FINANCE COSTS

	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Interest paid and payable to:-				
- subsidiaries	-	-	832	1,694
- minority shareholders	721	794	-	-
- financial institutions	37,067	66,805	13,586	29,529
- others	605	492	-	-
	38,393	68,091	14,418	31,223
Less : Interest capitalised as cost of development properties	(28,118)	(36,761)	-	-
	10,275	31,330	14,418	31,223

The finance costs have been capitalised at a rate of 1.7% to 6.1% p.a. (2002 : 2.2% to 6.2% p.a.) for development properties.

29. DISCONTINUING OPERATIONS

In the previous financial year, the Board of Directors announced the Group's cessation of fund management business and the Group's intention to exit from insurance and investment trading businesses. These are in line with the Group's continued focus on its property and property-related activities.

a. Insurance

On 29 August 2002, the Group entered into a Sale and Purchase Agreement ("SPA") with Fairfax Financial Holdings Limited for the sale of the Group's 97.7% interest in its insurance subsidiary, a separate business segment (see Note 40).

The total sale proceeds amounted to \$54 million, of which \$31 million was received in September 2002 and the balance \$23 million in May 2003. The loss arising from this divestment is \$0.4 million (see Note 26).

b. Fund Management and Investment Trading

On 15 January 2002, the Group announced the cessation of its fund management business and its intention to fully divest the quoted securities in its short-term trading portfolio. The fund management and investment trading business forms a separate business segment of the Group (see Note 40). During the financial year, the Group reduced its short-term trading portfolio from \$10.3 million as at 30 June 2002 to \$0.8 million as at 30 June 2003.

The carrying amounts of the total assets and liabilities, results and net cash flows attributable to the operating, investing and financing activities of the discontinuing operations are as follows:-

	INSURANCE \$'000	FUND MANAGEMENT & INVESTMENT TRADING \$'000	TOTAL \$'000
2003			
Balance Sheet			
Total assets	-	21,862	21,862
Total liabilities	-	254	254
Profit and Loss Account			
Revenue	-	696	696
Other operating income	-	719	719
Total expenses	-	(246)	(246)
Profit before taxation	-	1,169	1,169
Taxation	-	47	47
Net profit attributable to shareholders	-	1,216	1,216
Cash flows			
Cash inflow from operating activities	-	6,151	6,151
Cash outflow from investing activities	-	(6,191)	(6,191)
Cash outflow from financing activities	(1,404)	(230)	(1,634)
Net cash outflow	(1,404)	(270)	(1,674)
2002			
Balance Sheet			
Total assets	86,302	21,761	108,063
Total liabilities	29,220	706	29,926
Profit and Loss Account			
Revenue	13,381	(3,162)	10,219
Other operating income	1,449	1,440	2,889
Total expenses	(19,299)	(2,210)	(21,509)
Loss before taxation	(4,469)	(3,932)	(8,401)
Taxation	(86)	210	124
Net loss attributable to shareholders	(4,555)	(3,722)	(8,277)
Cash flows			
Cash (outflow)/inflow from operating activities	(919)	32,506	31,587
Cash inflow/(outflow) from investing activities	49,891	(29,436)	20,455
Cash outflow from financing activities	-	(12,156)	(12,156)
Net cash inflow/(outflow)	48,972	(9,086)	39,886

30. TAXATION

The major components of taxation for the financial year are as follows:-

	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Based on results for the financial year:-				
Current taxation				
- Singapore	16,825	5,691	25,470	24,624
- Foreign	-	139	-	-
Deferred taxation	(3,265)	(5,534)	-	-
	13,560	296	25,470	24,624
Share of associated companies' taxation	4,320	16,419	-	-
	17,880	16,715	25,470	24,624
Under/(Over) provision in respect of prior years:-				
Current taxation	784	(1,600)	-	(870)
Deferred taxation	(2)	-	-	-
	18,662	15,115	25,470	23,754

A reconciliation of the taxation and the profit for the financial year is as follows:-

	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Profit/(Loss) from ordinary activities before taxation	117,100	(171,616)	46,283	18,998
Income tax using domestic corporate tax rate of 22.0% (2002 : 22.0%)	25,762	(37,756)	10,182	4,180
Deferred tax benefit not recognised	6,934	38,985	-	-
Effect of tax rates in foreign jurisdiction	2,208	2,788	-	-
Foreign tax	-	139	-	-
Non chargeable income	(19,648)	-	(10,104)	-
Non deductible expenses	7,771	16,559	24,011	20,456
Under/(Over) provision in respect of previous financial years	782	(1,600)	-	(870)
Reversal of temporary differences not accounted for in previous financial years	(4,178)	(7,360)	-	-
Change in tax rate	-	(801)	-	-
Others	(969)	4,161	1,381	(12)
	18,662	15,115	25,470	23,754

31. EARNINGS PER SHARE AND FULLY DILUTED EARNINGS PER SHARE

Earnings per share ("EPS") is calculated based on the Group's profit of \$91,813,000 (2002 : loss of \$182,175,000) derived at after deducting preference dividends, and on the weighted average number of 461,193,496 (2002 : 368,723,245) ordinary shares of the Company, in issue during the financial year.

Fully diluted EPS is calculated on the same basis as that of EPS except that the Group's profit/(loss) and the weighted average number of ordinary shares have been adjusted for the dilution effects of all dilutive potential ordinary shares as shown below:-

	GROUP	
	2003 \$'000	2002 \$'000
Group's profit/(loss) used in the computation of EPS	91,813	(182,175)
Add : NCCPS dividends	2,392	2,250
Adjusted Group's profit/(loss) used in the computation of fully diluted EPS	94,205	(179,925)

	GROUP	
	2003 '000	2002 '000
Weighted average number of ordinary shares used in the computation of EPS	461,193	368,723
Assumed conversion of NCCPS	74,645	41,981
Adjusted weighted average number of ordinary shares used in the computation of fully diluted EPS	535,838	410,704

32. DIVIDENDS

	GROUP AND COMPANY	
	2003	2002
	\$'000	\$'000
Non-redeemable convertible cumulative preference dividend of 7 cents per preference share per annum, based on the issue price of \$1 per preference share less tax at the following rates:-		
- 24.5%	-	1,359
- 22.0%	436	891
Non-redeemable convertible cumulative preference dividend of 4.5 cents per preference share per annum, based on the issue price of \$1 per preference share less 22.0% tax	1,956	-
Final ordinary dividend paid of 5 cents (2002 : 5 cents) per ordinary share less 22.0% (2002 : 24.5%) tax in respect of the previous financial year	15,863	13,919
	<u>18,255</u>	<u>16,169</u>

After the balance sheet date, the Directors proposed the following dividends. The dividends have not been provided for.

	GROUP AND COMPANY	
	2003	2002
	\$'000	\$'000
Final ordinary dividend proposed of 8 cents (2002 : 5 cents) per ordinary share less tax at 22.0% (2002 : 22.0%)	<u>32,145</u>	<u>14,381</u>

33. EMPLOYEE BENEFITS

The GuocoLand Limited (formerly known as First Capital Corporation Ltd) Executives' Share Option Scheme ("the Scheme") was approved and adopted by the members of the Company at an Extraordinary General Meeting held on 31 December 1998. The Scheme was further approved by The Stock Exchange of Hong Kong Limited and the shareholders of Guoco Group Limited, the ultimate holding company of the Company, at an Extraordinary General Meeting held on 1 February 1999. The Scheme is administered by a Committee of Directors comprising Mr Sat Pal Khattar and Mr Quek Leng Chan who are not presently participating in the Scheme. Pursuant to the Scheme, Options were granted in respect of 5,380,000 unissued ordinary shares of \$1.00 each to key executives of the Company.

Other statutory information regarding the Scheme are set out below:-

- a. The exercise price of the Options is \$2.28 per ordinary share.
- b. The Options may be exercised under the following conditions:-
 - after the first anniversary of the date of grant of Options to executives who have been employed for at least one year as at the date of grant of Options;
 - after the second anniversary of the date of grant of Options to executives who have been employed for less than one year as at the date of grant of Options;

and in every case not later than the tenth anniversary of the date of grant of Options.

- c. The date of expiration of the Options is 26 April 2009 unless any such Option is cancelled or has lapsed.

As at the end of the financial year, the status of the Options was as follows:-

NAME OF PARTICIPANTS	OPTIONS GRANTED DURING FINANCIAL YEAR UNDER REVIEW	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEME TO TO END OF FINANCIAL YEAR UNDER REVIEW	AGGREGATE OPTIONS EXERCISED/ LAPSED SINCE COMMENCEMENT OF SCHEME TO TO END OF FINANCIAL YEAR UNDER REVIEW	AGGREGATE OPTIONS OUTSTANDING AS AT END OF FINANCIAL YEAR UNDER REVIEW
Executive Director, Quek Chee Hoon	-	2,000,000	-	2,000,000
Other Executives	-	3,380,000	1,940,000 (lapsed)	1,440,000
Total	-	5,380,000	1,940,000 (lapsed)	3,440,000

34. CHANGES IN ACCOUNTING POLICIES

During the financial year, several new interpretations, accounting standards and revisions to accounting standards became effective. The effect of these changes on the financial statements is not significant.

35. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities.

During the financial year, in addition to the transactions set out in Notes 24, 25 and 27, there were the following significant related party transactions:-

	2003 \$'000	GROUP 2002 \$'000	2003 \$'000	COMPANY 2002 \$'000
Ultimate Holding Company				
Sale proceeds received upon completion of sale of trading securities	118,600	-	-	-
Management fee expense	(3,045)	-	(3,045)	-
Consideration paid upon completion of acquisition of 55% stake in Guoco Properties Limited ("GPL") and shareholders' loans owing by GPL to Guoco Group Limited	(134,490)	-	(134,490)	-
Consideration paid upon completion of acquisition of 30% stake in Guoman Hotel & Resort Holdings Sdn Bhd ("GHRH") and shareholders' loans owing by GHRH to Guoco Group Limited	(21,006)	-	-	-
Related Corporations				
Management fee expense	(39)	(256)	-	-
Related Parties				
Rental income	750	729	-	-
Net premium income	-	65	-	-
Licence fee expense				
- Current year	(31)	-	(30)	-
- Prior year	(33)	-	(30)	-
Net commission expense	-	(86)	-	-
Net claims expense	-	(14)	-	-

36. FINANCIAL INSTRUMENTS

a. Financial risk management objectives and policies

The Group operates and generates a substantial part of its business from Singapore. The Group's activities expose it to some 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 and interest rates. While these are subject to the risks of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

The Group's accounting policies in relation to the derivative financial instruments are set out in Note 2m.

b. Foreign currency risk

The Group is exposed to foreign currency risk arising mainly from its borrowings in foreign currencies. The Group's policy is to minimise adverse effects on the financial performance of the Group as a result of volatility in foreign exchange rates. The Group generally hedges its borrowings in foreign currencies using forward exchange contracts with external parties. The contracts used in its hedging program have terms of 12 months or less.

The Group has overseas investments in the United Kingdom, China and India. 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.

c. 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 uses interest rate swaps to hedge and convert floating interest rates into fixed interest rates. Apart from cash and cash equivalents, the Group has no other significant interest-bearing assets.

d. Credit risk

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.

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 counterparties. As such, the Group does not expect any counterparty to fail to meet their obligations.

e. Fair values

The aggregate net fair values of financial liabilities, which are not carried at fair value in the balance sheet, are represented in the following table:-

	NOTE	CARRYING AMOUNT 2003 \$'000	FAIR VALUE 2003 \$'000	CARRYING AMOUNT 2002 \$'000	FAIR VALUE 2002 \$'000
Group					
Financial Liabilities					
Secured bank loans					
- S\$ floating rate loans	16	613,500	613,683	701,161	706,966
- S\$ fixed rate loan	16	42,000	43,129	42,000	44,758
Unsecured bank loans					
- S\$ floating rate loans	16	175,700	175,723	290,800	293,996
- S\$ fixed rate loan	16	-	-	49,991	50,059
- S\$ fixed rate notes and bonds	16	217,539	223,008	292,494	305,281
- US\$ floating rate loans	16	4,404	4,406	27,576	27,731
- RMB floating rate loan	16	2,554	2,565	-	-
		1,055,697	1,062,514	1,404,022	1,428,791
Company					
Financial Liabilities					
Unsecured bank loans					
- S\$ floating rate loans	16	11,200	11,202	86,200	86,797
- S\$ fixed rate loan	16	-	-	49,991	50,059
- S\$ fixed rate notes and bonds	16	217,539	223,008	292,494	305,281
- US\$ floating rate loans	16	4,404	4,406	27,576	27,731
		233,143	238,616	456,261	469,868

The fair value of the financial instruments is estimated using discounted cash flow analysis on the loan principal, including the interest due on the loans, based on current incremental lending rates for similar instruments at the balance sheet date.

It is not practicable to estimate the fair value of the unquoted securities and amounts due from/to subsidiaries, associated companies, related parties and minority shareholders of subsidiaries because of the inability to estimate fair value without incurring excessive costs. However, management believes that the carrying amounts recorded at balance sheet reflect the corresponding fair value.

37. COMMITMENTS

The future minimum lease rentals payable under non-cancellable operating leases are as follows:-

	GROUP	
	2003 \$'000	2002 \$'000
Within 1 year	587	751
After 1 year but within 5 years	-	533
	<u>587</u>	<u>1,284</u>

38. CONTINGENT LIABILITIES (UNSECURED)

The significant contingent liabilities of the Group and the Company are as follows:-

a. There are the following guarantees given to financial institutions in connection with banking facilities granted to:-

	GROUP		COMPANY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Subsidiaries	-	-	552,851	620,863
Associated companies	33,408	36,125	33,408	36,125
	<u>33,408</u>	<u>36,125</u>	<u>586,259</u>	<u>656,988</u>

b. A main contractor has made a claim against a subsidiary for approximately \$8.6 million for alleged unpaid balance contract sum and variation works/loss and expense. Pending arbitration proceedings, the subsidiary's lawyers have advised that the subsidiary has a good case in defending the claim.

39. STATUTORY INFORMATION REQUIRED BY PARAGRAPH 7 OF THE NINTH SCHEDULE OF THE COMPANIES ACT (CHAPTER 50)

	LIABILITIES PAYABLE		COMPANY	
	2003 \$'000	2002 \$'000	DEBTS RECEIVABLE 2003 \$'000	2002 \$'000
Within 2 years	236,247	432,326	252	288
After 2 years but within 5 years	621,791	666,786	1,040,781	1,077,731
After 5 years	-	-	-	-
	<u>858,038</u>	<u>1,099,112</u>	<u>1,041,033</u>	<u>1,078,019</u>

40. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise assets, liabilities, income and expenses relating to financing activities, tax provisions and interest bearing fixed deposits.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

a. Business Segments

The Group comprises the following main business segments:-

Property development : Development of residential and commercial properties.

Property investment : Holding properties for rental income.

Insurance business : Insurance and reinsurance of all classes of general insurance risks. This segment was divested in September 2002 (see Note 29a).

Fund management and investment trading : Provision of fund management services to the Group as well as trading of shares and other securities. The Group has ceased its fund management services on 31 December 2001 and is actively selling the quoted securities in its short-term trading portfolio (see Note 29b).

Equity investment : Investment in shares of other corporate entities.

b. Geographical Segments

The Group operates principally in Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Business Segments

	PROPERTY DEVELOPMENT \$'000	PROPERTY INVESTMENT \$'000	INSURANCE \$'000	FUND MANAGEMENT & INVESTMENT TRADING \$'000	EQUITY INVESTMENT \$'000	OTHER OPERATIONS \$'000	ELIMINATIONS \$'000	TOTAL \$'000
Revenue and Expenses								
2003								
Total revenue from external customers	338,111	16,465	-	966	4,641	4,671	-	364,854
Inter-segment revenue	-	696	-	(270)	-	127,359	(127,785)	-
Total revenue	338,111	17,161	-	696	4,641	132,030	(127,785)	364,854
Segment results	29,966	14,308	-	738	26,811	43,647	(19,799)	95,671
Unallocated income								8,204
Unallocated expenses								(892)
Profit from operations								102,983
Finance costs								(10,275)
Share of profit/(loss) from associated companies	188	25,899	-	-	(1,219)	(476)	-	24,392
Profit from ordinary activities before taxation								117,100
Taxation								(18,662)
Minority interests								(4,233)
Net profit for the year								94,205
2002								
Total revenue from external customers	192,327	18,324	13,305	(4,478)	11,355	3,297	-	234,130
Inter-segment revenue	-	735	76	1,316	-	133,003	(135,130)	-
Total revenue	192,327	19,059	13,381	(3,162)	11,355	136,300	(135,130)	234,130
Segment results	(153,877)	(8,074)	(4,468)	(3,975)	(1,734)	54,553	(53,379)	(170,954)
Unallocated income								551
Unallocated expenses								(2,983)
Loss from operations								(173,386)
Finance costs								(31,330)
Share of profit/(loss) from associated companies	6,762	27,255	-	-	(917)	-	-	33,100
Loss from ordinary activities before taxation								(171,616)
Taxation								(15,115)
Minority interests								6,806
Net loss for the year								(179,925)

notes on the financial statements

30 june 2003

Business Segments (Cont'd)

	PROPERTY DEVELOPMENT \$'000	PROPERTY INVESTMENT \$'000	INSURANCE \$'000	FUND MANAGEMENT & INVESTMENT TRADING \$'000	EQUITY INVESTMENT \$'000	OTHER OPERATIONS \$'000	TOTAL \$'000
Assets and Liabilities							
2003							
Segment assets	1,144,004	319,476	4,610	-	166,699	1,817	1,636,606
Interests in associated companies	51,619	296,077	-	-	(1,344)	20,568	366,920
Unallocated assets							99,757
Total assets							2,103,283
Segment liabilities	574,709	7,195	-	34	924	5,326	588,188
Unallocated liabilities							592,591
Total liabilities							1,180,779
Other Information							
Capital expenditure	218	-	-	-	-	373	
Depreciation	310	-	-	-	-	456	
Non-cash expenses excluding depreciation	1	-	-	-	-	1	
2002							
Segment assets	961,656	353,767	86,302	10,666	296,735	2,336	1,711,462
Interests in associated companies	147,839	385,717	-	-	14,210	-	547,766
Unallocated assets							77,624
Total assets							2,336,852
Segment liabilities	615,371	9,113	28,609	345	13	2,081	655,532
Unallocated liabilities							905,159
Total liabilities							1,560,691
Other Information							
Capital expenditure	52	-	-	1	-	427	
Depreciation	240	-	132	3	-	623	
Non-cash expenses excluding depreciation	-	-	467	(882)	21,440	3	

Geographical Segments

	TOTAL REVENUE FROM EXTERNAL CUSTOMERS	
	2003 \$'000	2002 \$'000
Singapore	352,100	231,676
United Kingdom	2,044	1,956
The People's Republic of China	10,162	-
Other Regions	548	498
	<u>364,854</u>	<u>234,130</u>

	SEGMENT ASSETS		CAPITAL EXPENDITURE	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Singapore	1,428,566	1,764,629	568	480
United Kingdom	296,475	386,087	-	-
The People's Republic of China	224,307	94,992	23	-
Other Regions	54,178	13,520	-	-
	<u>2,003,526</u>	<u>2,259,228</u>	<u>591</u>	<u>480</u>

shareholding statistics
as at 15 october 2003

Authorised Share Capital	:	S\$1,005,000,000
Issued and fully paid-up Capital		
Ordinary Shares of S\$1.00 each fully paid	:	\$515,414,696
Outstanding 7% Non-Redeemable Convertible		
Cumulative Preference Shares 2004 of S\$0.01 each	:	\$3,654,954
Outstanding 4.5% Non-Redeemable Convertible		
Cumulative Preference Shares 2005 of S\$0.01 each	:	\$94,977,569
Voting Rights	:	One Vote Per Ordinary Share

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF ORDINARY SHARES	% OF ORDINARY SHARES
1 - 999	148	57,083	0.01
1,000 - 10,000	5,217	19,914,003	3.87
10,001 - 1,000,000	844	37,478,671	7.27
1,000,001 & ABOVE	20	457,964,939	88.85
TOTAL	6,229	515,414,696	100.00

TWENTY LARGEST SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF ORDINARY SHARES	% OF ORDINARY SHARES
Guoco Investment Pte Ltd	273,452,235	53.05
UOB Kay Hian Pte Ltd	46,500,693	9.02
DBS Nominees Pte Ltd	38,106,203	7.39
Citibank Nominees S'pore Pte Ltd	21,351,117	4.14
United Overseas Bank Nominees Pte Ltd	16,125,330	3.13
ING Nominees (Singapore) Pte Ltd	14,515,167	2.82
HL Bank Nominees (S) Pte Ltd	10,491,135	2.04
Kwek Leng Hai	10,042,617	1.95
Raffles Nominees Pte Ltd	4,951,708	0.96
Morgan Stanley Asia (S'pore) Securities Pte Ltd	4,265,000	0.83
Oversea Chinese Bank Nominees Pte Ltd	3,044,625	0.59
Kim Eng Ong Asia Securities Pte Ltd	2,722,167	0.53
OCBC Securities Private Ltd	2,299,250	0.45
Lim & Tan Securities Pte Ltd	1,881,250	0.36
DB Nominees (S) Pte Ltd	1,816,200	0.35
The Asia Life Assurance Society Ltd - S'pore Life Fund	1,600,000	0.31
Phillip Securities Pte Ltd	1,435,500	0.28
DBS Vickers Securities (S) Pte Ltd	1,178,000	0.23
HSBC (Singapore) Nominees Pte Ltd	1,126,742	0.22
Singapore Reinsurance Corporation Ltd - SIF General	1,060,000	0.20
TOTAL	457,964,939	88.85

SHAREHOLDING IN THE HANDS OF THE PUBLIC AS AT 15 OCTOBER 2003

The percentage of shareholding in the hands of the public was approximately 26.23 % of the issued and fully paid-up ordinary share capital of the Company. The Company has complied with Rule 723 of the SGX-ST Listing Manual which requires that an issuer must ensure that at least 10% of equity securities (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 15 OCTOBER 2003

SUBSTANTIAL SHAREHOLDERS		DIRECT INTEREST NUMBER OF SHARES	DEEMED INTEREST NUMBER OF SHARES
1.	Asia Fountain Investment Company Limited	43,111,649	
2.	Guoco Investment Pte Ltd	273,452,235	
3.	Dao Heng Enterprises Limited		* 43,111,649
4.	Guoco Group Limited		** 316,563,884
5.	Guoline Overseas Limited		** 316,563,884
6.	Guoline Capital Assets Limited		** 316,563,884
7.	Hong Leong Company (Malaysia) Berhad		** 316,563,884
8.	HL Holdings Sdn Bhd		** 316,563,884
9.	Hong Leong Investment Holdings Pte Ltd		** 316,563,884
10.	Quek Leng Chan	13,947,687	** 316,858,884
11.	Red Ribbon Holdings Limited	29,800,000	
12.	PGA Asian Holdings Ltd		*** 29,875,000
13.	Asian Property Partners Ltd		*** 29,875,000

- * deemed interest arising through Asia Fountain Investment Company Limited by virtue of the operation of Section 7 of the Companies Act, Cap 50.
- ** deemed interest arising through Guoco Investment Pte Ltd and Asia Fountain Investment Company Limited by virtue of the operation of Section 7 of the Companies Act, Cap 50.
- *** deemed interest arising through Red Ribbon Holdings Limited and Trisan International Limited by virtue of the operation of Section 7 of the Companies Act, Cap 50.

OUTSTANDING 7% NON-REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES 2004 ("NCCPS 2004")

SIZE OF HOLDINGS	NO. OF NCCPS HOLDERS	NO. OF NCCPS	% OF NCCPS
1 - 999	71	30,659	0.84
1,000 - 10,000	352	775,667	21.22
10,001 - 1,000,000	25	2,848,628	77.94
1,000,001 & ABOVE	0	0	0.00
TOTAL	448	3,654,954	100.00

TWENTY LARGEST NCCPS HOLDERS

NAME OF NCCPS HOLDERS	NO. OF NCCPS	% OF NCCPS
United Overseas Bank Nominees Pte Ltd	941,955	25.77
Raffles Nominees Pte Ltd	863,200	23.62
DBS Nominees Pte Ltd	250,574	6.86
Citibank Nominees S'pore Pte Ltd	191,575	5.24
Oversea Chinese Bank Nominees Pte Ltd	85,440	2.34
Lum Dawn Pamela Nee Lim Siew Fah	69,000	1.89
Lim Guat Keow	63,000	1.72
Hng Kian Seng	59,000	1.61
Quek Leng Chan	53,833	1.47
ING Nominees (S'pore) Pte Ltd	38,000	1.04
Soon Tit Koon	27,000	0.74
B.A.C.S. Pte Ltd	21,000	0.57
Ting Sing Kwong	20,000	0.55
Kam Teow Chong	19,051	0.52
Malayan Banking Berhad	16,000	0.44
Ong Phee Poh Peter	16,000	0.44
June Song Pte Ltd	15,000	0.41
Kim Loong Builders Pte Ltd	15,000	0.41
Lim Jit Soon	14,000	0.38
Liow Foong Chin	14,000	0.38
TOTAL	2,792,628	76.40

OUTSTANDING 4.5% NON-REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES 2005 ("NCCPS 2005")

SIZE OF HOLDINGS	NO. OF NCCPS HOLDERS	NO. OF NCCPS	% OF NCCPS
1 - 999	29	10,140	0.01
1,000 - 10,000	39	83,500	0.09
10,001 - 1,000,000	5	1,329,629	1.40
1,000,001 & ABOVE	5	93,554,300	98.50
TOTAL	78	94,977,569	100.00

TWENTY LARGEST NCCPS HOLDERS

NAME OF NCCPS HOLDERS	NO. OF NCCPS	% OF NCCPS
Guoco Investment Pte Ltd	54,690,447	57.58
UOB Kay Hian Pte Ltd	25,088,649	26.42
Kwek Leng Hai	8,808,523	9.27
United Overseas Bank Nominees Pte Ltd	2,560,454	2.70
HL Bank Nominees (S) Pte Ltd	2,406,227	2.53
Citibank Nominees S'pore Pte Ltd	1,000,000	1.05
Kim Eng Ong Asia Securities Pte Ltd	252,000	0.27
Quek Leng Chan	45,704	0.05
DBS Nominees Pte Ltd	19,800	0.02
Oversea Chinese Bank Nominees Pte Ltd	12,125	0.01
Lum Dawn Pamela Nee Lim Siew Fah	10,000	0.01
Wan Pong Seng	8,500	0.01
Chew Wah Heng Eric	5,000	0.01
Malayan Banking Berhad	5,000	0.01
Quah Pheok Lian	3,000	-
Tan Boon Hui Timmy	3,000	-
Thean Heng Sim	3,000	-
Thean Lip Ping	3,000	-
Chai Ko Chim or Chai Ming Sam	2,500	-
Chong Lee Hwa	2,500	-
TOTAL	94,929,429	99.94

INTERESTED PERSON TRANSACTIONS

In addition to the transactions set out in Notes 24, 25, 27 and 35 to the Accounts, the aggregate value of Interested Person Transactions (excluding transactions less than S\$100,000) 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)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN S\$100,000)
Hong Leong Group Malaysia	S\$750,045	N.A.
Guoco Group Limited	S\$3,045,364	

Notice is hereby given that the 27th Annual General Meeting of GuocoLand Limited will be held at 80 Raffles Place #25-01 UOB Plaza 1, Singapore 048624 on 21 November 2003 at 2.30 pm for the following purposes:-

As Ordinary Business

- | | | |
|----|---|--------------|
| 1. | To receive and adopt the Directors' Report and Audited Accounts of the Company for the financial year ended 30 June 2003 | Resolution 1 |
| 2. | To declare a First and Final Dividend of 8% less 22% Singapore income tax for the financial year ended 30 June 2003 | Resolution 2 |
| 3. | To approve Directors' fees of \$301,250 for the financial year ended 30 June 2003 | Resolution 3 |
| 4. | To re-elect the following Directors retiring in accordance with the Company's Articles of Association:- | |
| | Mr Sat Pal Khattar | Resolution 4 |
| | Mr Quek Leng Chan | Resolution 5 |
| | Mr Lum Choong Wah | |
| | (Mr Lum Choong Wah will, upon re-election as a Director of the Company, remain as an independent member of the Audit Committee) | Resolution 6 |
| 5. | To re-appoint KPMG as auditors of the Company and to authorise the Directors to fix their remuneration | Resolution 7 |

As Special Business

6. To consider and if thought fit, to pass the following Ordinary Resolutions:-

6.1 Authority to Issue Shares

- a) "That approval be and is hereby given to the Directors to offer and grant options under the GuocoLand Limited Executives' Share Option Scheme (the "Scheme") and to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the Scheme, provided that the aggregate number of shares to be issued pursuant to this resolution when added to the number of shares issued and issuable in respect of all options granted under the Scheme shall not exceed 5 per cent of the issued share capital of the Company for the time being." Resolution 8(a)
- b) "That pursuant to Section 161 of the Companies Act, Cap. 50, approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10 per cent of the issued share capital of the Company for the time being." Resolution 8(b)

6.2 Renewal of Share Purchase Mandate

- a) "That for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50) (the "Companies Act"), the exercise by the Directors of the Company of all powers of the Company to purchase or otherwise acquire ordinary shares of \$1.00 each ("Shares") in the issued share capital of the Company and/or non-redeemable preference shares of \$0.01 each ("Preference Shares") in the issued share capital of the Company, not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-
- i) market purchases (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited ("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 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 general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors 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 annual general meeting of the Company is held; or
- ii) the date by which the next annual general meeting of the Company is required by law to be held;

c) in this Resolution:-

"Prescribed Limit" means:-

- i) ten per cent. (10%) of the issued ordinary share capital of the Company (in the case of Shares); and
 - ii) ten per cent. (10%) of the issued non-redeemable preference share capital of the Company (in the case of Preference Shares),
- as at the date of passing of this Resolution; and

"Maximum Price" in relation to a Share or Preference Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax 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 or Preference Shares (as the case may be) over the five (5) market days, on which transactions in the Shares or Preference Shares (as the case may be) 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 or Preference Shares (as the case may be) over the five (5) market days on which transactions in the Shares or Preference Shares (as the case may be) were recorded before the day on which the Company makes an announcement of an offer under an Off-Market Purchase scheme; 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. Resolution 8(c)

7. To transact any other business of an Annual General Meeting of which due notice shall have been given.

By Order of the Board

Dawn Pamela Lum
Company Secretary
Singapore

4 November 2003

Notes:

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 20 Collyer Quay #02-02 Tung Centre, Singapore 049319 not less than 48 hours before the time set for holding the Meeting.

Notes to Special Business:

Resolution 8(a) is to empower the Directors to issue shares pursuant to the GuocoLand Limited Executives' Share Option Scheme (the "Scheme"), which was approved at the Extraordinary General Meeting of the Company held on 31 December 1998. The ordinary resolution, if passed, will enable the Directors of the Company, from the date of the above Meeting until the next Annual General Meeting, to issue shares in the Company of up to an amount not exceeding in total five per cent (5%) of the issued share capital of the Company for the time being pursuant to the exercise of the options under the Scheme. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Resolution 8(b) is to empower the Directors to issue shares in the Company up to an amount not exceeding ten per cent (10%) of the issued share capital of the Company for the time being. This approval will expire at the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required to be held, whichever is earlier. The Directors would only issue shares under the resolution where they consider it appropriate and in the interests of the Company to do so.

Resolution 8(c) is to empower the Directors from the date of the above Meeting until the next Annual General Meeting is held or is required by law to be held, whichever is earlier, to repurchase ordinary shares of the Company by way of market purchases or off market purchases of up to ten per centum (10%) of the issued share capital of the Company at the Maximum Price. The Company intends to use internal sources of funds, or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Purchase Mandate. The amount of funds required for the Company to purchase or acquire its shares and the impact of the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the manner in which the purchase is funded. The rationale for, the authority and limitation on, and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited financial accounts of the Company and its subsidiaries for the financial year ended 30 June 2003 (for illustrative purposes only) are set out in greater detail in the Appendix to Notice of Annual General Meeting.

IMPORTANT**CPF Investors**

1. For investors who have used their CPF monies to buy shares, the annual report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Holders of NCCPS

1. This annual report is forwarded to holders of NCCPS solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by holders of NCCPS and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____

of _____

being a member/members of GuocoLand Limited, hereby appoint

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

*and/or (delete as appropriate)

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or, failing him/her, the Chairman of the Twenty-Seventh Annual General Meeting of the Company ("AGM") as my/our proxy to vote for me/us on my/our behalf at the AGM to be held on Friday, 21 November 2003 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 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 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 Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit).

		For	Against
Resolution 1	To receive and adopt the Directors' Report and Audited Accounts of the Company for the financial year ended 30 June 2003		
Resolution 2	To declare a First and Final Dividend of 8% less 22% Singapore income tax for the financial year ended 30 June 2003		
Resolution 3	To approve Director's fees of \$301,250 for the financial year ended 30 June 2003		
Resolution 4	To re-elect Mr Sat Pal Khattar as a Director		
Resolution 5	To re-elect Mr Quek Leng Chan as a Director		
Resolution 6	To re-elect Mr Lum Choong Wah as a Director		
Resolution 7	To re-appoint KPMG as auditors of the Company and to authorise the Directors to fix their remuneration		
Resolution 8 (a)	To authorise the Directors to grant options and issue shares under the GuocoLand Limited Executives' Share Option Scheme		
Resolution 8 (b)	To authorise the Directors to issue shares in the Company		
Resolution 8 (c)	To approve the renewal of the Share Purchase Mandate		

Signed this _____ day of _____ 2003

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

Total Number of Ordinary Shares Held	
a. CDP Register of Shareholders	
b. Register of Members	

FOLD HERE

AFFIX
STAMP
HERE

Company Secretary
GuocoLand Limited
20 Collyer Quay #02-02
Tung Centre
Singapore 049319

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Notes to Proxy Form

1. *Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares in the capital of the Company registered in your name(s).*
2. *A member entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.*
3. *The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 20 Collyer Quay, #02-02 Tung Centre, Singapore 049319, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.*
4. *Where a member appoints two proxies, the percentage of the shareholding represented by each such appointee should be specified. If no percentage is specified, the first named appointee shall be deemed to represent 100% of the shareholding and any second named appointee shall be deemed to be an alternate to the first named.*
5. *The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.*
6. *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 Meeting, in accordance with Section 179 of the Companies Act, Chapter 50. A copy of the said resolution, certified as true by an authorised officer of the Corporation, shall be affixed to the instrument of proxy.*
7. *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 the instrument appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.*

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