GuocoLand Limited

A Member of the Hong Leong Group

ANNUAL REPORT 2014

COVER RATIONALE

Throughout history, birds have been viewed as animals of special value, ladened with meanings often derived from legends and stories that have survived over many generations. The paper crane origami design means fulfillment of aspirations and needs. The design is also a symbol of good fortune and longevity.

From humble beginnings, Hong Leong Group Malaysia has evolved and is recognised by its brand that is rooted within the communities in which it operates. The design depicts the Group's image as progressive, connected and relevant. The origami globe illustrates Hong Leong Group's diverse footprint, whilst the colourful birds emerging from the globe represents a passionate, determined and contemporary organisation connecting with its communities.

CONTENTS

CORPORATE INTRODUCTION

GuocoLand Limited is a public company listed on the Singapore Exchange since 1978. The principal business activities of its subsidiaries are property development, property investment, hotel operations and property management. As a premier regional property company, GuocoLand is focused on achieving scalability, sustainability and growth in its core markets through its property development, investment and management businesses.

GuocoLand Limited has been involved in property development and investment since 1990. As a major developer headquartered in Singapore, GuocoLand and its subsidiaries have established property operations in their geographical markets of Singapore, China, Malaysia and Vietnam, comprising residential, hospitality, commercial and retail developments.

“An award winning developer and a leader of integrated mixed-use developments across Asia.

As at 30 June 2014, GuocoLand had total assets of **$8.72 billion** and shareholders’ funds of **$2.62 billion**.”

CORPORATE INFORMATION

BOARD OF DIRECTORS
Moses Lee Kim Poo, *Chairman*
Chia Boon Kuah, *Group President & Chief Executive Officer*
Quek Leng Chan
Kwek Leng Hai
Timothy Teo Lai Wah
Francis Siu Wai Keung
Abdullah Bin Tarmugi
Lim Suat Jien
Jennie Chua Kheng Yeng

AUDIT AND RISK COMMITTEE
Timothy Teo Lai Wah, *Chairman*
Francis Siu Wai Keung
Lim Suat Jien

NOMINATING COMMITTEE
Abdullah Bin Tarmugi, *Chairman*
Kwek Leng Hai
Timothy Teo Lai Wah

REMUNERATION COMMITTEE
Abdullah Bin Tarmugi, *Chairman*
Quek Leng Chan
Jennie Chua Kheng Yeng

GROUP COMPANY SECRETARY
Dawn Pamela Lum

REGISTERED OFFICE
20 Collyer Quay
#20-01
Singapore 049319
Tel: (65) 6535 6455
Fax: (65) 6532 6196
Registration No : 197600660W

WEBSITE
http://www.guocoland.com.sg

AUDITORS
KPMG LLP
Public Accountants and Certified Public Accountants
Partner-in-charge : Lo Mun Wai
(since FY ended June 2013)
Auditor's Registration No : 01148

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

PRINCIPAL BANKERS
Affin Bank Berhad
Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Bank of Communications Co., Ltd.
Bank of Shanghai Co., Ltd
China Merchants Bank Co., Ltd.
CIMB Bank Berhad
DBS Bank Ltd
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited
Xiamen International Bank

STOCK EXCHANGE LISTING
Singapore Exchange Securities Trading Limited

DATE OF INCORPORATION
31 March 1976

DATE OF CONVERSION TO A PUBLIC COMPANY
30 September 1978

CHAIRMAN'S STATEMENT

I am very privileged to succeed Mr Quek Leng Chan as Chairman of GuocoLand Limited in November 2013 and for the opportunity to contribute to the Company's success. The Board will continue to benefit from Mr Quek's considerable business acumen and entrepreneurship as it charts the Group's growth strategy going forward, given the challenging operating environment in our key markets. I welcome Mr Chia Boon Kuah who joined as Group President and Chief Executive Officer in February 2014. He brings a wealth of property development experience and expertise to the Group.

$1.25b
revenue
for the financial year ended 30 June 2014

FINANCIAL PERFORMANCE

The Group performed well for the Financial Year ended 30 June 2014 ("the Year"). The Group posted revenue of $1.25 billion and profit attributable to equity holders of $304.2 million, as compared with revenue of $677.4 million and profit attributable to equity holders of $40.5 million, a year ago. The Group's performance for the Year was driven mainly by higher revenue and profit recognised from the Group's Singapore and China residential projects including a gain from the sale of the Group's interests in subsidiaries and fair value gain from investment properties.

The net asset value per share increased from $2.20 as at 30 June 2013 to $2.36 as at 30 June 2014. The Group's equity attributable to ordinary equity holders was $2.62 billion as at 30 June 2014, an increase of 7% from 30 June 2013, largely due to profit recorded for the Group during the financial year.

The Group's performance was credible having regard to a difficult operating environment where property cooling measures introduced by the governments in our key markets of Singapore and China, had adversely affected property transaction volumes and prices.

DIVIDEND

Although the Group has done well for the Year, the Board believes that having regard to the Group's working capital requirements, it would be prudent to recommend a first and final dividend of 5 cents per share for the Year. Subject to shareholders' approval at the Annual General Meeting scheduled for 17 October 2014, the dividend will be paid to shareholders on 18 November 2014.

STRATEGY

The Group's broad strategy is to manage an optimal balance between development income and recurrent income, to sustain its future growth. The Group is also exploring various opportunities for enhancement of its prime assets in Singapore, China and Malaysia where it has three mega mixed-use developments, namely, *Tanjong Pagar Centre* in Singapore, *Guoson Centre* in Shanghai and *Damansara City* in Malaysia.

Damansara City is slated for completion in 2015 and *Tanjong Pagar Centre* in 2016. The expected rental income from the office components of these two developments should contribute significantly to the Group's recurrent income base going forward. In line with the Group's strategy to have a pipeline of development income, in April 2014, the Group acquired a sizeable land parcel with Gross Floor Area of 71,700sqm at Sims Drive. This land parcel is strategically located within walking distance to an MRT station, and in close proximity to the Paya Lebar commercial hub.

Although we expect the operating environment to continue to be challenging, we are constantly reviewing our marketing efforts to sell our development properties optimally, build innovative, thoughtful and quality properties, and look for opportunities to build upon our prime assets.

The Group continuously reviews its capital requirements. Although gearing is high, the Group expects to reduce this through sales of its development projects inventory and active management of its cash flow and debt to equity ratio.

Finally, the Group places strong emphasis on human talent to drive the Group's future growth. Succession planning and bench strength have been increased internally through staff development, redeployment, and new recruitment who bring fresh perspectives to the talent pool.

APPRECIATION

In closing, I wish to express my sincere appreciation to the Board, the management and staff of the Group for their commitment and dedication over the course of the Year. On behalf of the Board, I would also like to thank our valued customers, shareholders, business partners and investors for their continued support to the Group.

MOSES LEE

9 SEPTEMBER 2014

Tanjong Pagar Centre

$2.62b
group's equity
attributable to ordinary equity holders as at 30 June 2014

CHIEF EXECUTIVE OFFICER'S STATEMENT

Goodwood Residence

85% increase in revenue to

$1.25b

and seven fold increase in profit to

$304.2m

OVERALL PERFORMANCE

Despite challenging market conditions in the Group's core markets of Singapore and China, the Group did well for the full year ended 30 June 2014. Compared to a year ago, revenue rose 85% to $1.25 billion while profit attributable to equity holders jumped from $40.5 million to $304.2 million. Excluding fair value gains from investment properties, pre-tax profit rose from $66.2 million a year ago to $287.4 million in financial year ended 30 June 2014.

Key drivers of growth in revenue and profit for the latest financial year were higher revenue and profit recognition for the Group's residential projects in Singapore as well as Seasons Park in Tianjin, China.

Equity attributable to ordinary equity holders of the Group was $2.62 billion as at 30 June 2014, an increase of 7% from a year ago. Net asset value per share rose from $2.20 as at 30 June 2013 to $2.36 as at 30 June 2014.

Investment properties increased by 12% mainly due to fair value gain recognised and cost additions for Guoco Tower of Tanjong Pagar Centre as construction progressed during the year. Inventories decreased by $539.6 million mainly due to sales of development projects in Singapore and China.

The Group's gearing measured by net debt to equity, however, continues to remain high at 1.5 times. The Group is mindful of the need to be financially prudent in the light of potentially volatile market conditions.

SEGMENTAL PERFORMANCE AND OPERATIONAL REVIEW

SINGAPORE

During the year, the Group handed over units at Goodwood Residence, which obtained its temporary occupation permit (TOP) in June 2013. With potential buyers now able to appreciate the completed product, the Group sold 37 units at Goodwood

Leedon Residence

Residence in the latest financial year. Concerted efforts by management to move a good product priced appropriately contributed to the positive sales performance at Goodwood Residence.

While the luxury residential market appears lackluster, the Group believes that attractive location, product and pricing coupled with good distribution will enable the Group to continue to achieve satisfactory sales results in this market segment. The Group is continuing to push for sales of units at Goodwood Residence and Leedon Residence.

TOP was obtained for Sophia Residence in April 2014. The Group has since been handing over units at this centrally located development, which had a high proportion of units sold ahead of its completion.

As part of efforts to build up future residential project pipeline, the Group secured a land parcel at Sims Drive from the Housing & Development Board in April 2014. This 99 year leasehold land parcel covering a site area of 23,900.1 square metres, has a gross plot ratio of 3.0. The Group is working to ready the launch of sales of this residential project, which is located within walking distance to the Aljunied MRT Station, in first quarter 2015, if market is conducive.

At our landmark integrated mixed-use development Tanjong Pagar Centre, construction has been progressing steadily. Tanjong Pagar Centre is scheduled for completion in mid-2016. This development will boast Singapore's tallest building at 290 metres and comprise 1.7 million square feet of Grade A office, branded residential, luxury business hotel and lifestyle retail space. The Group has been actively building awareness of this landmark development over the last few months.

At the Group's existing office investment property 20 Collyer Quay, active leasing has resulted in occupancy exceeding 90% as at 30 June 2014.

CHINA

The Group sold 463 residential units at Seasons Park, Tianjin, the Group's maiden development project in Tianjin. This project, which enjoys easy access to developed transport networks, obtained its TOP in January 2014. As at 30 June 2014, 875 out of 993 sold units have been handed over to purchasers. The Group is working to sell the remaining units in financial year ending 30 June 2015.

As part of continuous efforts to review and rationalise assets, the Group sold its interest in a project in Nanjing in August 2013. The associated gross profit of approximately $98.9 million was recognised in financial year ended 30 June 2014.

Residential Land Bank

71,700sqm

of Gross Floor Area at Sims Drive, Singapore

Seasons Park

Sold 463
residential units
at Seasons Park, Tianjin

In Shanghai, the Group has two projects. At the integrated mixed-use development in Changfeng, which has approximately 500,000 square metres of gross floor area featuring retail, office towers, Small office Home office (SoHo) units, a hotel and serviced apartments, construction work on two office towers in Phase 2 will be completed in financial year ending June 2015. Of the completed components in Phase 1, the Group is working to improve performance of the retail and hotel assets, and has plans to carry out asset enhancement work on the retail space. The Group is exploring both leasing and divestment of the serviced apartments as well as the soon to be completed office towers. The Group is starting on construction work on the final portion of Phase 2 of this project in financial year ending June 2015, which will feature a signature office and retail space.

The Group's other project in Shanghai is its 47,675 square metres residential site in Changfeng Plot 9. Piling work has commenced for this project, which is a 50:50 joint venture between the Group and Guoco Group Limited. This project will offer 664 innovative, thoughtful, and quality homes tailored to meet the lifestyle needs of the Shanghai market.

The Group recently announced that a judgment has been obtained from the Hainan High Court. The judgment effectively restored the Group's ownership in Hainan Jing Hao Asset Limited which holds 90% of Beijing Cheng Jian Dong Hua Real Estate Development Company Limited which owns the Dongzhimen project in Beijing. This is a positive outcome and the Group will evaluate all options for this investment in Beijing.

MALAYSIA

The Group has extensive land bank in Malaysia, largely in the Klang Valley. The Group's Malaysia business is carried out through its 65% owned subsidiary GuocoLand Malaysia Berhad, which is listed on Bursa Malaysia.

In Malaysia, the Group's integrated mixed-use development called Damansara City in Kuala Lumpur, comprising two luxury residential towers, two Grade A office blocks, a luxury hotel and a lifestyle shopping mall, will provide a total gross floor area of approximately 2.3 million square feet. This development will be completed in phases with TOP for the first phase expected to be obtained in May 2015.

The Group's associate Tower Real Estate Investment Trust (Tower REIT) is also listed on Bursa Malaysia. Tower REIT owns three office buildings in Kuala Lumpur.

VIETNAM

The Group's focus in Vietnam is on sales, execution and delivery of its 11.3 hectare integrated mixed-use development called The Canary. Located in Binh Duong Province, The Canary comprises 1,081 residential apartments to be developed over 4 phases, serviced apartments, offices, retail and educational facilities. Construction of Phase 2 of the residential component is currently underway with the relaunch for sale of the residential units in this phase expected in later part of 2014.

FOCUS AREAS IN NEW FINANCIAL YEAR

In the Group's principal key markets of Singapore and China, there are property cooling measures, pricing pressure and slowing transaction volume that residential developers need to contend with. Moreover, while US economic growth is picking up, there is the prospect of rising interest rates in the US. Typically rising interest rates hurt a property developer via higher funding costs and weaker home buying demand. Against the above backdrop, the Group is acutely aware of the need to sell its residential inventory. A key focus in Singapore for financial year ending June 2015 is to continue to close sales of units of Goodwood Residence. The Group is also seeking to improve pace of sales at Leedon Residence for which it targets to obtain TOP in 2015. The Group is working hard on the launch of its residential project at Sims Drive where it will deliver well designed, quality, affordable units in a city-fringe location. At Sims Drive, the Group wants to meet lifestyle needs of home buyers with innovative and thoughtful products.

In China, the Group will work to sell the remaining residential units at Seasons Park, Tianjin and successfully launch for sale residential units at Changfeng Plot 9. The Group will also focus on progressing construction of Phase 2 of the Changfeng integrated mixed-use development. When fully completed, the Changfeng integrated mixed-use project will add vibrancy and contribute to the economic vitality of the Changfeng district. At the right value, the Group will consider divesting components of the Changfeng integrated mixed-use development in order to recycle capital.

In financial year ending June 2015, another major thrust of the Group is to strengthen the foundations for recurrent income to be a key contributor to the Group's financial performance. The Group will actively work on pre-leasing of the retail space at Damansara City. Also, pre-leasing work will start on the 1 million square feet of office and retail space at Tanjong Pagar Centre. Filling up the space at these developments with the right mix of tenants will enable the Group to successfully grow recurrent income contribution,

Given the capital intensive nature of property development and the high demands of real estate space users, delivering products of quality, on time and within budget are critical success factors in our business. As such, the Group has significantly augmented its human capital including bringing on board various talented new hires and substantially enhancing capabilities in areas such as project sales, project management, digital platform and regional marketing. Building up capabilities to lease and manage large scale integrated mixed-use developments Tanjong Pagar Centre and Damansara City is another major thrust. The Group is also in the midst of building up its hotel management capabilities.

The Group is acutely aware of the rising aspirations of home buyers across its key markets. The needs of business, retail and hospitality space users are also constantly evolving. It is critical that the Group understands and responds to the needs of its customers, namely the real estate space users. We have to strive to deliver products that meet stated as well as unstated needs. At the same time, we have to be mindful of the impact of our real estate projects on the communities where they are located. Bearing in mind these demands, our Group will strive wherever we operate to create thoughtful spaces for communities.

By creating thoughtful spaces for communities where we operate, we bring value to these communities. If we can constantly bring value to communities, we in turn will build a sustainable business that benefits all our stakeholders.

Damansara City

“Creating Thoughtful Spaces for Communities”

2.3m sqft
Mega Mixed-Use Development
Damansara City, Malaysia

ACKNOWLEDGEMENTS
On behalf of the management team and staff, I would like to thank our valued customers, shareholders and business partners for their confidence in and continued support of our Group. We look forward to continue to strengthen our platform, enhance our competitiveness and grow the business in sustainable ways for all stakeholders.

CHIA BOON KUAH
9 SEPTEMBER 2014

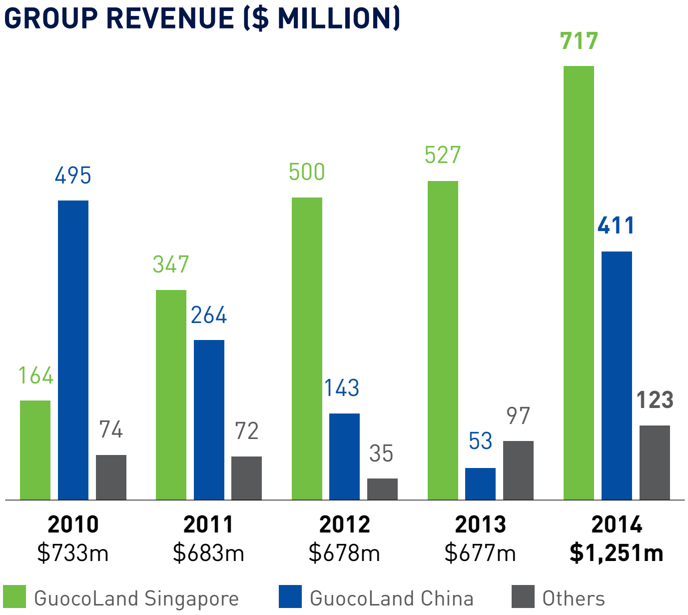
FINANCIAL HIGHLIGHTS

Year ended 30 June	2014 $'000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
Income Statements					
Revenue by operating segments					
GuocoLand Singapore	**717,337**	526,642	500,253	346,791	164,189
GuocoLand China	**411,488**	52,896	142,848	264,213	495,080
GuocoLand Malaysia	**122,176**	70,431	34,903	64,800	66,752
GuocoLand Vietnam	**326**	27,455	458	6,571	6,311
Others	**23**	18	34	411	430
Total revenue	**1,251,350**	677,442	678,496	682,786	732,762
Profit before tax	**410,013**	98,516	96,652	164,636	180,525
Profit attributable to equity holders of the Company	**304,225**	40,490	63,191	122,012	134,306
Proposed dividends in respect of ordinary shares[1]	**55,488**	55,488	55,488	88,781	66,586
Statements of Financial Position					
Property, plant and equipment	**405,551**	398,849	396,619	361,592	236,222
Investment properties	**2,305,035**	2,056,102	1,874,750	1,651,877	427,545
Associates and joint ventures	**496,425**	492,365	492,400	192,864	194,377
Inventories	**4,287,193**	4,826,747	4,972,047	4,745,426	3,946,237
Cash and cash equivalents	**716,006**	934,340	861,973	1,188,342	656,432
Other assets	**509,249**	446,480	161,052	236,514	254,031
Total assets	**8,719,459**	9,154,883	8,758,841	8,376,615	5,714,844
Total ordinary equity	**2,620,791**	2,446,562	2,396,215	2,362,168	2,013,273
Perpetual securities	**199,795**	199,406	–	–	–
	2,820,586	2,645,968	2,396,215	2,362,168	2,013,273
Non-controlling interests	**152,945**	129,133	136,185	138,224	126,944
Loans and borrowings	**5,066,774**	5,372,335	5,404,246	5,185,630	2,614,992
Other liabilities	**679,154**	1,007,447	822,195	690,593	959,635
Total equity and liabilities	**8,719,459**	9,154,883	8,758,841	8,376,615	5,714,844
Ratios					
Net asset value per share ($)	**2.36**	2.20	2.16	2.13	2.42
Basic earnings per share (cents)[2]	**26.53**	3.57	5.69	11.98	15.13
Dividend per ordinary share (cents)	**5**	5	5	8	8

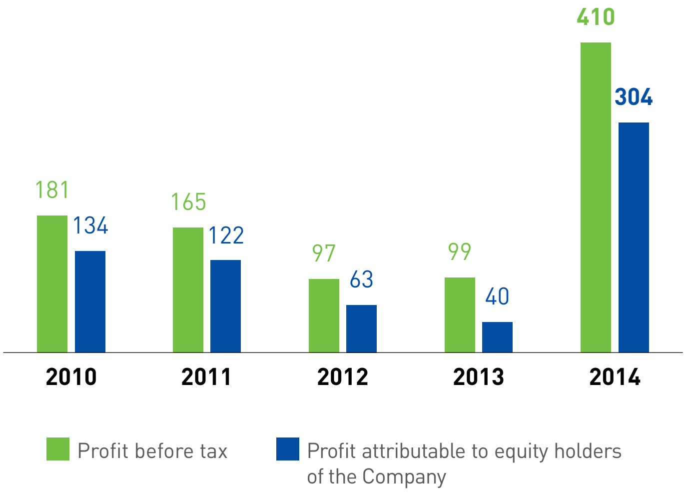
[1] The amount is derived after deducting dividends to be paid in respect of ordinary shares of the Company which were held by the Trust for Executives' Share Option Scheme.

[2] Earnings is defined as profit attritutable to ordinary equity holders of the Company.

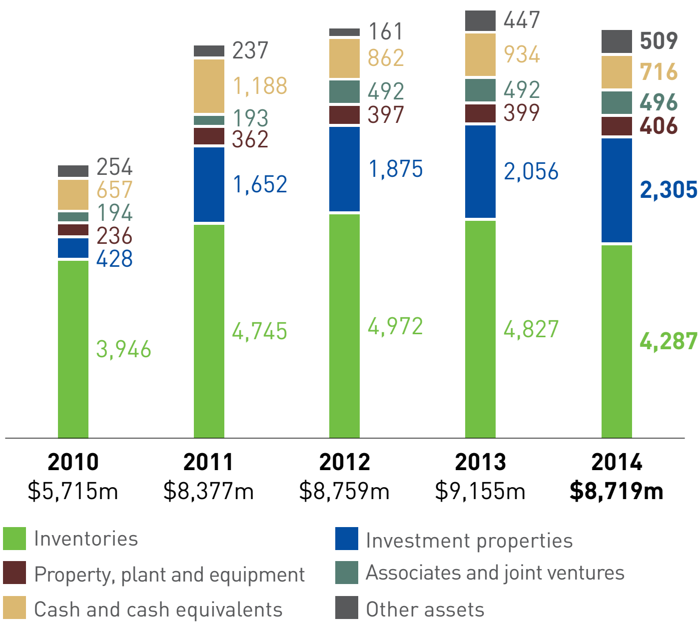
GROUP REVENUE ($ MILLION)



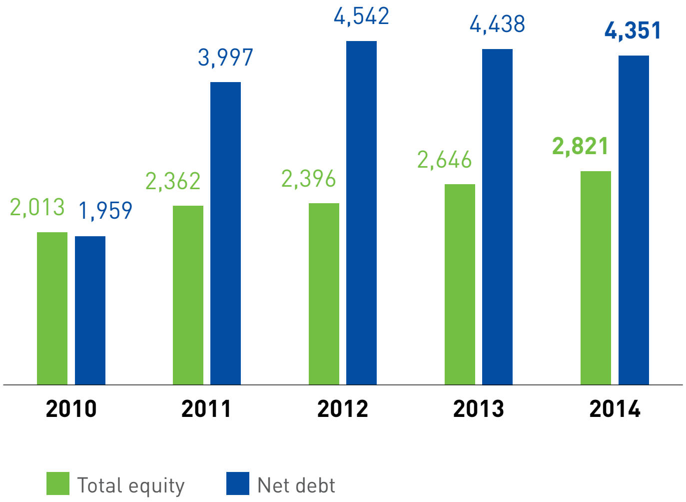
GROUP PERFORMANCE ($ MILLION)



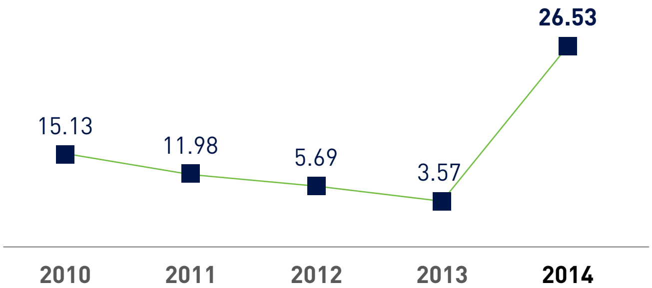
GROUP TOTAL ASSETS ($ MILLION)



TOTAL EQUITY[1] AND NET DEBT[2] ($ MILLION)



BASIC EARNINGS PER SHARE (CENTS)[3]



NET ASSETS VALUE PER SHARE ($)

[1] Total equity is defined as total ordinary equity and perpetual securities.

[2] Net debt is defined as loans and borrowings less cash and cash equivalents.

[3] Earnings is defined as profit attributable to ordinary equity holders of the Company.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance and endeavours to continuously keep abreast of new developments and practices in corporate governance.

The framework of the Company's corporate governance as set out in its own Code of corporate governance is substantially in line with the principles of the Code of Corporate Governance 2012 (the "Code") issued by the Monetary Authority of Singapore ("MAS") in May 2012.

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

(A) BOARD MATTERS

Board's Conduct of Its Affairs
Principle 1

The Company is headed by an effective Board which oversees the business affairs of the Company. The Board carries out this oversight function by assuming responsibility for effective stewardship and corporate governance of the Company and the Group. Its role and responsibilities include, inter alia, setting the overall business strategy, policies and direction for the Company and the Group.

The Board also reviews and approves key strategic and financial initiatives, the business plan and budget, quarterly, interim and annual results, and major investments and divestments. The Company has in place a Corporate Policies and Procedures Handbook which sets out the framework of internal guidelines on matters which require Board's approval.

The Board is also responsible for setting the Company's values and ethical standards. The Group has a strong corporate culture exemplified by Group core values which are set out and may be viewed on the Company's website http://www.guocoland.com.sg. The Group is committed in its efforts to build developments that provide quality spaces for its occupants and include environmentally sustainable features.

The Board meets at least on a quarterly basis to review, inter alia, the Company's quarterly results. Additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions. During the financial year ended 30 June 2014, the Board held four meetings. As provided in the Company's Articles of Association, Directors may convene Board meetings by teleconferencing or videoconferencing.

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, dealings in the Company's securities, restrictions on disclosure of price sensitive information and disclosure of interests relating to the Group's businesses.

Directors are also updated regularly on key regulatory and accounting changes at Board meetings. New directors are apprised of the business activities of the Group and its strategic directions. They are provided with the Company's Code of corporate governance, Board meeting reports and Guidebook on Audit Committee (for new appointees to the Audit Committee).

During the financial year ended 30 June 2014, Directors attended training programmes and seminars organised by Singapore Institute of Directors (SID). Directors are also informed of training programmes and seminars organised by SGX-ST, SID and KPMG. The Nominating Committee has reviewed the training and professional development programmes for Directors.

Board Composition and Guidance
Principle 2

Currently, the Board comprises nine well-qualified members who are business leaders and professionals with financial, banking and legal backgrounds. The Board considers its present size to be appropriate after taking into account the current nature and scope of the Group's operations. Profiles of the Directors are set out on pages 17 and 18. The majority of the Directors are non-executive and are considered independent by the Nominating Committee.

Board Committees

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

1. Executive Committee ("EXCO"): The EXCO 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 EXCO are Messrs Quek Leng Chan (who is the Chairman), Chia Boon Kuah (who is the Group President and Chief Executive Officer ("CEO")) and Kwek Leng Hai, and certain key senior Management personnel. During the financial year ended 30 June 2014, the EXCO held five meetings.

2. Audit and Risk Committee ("AC"): The Audit Committee has been renamed Audit and Risk Committee. The members of the AC comprise Messrs Timothy Teo (who is the Chairman) and Francis Siu, and Ms Lim Suat Jien, all of whom are non-executive Directors and are considered independent. As part of the Company's corporate governance practices, the CEO participates at all AC meetings. The AC held four meetings for the financial year ended 30 June 2014.

3. Executives' Share Option Scheme ("ESOS") Committee: The ESOS Committee assists the Board in administering the ESOS. The ESOS Committee comprises Mr Timothy Teo, a non-executive Director, and Mr Quek Leng Chan, an executive Director.

4. Nominating Committee ("NC"): This committee comprises three non-executive Directors, two of whom are considered to be independent. Mr Abdullah Bin Tarmugi chairs the NC. The other members are Messrs Kwek Leng Hai and Timothy Teo. The NC which meets at least once annually, held two meetings during the financial year ended 30 June 2014.

5. Remuneration Committee ("RC"): This committee comprises two non-executive independent Directors (Mr Abdullah Bin Tarmugi who is the Chairman and Ms Jennie Chua, a member) and an executive non-independent director, Mr Quek Leng Chan. The Board is of the view that the inclusion of an executive director in the RC is appropriate and in the best interests of the Company and its subsidiaries. The RC which meets at least once annually, held one meeting during the financial year ended 30 June 2014.

During the financial year ended 30 June 2014, non-executive directors had met without the presence of Management.

Chairman and Chief Executive Officer
Principle 3

There is a clear division of responsibilities in the respective roles and functions of the Chairman and CEO as these appointments are held separately by Messrs Moses Lee and Chia Boon Kuah respectively.

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

The CEO is responsible for the vision and strategic direction of the Group, implementing the policies and decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholder wealth, setting the benchmark and targets for operating companies, overseeing the day-to-day operations and tracking compliance and business progress.

Board Membership
Principle 4

The NC reviews and recommends all new Board appointments and also the re-appointment and re-election of Directors to the Board. The NC has put in place a process for the selection and appointment of new directors to the Board. 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 ("AGM"). All Directors also retire from office and are subject to re-election at least once in every three years. Directors of or over 70 years of age are required to be re-appointed every year at the AGM under Section 153(6) of the Companies Act.

On an annual basis, the NC reviews the independence of the Directors, and has considered Mr Moses Lee, Mr Timothy Teo, Mr Francis Siu, Mr Abdullah Bin Tarmugi, Ms Lim Suat Jien and Ms Jennie Chua to be independent.

The NC had noted the list of other directorships held by the Directors, and is satisfied that each of the Directors is able to devote sufficient time and attention to the affairs of the Company.

Board Performance
Principle 5

On an annual basis, the NC assesses the effectiveness and performance of the Board as a whole, Board Committees and the contributions of each Director. The assessment takes into account the performance of the Company, attendance and contributions of Directors at meetings of the Board and Board Committees and Directors' participation in the affairs of the Company, including a review of matters such as the independence of Directors, their individual skills, experience and time commitment, in particular for Directors who served on the boards of a number of other listed companies as well as overall Board size and composition. The results of the NC's assessment for the financial year ended 30 June 2014 had been communicated to and accepted by the Board.

Access to Information
Principle 6

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

All Board members are supplied with information in a timely manner. Management presents the Board with reports of and updates on the Company's performance, financial position and prospects for review at each Board meeting.

CORPORATE GOVERNANCE

(B) REMUNERATION MATTERS

Principles 7, 8 & 9

The RC, in consultation with the EXCO, 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 receive director fees that are based on corporate and individual responsibilities and which are in line with industry norm. The fees for the Directors for the financial year ended 30 June 2014 amounted in the aggregate of $479,334 and are subject to the approval of shareholders of the Company at its AGM.

The breakdown (in percentage terms) of the remuneration of the Directors of the Company for the financial year ended 30 June 2014 is as follows:

	Fixed Salary (inclusive of Employer CPF)	Variable Bonus (inclusive of Employer CPF)	Director Fees	Other Benefits	Total
$500,000 and above					
Chia Boon Kuah (appointed 3 February 2014)	100%	–	–	–	100%
Below $250,000					
Moses Lee (appointed 1 November 2013)	–	–	97%	3%	100%
Quek Leng Chan	–	–	–	–	–
Kwek Leng Hai	–	–	–	–	–
Timothy Teo	–	–	100%	–	100%
Francis Siu	–	–	100%	–	100%
Abdullah Bin Tarmugi	–	–	100%	–	100%
Lim Suat Jien	–	–	100%	–	100%
Jennie Chua (appointed 5 August 2013)	–	–	87%	13%	100%

The number of key executives (who are not Directors of the Company or the CEO) under each remuneration band is as follows:

	Group	
	2014	2013
Remuneration of:		
$750,000 and above	**-**	2
$500,000 to $749,999	**4**	3
$250,000 to $499,999	**4**	6
	8	11

The remuneration package comprising mainly salaries and bonuses, for the top eight key executives (who are not Directors of the Company or the CEO), is disclosed in bands of $250,000. The aggregate total remuneration paid to the top eight key executives (who are not Directors of the Company or the CEO) for the financial year ended 30 June 2014 is $4,100,020. The Company believes that in view of the competitive nature of the human resource environment and to support the Company's efforts in attracting and retaining executive talents, it should maintain confidentiality on employee remuneration matters.

Details of the Company's ESOS are set out in the Directors' Report and Note 30 to the Financial Statements.

The Company and its principal subsidiaries do not have any employees who are the immediate family members of any of the Directors or the CEO and whose remuneration exceeded $50,000 for the financial year ended 30 June 2014.

(C) ACCOUNTABILITY AND AUDIT

Accountability
Principle 10

The Board is committed to provide shareholders with a balanced and understandable assessment of the Company's financial performance, position, and prospects via announcements of its quarterly, interim and annual financial results.

Management provides the Board with management accounts which present a balanced and understandable assessment of the Company's performance, position and prospects. Such reports enable the Directors to keep abreast of the Group's operating and financial performance and position.

Risk Management & Internal Controls
Principle 11

The Board with the assistance of the AC oversees the governance of risk and monitors the Company's risks through an Enterprise Risk Management framework which incorporates a Risk Register to capture the significant business risks and the strategy and internal controls to mitigate these risks. The Risk Register is reviewed by the AC quarterly and any issues or matters arising from the Risk Register are highlighted by the AC to the Board.

Having regard to the reviews carried out by the AC, findings raised by internal and external auditors and assurance from the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at 30 June 2014.

The Board has received assurance from the CEO and the Chief Financial Officer that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and the Company's risk management and internal control systems are effective.

Audit and Risk Committee
Principle 12

The terms of reference of the AC are set out in the Company's own Code of corporate governance. In performing its functions for the financial year ended 30 June 2014, the AC undertook, inter alia, the following:-

- reviewing the Group's quarterly, interim and final financial statements prior to submission to the Board;
- reviewing the scope and results of the external audit;
- meeting with the Company's external and internal auditors, in the absence of Management;
- reviewing the independence of the Company's external auditors. The aggregate amount of fees paid to the external auditors, and a breakdown of the fees paid in total for audit and non-audit services are disclosed in Note 27 in the Financial Statements;
- reviewing the adequacy and effectiveness of the Company's material internal controls including financial, operational, compliance and information technology controls, and risk management systems;
- noting or reviewing interested person transactions, as recorded in the Company's Register of Interested Person Transactions;
- 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;
- reviewing the adequacy and effectiveness of the internal audit function;
- making recommendations to the Board on the re-appointment of the external auditors; and
- reviewing the Company's whistle-blowing policy, which sets out procedures and rules for employees to raise responsibly, in confidence, concerns about possible improprieties for investigation. The Company's whistle-blowing policy may be accessed by employees via its website.

At each AC meeting, the external auditors keep the AC apprised of any changes to the accounting standards and issues which have a direct impact on the Company's Financial Statements.

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

CORPORATE GOVERNANCE

Internal Audit
Principle 13

The Company has an internal audit team comprising qualified personnel, who assists the AC in discharging its responsibilities. To assist the Board in inter alia, identifying, assessing and managing the significant business risks faced by the Group within its operating environment, Internal Audit reviews the Group's enterprise risk management framework in particular, the Company's Risk Register on a half yearly basis to ensure the strategy / internal controls are in place to mitigate the significant business risks of the Group.

The internal mitigating controls under the risk management framework may not eliminate all risks of failure but these control mechanisms seek to provide a reasonable assurance against material misstatement or loss.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principles 14, 15 & 16

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 announcements released through SGXNet 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 at the Company's AGM to assist the Board in addressing any queries raised by shareholders. If any shareholder is unable to attend the AGM, he or she is allowed to appoint up to two proxies to attend and vote on his or her behalf at the AGM.

The Company had implemented electronic poll voting since its 2012 AGM and will continue to use the electronic poll voting system at its forthcoming AGM in October 2014.

Votes cast for, or against each resolution will be tallied and displayed live on screen to shareholders at the AGM. The results of the votes cast for or against the resolutions are also announced via SGXNet after the AGM.

Due to security concerns, the Company will not be implementing absentia voting methods such as by mail, e-mail or fax.

Dividend Policy

The Company does not have a fixed dividend policy. The frequency and amount of dividends depend on the Company's earnings, cash flow, capital requirements, general financial and business conditions and other factors as the Board deems appropriate.

Dealings in Securities

The Company has in its own Code of corporate governance provided guidelines to the Company's officers in relation to dealings in securities. These guidelines set out, inter alia, that officers should refrain from dealing in any securities of the Company at any time when in possession of unpublished price-sensitive information in relation to those securities, and during the Company's close period which is defined as two weeks immediately preceding the announcement of the Company's quarterly results or half yearly results and one month preceding the announcement of the annual results, as the case may be, up to and including the date of announcement of the relevant results. Officers are also reminded to refrain from dealing in the Company's securities on short-term considerations. These guidelines have been disseminated to all directors, officers and key employees of the Group.

BOARD OF DIRECTORS

MR MOSES LEE KIM POO, aged 63

was appointed to the Board as Chairman of the Company and the Board in November 2013, and is proposed for re-election as Director at the Company's Annual General Meeting ("AGM") to be held on 17 October 2014. Mr Lee is also the Chairman of the Singapore Totalisator Board and Chairman of Sentosa Development Corporation.

Mr Lee had served as the Commissioner of Inland Revenue Authority of Singapore and Permanent Secretary in the Ministries of Labour, Community Development and Health. Mr Lee was awarded the Public Administration Medal (Gold) in 1996. Mr Lee holds a Bachelor of Engineering (Mech & Production) (Hons-Class I) from University of Singapore and Master in Public Administration from Harvard University, USA.

Mr Lee chaired two Board meetings of the Company held during the financial year ended 30 June 2014.

MR CHIA BOON KUAH, aged 57

was appointed to the Board in February 2014, and is proposed for re-election as Director at the Company's AGM to be held on 17 October 2014. He is the Group President and Chief Executive Officer of the Group. Mr Chia has over 35 years of varied management experience, comprising marketing, operations, property development and investment management across real estate, hospitality and airline industries.

Mr Chia is the President of the Real Estate Developers' Association of Singapore (REDAS) and a member of the Singapore Polytechnic Board of Governors. Mr Chia holds a Master in Business Administration from National University of Singapore.

Mr Chia attended the Board and Executive Committee meetings of the Company held during the financial year ended 30 June 2014. He also participated at the Audit and Risk Committee meetings held during the financial year ended 30 June 2014 in his capacity as the Group President and Chief Executive Officer of the Company.

MR QUEK LENG CHAN, aged 71

was appointed to the Board in 1988, and is proposed for re-appointment as Director at the Company's AGM to be held on 17 October 2014. He is the Chairman of the Executive Committee and a member of the Remuneration Committee.

Mr Quek is the Chairman and Chief Executive Officer of Hong Leong Company (Malaysia) Berhad ("HLCM") and he sits on the Boards of Directors of the major public listed companies of HLCM. He is also the Chairman of Guoco Group Limited, the Company's intermediate holding company in Hong Kong.

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 chaired 2 Board and all the Executive Committee meetings and attended all the Board and Remuneration Committee meetings of the Company held during the financial year ended 30 June 2014.

MR KWEK LENG HAI, aged 61

was appointed to the Board in 1988, and was re-elected to the Board at the Company's AGM held in October 2013. He is a member of the Nominating Committee.

Mr Kwek is the President, CEO of Guoco Group Limited and the Chairman of Lam Soon (Hong Kong) Limited, both listed on the Hong Kong Stock Exchange. His directorships in other public listed companies include Hong Leong Bank Berhad in Malaysia and GuocoLeisure Limited in Singapore. He is also a director of Bank of Chengdu Co., Ltd in China. Mr Kwek qualified as a 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, Executive Committee and Nominating Committee meetings of the Company held during the financial year ended 30 June 2014.

MR TIMOTHY TEO LAI WAH, aged 62

was appointed to the Board in November 2008, and is proposed for re-election as Director at the Company's AGM to be held on 17 October 2014. He is the Chairman of the Audit and Risk Committee and a member of the Nominating Committee. Mr Teo also serves on the board of GuocoLeisure Limited as Chairman of its Audit and Risk Management Committee and the statutory boards and charities such as St Luke Elder Care, National Library Board and The Library Fund.

Mr Teo was Director in charge of foreign exchange, money market, gold and commodities management in Government of Singapore Investment Corp, Singapore from 1998 to 2007. Prior to this, he was Director of Nuri Holdings (S) Pte Ltd, Singapore as consultant for risk management in Jakarta and Los Angeles from 1994 to 1998. Mr Teo was also with JP Morgan for 20 years in various overseas locations at senior management level (Managing Director) in Global Markets. Mr Teo holds a Masters Degree in Business Administration from Macquarie University, Sydney, Australia.

Mr Teo chaired all the Audit and Risk Committee meetings and attended all the Board and Nominating Committee meetings of the Company held during the financial year ended 30 June 2014.

BOARD OF DIRECTORS

MR FRANCIS SIU WAI KEUNG, aged 60

was appointed to the Board in December 2010, and was re-elected to the Board at the Company's AGM held in October 2013. He is a member of the Audit and Risk Committee. Mr Siu is also an independent non-executive director of Beijing Hualian Supermarket Group Company Limited, which is listed on the Shanghai Stock Exchange and CITIC Pacific Limited, China Communications Services Corporation Limited, Hop Hing Group Holdings Limited, Shunfeng Photovoltaic International Ltd and China Huishan Dairy Holdings Co. Ltd, which are listed on the Hong Kong Stock Exchange.

Mr Siu was a Senior Partner of KPMG Beijing Office, and Senior Partner of Northern Region, KPMG China from 2002 to March 2010. Prior to this, he was Senior Partner of KPMG Shanghai Office and Audit Partner in Hong Kong. Mr Siu holds a Bachelor of Arts in Accounting and Economics Degree from University of Sheffield, United Kingdom and he is a Fellow Member of the Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants.

Mr Siu attended all the Board and Audit and Risk Committee meetings of the Company held during the financial year ended 30 June 2014.

MR ABDULLAH BIN TARMUGI, aged 70

was appointed to the Board in March 2012, and is proposed for re-appointment as Director at the Company's AGM to be held on 17 October 2014. He is Chairman of the Nominating Committee and Remuneration Committee. Mr Abdullah also serves on the boards of Goodhope Asia Holdings Ltd, The Islamic Bank of Asia, Pacific Insurance Berhad and The Leadership Practice LLP.

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

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

Mr Abdullah chaired all the Nominating Committee and Remuneration Committee meetings and attended all the Board meetings of the Company held during the financial year ended 30 June 2014.

MS LIM SUAT JIEN, aged 57

was appointed to the Board in May 2013, and was re-elected to the Board at the Company's AGM held in October 2013. She is a member of the Audit and Risk Committee.

Ms Lim is currently the General Manager, Sentosa Leisure Management. She was the Managing Director, TV of MediaCorp Pte Ltd until April 2013. She held various positions in Mediacorp from 1990 to 2013. She joined Ministry of Community Development and Ministry of Health as Director (Corporate Services) in 1999 and 2002 respectively.

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

Ms Lim attended all the Board and Audit and Risk Committee meetings of the Company held during the financial year ended 30 June 2014.

MS JENNIE CHUA KHENG YENG, aged 70

was appointed to the Board in August 2013, and is proposed for re-appointment as Director at the Company's AGM to be held on 17 October 2014. She is a member of the Remuneration Committee.

Ms Chua is a Board Director of two other entities listed on the Singapore Exchange – GuocoLeisure Limited and Far East Orchard Limited, as well as ISS A/S – a company listed on NASDAQ OMX Copenhagen. She is Chairman of Alexandra Health System Pte Ltd (Khoo Teck Puat Hospital/Yishun Community Hospital/Woodlands Integrated Health Campus) and Singapore Film Commission. She is the Deputy Chairman of Temasek Foundation and Board Member of CapitaLand Hope Foundation.

Ms Chua is a member of Singapore's Pro-Enterprise Panel and a Board Director of Ministry of Health Holdings Pte Ltd. She also sits on MOH Holdings Healthcare Infrastructure and Planning Committee.

Ms Chua is a Justice of the Peace and Singapore's Non-Resident Ambassador to The United Mexican States.

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

Awards and accolades which she has received include President's Special Recognition for Volunteerism & Philanthropy, Singapore National Day Awards, Outstanding Contribution to Tourism Award, Women's World Excellence Awards, Travel Personality of the Year Award, amongst others.

Ms Chua was recently conferred The Meritorious Service Medal by the President of Singapore.

Ms Chua attended all the Board and Remuneration Committee meetings of the Company held during the financial year ended 30 June 2014.

EXECUTIVE MANAGEMENT TEAM

GUOCOLAND SINGAPORE
MR CHENG HSING YAO
Country Head

Mr Cheng is the Managing Director of GuocoLand Singapore. He joined the group in October 2012, as Chief Operating Officer of GuocoLand Singapore, before becoming Managing Director, Group Project Office, which oversees projects of GuocoLand in Singapore, Malaysia and China. Mr Cheng has 16 years of experience in real-estate, urban planning and architecture. Prior to joining GuocoLand, he was with the Singapore public service; where he held leadership positions at the Centre for Liveable Cities and the Urban Redevelopment Authority. He holds a Master in Design Studies (with Distinction) from Harvard University, a Bachelor of Architecture (1st Class Honours) from Newcastle University (UK) and Bachelor of Arts from National University of Singapore.

GUOCOLAND CHINA
MR VITO KOH
Country Head

Mr Koh is the Managing Director, GuocoLand China. He joined the Group in August 2014 and is responsible for the overall management of GuocoLand Group's China operations. Mr Koh has more than 23 years of experience in the real estate industry spanning property investment and development. Mr Koh has held appointments in United Industrial Corporation Limited / Singapore Land Limited and MCL Land Limited as General Manager. He holds a Bachelor of Science in Estate Management from National University of Singapore and is a member of Singapore Institute of Surveyors and Valuers.

GUOCOLAND MALAYSIA
MR TAN LEE KOON
Country Head

Mr Tan Lee Koon is the Managing Director of GuocoLand Malaysia ("GLM"). He joined the Group in 2012. Mr Tan has 19 years of working experience. He has been with the Hong Leong Group since 2008, holding various positions including General Manager, Hume Roofing Products Sdn Bhd and Head of Marketing and Sales, GLM before assuming his current position as the Managing Director of GLM. Mr Tan is also a Director of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust which is listed on the Main Market of Bursa Malaysia. He holds a Bachelor Degree (Hons) in Business Administration from Coventry University, United Kingdom and a Charter Holder of Chartered Financial Analyst (CFA).

CHIEF FINANCIAL OFFICER
MR TAN TECK HUAT

Mr Tan Teck Huat is the Chief Financial Officer. He joined the Group in October 2008. Mr Tan has 27 years of working experience in major listed companies and has held various positions in corporate development and communications, corporate finance, corporate treasury and accounting. Mr Tan holds a Master of Arts and a Bachelor of Arts in Economics (Second Upper) from the University of Cambridge.

COUNTRY PORTFOLIO

SINGAPORE

In Singapore, GuocoLand has successfully developed and sold 33 residential projects in Singapore yielding more than 9,000 apartments and homes over the last 25 years. GuocoLand now holds a portfolio of premium developments in the prime districts of Singapore.

Our flagship development is the Tanjong Pagar Centre, a multi-billion integrated mixed-use development in the Central Business District (CBD). It comprises 5 key components – Office, Hotel, F&B, Residence and Urban Park – directly served by the Tanjong Pagar MRT station. When completed in 2016, it will be Singapore's tallest building and will transform the Tanjong Pagar area into a key commercial hub in the CBD. The Grade A office component – Guoco Tower – has achieved the LEED (CS) (Leadership in Energy and Environmental Design) Platinum Precertification, an internationally renowned award recognising eco-friendly buildings. The commercial components have also been presented with the Singapore Building and Construction Authority (BCA) Green Mark Platinum award.

Our prime residential developments consist of Goodwood Residence in the Orchard-Scotts area, Sophia Residence at the Mount Sophia area and Leedon Residence, next to the Leedon Park good class bungalow vicinity. The group recently acquired a 2.4 hectare residential parcel at Sims Drive, in a fast rejuvenating area just east of the City Centre.

Underlining our ethos as a responsible developer to homeowners, tenants and the environment, two of the most recent developments, Goodwood Residence and Sophia Residence have been conferred the BCA Green Mark Platinum Award, whilst Leedon Residence and Clermont Residence have been awarded the BCA Green Mark Gold Plus Award.

At GuocoLand, we believe that growing as a company means growing with the community. We emphasise on thoughtful designs to enhance the liveability of our developments for the users. We also create meaningful and inviting public spaces to facilitate an engaging community around our developments.

“GuocoLand holds a portfolio of premium developments in the prime districts of Singapore.”

INTEGRATED DEVELOPMENT

TANJONG PAGAR CENTRE

Tanjong Pagar Centre will be Singapore's tallest building when completed in 2016. The integrated mixed-use development is directly linked to the Tanjong Pagar MRT and comprises:

- Guoco Tower, a 38-storey Grade A office building with large, column free and efficient floor plates.
- Clermont Residence, offering prestigious and limited collection homes above Guoco Tower. It will be the tallest residences in Singapore offering unparalleled sea and city views.
- Clermont Singapore, a luxury business hotel linked to the main tower with a ballroom and meeting facilities.
- Six levels of diverse and signature F&B and retail spaces integrated with the Tanjong Pagar MRT station and the Urban Park.
- An Urban Park, with 70,000 square feet of landscaped greenery complemented with a unique City Room – a sheltered public space that can host more than 2000 people – and will become the community heart for the Tanjong Pagar area.

Located between the CBD and the historic Tanjong Pagar district, the juxtaposition of modernity and heritage, urban and greenery, it will transform the area into a new commercial hub in the CBD.

1

2

3

TANJONG PAGAR CENTRE

INTEGRATED VERTICAL CITY

OFFICE HOTEL RESIDENCE F&B URBAN PARK

1 *Artist's impression of the roof terrace in the Super Penthouse of Clermont Residence*

2 *Artist's impression of evening activities at the Urban Park of Tanjong Pagar Centre*

3 *Artist's impression of cross section featuring six levels of premium retail and F&B space seamlessly integrated with Tanjong Pagar MRT Station*

4 *Artist's impression of Choon Guan Street view of Tanjong Pagar Centre*


CLERMONT RESIDENCE
GUOCO TOWER
OFFICE
CLERMONT SINGAPORE
HOTEL
F&B AND RETAIL
URBAN PARK
CITY ROOM
4

RESIDENTIAL PORTFOLIO

GOODWOOD RESIDENCE

Goodwood Residence sits on a prime 2.5 hectare site within the coveted Orchard-Scotts area. Although just minutes away from Orchard Road, Singapore's internationally renowned shopping and entertainment district, this exclusive 210 unit freehold development surprises first time visitors with an extremely peaceful, large and lush open space. The development seamlessly shares a 150 metre boundary with the verdant Goodwood Hill tree-conservation area, while providing generous resort-like facilities within its grounds. Designed by renowned consultants, WOHA Architects Pte. Ltd. and landscape specialist ICN Design International Pte. Ltd., the design of Goodwood Residence is a modern expression of tropical living, with vast verandahs and sun shades. Selected units also come with private pools or treehouse cabanas.

1

2

3

4

1 *Luxurious amenities*
2 *Spacious show suite*
3 *Lush open spaces*
4 *Granite linkway*

RESIDENTIAL PORTFOLIO

LEEDON RESIDENCE

It is located on an expansive 4.9 hectare site next to the coveted Leedon Park Good Class Bungalow area, near the popular Holland Road residential area. Leedon Residence is one of the largest freehold residential developments in prime District 10. Residents will benefit from being within walking distance to the Farrer Road MRT station and the convenience of being in close proximity to popular commercial and lifestyle centres such as Holland Village, Dempsey Hill and Orchard Road. The nearby internationally renowned Singapore Botanic Garden provides a park area for residents. Prestigious schools in the vicinity include Nanyang Primary School, Raffles Girls' Primary School, Hwa Chong Institution, National Junior College and Nanyang Girls' High School. The award winning SCDA Architects created a modern master piece of homes with beautiful architectural spaces set in a series of gardens; from tranquil secret gardens, to modern resort pools, to sensual forest walks.


1


2


3

1 *Well-appointed show suite*

2 *Spacious living areas*

3 *Artist's impression of amenities*

RESIDENTIAL PORTFOLIO


1

SIMS DRIVE – AN URBAN OASIS

A newly acquired land parcel at the junction of Sims Drive and Aljunied Road is a hidden gem just east of the City Centre. Although it is close to the city and the bustling heritage area, it is in a peaceful and convenient residential enclave. It is within 5 minutes walking distance to the Aljunied MRT station, 5 minutes drive to the Sports Hub and 10-minutes drive to the Central Business District and 1 MRT stop to the Paya Lebar commercial hub or the future Kallang Riverside. A slew of exciting new developments will bring many new professional jobs into the area. The new James Cook University will also introduce 7,500 tertiary student population into the area, together with the mushrooming of hip cafes and eateries, an injection of youthful energy will come to the area. Amidst this vibrant district, the large 2.4 hectare site will create an oasis of greenery and water features for residents to live and enjoy.


2


3


4

5

COMMERCIAL PORTFOLIO

20 COLLYER QUAY

The Group's headquarters in Singapore is located at 20 Collyer Quay owned by the Group. Located at the prime Raffles Place area and overlooking the Marina Bay, the 24-storey office building provides prime office space in Singapore's Central Business District. Within walking distance of the Raffles Place MRT station, it enjoys consistently high occupancy rates. Some of its prominent corporate tenants include Munich Management Pte. Ltd. and HL Bank.

The office has been recently modernised with new lifts system and other upgrading works. It was recertified with the BCA Green Mark Award for Existing Buildings and also awarded with the PUB Water Efficient Building (SILVER) Certification for Office Building Sector.

1 5 minute drive to Sports Hub and Kallang Wave

2 Next to rich heritage

3 5 minute walk to Aljunied MRT

4 5 minute drive to Paya Lebar Central

5 Short walk to boutique cafes

6 20 Collyer Quay

COUNTRY PORTFOLIO

CHINA

GuocoLand's wholly-owned subsidiary, GuocoLand China ("GLC") has been active in China since 1994 and is an established property developer in China with a sizeable portfolio of properties in the major cities of Beijing, Shanghai, Nanjing and Tianjin.

GLC has two integrated mixed-use developments, namely, Beijing Guoson Centre in Dongzhimen, Beijing Dong Cheng District and Shanghai Guoson Centre in Changfeng, Shanghai Putuo District. These two integrated mixed-use developments have garnered the Asia Pacific International Property Awards in association with Bloomberg Television 2010 for respectively, the "Best Mixed-Use Development China", the "Best Mixed-Use Development Asia Pacific" and also the "Best International Mixed-Use Development".

INTEGRATED DEVELOPMENT

SHANGHAI GUOSON CENTRE

Shanghai Guoson Centre is strategically located at the Changfeng Ecology Commercial District. With approximately 500,000 square metres of gross floor area, this development comprises retail, office towers, Small office, Home office ("SoHo") units, hotel and service apartments. The 354 SoHo units and an office block have been sold. Hongqiao integrated transportation hub, just 10 minutes' drive away, offers connectivity via express rails to other cities including Hangzhou, Nanjing and Beijing.

1

2

RESIDENTIAL PORTFOLIO

CHANGFENG PLOT 9
The Group's third project in Shanghai is located on a 47,675 square metre site within the Changfeng Ecological Business District, in the Putuo District. The site is planned for a high-end residential development with green features and has close proximity to the Hongqiao integrated transportation hub that offers connectivity to Shanghai city centre and other cities including Hangzhou, Nanjing and Beijing.

SEASONS PARK, TIANJIN
Seasons Park is located within the cultural, commercial and historic hub of Laochengxiang. Seasons Park is the Group's first residential development in Tianjin comprising seven high-rise blocks totaling 1,176 apartments. Amenities nearby include a supermarket, shopping centre, department store, restaurants and hotels.


3


4

1 *Artist's impression of Guoson Mall at Shanghai Guoson Centre*

2 *Artist's impression of an aerial view of Shanghai Guoson Centre in Changfeng, Shanghai Putuo district, China*

3 *Artist's impression of Changfeng Plot 9*

4 *Artist's impression of Seasons Park*

COUNTRY PORTFOLIO

MALAYSIA

Listed on the Main Market of Bursa Malaysia Securities Berhad, GuocoLand (Malaysia) Berhad ("GLM") is a 65% subsidiary of GuocoLand Limited. It has an established presence in Malaysia with property development and investment, and hotel & resort holdings activities. Its portfolio includes prime office and residential properties in Kuala Lumpur and Greater Kuala Lumpur.

They include Damansara City, The Rise boutique bungalows in Emerald Rawang, Serene double storey link homes in Pantai Sepang Putra and the newly completed PJ City Corporate Hub, Commerce 1 and Amandarii projects.

INTEGRATED DEVELOPMENT

DAMANSARA CITY

Located on a sprawling site area of 3.2 hectares in the commercial and residential hub of Damansara Heights, Damansara City is the flagship development of GLM. This freehold integrated mixed-use development comprises 2 Grade A office towers, 2 upscale residential towers, a lifestyle mall and luxury five-star hotel. Residents will enjoy ample amenities, facilities, transport services and also being in the immediate vicinity of affluent suburbs such as Bangsar and Bukit Kiara.

With a gross development value of RM2.5 billion, Damansara City will be the buzz of Damansara Heights when the entire development is fully completed by mid 2016.


3

1 DC Residency show unit at the Damansara City Sales Gallery

2 Master Bedroom of DC Residency show unit

3 Artist's impression of Damansara City integrated mixed-use development

RESIDENTIAL PORTFOLIO

EMERALD, RAWANG

The sprawling 405 hectare township, Emerald comprises link, cluster, semi-detached houses and bungalows. This guarded community enjoys easy access to Kuala Lumpur and its nearby suburbs via the North-South Highway, New Klang Valley Expressway and Guthrie Corridor Expressway. Nearby amenities include banks, a post office, hypermarkets, a fresh produce market as well as a Malaysian Railway (KTM) station.

The Rise is the latest launch within the township comprising boutique bungalows, located on one of the highest points in Emerald. These luxurious homes offer an extensive view of the township's large open spaces, parks and lakes. New launches planned in Emerald will include phase two of The Rise bungalows, gated and guarded double storey link homes and mid-rise apartments.

1 Artist's impression of The Rise type C2 bungalow at Emerald Rawang

2 Artist's impression of The Rise at Emerald Rawang

RESIDENTIAL PORTFOLIO

PANTAI SEPANG PUTRA, SEPANG

This lakeside residential township development consists of landed properties such as bungalows, semi-detached and terraced homes and shop offices. The latest phase of the township is Serene, which comprises double storey link homes. All units of the first release of the Serene terraced homes were sold out ahead of its official launch planned for October this year.


1


2

REIT

TOWER REIT

In April 2006, GLM established and listed a Real Estate Investment Trust ("REIT") known as Tower REIT on the Main Market of Bursa Malaysia Securities Berhad. Tower REIT is managed by GLM REIT Management Sdn Bhd, a wholly-owned subsidiary of GLM. GLM has an approximately 21.7% interest in Tower REIT. As at 30 June 2014, Tower REIT's investment portfolio comprises 3 strategically located prime commercial buildings in Kuala Lumpur, namely Menara HLA, Menara ING and HP Towers, which have a total net lettable area of about 84,000 square metres.

1 *Living room of Serene show unit*

2 *Artist's impression of Serene at Pantai Sepang Putra*

COUNTRY PORTFOLIO

VIETNAM

Through its subsidiary, GuocoLand Vietnam (S) Pte Ltd, the Group is developing The Canary, an integrated mixed-use development in Binh Duong Province. The Canary will have the distinction of being the first fully-integrated development in Binh Duong Province just 30 minutes from Ho Chi Minh City.

INTEGRATED DEVELOPMENT

THE CANARY
This sizeable development will offer an integrated Work-Live-Play environment for the residents in this area with 1,081 residential apartments to be developed over 4 phases, a good class international hotel, Serviced Apartments, a 108,000 square metre retail mall operated by an international retailer, an office tower and educational facilities.


1


2


3

4

1 *Canary Heights, Phase 1*

2 *Canary Plaza*

3 *Pool at Canary Heights*

4 *Homez@The Canary, Phase 2*

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group is committed to meeting the highest standards of corporate citizenship and aims to ensure the health and safety of our employees and all who are affected by our business operations. We are also committed to protecting the environment and strive to have a positive impact on the lives of the people in the communities where we conduct our businesses.

The three areas of CSR where the Group is currently focused on are:

ENVIRONMENTAL SUSTAINABILITY

As a developer, we create spaces for people to live, play and work. Paying attention to sustainable development is a responsibility that we take seriously. GuocoLand is committed in its efforts to develop processes and to include environmentally sustainable features in its property developments to reduce negative impact to the environment. We also ensure that business operations carried out are environmentally sustainable.

Initiatives have been taken to develop buildings which comply with the guidelines set by the local building authorities of the countries in which the Group operates in. Testimony to our efforts is the awards each development progressively garners throughout its development cycle at both completed as well as under construction stages such as Goodwood Residence and Tanjong Pagar Centre respectively.

TANJONG PAGAR CENTRE

Tanjong Pagar Centre sets the benchmark for environmental sustainability. Currently under construction, it already has been awarded several awards, recognising it for its environmentally friendly features.

TANJONG PAGAR CENTRE AWARDS

2012 – LEED CS Pre-certified Platinum for Guoco Tower

2013 – BCA Green Mark Platinum Award for Guoco Tower, Clermont Hotel and retail components

2014 – BCA Green Mark Gold Plus Award for Clermont Residence

Artist's impression of the City Room and surrounding Urban Park at Tanjong Pagar Centre

GOODWOOD RESIDENCE

A winner of several renowned landscaping awards, Goodwood Residence features 80% of landscaped greenery and communal facilities on its sprawling 2.5 hectare grounds, which are enhanced by 58 preserved trees and a varied selection of 500 new trees comprising more than 10 different species to create a unique and lush residential experience. Key green features of this multi award winning development include a sophisticated recycling system which saves water by collecting and harvesting rainwater via landscape drainage features. This development also utilises energy-efficient lifts, fittings and a heat recovery system for water heating at clubhouse. The carpark is fitted with a ductless mechanical ventilation system with a carbon monoxide monitoring system which ensures improved air quality and efficient operation. Solar tubes are also used to illuminate traffic nodes in the basement carpark, reducing the need for artificial lighting. In addition, double refuse chutes are provided for separation of recyclable from non-recyclable waste.

GOODWOOD RESIDENCE AWARDS

2014 – BEI Asia Awards – AGBA Residential Building

2014 – President's Award for Landscape Design at 11th IFLA APR Awards for Landscape Architecture

2013 – Outstanding award for Excellence by the Singapore Landscape Architecture Awards

2013 – Silver Award for Excellence, Singapore Landscape Architecture Awards

2012 – "Highly Commended Apartment Singapore" presented by the International Property Awards in association with HSBC.

2010 – ABC Certificate of Recognition

2007 – BCA Green Mark Platinum Award

Award winning eco-friendly and landscaping features for Goodwood Residence

ENGAGING COMMUNITIES

At GuocoLand, we strive to create thoughtful spaces for communities amidst rapid urbanisation. We believe in co-creation with industry players who care and take pride in our long term vision. From the provision of public spaces within our developments as a platform for people to come together, to the thoughtful planning of activities to engage the populace, we will work with residents to create caring and inclusive communities. The Group's integrated mixed-use development, Tanjong Pagar Centre, for example, will feature an 3,000 square metre urban park for the community. Designed by renowned landscape architects, the lush greenery will serve as gathering places for social activities, engaging the community by keeping it dynamic and vibrant from dawn to dusk.


1


2


3

HUMAN CAPITAL

GuocoLand is committed to creating a conducive work environment which encourages employee development and involvement in the business. Our human resource management strives to foster continuous teamwork so as to create a competitive business environment with emphasis on learning, workplace safety and employee engagement.

LEARNING & DEVELOPMENT

The Group provides opportunities for staff to improve their levels of skills and knowledge to increase workplace productivity and staff satisfaction. Our employees are encouraged to enrol in seminars, workshops and skills programmes to enhance their expertise and perform to their fullest potential. Staff attended seminars and training programmes covering areas on Audit, Accounting, Taxation, Information Technology, Project Management and Human Resources. Certification courses for staff included Masters of Science in Surveying and Project Management, Green Mark Manager and Specialist Diploma in Building Cost Management.

WORKPLACE HEALTH & SAFETY

Since 2009, the Group has embarked on Workplace Health Promotion programmes to raise awareness amongst our employees on the importance of adopting an active and healthy lifestyle. For our efforts, we were conferred the Bronze Award by the Health Promotion Board of Singapore as a national recognition of the Company's dedication to put employees' wellness as a corporate priority. These programmes included the annual health screening exercise, SGX Bull Charge and JP Morgan Corporate Challenge 2014. Staff also took part in the REDAS Dragon Boat Race 2013.

EMPLOYEE ENGAGEMENT

GuocoLand actively engages its employees through social and recreational interaction and employee bonding activities. Leadership Workshops for senior executives were organised at Thistle Port Dickson to engage, energise and align staff business imperatives. Other bonding activities included the annual GuocoLand Group & Affiliated Companies Bowling Tournament and a festive themed Staff Get-Together Dinner.

The Group continues to conduct its CSR practices in all the markets that we operate in, keeping in line with the CSR framework of the Hong Leong Group, the leading conglomerate and economic powerhouse in Malaysia.

1 *Staff participating in REDAS Dragon Boat Race*
2 *Bonding and teamwork session at GuocoLand Leadership workshop*
3 *Annual GuocoLand Group & Affiliated Companies Bowling Tournament*

FINANCIALS

DIRECTORS' REPORT
For the year ended 30 June 2014

We are pleased to present this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2014.

DIRECTORS

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

Moses Lee	(Appointed on 1 November 2013)
Chia Boon Kuah	(Appointed on 3 February 2014)
Quek Leng Chan	
Kwek Leng Hai	
Timothy Teo	
Francis Siu	
Abdullah Bin Tarmugi	
Lim Suat Jien	
Jennie Chua	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:-

	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	As at 1 July 2013	As at 30 June 2014	As at 1 July 2013	As at 30 June 2014
Company	Fully Paid Ordinary Shares			
Quek Leng Chan	13,333,333	13,333,333	817,911,030	817,911,030
Kwek Leng Hai	35,290,914	35,290,914	–	–
Timothy Teo	33,333	33,333	–	–
	Perpetual Securities*			
Quek Leng Chan	–	–	65,000,000	65,000,000
	Medium-Term Notes**			
Moses Lee	–	$750,000	–	–
Intermediate Holding Company				
Guoco Group Limited	Ordinary Shares of US$0.50 each fully paid			
Quek Leng Chan	1,056,325	1,056,325	244,415,930	237,124,930
Kwek Leng Hai	3,800,775	3,800,775	–	–
Ultimate Holding Company				
Hong Leong Company (Malaysia) Berhad	Ordinary Shares of RM1.00 each fully paid			
Quek Leng Chan	390,000	390,000	13,069,100	13,069,100
Kwek Leng Hai	420,500	420,500	–	–
Subsidiary				
GuocoLand (Malaysia) Berhad	Ordinary Shares of RM0.50 each fully paid			
Quek Leng Chan	19,506,780	19,506,780	456,055,616	456,055,616
Kwek Leng Hai	226,800	226,800	–	–

* Please refer to Note 19 to the Financial Statements.

** Please refer to Note 20 to the Financial Statements.

DIRECTORS' REPORT
For the year ended 30 June 2014

DIRECTORS' INTERESTS (cont'd)

	Nominal Value per share	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
		Ordinary shares/shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
		As at 1 July 2013	As at 30 June 2014	As at 1 July 2013	As at 30 June 2014
Interests of Quek Leng Chan in Related Corporations					
Hong Leong Financial Group Berhad	RM1.00	4,989,600	4,989,600	824,437,300	824,437,300
Hong Leong Capital Berhad	RM1.00	–	–	200,805,058	200,805,058
Hong Leong Bank Berhad	RM1.00	–	–	1,160,619,285	1,160,549,285
Hong Leong MSIG Takaful Berhad	RM1.00	–	–	65,000,000	65,000,000
Hong Leong Assurance Berhad	RM1.00	–	–	140,000,000	140,000,000
Hong Leong Industries Berhad	RM0.50	–	–	245,386,603	245,386,603
Hong Leong Yamaha Motor Sdn Bhd	RM1.00	–	–	17,352,872	17,352,872
	RM1.00	–	–	6,941 (Redeemable Preference Shares)	6,941 (Redeemable Preference Shares)
Guocera Tile Industries (Meru) Sdn Bhd	RM1.00	–	–	19,600,000	19,600,000
Hong Leong Maruken Sdn Bhd (In members' voluntary liquidation)	RM1.00	–	–	1,750,000	1,750,000
Century Touch Sdn Bhd (In members' voluntary liquidation)	RM1.00	–	–	6,545,001	6,545,001
Varinet Sdn Bhd (In members' voluntary liquidation)	RM1.00	–	–	10,560,627	10,560,627
RZA Logistics Sdn Bhd (In members' voluntary liquidation)	RM1.00	–	–	7,934,247	7,934,247
Malaysian Pacific Industries Berhad	RM0.50	–	–	107,501,107	111,670,107
Carter Realty Sdn Bhd	RM1.00	–	–	7	5,640,607
Carsem (M) Sdn Bhd	RM1.00	–	–	84,000,000	84,000,000
	RM100.00	–	–	22,400 (Redeemable Preference Shares)	22,400 (Redeemable Preference Shares)
Narra Industries Berhad	RM1.00	8,150,200	–	38,314,000	37,853,100
Southern Steel Berhad	RM1.00	–	–	301,541,202	301,541,202
Southern Pipe Industry (Malaysia) Sdn Bhd	RM1.00	–	–	118,822,953	118,822,953
	RM1.00	–	–	50,000 (Redeemable Convertible Cumulative Preference Shares)	50,000 (Redeemable Convertible Cumulative Preference Shares)

DIRECTORS' REPORT
For the year ended 30 June 2014

DIRECTORS' INTERESTS (cont'd)

	Nominal Value per share	Shareholdings in which Directors have a Direct Interest: Ordinary shares/shares issued or to be issued or acquired arising from the exercise of options/convertible bonds — As at 1 July 2013	As at 30 June 2014	Shareholdings in which Directors are Deemed to have an Interest: As at 1 July 2013	As at 30 June 2014
Interests of Quek Leng Chan in Related Corporations (cont'd)					
Belmeth Pte. Ltd.	[1]	–	–	40,000,000	40,000,000
Guston Pte. Ltd.	[1]	–	–	8,000,000	8,000,000
Perfect Eagle Pte. Ltd.	[1]	–	–	24,000,000	24,000,000
First Garden Development Pte. Ltd.	[1]	–	–	63,000,000	63,000,000
Sanctuary Land Pte. Ltd.	[1]	–	–	90,000	90,000
Beijing Minghua Property Development Co. Ltd (In members' voluntary liquidation)	[2]	–	–	150,000,000	150,000,000
Nanjing Mahui Property Development Co., Ltd	[2]	–	–	271,499,800	271,499,800
Nanjing Xinhaoning Property Development Co., Ltd	[3]	–	–	98,010,000	–[6]
Nanjing XinHaoFu Economic Information Consultants Co., Ltd (formerly known as Nanjing Xinhaoxuan Property Development Co., Ltd)	[3]	–	–	11,800,800	11,920,000[5]
Shanghai Xinhaojia Property Development Co., Ltd	[2]	–	–	3,150,000,000	3,150,000,000
Shanghai Xinhaozhong Property Development Co., Ltd	[3]	–	–	19,600,000	19,600,000
Beijing Cheng Jian Dong Hua Real Estate Development Company Limited	[2]	–	–	50,000,000	50,000,000
Lam Soon (Hong Kong) Limited	[7]	–	–	140,008,659	140,008,659
Kwok Wah Hong Flour Company Limited	[7]	–	–	9,800	9,800
Guangzhou Lam Soon Food Products Limited	[4]	–	–	6,570,000	6,570,000
Guoman Hotel & Resort Holdings Sdn Bhd	RM1.00	–	–	277,000,000	277,000,000
JB Parade Sdn Bhd	RM1.00	–	–	28,000,000	28,000,000
	RM0.01	–	–	68,594,000 (Redeemable Preference Shares)	68,594,000 (Redeemable Preference Shares)
GuocoLeisure Limited	US$0.20	735,000	735,000	911,676,434	911,676,434
The Rank Group Plc	GBP13[8/9]p	–	285,207	291,046,540	268,194,969

DIRECTORS' REPORT
For the year ended 30 June 2014

DIRECTORS' INTERESTS (cont'd)

	Nominal Value per share	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
		Ordinary shares/shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
		As at 1 July 2013	As at 30 June 2014	As at 1 July 2013	As at 30 June 2014
Interests of Kwek Leng Hai In Related Corporations					
Hong Leong Bank Berhad	RM1.00	4,750,000	4,750,000	–	–
Lam Soon (Hong Kong) Limited	[7]	2,300,000	2,300,000	–	–
Hong Leong Industries Berhad	RM0.50	190,000	190,000	–	–
Hong Leong Financial Group Berhad	RM1.00	2,316,800	2,316,800	–	–
Malaysian Pacific Industries Berhad	RM0.50	71,250	71,250	–	–
The Rank Group Plc	GBP13$^{8/9}$p	–	1,026,209	–	–

Legend
- [1] Concept of par value was abolished with effect from 30 January 2006 pursuant to the Singapore Companies (Amendment) Act, 2005.
- [2] Capital contribution in RMB.
- [3] Capital contribution in US$.
- [4] Capital contribution in HKD.
- [5] Became a wholly-owned subsidiary during the financial year.
- [6] Disposed on 30 August 2013.
- [7] Concept of par value was abolished with effect from 3 March 2014 pursuant to the New Companies Ordinance (Chapter 622), Hong Kong.

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

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

There were no changes in any of the above-mentioned directors' interests in the Company and its related corporations between the end of the financial year and 21 July 2014.

Except as disclosed under "Share Options" of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

Except as disclosed in this report and in Notes 27, 30 and 32 to the Financial Statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT
For the year ended 30 June 2014

SHARE OPTIONS

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

a. The ESOS was approved by shareholders of the Company on 17 October 2008 and further approved by shareholders of Guoco Group Limited (an intermediate holding company of the Company) on 21 November 2008 ("ESOS 2008"), to replace the Company's former ESOS ("ESOS 2004"), which was due to expire in December 2008. The terms of the ESOS 2008 are substantially similar to those of the ESOS 2004.

b. Under the ESOS 2008, options may be granted over newly issued and/or existing issued ordinary shares of the Company ("Shares"). The ESOS 2008 is administered by a Committee of Directors comprising Mr Quek Leng Chan and Mr Timothy Teo who are non-participants. The ESOS 2008 options were granted to selected key executives of the Company ("Participants").

c. During the financial year, no options were granted, exercised or lapsed. Further, no new Shares were issued pursuant to the ESOS 2008.

d. The aggregate number of options (including options adjusted pursuant to the Company's Rights Issue 2007 and Rights Issue 2010) granted to Participants since the commencement of the ESOS to the end of the financial year is as follows:-

Participants	Aggregate options granted since the commencement of the ESOS to end of financial year	Aggregate options exercised since the commencement of the ESOS to end of financial year	Aggregate options lapsed since the commencement of the ESOS to end of financial year	Aggregate options outstanding as at end of financial year
Directors of Subsidiaries				
Dawn Pamela Lum	4,072,355	(1,138,200)	(2,934,155)	–
Tan Teck Huat	2,138,600	–	(2,138,600)	–
Other Executives	61,479,463	(19,642,100)	(41,837,363)	–
Total	**67,690,418**	**(20,780,300)**	**(46,910,118)**	**–**

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

(i) In relation to ESOS 2008, the exercise price per Share is the 5-day weighted average market price on Singapore Exchange Securities Trading Limited immediately prior to the date of grant of the option.

(ii) An option shall be exercisable on the date after (a) the second anniversary of the date of grant (for employees who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other employees), and to end on a date not later than 10 years after the date of grant.

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

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

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

DIRECTORS' REPORT
For the year ended 30 June 2014

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee during the year and at the date of this report are as follows:-

Timothy Teo, Chairman
Francis Siu
Lim Suat Jien

The Audit and Risk Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit and Risk Committee has held four meetings since the last directors' report. In performing its functions, the Audit and Risk 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 and Risk Committee also reviewed the following:-

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

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

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

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712, 715 and 716 of the SGX Listing Manual.

AUDITORS

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

On behalf of the Board of Directors

MOSES LEE
Director

CHIA BOON KUAH
Director

Singapore
28 August 2014

STATEMENT BY DIRECTORS

For the year ended 30 June 2014

In our opinion:-

a. the financial statements set out on pages 50 to 119 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 2014 and of the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

b. at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors

MOSES LEE
Director

CHIA BOON KUAH
Director

Singapore
28 August 2014

INDEPENDENT AUDITORS' REPORT

Members of the Company
GuocoLand Limited

Report on the financial statements

We have audited the accompanying financial statements of GuocoLand Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 119.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 August 2014

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2014

		Group		Company	
		2014	**2013**	**2014**	**2013**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets					
Property, plant and equipment	4	**405,551**	398,849	**–**	–
Investment properties	5	**2,305,035**	2,056,102	**–**	–
Subsidiaries	6	**–**	–	**2,581,664**	2,527,676
Associates and joint ventures	7	**496,425**	492,365	**–**	–
Other receivables, including derivatives	14	**2,866**	1,931	**–**	–
Other investments	8	**1,717**	1,582	**–**	–
Deferred tax assets	9	**32,375**	62,310	**–**	–
		3,243,969	3,013,139	**2,581,664**	2,527,676
Current assets					
Inventories	10	**4,287,193**	4,826,747	**–**	–
Trade and other receivables, including derivatives	12	**472,291**	380,657	**113**	9,006
Cash and cash equivalents	16	**716,006**	934,340	**948**	7,138
		5,475,490	6,141,744	**1,061**	16,144
Total assets		**8,719,459**	9,154,883	**2,582,725**	2,543,820
Equity					
Share capital	17	**1,926,053**	1,926,053	**1,926,053**	1,926,053
Reserves	18	**694,738**	520,509	**44,467**	91,374
Equity attributable to ordinary equity holders of the Company		**2,620,791**	2,446,562	**1,970,520**	2,017,427
Perpetual securities	19	**199,795**	199,406	**–**	–
		2,820,586	2,645,968	**1,970,520**	2,017,427
Non-controlling interests	6	**152,945**	129,133	**–**	–
Total equity		**2,973,531**	2,775,101	**1,970,520**	2,017,427
Non-current liabilities					
Other payables, including derivatives	22	**146,320**	131,356	**533,498**	464,591
Loans and borrowings	20	**2,768,194**	3,868,331	**–**	–
Deferred tax liabilities	9	**56,962**	58,522	**–**	–
		2,971,476	4,058,209	**533,498**	464,591
Current liabilities					
Trade and other payables, including derivatives	21	**428,758**	747,480	**1,007**	738
Loans and borrowings	20	**2,298,580**	1,504,004	**77,700**	60,000
Current tax liabilities		**47,114**	70,089	**–**	1,064
		2,774,452	2,321,573	**78,707**	61,802
Total liabilities		**5,745,928**	6,379,782	**612,205**	526,393
Total equity and liabilities		**8,719,459**	9,154,883	**2,582,725**	2,543,820

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

CONSOLIDATED INCOME STATEMENT
For the year ended 30 June 2014

	Note	2014 $'000	2013 $'000
Revenue	23	**1,251,350**	677,442
Cost of sales		**(938,913)**	(533,433)
Gross profit		**312,437**	144,009
Other income	24	**252,481**	96,507
Administrative expenses		**(78,540)**	(61,521)
Other expenses	25	**(9,413)**	(9,933)
Finance costs	26	**(86,229)**	(87,553)
Share of profit of associates and joint ventures (net of tax)		**19,277**	17,007
Profit before tax	27	**410,013**	98,516
Tax expense	28	**(77,218)**	(55,046)
Profit for the year		**332,795**	43,470
Profit attributable to:			
Equity holders of the Company		**304,225**	40,490
Non-controlling interests		**28,570**	2,980
Profit for the year		**332,795**	43,470
Earnings per share (cents)	29		
Basic		**26.53**	3.57
Diluted		**26.53**	3.57

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	2014 $'000	2013 $'000
Profit for the year	**332,795**	43,470
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:-		
Translation differences relating to financial statements of foreign subsidiaries and associates	**(67,557)**	60,858
Translation reserve of subsidiaries and associates reclassified to profit or loss upon disposal	**(1,976)**	3,103
Net change in fair value of available-for-sale securities	**1,072**	5,536
Net change in fair value of available-for-sale securities reclassified to profit or loss upon disposal	**760**	1,050
Other comprehensive income for the year, net of tax	**(67,701)**	70,547
Total comprehensive income for the year, net of tax	**265,094**	114,017
Attributable to:		
Equity holders of the Company	**239,443**	109,862
Non-controlling interests	**25,651**	4,155
Total comprehensive income for the year, net of tax	**265,094**	114,017

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	← Attributable to ordinary equity holders of the Company →							
	Share Capital S$'000	Other Reserves S$'000	Accumulated Profits S$'000	Total Ordinary Equity S$'000	Perpetual Securities S$'000	Total S$'000	Non-Controlling Interests S$'000	Total Equity S$'000
At 1 July 2013	**1,926,053**	**(162,345)**	**682,854**	**2,446,562**	**199,406**	**2,645,968**	**129,133**	**2,775,101**
Total comprehensive income for the year								
Profit for the year	**–**	**–**	**304,225**	**304,225**	**–**	**304,225**	**28,570**	**332,795**
Other comprehensive income								
Translation differences relating to financial statements of foreign subsidiaries and associates	**–**	**(64,039)**	**–**	**(64,039)**	**–**	**(64,039)**	**(3,518)**	**(67,557)**
Translation reserve of subsidiaries reclassified to profit or loss upon disposal (note 33)	**–**	**(1,976)**	**–**	**(1,976)**	**–**	**(1,976)**	**–**	**(1,976)**
Net change in fair value of available-for-sale securities	**–**	**717**	**–**	**717**	**–**	**717**	**355**	**1,072**
Net change in fair value of available-for-sale securities reclassified to profit or loss upon disposal	**–**	**516**	**–**	**516**	**–**	**516**	**244**	**760**
Total other comprehensive income, net of tax	**–**	**(64,782)**	**–**	**(64,782)**	**–**	**(64,782)**	**(2,919)**	**(67,701)**
Total comprehensive income for the year, net of tax	**–**	**(64,782)**	**304,225**	**239,443**	**–**	**239,443**	**25,651**	**265,094**
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Accrued distribution for perpetual securities (note 19)	**–**	**–**	**(9,789)**	**(9,789)**	**9,789**	**–**	**–**	**–**
Distribution payment for perpetual securities (note 19)	**–**	**–**	**–**	**–**	**(9,400)**	**(9,400)**	**–**	**(9,400)**
Share-based payments	**–**	**63**	**–**	**63**	**–**	**63**	**30**	**93**
Dividends (note 31)	**–**	**–**	**(55,488)**	**(55,488)**	**–**	**(55,488)**	**(1,256)**	**(56,744)**
Total contributions by and distributions to equity holders	**–**	**63**	**(65,277)**	**(65,214)**	**389**	**(64,825)**	**(1,226)**	**(66,051)**
Changes in ownership interests in subsidiaries								
Disposal of subsidiaries with non-controlling interests (note 33)	**–**	**–**	**–**	**–**	**–**	**–**	**(613)**	**(613)**
Total changes in ownership interests in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**(613)**	**(613)**
Total transactions with equity holders	**–**	**63**	**(65,277)**	**(65,214)**	**389**	**(64,825)**	**(1,839)**	**(66,664)**
At 30 June 2014	**1,926,053**	**(227,064)**	**921,802**	**2,620,791**	**199,795**	**2,820,586**	**152,945**	**2,973,531**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	← Attributable to ordinary equity holders of the Company →							
	Share Capital $'000	Other Reserves $'000	Accumulated Profits $'000	Total Ordinary Equity $'000	Perpetual Securities $'000	Total $'000	Non-Controlling Interests $'000	Total Equity $'000
At 1 July 2012	1,926,053	(228,591)	698,753	2,396,215	–	2,396,215	136,185	2,532,400
Total comprehensive income for the year								
Profit for the year	–	–	40,490	40,490	–	40,490	2,980	43,470
Other comprehensive income								
Translation differences relating to financial statements of foreign subsidiaries and associates	–	61,801	–	61,801	–	61,801	(943)	60,858
Translation reserve of associates reclassified to profit or loss upon disposal	–	3,103	–	3,103	–	3,103	–	3,103
Net change in fair value of available-for sale securities	–	3,755	–	3,755	–	3,755	1,781	5,536
Net change in fair value of available-for sale securities reclassified to profit or loss upon disposal	–	713	–	713	–	713	337	1,050
Total other comprehensive income, net of tax	–	69,372	–	69,372	–	69,372	1,175	70,547
Total comprehensive income for the year, net of tax	–	69,372	40,490	109,862	–	109,862	4,155	114,017
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Issue of perpetual securities (note 19)	–	–	–	–	198,505	198,505	–	198,505
Accrued distribution for perpetual securities (note 19)	–	–	(901)	(901)	901	–	–	–
Writeback of share-based payments (net)	–	(3,126)	–	(3,126)	–	(3,126)	(104)	(3,230)
Dividends (note 31)	–	–	(55,488)	(55,488)	–	(55,488)	(11,556)	(67,044)
Capital contributions from non-controlling interests of a subsidiary	–	–	–	–	–	–	453	453
Total contributions by and distributions to equity holders	–	(3,126)	(56,389)	(59,515)	199,406	139,891	(11,207)	128,684
Total transactions with equity holders	–	(3,126)	(56,389)	(59,515)	199,406	139,891	(11,207)	128,684
At 30 June 2013	1,926,053	(162,345)	682,854	2,446,562	199,406	2,645,968	129,133	2,775,101

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

	Note	2014 $'000	2013 $'000
Cash flows from operating activities			
Profit before tax		**410,013**	98,516
Adjustments for:-			
Amortisation of transaction costs on loans and borrowings		**4,980**	4,265
Depreciation of property, plant and equipment		**8,451**	8,922
Dividend income from equity securities		**–**	(730)
Loss/(Gain) on disposal of equity securities		**686**	(901)
Net fair value (gain)/loss on derivative financial instruments		**(8,298)**	708
Net fair value gain from investment properties		**(122,569)**	(32,323)
Gain on disposal of property, plant and equipment		**(411)**	(61)
Gain on disposal of interests in subsidiaries and associates		**(98,935)**	(3,887)
Gain on disposal of investment properties		**–**	(77)
Allowance for foreseeable losses on development properties		**–**	2,378
(Writeback of allowance)/Allowance for doubtful receivables		**(46)**	2
Finance costs		**86,229**	87,553
Interest income		**(12,133)**	(5,722)
Share of profit of associates and joint ventures (net of tax)		**(19,277)**	(17,007)
Share-based payments/(Writeback of share-based payments)		**93**	(3,230)
		248,783	138,406
Changes in:-			
Inventories		**90,251**	(1,957)
Trade and other receivables		**(97,473)**	(3,213)
Trade and other payables		**(12,207)**	44,142
Balances with holding companies and related corporations		**(5,041)**	320
Cash generated from operating activities		**224,313**	177,698
Tax paid		**(67,053)**	(27,404)
Net cash from operating activities		**157,260**	150,294
Cash flows from investing activities			
Additions to equity securities		**–**	(965)
Additions to investment properties		**(75,817)**	(74,995)
Additions to property, plant and equipment		**(13,448)**	(8,859)
Balances with associates and joint ventures		**(3,197)**	(854)
Dividends received from associates and joint ventures		**12,811**	15,639
Dividends received from equity securities		**–**	730
Capital contributions in joint venture		**(10,010)**	–
Interest received		**9,205**	10,510
Proceeds from disposal of equity securities		**1,003**	42,759
Proceeds from disposal of interests in associates		**9,000**	6,394
Proceeds from disposal of interests in subsidiaries	33	**244,708**	–
Proceeds from disposal of investment properties		**–**	14,918
Proceeds from disposal of property, plant and equipment		**466**	97
Net cash from investing activities		**174,721**	5,374

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

	Note	2014 $'000	2013 $'000
Cash flows from financing activities			
Contributions from non-controlling interests of a subsidiary		**–**	453
Distribution payment for perpetual securities		**(9,400)**	–
Dividends paid		**(55,488)**	(55,488)
Dividends paid to non-controlling interests		**(1,256)**	(11,556)
Fixed deposits pledged		**235,636**	(19,860)
Interest paid		**(192,775)**	(175,969)
Proceeds from issuance of perpetual securities		**–**	198,505
Proceeds from loans and borrowings		**1,129,899**	1,134,815
Proceeds from loans from non-controlling interests of subsidiaries		**7,550**	7,954
Repayment of loans and borrowings		**(1,423,874)**	(1,177,144)
Net cash from financing activities		**(309,708)**	(98,290)
Net increase in cash and cash equivalents		**22,273**	57,378
Cash and cash equivalents at beginning of the year		**353,125**	291,238
Exchange differences on translation of balances held in foreign currencies		**(4,923)**	4,509
Cash and cash equivalents at end of the year	16	**370,475**	353,125

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 August 2014.

1. DOMICILE AND ACTIVITIES

GuocoLand Limited (the "Company") is incorporated in Singapore. The address of the Company's registered office is 20 Collyer Quay, #20-01 Singapore 049319.

The financial statements of the Group as at and for the year ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and joint ventures.

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

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

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

2. BASIS OF PREPARATION

a. Statement of Compliance
The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

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

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

d. Use of Estimates and Judgements
The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

Note 3n	–	estimation of current and deferred taxes
Note 5	–	determination of fair value of investment properties
Note 11	–	estimation of the percentage of completion relating to revenue recognised on development properties and allowance for foreseeable losses on development properties
Note 22 and 36	–	contingent liabilities

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

2. BASIS OF PREPARATION (cont'd)

e. Changes in Accounting Policies

Fair value measurement
FRS 113 *Fair value measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs, including FRS 107 *Financial Instruments: Disclosures*.

From 1 July 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities. The additional disclosures necessary as a result of the adoption of this standard have been included in notes 5 and 34.

Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities
The amendments require disclosures about the effect of financial assets and liabilities that are offset in the statement of financial position or are subject to master netting arrangements or similar arrangements. The change had no significant impact on the financial position of the Group and the comprehensive income of the Group. The additional disclosures necessary as a result of the adoption of these standards have been included in note 15.

In addition, the Group has early adopted FRS 110 *Consolidation Financial Statements*, FRS 111 *Joint Arrangements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 27 (2011) *Separate Financial Statements* and FRS 28 (2011) *Investments in Associates* and *Joint Ventures*, with a date of initial application of 1 July 2013.

(i) *Subsidiaries*
FRS 110 introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns. In particular, FRS 110 requires the Group to consolidate investees that it controls on the basis of de facto circumstances. As a result of the adoption of FRS 110, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees.

In accordance with the transitional provisions of FRS 110, the Group re-assessed the control conclusion for its investees at 1 July 2013 and the Group's control conclusion in respect of its investments remains unchanged.

(ii) *Joint arrangements*
Under FRS 111, the Group classifies its interests in joint arrangements as either joint operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Group has rights only to the net assets of an arrangement). When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification. As a result of the adoption of FRS 111, the Group has changed its accounting policy for its interests in joint arrangements.

The Group has re-evaluated its involvement in its joint arrangements and has reclassified its investments in jointly controlled entities as joint ventures. Notwithstanding the reclassification, the Group continues to recognise the investments by applying the equity method and there is no impact on the recognised assets, liabilities and comprehensive income of the Group.

(iii) *Disclosure of interests in other entities*
As a result of the adoption of FRS 112, the Group has expanded its disclosures about its interest in subsidiaries, associates and joint arrangements. The expanded disclosures are presented in notes 6 and 7.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements and have been applied consistently by entities in the Group, except as explained in note 2e, which addresses the changes in accounting policies.

a. Basis of Consolidation

(i) *Business combinations*
Business combinations are accounted for using the acquisition method in accordance with FRS 103 Business Combinations as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a. Basis of Consolidation (cont'd)

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

(iv) *Loss of control*
Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) *Investments in associates*
Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

(vi) *Joint arrangements*
Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:-

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

- Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method, as for associates (see note (v) above).

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a. Basis of Consolidation (cont'd)

(viii) *Subsidiaries, associates and joint ventures in the separate financial statements*
Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(ix) *Trust for Executives' Share Option Scheme*
The Company has established a separate trust for its Executives' Share Option Schemes. The assets and liabilities of the trust are accounted for as assets and liabilities of the Company.

b. Foreign Currency

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

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

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c. Property, Plant and Equipment

(i) *Recognition and measurement*
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the net proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in profit or loss.

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

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

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

Assets under construction are stated at cost and are not depreciated. Depreciation will commence when the development is completed.

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

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

Freehold buildings	50 years
Leasehold land and buildings	Shorter of remaining lease period and no more than 50 years
Furniture and fittings and other equipment	2 – 20 years
Motor vehicles	5 years

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d. Investment Property

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

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

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

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

Property that is being constructed for future use as investment property is accounted for at fair value. Where the fair value for such a property cannot be determined reliably, it is measured at cost less impairment losses until its fair value becomes reliably measurable or construction is completed (whichever is earlier).

e. Leased assets

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

Other leases are operating leases, and except for investment properties, the leased assets are not recognised in the statement of financial position.

f. Financial Instruments

(i) *Non-derivative financial assets*

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

The Group classifies non-derivative financial assets into the following categories:-
- loans and receivables; and
- available-for-sale financial assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f. Financial Instruments (cont'd)

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f. Financial Instruments (cont'd)

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

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

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

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

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

g. Inventories

(i) *Development properties for sale*
Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Cost includes an appropriate share of development overheads allocated based on normal capacity.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h. Impairment

(i) *Non-derivative financial assets*

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

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

Loans and receivables

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale investment securities are recognised by reclassifying losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Associates and joint ventures

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h. Impairment (cont'd)

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

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

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

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

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

i. Employee Benefits

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i. Employee Benefits (cont'd)

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

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as employee benefits expense in profit or loss.

j. Provisions

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

k. Revenue

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

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

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

(ii) *Hotel income*
Revenue for hotel operations is recognised on an accrual basis upon rendering of the relevant services.

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k. Revenue (cont'd)

(iv) *Management fee income*
Management fee income is recognised in the profit or loss when services are rendered.

(v) *Dividends*
Dividend income is recognised on the date that the Group's right to receive payment is established.

(vi) *Interest income*
Interest income is recognised on an accrual basis using the effective interest method.

l. Lease Payments

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

m. Finance Costs

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

n. Tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:-

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. Tax (cont'd)

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

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

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

o. Earnings Per Share

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

p. Operating Segments

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

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

q. New Standards and Interpretations

Except for the new standards that the Group has early adopted as disclosed in note 2(e), a number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold land & buildings $'000	Leasehold land & buildings $'000	Furniture, fittings and other equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost						
At 1 July 2012	911	53,878	338,342	30,376	4,119	427,626
Additions	–	1,693	10,960	932	144	13,729
Transfer to development properties	–	–	(5,147)	–	–	(5,147)
Disposals	–	–	–	(47)	(383)	(430)
Written off	–	–	–	(235)	–	(235)
Translation differences	(6)	(598)	3,187	417	14	3,014
At 30 June 2013	905	54,973	347,342	31,443	3,894	438,557
At 1 July 2013	**905**	**54,973**	**347,342**	**31,443**	**3,894**	**438,557**
Additions	**–**	**3,408**	**13,831**	**1,929**	**1,046**	**20,214**
Disposals	**–**	**–**	**–**	**(136)**	**(1,323)**	**(1,459)**
Disposal of subsidiary	**–**	**–**	**–**	**(40)**	**–**	**(40)**
Written off	**–**	**–**	**–**	**(129)**	**–**	**(129)**
Translation differences	**(25)**	**(1,480)**	**(3,758)**	**(615)**	**(35)**	**(5,913)**
At 30 June 2014	**880**	**56,901**	**357,415**	**32,452**	**3,582**	**451,230**
Accumulated Depreciation						
At 1 July 2012	–	2,692	11,755	13,700	2,860	31,007
Depreciation charge for the year	–	519	3,947	4,039	422	8,927
Disposals	–	–	–	(41)	(383)	(424)
Written off	–	–	–	(205)	–	(205)
Translation differences	–	(24)	190	230	7	403
At 30 June 2013	–	3,187	15,892	17,723	2,906	39,708
At 1 July 2013	**–**	**3,187**	**15,892**	**17,723**	**2,906**	**39,708**
Depreciation charge for the year	**–**	**499**	**3,326**	**4,204**	**425**	**8,454**
Disposals	**–**	**–**	**–**	**(133)**	**(1,281)**	**(1,414)**
Disposal of subsidiary	**–**	**–**	**–**	**(36)**	**–**	**(36)**
Written off	**–**	**–**	**–**	**(119)**	**–**	**(119)**
Translation differences	**–**	**(85)**	**(428)**	**(373)**	**(28)**	**(914)**
At 30 June 2014	**–**	**3,601**	**18,790**	**21,266**	**2,022**	**45,679**
Carrying Amount						
At 1 July 2012	911	51,186	326,587	16,676	1,259	396,619
At 30 June 2013	905	51,786	331,450	13,720	988	398,849
At 30 June 2014	**880**	**53,300**	**338,625**	**11,186**	**1,560**	**405,551**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

a. The Group's property, plant and equipment with a carrying amount of $284.7 million (2013: $271.2 million) have been mortgaged to secure loan facilities granted to the Group (see note 20).

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

	2014 $'000	2013 $'000
Capitalised as cost of development properties	**3**	5
Administrative expenses	**8,451**	8,922
	8,454	8,927

c. During the financial year, interest expense capitalised as cost of property, plant and equipment amounted to $4.7 million (2013: $4.4 million) (see note 26).

d. Freehold land and buildings include land and buildings under construction of $22.1 million (2013: $19.2 million).

e. Leasehold land and buildings include land and buildings under construction of $195.2 million (2013: $181.3 million).

5. INVESTMENT PROPERTIES

	Group	
	2014 $'000	2013 $'000
At 1 July	**2,056,102**	1,874,750
Additions	**132,030**	110,943
Disposals	**–**	(14,841)
Changes in fair values	**122,569**	32,323
Transfer from development properties	**–**	49,331
Translation differences	**(5,666)**	3,596
At 30 June	**2,305,035**	2,056,102
Comprising:-		
Completed investment properties	**575,134**	534,011
Investment properties under development	**1,729,901**	1,522,091
	2,305,035	2,056,102

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

5. INVESTMENT PROPERTIES (cont'd)

Investment properties comprise commercial properties, reversionary interests in freehold land, freehold land and buildings under development and leasehold land and buildings under development.

a. Investment properties are stated at fair value based on independent valuations. The valuers have considered valuation techniques including the direct comparison method, discounted cash flow method, residual method and residual land method in determining the open market values. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The discounted cash flow method involves discounting the estimated future net cash flows of the investment property to its present value by using an appropriate discount rate to reflect the rate of return required by a typical investor for an investment of its type. The residual method involves the deduction of development and related costs to be incurred, together with developer's profit margin, from the gross development value assuming it was completed as at the date of valuation. The residual land method involves the deduction of the total development and related costs, together with developer's profit margin, from the gross development value assuming it was completed as at the date of valuation. The estimated development costs are determined based on the construction costs per square foot ("psf") in the pertinent area.

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

Valuer	2014 Valuation Date	2013 Valuation Date
CB Richard Ellis	June 2014	June 2013
Rahim & Co	June 2014	–
Savills	June 2014	June 2013

b. The Group's investment properties with a carrying value of $1,729.9 million (2013: $1,522.1 million) have been mortgaged to secure loan facilities granted to the Group (see note 20).

c. During the financial year, interest expense capitalised as cost of investment properties amounted to $39.9 million (2013: $37.2 million) (see note 26).

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

	Group 2014 $'000	Group 2013 $'000
Within 1 year	**13,336**	8,820
Between 1 and 5 years	**18,865**	11,700
After 5 years	**2,275**	3,206
	34,476	23,726

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

5. INVESTMENT PROPERTIES (cont'd)

e. The fair value of investment properties are determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuers provide the fair values of the Group's investment property portfolio annually. The fair value measurement for the investment properties have been categorised as level 3 fair values based on the inputs to the valuation techniques used. (See note 34).

f. The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	Investment properties $'000
Balance at 1 July 2013	2,056,102
Additions	132,030
Gains and losses for the period	
Changes in fair value	122,569
Change in fair value recognised in other comprehensive income	
Translation differences	(5,666)
Balance at 30 June 2014	2,305,035

The following table shows the key unobservable inputs used in the valuation models:–

Type of investment properties	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties	• Direct comparison method	• Comparable sales prices of $2,300 to $3,000 psf	The estimated fair value increases, the higher the comparable sales price
	• Discounted cash flow method	• Discount rate of 6% • Terminal yield rate of 3% • Capitalisation rate of 3%	The estimated fair value increases, the lower the discount rate, terminal yield and capitalisation rate
Reversionary interest in freehold land	• Direct comparison method • Residual land method	• Comparable sales prices of land of $872 to $1,072 psf • Gross development value of $2,500 psf	The estimated fair value increases, the higher the comparable sales price of land and gross development value
Commercial properties under development	• Residual land and residual methods	• Gross development value of $407 to $2,800 psf	The estimated fair value increases, the higher the gross development value

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

6. SUBSIDIARIES

		Note	Company 2014 $'000	Company 2013 $'000
a.	Unquoted shares, at cost		**545,737**	545,737
	Less : Impairment loss		**(229,456)**	(216,456)
			316,281	329,281
	Amounts due from subsidiaries		**2,290,562**	2,223,866
	Less : Allowance for doubtful receivables		**(25,179)**	(25,471)
			2,265,383	2,198,395
			2,581,664	2,527,676
	Non-current amounts due to subsidiaries	22	**(533,498)**	(464,591)

The amounts due from subsidiaries consist of $2,142.4 million (2013: $2,010.9 million) interest-free loans and $148.2 million (2013: $213.0 million) interest bearing loans. The non-current amounts due to subsidiaries consist of $32.8 million (2013: $69.3 million) interest-free loans and $500.7 million (2013: $395.2 million) interest bearing loans.

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

The interest rates per annum at the reporting date are as follows:-

	2014 %	2013 %
Amounts due from / to subsidiaries	**4.0**	4.0

The above interest rates reprice monthly.

The impairment loss on investments in subsidiaries and allowance for doubtful receivables are made mainly in respect of subsidiaries which have completed or substantially completed their respective developments. The investments in and amounts due from these subsidiaries are written down to their respective recoverable amounts, determined using the fair value less costs to sell approach. The fair values of the subsidiaries have been determined taking into consideration the fair values of the underlying properties held by the subsidiaries, where applicable. During the year, an additional impairment loss of $13.0 million (2013: nil) was recognised in the Company's profit or loss in relation to a subsidiary, following a reduction in the recoverable amount of the subsidiary as a result of a distribution made to its parent. In 2013, an additional allowance for doubtful receivables of $2.3 million was recognised in the Company's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

6. SUBSIDIARIES (cont'd)

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

		Country of Incorporation	Effective Equity Interest held by the Group 2014 %	2013 %
(i)	**Directly held by the Company**			
	GLL IHT Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand (Singapore) Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand (China) Limited	Bermuda	**100.00**	100.00
	GuoSon Assets China Limited	Hong Kong	**100.00**	100.00
	GLL (Malaysia) Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand Vietnam (S) Pte. Ltd.	Singapore	**100.00**	100.00
(ii)	**Directly held by GuocoLand (Singapore) Pte. Ltd.**			
	Belmeth Pte. Ltd.	Singapore	**80.00**	80.00
	Elliot Development Pte. Ltd.	Singapore	**100.00**	100.00
	First Changi Development Pte. Ltd.	Singapore	**100.00**	100.00
	GLL Land Pte. Ltd.	Singapore	**100.00**	100.00
	Goodwood Residence Development Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand Property Management Pte. Ltd.	Singapore	**100.00**	100.00
	Guston Pte. Ltd.	Singapore	**80.00**	80.00
	Leedon Residence Development Pte. Ltd.	Singapore	**100.00**	100.00
	Perfect Eagle Pte. Ltd.	Singapore	**80.00**	80.00
	Sophia Residence Development Pte. Ltd.	Singapore	**100.00**	100.00
	Waterline Development Pte. Ltd.	Singapore	**100.00**	100.00
(iii)	**Directly and indirectly held by GuocoLand (China) Limited**			
	Beijing Jiang Sheng Property Development Co., Ltd	The People's Republic of China	**100.00**	100.00
	Beijing Cheng Jian Dong Hua Real Estate Development Company Limited	The People's Republic of China	**90.00**	90.00
	Guo Xiang Property Co., Limited	Hong Kong	**–**	100.00
	Nanjing Xinhaoning Property Development Co., Ltd	The People's Republic of China	**–**	99.00
	Nanjing Xinhaofu Economic Information Consultants Co., Ltd (formerly known as Nanjing Xinhaoxuan Property Development Co., Ltd)	The People's Republic of China	**100.00**	99.00
(iv)	**Directly and indirectly held by GuoSon Assets China Limited**			
	GuoSon Changfeng China Limited	Hong Kong	**100.00**	–
	GuoSon Investment Company Limited	The People's Republic of China	**100.00**	100.00
	Nanjing Mahui Property Development Co., Ltd	The People's Republic of China	**94.93**	94.93
	Shanghai Xinhaolong Property Development Co., Ltd	The People's Republic of China	**100.00**	100.00
	Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd	The People's Republic of China	**100.00**	100.00

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

6. SUBSIDIARIES (cont'd)

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

		Country of Incorporation	Effective Equity Interest held by the Group 2014 %	2013 %
(v)	**Directly and indirectly held by GLL (Malaysia) Pte. Ltd.**			
	@ Ace Acres Sdn Bhd	Malaysia	**67.94**	67.94
	@ Damansara City Sdn Bhd	Malaysia	**67.94**	67.94
	@ DC Hotel Sdn Bhd	Malaysia	**67.94**	67.94
	@ DC Offices Sdn Bhd	Malaysia	**67.94**	67.94
	@ DC Parking Sdn Bhd	Malaysia	**67.94**	67.94
	@ DC Tower Sdn Bhd	Malaysia	**67.94**	67.94
	@ DC Tower Square Sdn Bhd	Malaysia	**67.94**	67.94
	@ GuocoLand (Malaysia) Berhad	Malaysia	**67.94**	67.94
	▲ Hong Leong Real Estate Management Sdn Bhd	Malaysia	**67.94**	67.94
	@ JB Parade Sdn Bhd	Malaysia	**54.29**	54.29
	▲ PD Resort Sdn Bhd	Malaysia	**77.56**	77.56
	▲ Positive Vision Labuan Limited	Malaysia	**67.94**	67.94
	▲ Titan Debut Sdn Bhd	Malaysia	**67.94**	67.94
	▲ Wonderful Space Sdn Bhd	Malaysia	**67.94**	67.94
(vi)	**Directly held by GuocoLand Vietnam (S) Pte. Ltd.**			
	GuocoLand Binh Duong Property Co., Ltd	Vietnam	**100.00**	100.00

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

@ Audited by Ernst & Young, Malaysia.
▲ Audited by Ling Kam Hoong & Co.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

6. SUBSIDIARIES (cont'd)

c. Non-controlling interests in subsidiaries

The following table summaries the information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI"), before any intra-group eliminations.

	Belmeth Pte. Ltd.		GuocoLand (Malaysia) Berhad Group		Other individually immaterial subsidiaries		Total	
NCI percentage	20.00%		32.06%					
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Non-current assets	**1,573,100**	1,434,100	**448,872**	392,272				
Current assets	**7,495**	10,175	**411,359**	425,375				
Non-current liabilities	**(1,387,693)**	(1,300,932)	**(328,788)**	(321,813)				
Current liabilities	**(111,728)**	(90,803)	**(116,844)**	(143,587)				
Non-controlling interests	**–**	–	**(30,543)**	(30,113)				
Net assets	**81,174**	52,540	**384,056**	322,134				
Net assets attributable to NCI	**16,235**	10,508	**123,128**	103,276	**13,582**	15,349	**152,945**	129,133
Revenue	**–**	–	**122,175**	70,430				
Profit	**28,634**	2,589	**74,938**	8,744				
Other comprehensive income	**–**	–	**(9,192)**	4,316				
Total comprehensive income	**28,634**	2,589	**65,746**	13,060				
Total comprehensive income allocated to NCI	**5,727**	518	**21,078**	4,187	**(1,154)**	(550)	**25,651**	4,155
Cash flows from operating activities	**9,665**	6,378	**(6,956)**	25,057				
Cash flows from investing activities	**(71,130)**	(52,507)	**(11,064)**	49,765				
Cash flows from financing activities	**56,530**	40,621	**22,448**	(66,965)				
Net increase/(decrease) in cash and cash equivalents	**(4,935)**	(5,508)	**4,428**	7,857				
Dividends paid to non-controlling interests during the year	**–**	–	**1,256**	1,285				

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

7. ASSOCIATES AND JOINT VENTURES

	Group 2014 $'000	Group 2013 $'000
Investments in associates		
– quoted	**42,808**	44,243
– unquoted	**91,119**	97,312
Investments in joint ventures	**362,498**	350,810
	496,425	492,365

During the year, the Group re-assessed the terms set out in the shareholders' agreements for its investment in various investee companies. Arising from the assessment undertaken, the Group has concluded that it does not have joint control over the strategic and operating decisions of two of its investee companies, Continental Estates Sdn Bhd and Vintage Heights Sdn Bhd. Instead, the Group has significant influence over the financial and operating decisions of the entities. Accordingly, these investments have been reclassified from jointly controlled entities to associates in the comparative information. The reclassification did not have any material impact on the overall financial position and results of the Group as the investments continue to be recognised by applying the equity method.

During the year, the Group received dividends of $12.8 million (2013: $15.6 million) from its investments in associates and joint ventures. In 2013, the Group disposed of its investments in two associates for a total consideration of $15.0 million. The net gain on disposal of $3.9 million had been recognised in other income (see note 24).

During the year, the Group recognised a reversal of impairment loss of $4.3 million (2013 : Nil) on an associate, following an increase in the fair value of the underlying property held by the associate. The recoverable amount was determined using the fair value less costs to sell approach, which took into consideration the fair value of the underlying property held by the associate. The amount was included in the Group's share of profit of associates in the consolidated income statement.

At the reporting date, the associates and joint ventures do not have any commitments and contingent liabilities.

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

Name of Associates/Joint Ventures	Principal place of business	Effective Equity Interest held by the Group 2014 %	2013 %
Associates			
*§ Tower Real Estate Investment Trust ("Tower REIT")	Malaysia	**14.72**	14.72
@ Continental Estates Sdn Bhd ("Continental Estate")	Malaysia	**33.97**	33.97
@ Vintage Heights Sdn Bhd ("Vintage Heights")	Malaysia	**32.18**	32.18
Joint Venture			
* Shanghai Xinhaojia Property Development Co., Ltd ("Shanghai Xinhaojia")	The People's Republic of China	**50.00**	50.00

* Audited by other member firms of KPMG International.
@ Audited by Ernst & Young, Malaysia.
§ Considered to be an associate as the Group has significant influence over the financial and operating policy decisions of the investee, through its subsidiary, GuocoLand (Malaysia) Berhad.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

7. ASSOCIATES AND JOINT VENTURES (cont'd)

The following tables summarise the financial information of each of the Group's material associates and joint ventures based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies and reconciles the carrying amount of the Group's interest in associates and joint ventures.

Associates

	Tower REIT		Continental Estate		Vintage Heights		Immaterial associates		Total	
Place of business	Malaysia		Malaysia							
Percentage of interest	21.66%*		50.00%*		45.00%#					
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Non-current assets	**248,969**	255,844	**94,155**	96,700	**105,643**	108,873				
Current assets	**491**	758	**5,438**	24,295	**2,457**	5,182				
Non-current liabilities	**(40,840)**	(41,968)	**(5,541)**	(8,541)	**(15,113)**	(16,724)				
Current liabilities	**(10,986)**	(10,373)	**(2,950)**	(4,485)	**(2,536)**	(2,308)				
Net assets	**197,634**	204,261	**91,102**	107,969	**90,451**	95,023				
Group's share of net assets	**42,808**	44,243	**45,551**	53,985	**40,703**	42,760				
Goodwill	**–**	–	**–**	–	**4,300**	–				
Group's carrying amount	**42,808**	44,243	**45,551**	53,985	**45,003**	42,760	**565**	567	**133,927**	141,555
Revenue	**19,252**	22,131	**6,555**	8,363	**2,606**	2,546				
Profit/(loss) from continuing operations	**10,507**	29,057	**4,280**	11,496	**(1,032)**	192				
Other comprehensive income	**(5,488)**	(1,512)	**(2,894)**	(766)	**(3,538)**	(868)				
Total comprehensive income	**5,019**	27,545	**1,386**	10,730	**(4,570)**	(676)				
Group's share of total comprehensive income	**1,087**	5,966	**693**	5,365	**(2,057)**	(304)	**(3)**	(66)	**(280)**	10,961
Group's interest in net assets of investee at beginning of year	**44,243**	41,087	**53,985**	60,971	**42,760**	43,064				
Total comprehensive income attributable to the Group	**1,087**	5,966	**693**	5,365	**(2,057)**	(304)				
Impairment loss reversed	**–**	–	**–**	–	**4,300**	–				
Dividends received during the year	**(2,522)**	(2,810)	**(9,127)**	(12,351)	**–**	–				
Carrying amount of interest in investee at end of the year	**42,808**	44,243	**45,551**	53,985	**45,003**	42,760				

* The Group has a 67.94% (2013: 67.94%) equity interest in a subsidiary, GuocoLand Malaysia Bhd which in turn holds a 21.66% (2013: 21.66%) in Tower REIT and a 50.00% (2013: 50.00%) in Continental Estate. The Group's effective equity interest is 14.72% (2013: 14.72%) in Tower REIT and 33.97% (2013: 33.97%) in Continental Estate.

Vintage Heights is 40% (2013: 40%) and 5% (2013: 5%) owned by Guocoland Malaysia Bhd and a wholly owned subsidiary of the Group respectively. The Group's effective equity interest in Vintage Heights is 32.18% (2013: 32.18%).

None of the Group's associates are publicly listed entities and consequentially do not have published price quotations, except for Tower REIT, which is listed on the Malaysia Stock Exchange. Based on its closing price per unit of RM1.42 (2013: RM1.60) at the reporting date, the fair value of the Group's investment is $33.4 million (2013: $38.7 million).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

7. ASSOCIATES AND JOINT VENTURES (cont'd)

Joint Ventures

Shanghai Xinhaojia is an unlisted joint arrangement in which the Group has joint control via a joint venture agreement and 50% ownership interest. Shanghai Xinhaojia was incorporated by the Group and its related corporation and is based in the People's Republic of China, principally engaged in property development. This entity is structured as separate vehicle and the Group has residual interest in their net assets. Accordingly, the Group has classified its interest in this entity as joint venture, which is equity accounted.

	Shanghai Xinhaojia		Immaterial joint ventures		Total	
Percentage of interest	50.00%					
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**
Current assets	**646,364**	634,520				
Current liabilities	**(14,440)**	(9,358)				
Net assets	**631,924**	625,162				
Cash and cash equivalents	**10,114**	119				
Current financial liabilities (excluding trade and other payables and provision)	**(14,389)**	(9,295)				
Group's share of net assets	**315,962**	312,581	**46,536**	38,229	**362,498**	350,810
Loss for the year	**(193)**	(273)				
Other comprehensive income	**(13,064)**	18,262				
Total comprehensive income	**(13,257)**	17,989				
Group's share of total comprehensive income	**(6,629)**	8,994	**9,469**	4,090	**2,840**	13,084
Group's interest in net assets of investee at beginning of year	**312,581**	303,587				
Total comprehensive income attributable to the Group	**(6,629)**	8,994				
Capital contributions	**10,010**	–				
Carrying amount of interest in investee at end of the year	**315,962**	312,581				

8. OTHER INVESTMENTS

	Group	
	2014 $'000	**2013 $'000**
Available-for-sale financial assets		
– Equity securities	**1,717**	1,582

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

9. DEFERRED TAX

a. Deferred Tax Assets and Liabilities

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

	At 1 July 2013 $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Disposal of subsidiary $'000	Translation differences $'000	At 30 June 2014 $'000
Group						
Deferred tax liabilities						
Property, plant and equipment	**887**	**(4)**	**–**	**–**	**–**	**883**
Investment properties	**10,657**	**1,715**	**–**	**–**	**56**	**12,428**
Development properties	**46,978**	**6,585**	**–**	**(3,823)**	**(6,089)**	**43,651**
Total	**58,522**	**8,296**	**–**	**(3,823)**	**(6,033)**	**56,962**
Deferred tax assets						
Unutilised tax losses	**3,191**	**(700)**	**–**	**–**	**10**	**2,501**
Development properties	**59,119**	**(27,985)**	**–**	**–**	**(1,260)**	**29,874**
Total	**62,310**	**(28,685)**	**–**	**–**	**(1,250)**	**32,375**

	At 1 July 2012 $'000	Recognised in profit or loss $'000	Recognised in equity $'000	Disposal of subsidiary $'000	Translation differences $'000	At 30 June 2013 $'000
Group						
Deferred tax liabilities						
Property, plant and equipment	866	22	–	–	(1)	887
Investment properties	2,816	7,840	–	–	1	10,657
Development properties	56,573	(10,912)	718	–	599	46,978
Total	60,255	(3,050)	718	–	599	58,522
Deferred tax assets						
Unutilised tax losses	2,399	743	–	–	49	3,191
Development properties	40,081	17,830	–	–	1,208	59,119
Total	42,480	18,573	–	–	1,257	62,310

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

As at 30 June 2014, the temporary differences relating to the undistributed profits of subsidiaries amounted to $317.0 million (2013: $255.3 million). Deferred tax liabilities of $22.1 million (2013 : $19.3 million) have not been recognised in respect of the tax that would be payable on the distribution of these accumulated profits as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that the profits will not be distributed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

9. DEFERRED TAX (cont'd)

b. Unrecognised Deferred Tax Assets

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

	Group 2014 $'000	Group 2013 $'000
Deductible temporary differences	**8,527**	3,359
Tax losses	**294,114**	264,839
Unutilised capital allowances	**66,365**	71,888
	369,006	340,086

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

10. INVENTORIES

	Note	Group 2014 $'000	Group 2013 $'000
Development properties	11	**4,286,575**	4,826,132
Consumable stocks		**618**	615
		4,287,193	4,826,747

During the financial year, cost of development properties and allowance for foreseeable losses on the development properties included in cost of sales in profit or loss amounted to $885.5 million (2013: $473.4 million) and Nil (2013: $2.4 million) respectively.

11. DEVELOPMENT PROPERTIES

	Group 2014 $'000	Group 2013 $'000
a. Properties under development, sold units for which revenue is recognised using percentage of completion method		
Cost incurred and attributable profits	**1,797,848**	1,593,926
Progress billings	**(296,588)**	(405,558)
	1,501,260	1,188,368
Other properties under development		
Cost incurred	**2,187,988**	3,034,115
Allowance for foreseeable losses	**(10,302)**	(10,587)
	2,177,686	3,023,528
	3,678,946	4,211,896
b. Completed development properties, at cost	**607,629**	614,236
Total development properties	**4,286,575**	4,826,132

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

11. DEVELOPMENT PROPERTIES (cont'd)

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

		Group	
		2014	2013
	Note	$'000	$'000
Interest expense	26	**53,808**	65,372
Interest income		**(104)**	(151)
Depreciation of property, plant and equipment	4	**3**	5

Certain development properties with a carrying amount of $2,064.1 million (2013: $2,447.6 million) are under legal mortgages with banks (see note 20).

The Group adopts the percentage of completion method of revenue recognition for residential projects under the progressive payment scheme in Singapore. The stage of completion is measured in accordance with the accounting policy stated in note 3k. In determining the stage of completion, certain assumptions are made in estimating the total estimated development costs. The estimated total construction costs are based on contracted amounts, and in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration the historical trends of the amounts incurred and prevailing construction costs.

The Group recognises an allowance for foreseeable losses on development properties taking into consideration the selling prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

12. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

		Group		Company	
		2014	2013	2014	2013
	Note	$'000	$'000	$'000	$'000
Trade receivables	13	**47,949**	210,812	**–**	–
Accrued receivables	a	**217,389**	116,848	**–**	–
Other receivables, deposits and prepayments	14	**189,256**	38,141	**113**	9,006
Amounts due from:-	b				
Associates		**32**	33	**–**	–
Joint ventures		**17,292**	14,329	**–**	–
Related corporations		**108**	222	**–**	–
Non-controlling interests		**265**	268	**–**	–
Related parties		**–**	4	**–**	–
		472,291	380,657	**113**	9,006

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

b. The amounts due from associates, joint ventures, related corporations, non-controlling interests and related parties are unsecured, interest-free and repayable on demand. No allowance for doubtful receivables is recognised on these amounts.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

13. TRADE RECEIVABLES

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

	Group	
	2014	**2013**
	$'000	**$'000**
GuocoLand Singapore	**40,615**	197,643
GuocoLand China	**812**	1,541
GuocoLand Malaysia	**6,197**	11,082
GuocoLand Vietnam	**325**	546
	47,949	210,812

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

	Gross 2014 $'000	**Allowance for doubtful receivables 2014 $'000**	**Gross 2013 $'000**	**Allowance for doubtful receivables 2013 $'000**
Group				
Not past due	**37,414**	**–**	207,020	–
Past due 1 – 30 days	**5,626**	**–**	398	–
Past due 31 – 90 days	**3,770**	**(1)**	1,042	–
Past due more than 90 days	**1,341**	**(201)**	2,644	(292)
	48,151	**(202)**	211,104	(292)

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

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

	Group	
	2014	**2013**
	$'000	**$'000**
At 1 July	**292**	292
(Writeback of allowance)/Allowance made during the financial year	**(3)**	2
Allowance utilised	**(79)**	–
Translation differences	**(8)**	(2)
At 30 June	**202**	292

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
		2014	2013	2014	2013
	Note	$'000	$'000	$'000	$'000
Non-current					
Amounts due from non-controlling interests		**1,891**	1,931	**–**	–
Derivative assets	15	**975**	–	**–**	–
		2,866	1,931	**–**	–
Current					
Deposits		**164,303**	14,028	**–**	–
Interest receivable		**3,459**	410	**–**	–
Prepayments		**12,967**	4,914	**–**	–
Tax recoverable		**3,630**	4,869	**106**	–
Balance consideration for disposal of associates		**–**	9,000	**–**	9,000
Derivative assets	15	**66**	–	**–**	–
Other receivables		**4,831**	4,920	**7**	6
		189,256	38,141	**113**	9,006

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

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

	Group	
	2014	2013
	$'000	$'000
At 1 July	**866**	873
Allowance written back during the financial year	**(43)**	–
Translation differences	**(23)**	(7)
At 30 June	**800**	866

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

15. DERIVATIVE ASSETS AND LIABILITIES

	Note	Group 2014 $'000	Group 2013 $'000
Derivative assets			
Non-current			
Interest rate swaps	14	**975**	–
Current			
Forward exchange contracts	14	**66**	–
		1,041	–
Derivative liabilities			
Non-current			
Interest rate swaps	22	**1,886**	–
Current			
Forward exchange contracts		**50**	4,480
Interest rate swaps		**1,942**	6,655
	22	**1,992**	11,135
		3,878	11,135

As at the reporting date, the Group had entered into interest rate swaps and forward exchange contracts with a notional amount of $236.5 million (2013: $240.0 million) and $104.0 million (2013: $509.6 million) respectively to hedge the Group's interest rate and foreign exchange exposure.

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are:-
- offset in the Group's statement of financial position; or
- subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

15. DERIVATIVE ASSETS AND LIABILITIES (cont'd)

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

	Gross amounts of recognised financial assets $'000	Gross amounts of recognised financial liabilities offset in the statement of financial position $'000	Net amounts of financial assets presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position – Financial Instruments $'000	Net amount $'000
2014					
Type of financial assets					
Derivative financial assets	**1,041**	**–**	**1,041**	**(66)**	**975**

	Gross amounts of recognised financial liabilities $'000	Gross amounts of recognised financial assets offset in the statement of financial position $'000	Net amounts of financial liabilities presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position – Financial Instruments $'000	Net amount $'000
Type of financial liabilities					
Derivative financial liabilities	**3,878**	**–**	**3,878**	**(66)**	**3,812**

As at 30 June 2013, the Group has recognised its derivative transactions at their gross amounts and there are no amounts offset in the statement of financial position or are subject to an enforceable master netting arrangement or similar arrangement but are not offset in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

16. CASH AND CASH EQUIVALENTS

		Group		Company	
		2014	2013	2014	2013
	Note	$'000	$'000	$'000	$'000
Short-term deposits with banks		**606,724**	771,371	**101**	178
Cash and bank balances		**109,282**	162,969	**847**	6,960
Cash and cash equivalents		**716,006**	934,340	**948**	7,138
Bank overdrafts	20	**(2,005)**	(731)		
Cash collaterals	d	**(343,526)**	(580,484)		
Cash and cash equivalents in the statement of cash flows		**370,475**	353,125		

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

a. Amounts held under the China Housing Developers Restricted Funds Agreement (the "Agreement") totalling $46.8 million (2013: $32.2 million), the use of which is subject to restrictions imposed by the Agreement;

b. Amounts held under the Singapore Housing Developers (Project Account) Rules (the "Rules") totalling $43.7 million (2013: $142.2 million), the use of which is subject to restrictions imposed by the Rules;

c. Amounts held in Malaysia pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 totalling $0.9 million (2013: $0.9 million), the use of which is restricted from other operations; and

d. Cash collaterals comprised deposits of $343.5 million (2013: $580.5 million) pledged with financial institutions in China for bank loans.

17. SHARE CAPITAL

	Company	
	2014	2013
	No. of shares	No. of shares
Issued and fully paid ordinary shares, with no par value		
At 1 July and 30 June	**1,183,373,276**	1,183,373,276

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

b. As at 30 June 2014, the Trust for GuocoLand Limited Executives' Share Option Scheme (the "ESOS") held an aggregate of 73,604,933 (2013: 73,604,933) shares in the Company which had been acquired from the market for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESOS (see note 30).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

17. SHARE CAPITAL (cont'd)

Capital Management

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

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

	Group	
	2014 $'000	2013 $'000
Total loans and borrowings	**5,066,774**	5,372,335
Cash and cash equivalents	**(716,006)**	(934,340)
Net debt	**4,350,768**	4,437,995
Total equity	**2,820,586**	2,645,968
Net debt to equity ratio at 30 June	**1.54**	1.68

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

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

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

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

The Group has operations in the PRC. The conversion of the Chinese Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the government.

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

18. RESERVES

		Group		Company	
	Note	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Reserve for own shares	a	**(157,034)**	(157,034)	**(157,034)**	(157,034)
Share option reserve	b	**183**	120	**–**	–
Capital reserve	c	**(4,923)**	(4,930)	**(5,013)**	(5,013)
Translation reserve	d	**(66,673)**	(651)	**–**	–
Revaluation reserve	e	**8,341**	8,341	**–**	–
Fair value reserve	f	**1,536**	303	**–**	–
Merger reserve	g	**(8,494)**	(8,494)	**–**	–
Other reserves		**(227,064)**	(162,345)	**(162,047)**	(162,047)
Accumulated profits		**921,802**	682,854	**206,514**	253,421
		694,738	520,509	**44,467**	91,374

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

18. RESERVES (cont'd)

The movement of other reserves is as follows:-

	Reserve for own shares $'000	Share option reserve $'000	Capital reserve $'000	Translation reserve $'000	Revaluation reserve $'000	Fair value reserve $'000	Merger reserve $'000	Total $'000
Group								
At 1 July 2013	**(157,034)**	**120**	**(4,930)**	**(651)**	**8,341**	**303**	**(8,494)**	**(162,345)**
Other comprehensive income								
Translation differences relating to financial statements of foreign subsidiaries and associates	**–**	**–**	**7**	**(64,046)**	**–**	**–**	**–**	**(64,039)**
Translation reserve of subsidiaries reclassified to profit or loss upon disposal (note 33)	**–**	**–**	**–**	**(1,976)**	**–**	**–**	**–**	**(1,976)**
Net change in fair value of available-for-sale securities	**–**	**–**	**–**	**–**	**–**	**717**	**–**	**717**
Net change in fair value of available-for-sale securities reclassified to profit or loss upon disposal	**–**	**–**	**–**	**–**	**–**	**516**	**–**	**516**
Total other comprehensive income, net of tax	**–**	**–**	**7**	**(66,022)**	**–**	**1,233**	**–**	**(64,782)**
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Share-based payments	**–**	**63**	**–**	**–**	**–**	**–**	**–**	**63**
Total transactions with equity holders	**–**	**63**	**–**	**–**	**–**	**–**	**–**	**63**
At 30 June 2014	**(157,034)**	**183**	**(4,923)**	**(66,673)**	**8,341**	**1,536**	**(8,494)**	**(227,064)**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

18. RESERVES (cont'd)

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

	Reserve for own shares $'000	Share option reserve $'000	Capital reserve $'000	Translation reserve $'000	Revaluation reserve $'000	Fair value reserve $'000	Merger reserve $'000	Total $'000
Group								
At 1 July 2012	(157,034)	5,115	(6,799)	(65,555)	8,341	(4,165)	(8,494)	(228,591)
Other comprehensive income								
Translation differences relating to financial statements of foreign subsidiaries and associates	–	–	–	61,801	–	–	–	61,801
Translation reserve of associates reclassified to profit or loss upon disposal	–	–	–	3,103	–	–	–	3,103
Net change in fair value of available-for-sale securities	–	–	–	–	–	3,755	–	3,755
Net change in fair value of available-for-sale securities reclassified to profit or loss upon disposal	–	–	–	–	–	713	–	713
Total other comprehensive income, net of tax	–	–	–	64,904	–	4,468	–	69,372
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Writeback of share-based payments	–	(4,995)	1,869	–	–	–	–	(3,126)
Total transactions with equity holders	–	(4,995)	1,869	–	–	–	–	(3,126)
At 30 June 2013	(157,034)	120	(4,930)	(651)	8,341	303	(8,494)	(162,345)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

18. RESERVES (cont'd)

a. Reserve for Own Shares

This comprises the purchase consideration for issued shares of the Company acquired by the Trust for GuocoLand Limited Executives' Share Option Scheme (the "ESOS") for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESOS (see note 30).

b. Share Option Reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

c. Capital Reserve

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

d. Translation Reserve

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

e. Revaluation Reserve

This comprises the revaluation amounts of property, plant and equipment in a subsidiary.

f. Fair Value Reserve

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

g. Merger Reserve

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

19. PERPETUAL SECURITIES

On 27 May 2013, the Group issued senior perpetual securities (the "Perpetual Securities") with an aggregate principal amount of $200 million. Transaction costs incurred amounting to $1.5 million were recognised in equity as a deduction from the proceeds.

The Perpetual Securities bear distributions at a rate of 4.7% per annum for the period from 27 May 2013 to 26 May 2016. The distribution rate will be reset on 27 May 2016 in accordance with the relevant terms and conditions of the Perpetual Securities. Distributions are cumulative and payable semi-annually at the option of the Group.

The Perpetual Securities do not have a fixed maturity date. They are redeemable at the option of the Group on or after 27 May 2016 at their principal amount together with any unpaid distributions.

As at 30 June 2014, distribution payment of $1.3 million (2013: $0.9 million) was accrued for the relevant period relating to the semi-annual period 27 May 2014 to 26 November 2014 (2013: 27 May 2013 to 26 November 2013) as the Group had not elected to defer the payment.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

20. LOANS AND BORROWINGS

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Non-Current Liabilities					
Secured bank loans		**1,672,494**	2,179,163	**–**	–
Unsecured bank loans		**251,874**	345,828	**–**	–
Unsecured medium-term notes		**843,826**	1,343,340	**–**	–
		2,768,194	3,868,331	**–**	–
Current Liabilities					
Secured bank overdrafts	16	**2,005**	731	**–**	–
Secured bank loans		**879,872**	617,077	**–**	–
Unsecured bank loans		**640,455**	681,345	**77,700**	60,000
Unsecured medium-term notes		**776,248**	204,851	**–**	–
		2,298,580	1,504,004	**77,700**	60,000
Total loans and borrowings		**5,066,774**	5,372,335	**77,700**	60,000

Maturity of loans and borrowings :-

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Within 1 year	**2,298,580**	1,504,004	**77,700**	60,000
After 1 year but within 5 years	**2,567,015**	3,603,293	**–**	–
After 5 years	**201,179**	265,038	**–**	–
Total loans and borrowings	**5,066,774**	5,372,335	**77,700**	60,000

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

	Note	Group 2014 $'000	Group 2013 $'000
Property, plant and equipment	4	**284,697**	271,199
Investment properties	5	**1,729,901**	1,522,091
Development properties	11	**2,064,116**	2,447,628
		4,078,714	4,240,918

At the reporting date, the Group's bank loans and borrowings bore interest ranging from 1.2% to 7.6% (2013: 1.2% to 7.6%) per annum. At the reporting date, the Company's bank loans bore interest at 1.9% (2013: 1.8%) per annum.

Medium-Term Notes
The unsecured fixed rate medium-term notes are issued by a subsidiary with a tenor of between 1 to 7 years. The interest rates at the reporting date ranged from 2.0% to 5.0% (2013: 4.0% to 5.0%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

21. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

		Group		Company	
		2014	2013	2014	2013
	Note	$'000	$'000	$'000	$'000
Trade payables and accrued operating expenses		**230,838**	261,347	**781**	701
Progress billings		**49,464**	244,357	**–**	–
Amounts due to:-					
Associates		**47**	431	**–**	–
Related corporations		**820**	791	**–**	–
Non-controlling interests		**236**	238	**–**	–
Other payables	22	**147,353**	240,316	**226**	37
		428,758	747,480	**1,007**	738

Trade payables and accrued operating expenses included $7.7 million (2013: $5.1 million) of accrued management fees to the intermediate holding company (see note 27).

The non-trade amounts due to associates, related corporations and non-controlling interests are unsecured, interest-free and repayable on demand.

22. OTHER PAYABLES

		Group		Company	
		2014	2013	2014	2013
	Note	$'000	$'000	$'000	$'000
Non-current					
Amount due to non-controlling interests		**144,434**	131,356	**–**	–
Amounts due to subsidiaries	6	**–**	–	**533,498**	464,591
Derivative liabilities	15	**1,886**	–	**–**	–
		146,320	131,356	**533,498**	464,591
Current					
Deposits received		**4,260**	27,758	**–**	–
Interest payable		**26,399**	39,628	**193**	6
Rental deposits		**4,216**	3,284	**–**	–
Real estate tax payable		**80,197**	123,648	**–**	–
Employee benefits payable		**6,221**	4,098	**–**	–
Derivative liabilities	15	**1,992**	11,135	**–**	–
Others		**24,068**	30,765	**33**	31
		147,353	240,316	**226**	37

The non-trade amounts due to non-controlling interests are unsecured, bear interest at 4.0% (2013: 4.0%) per annum and are repayable at the discretion of the Boards of the borrowing subsidiaries. The amounts are subordinated to external bank loans.

Included in other payables of the Group is an amount of $7.7 million (2013: $5.6 million) relating to the Group's costs of meeting its obligations under contractual agreements in China. At the reporting date, there might be further costs to the Group in meeting its contractual obligations in China for which the Group is currently unable to make a reliable estimate.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

23. REVENUE

	Group	
	2014	**2013**
	$'000	**$'000**
Sale of development properties:-		
Percentage of completion method	**704,865**	515,044
Others	**489,341**	105,903
Hotel operations	**38,351**	34,830
Rental and related income from investment properties	**16,499**	17,003
Management fee income from:-		
Related corporations	**24**	36
Third parties	**2,270**	4,626
	1,251,350	677,442

24. OTHER INCOME

	Group	
	2014	**2013**
	$'000	**$'000**
Dividend income from equity securities	**–**	730
Interest income from:-		
Fixed deposits with banks	**11,951**	5,681
Others	**182**	41
Fair value gain on derivative financial instruments	**8,298**	–
Fair value gain on investment properties	**122,569**	32,323
Gain on disposal of equity securities	**–**	901
Gain on disposal of property, plant and equipment	**411**	61
Gain on disposal of interests in subsidiaries and associates	**98,935**	3,887
Net foreign exchange gain	**–**	3,255
Rental income	**4,606**	3,645
Income from forfeiture of deposit	**3,235**	41,856
Others	**2,294**	4,127
	252,481	96,507

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

25. OTHER EXPENSES

	Group 2014 $'000	Group 2013 $'000
Fair value loss on derivative financial instruments	**–**	708
Loss on disposal of equity securities	**686**	–
Net foreign exchange loss	**2,286**	–
Others	**6,441**	9,225
	9,413	9,933

26. FINANCE COSTS

	Note	Group 2014 $'000	Group 2013 $'000
Interest expense:-			
Intermediate holding company		**–**	3,423
Financial institutions		**115,257**	127,334
Medium-term notes		**69,351**	63,773
		184,608	194,530
Less: Interest expense capitalised in:-			
Property, plant and equipment	4	**(4,709)**	(4,368)
Investment properties	5	**(39,862)**	(37,237)
Development properties	11	**(53,808)**	(65,372)
		(98,379)	(106,977)
		86,229	87,553

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

27. PROFIT BEFORE TAX

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

	Note	Group 2014 $'000	Group 2013 $'000
(Writeback of allowance) / Allowance for doubtful receivables		**(46)**	2
Depreciation of property, plant and equipment	4	**8,451**	8,922
Direct operating expenses of investment properties		**6,239**	6,301
Management fees paid and payable to:-			
Intermediate holding company	32b	**7,809**	5,134
Related corporation		**954**	338
Operating lease expenses		**3,098**	3,440
Gain on disposal of investment properties		**–**	77
Allowance for foreseeable losses on development properties		**–**	2,378
Amortisation of transaction costs on loans and borrowings		**4,980**	4,265
Auditors' remuneration:-			
Auditors of the Company		**375**	406
Other auditors		**493**	503
		868	909
Non-audit fees:-			
Auditors of the Company		**–**	13
Other auditors		**2**	135
		2	148
Staff costs:-			
Wages, salaries and benefits		**47,585**	46,428
Contributions to defined contribution plans		**2,865**	2,423
Writeback of share-based payments (net)		**–**	(3,230)*
Liability for short-term accumulating compensated absences		**179**	(91)
		50,629	45,530

* Included $2.8 million of share-based payments written back during the financial year which relates to the lapse of non-vested share options granted to key management personnel (see note 30).

b. Key Management Personnel Remuneration

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

	Group 2014 $'000	Group 2013 $'000
Wages, salaries and benefits	**6,265**	8,936
Contributions to defined contribution plans	**128**	177
Share-based payments	**93**	–
	6,486	9,113

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

28. TAX EXPENSE

	Group 2014 $'000	Group 2013 $'000
Current tax		
Current year	**37,233**	49,015
Over provision in respect of prior years	**(770)**	(2,927)
	36,463	46,088
Deferred tax		
Movements in temporary differences	**36,981**	(26,011)
Under provision in respect of prior years	**–**	4,388
	36,981	(21,623)
Foreign withholding tax	**3,774**	30,581
	77,218	55,046

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

	Group 2014 $'000	Group 2013 $'000
Profit before tax	**410,013**	98,516
Less: Share of profit of associates and joint ventures	**(19,277)**	(17,007)
Profit before share of profit of associates, joint ventures and tax	**390,736**	81,509
Tax calculated using the Singapore tax rate of 17% (2013: 17%)	**66,425**	13,857
Effect of different tax rates in foreign jurisdictions	**4,597**	3,801
Effect of unrecognised tax losses and other deductible temporary differences	**13,902**	3,092
Expenses not deductible for tax purpose	**5,130**	6,782
Foreign withholding tax	**3,774**	30,581
Income not subject to tax	**(17,002)**	(5,033)
(Over)/Under provision in respect of prior years	**(770)**	1,461
Others	**1,162**	505
	77,218	55,046

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

29. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share ("EPS") at 30 June 2014 was based on the profit attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of the Company in issue, after adjusting for the shares acquired by the Trust during the financial year.

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

	Group	
	2014	**2013**
	$'000	**$'000**
Profit attributable to equity holders of the Company	**304,225**	40,490
Less: Profit attributable to perpetual securities holders	**(9,789)**	(901)
Profit attributable to ordinary equity holders of the Company	**294,436**	39,589
	'000	**'000**
Issued ordinary shares at 30 June	**1,183,373**	1,183,373
Effect of own shares held by the Trust	**(73,605)**	(73,605)
Weighted average number of ordinary shares used in the computation of basic EPS	**1,109,768**	1,109,768

Diluted EPS is the same as the basic EPS as there are no dilutive potential ordinary shares in issue during the year.

30. EMPLOYEE BENEFITS

a. Company

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

The ESOS was approved by shareholders of the Company on 17 October 2008 and further approved by shareholders of Guoco Group Limited ("GGL") (an intermediate holding company of the Company) on 21 November 2008 ("ESOS 2008"), to replace the Company's former ESOS ("ESOS 2004"), which expired in December 2008. The terms of the ESOS 2008 are substantially similar to those of the ESOS 2004.

Under the ESOS 2008, options may be granted over newly issued and/or existing issued ordinary shares of the Company ("Shares"). The ESOS 2008 is administered by a Committee of Directors comprising Mr Quek Leng Chan and Mr Timothy Teo who are non-participants. The ESOS 2008 options were granted to selected key executives of the Company ("Participants").

During the financial year, no options were granted, exercised or lapsed. Further, no new Shares were issued pursuant to the ESOS 2008.

The aggregate number of options (including options adjusted pursuant to the Company's Rights Issue 2007 and Rights Issue 2010) granted to Participants since the commencement of the ESOS to the end of the financial year is as follows:-

Participants	Aggregate options granted since the commencement of the ESOS to end of financial year	Aggregate options exercised since the commencement of the ESOS to end of financial year	Aggregate options lapsed since the commencement of the ESOS to end of financial year	Aggregate options outstanding as at end of financial year
Directors of Subsidiaries				
Dawn Pamela Lum	4,072,355	(1,138,200)	(2,934,155)	–
Tan Teck Huat	2,138,600	–	(2,138,600)	–
Other Executives	61,479,463	(19,642,100)	(41,837,363)	–
Total	**67,690,418**	**(20,780,300)**	**(46,910,118)**	**–**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

30. EMPLOYEE BENEFITS (cont'd)

a. Company (cont'd)

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

Other statutory information regarding the above options is as follows:-

(i) In relation to ESOS 2008, the exercise price per Share is the 5-day weighted average market price on Singapore Exchange Securities Trading Limited immediately prior to the date of grant of the option.

(ii) An option shall be exercisable on the date after (a) the second anniversary of the date of grant (for employees who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other employees), and to end on a date not later than 10 years after the date of grant.

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

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

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

The movement in the options during the financial year is as follows:-

	Group	
	2014	**2013**
At 1 July	–	6,148,475
Lapsed	–	(6,148,475)
At 30 June	–	–

In 2013, 6,148,475 options lapsed, as certain conditions were not met and due to the resignation of certain Participants.

Shares held by Trust

In October 2004, the Company established a Trust in respect of the ESOS. Pursuant to a trust deed between the Company and the Trust, the Trust had acquired Shares from the market for the purpose of satisfying options granted or to be granted to participants under the ESOS. Subject to financial, performance and other targets being met by these participants, Shares held under the Trust may be transferred to them upon exercise of their share options. As at 30 June 2014, the Trust held an aggregate of 73,604,933 (2013: 73,604,933) Shares. The assets and liabilities of the Trust are in the Company for accounting purposes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

30. EMPLOYEE BENEFITS (cont'd)

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

GLM Executive Share Scheme ("ESS")

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

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

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

The GLM ESOS together with the ESGS have been renamed as the Executive Share Scheme ("ESS 2012"). For ease of administration, the Bye-Laws of the ESOS were amended to incorporate the ESGS to form the consolidated Bye-Laws of the ESS 2012 ("GLM Bye-Laws").

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

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

2. The aggregate number of shares to be issued under the ESGS and any other ESOS established by GLM shall not exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of GLM at any one time ("Maximum Aggregate"). The Maximum Aggregate shall be subjected to the provision that the total number of new shares of GLM which may be issued upon exercise of options under the ESS 2012 must not in aggregate exceed 10% of the issued and paid-up ordinary share capital of GLM as at the Approval Date unless approval shall have been obtained from the shareholders of GGL.

3. No options may be granted to any eligible executive in any 12-month period that would enable such eligible executive becoming entitled to subscribe for new shares exceeding in nominal value of 1% of the issued and paid-up ordinary share capital in GLM in issue unless approval shall have been obtained from the shareholders of GGL.

4. The ESS 2012 shall be in force until 20 March 2022.

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

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

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

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

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

The ESS Trust did not acquire any ordinary shares of GLM during the financial year.

No option or shares in GLM have been granted under the ESS 2012 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

30. EMPLOYEE BENEFITS (cont'd)

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

GLM Executive Share Scheme ("ESS") (cont'd)

(ii) On 22 August 2011, GLM has established a Value Creation Incentive Plan ("VCIP") for selected key executives of GLM Group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options will be satisfied through the transfer of existing GLM shares held by the GLM ESOS Trust. Pursuant to the VCIP, GLM has granted options ("VCIP Options") over 27,500,000 GLM shares at an exercise price of RM0.87 per share to eligible key executives of GLM Group ("VCIP Options Holders").

The VCIP Options granted are subject to the achievement of prescribed financial and performance targets/criteria by the VCIP Options Holders over a stipulated performance period. No VCIP Option has been vested during the financial year.

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

As at the reporting date, the outstanding VCIP Options granted were 3,150,000 (2013: 4,500,000). 1,350,000 (2013: 23,000,000) VCIP Options granted were forfeited during the financial year. No VCIP Options have been granted during the financial year.

The GLM Board shall have the discretion to determine the aggregate allocation of shares to directors and senior management pursuant to the ESS 2012 and the VCIP, but in any case, it shall not exceed the Maximum Aggregate.

Measurement of Fair Value of Options

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services is calculated using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of VCIP Options and assumptions

Fair value at grant date	RM0.17 to RM0.42
Share price at grant date	RM0.83
Exercise price	RM0.87
Expected volatility	42.8%
Expected option life	1.5 years to 6.5 years
Expected dividends yield	2.3% to 3.1%
Risk-free interest rate	3.0% to 3.3%

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

31. DIVIDENDS

	Company	
	2014	**2013**
	$'000	**$'000**
Paid by the Company to ordinary equity holders of the Company		
Final one-tier ordinary dividend paid of 5 cents (2013 : 5 cents) per ordinary share in respect of the previous financial year*	**55,488**	55,488
Paid by subsidiaries to non-controlling interests	**1,256**	11,556

After the reporting date, the Directors proposed a final one-tier dividend of 5 cents (2013: 5 cents) per ordinary share amounting to $55.5 million (2013: $55.5 million). The dividends have not been provided for.

* Dividend payments in respect of 73,604,933 (2013: 73,604,933) ordinary shares of the Company which were held by the Trust for Executives' Share Option Scheme were eliminated on consolidation.

32. 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. The terms and conditions of the transactions with the related parties were no more favourable than those available or which might reasonably be expected to be available, on similar transactions to non-related entities on an arm's length basis.

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

a. Rental income of $2,239,000 was received for the financial year ended 30 June 2014 (2013: $2,239,000) and will continue to be receivable by the Group pursuant to lease agreements entered into with companies in which two of the directors has an interest.

b. On 2 July 2014, the Company signed a renewal of the Management Agreement with an intermediate holding company, Guoco Group Limited ("GGL"), in relation to the provision of services to the Group for a further period of 3 years to 30 June 2017, on the same terms and conditions as the previous Agreement which expired on 30 June 2014. The payment of the annual fee will be based on the equivalent of 3% of the profit before tax of its subsidiaries. The aggregate fees payable by the Group in each financial year to GGL shall in any event not exceed 2% of the audited consolidated net tangible assets of the Company for the relevant financial year. Two directors of the Company are also directors and shareholders of GGL. (See note 27)

c. On 30 April 2009, the Company signed an agreement with GGL relating to the use of trademarks and logos pursuant to which licence fees of $33,000 (2013: $37,000) have been paid by the Company for the financial year ended 30 June 2014. Two directors of the Company are also directors and shareholders of GGL.

d. On 12 January 2012, the Company announced that GGL had extended an unsecured term loan facility of US$100 million ("Loan") to GuocoLand (China) Limited, the Company's wholly owned subsidiary. The loan was repaid in the year ended 30 June 2013. For the financial year ended 30 June 2013, interest paid to GGL in respect of the Loan was $3,423,000.

e. On 27 May 2013, the Group issued Perpetual Securities (see note 19) with a principal amount of $65 million to a subsidiary of GGL. As at 30 June 2014, the Group has paid $3,055,000 (2013: Nil) and accrued $419,000 (2013: $293,000) of distributions for the Perpetual Securities distributions to the subsidiary of GGL. Two directors of the Company are also directors and shareholders of GGL.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

33. DISPOSAL OF INTERESTS IN SUBSIDIARIES

During the year, the Group disposed of its investment in a subsidiary, Guo Xiang Property Co. Limited, which has a project located in Nanjing, China for a total sale consideration of $248.4 million (RMB 1,200 million). The cash flows and net assets disposed of are summarised as follows:

	2014 **$'000**
Property, plant and equipment	4
Cash balances	3,728
Inventories	151,922
Other current assets	2
Other current liabilities	(430)
Deferred tax liabilities	(3,823)
Non-controlling interests	(613)
Net assets disposed	150,790
Realisation of translation reserve	(1,976)
Disposal costs	687
Gain on disposal of subsidiaries	98,935
Sale consideration	248,436
Cash balances of subsidiaries disposed	(3,728)
Net cash inflow on disposal of subsidiaries	244,708

34. FINANCIAL INSTRUMENTS

a. Financial Risk Management Objectives and Policies

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

b. Market Risk

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

(i) Foreign Currency Risk

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

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

As at the reporting date, the Group had entered into forward exchange contracts with a notional amount of $104.0 million (2013: $509.6 million), to hedge the Group's foreign exchange exposure. As at the reporting date, the Company had not entered into any forward exchange contracts.

The Company does not have significant exposure to foreign currency risk. The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency and exposure arising from intercompany balances which are considered to be in the nature of interests in subsidiaries are excluded.

	US Dollar $'000	Chinese Renminbi $'000
Group		
2014		
Trade and other receivables	**3,360**	**–**
Cash and cash equivalents	**354,401**	**101**
Trade and other payables	**–**	**(2,011)**
Net statement of financial position exposure	**357,761**	**(1,910)**
Forward exchange contracts	**(104,024)**	**–**
Net exposure	**253,737**	**(1,910)**
2013		
Trade and other receivables	245	–
Cash and cash equivalents	583,837	20,540
Loans and borrowings	(62,915)	–
Trade and other payables	(7)	(2,054)
Net statement of financial position exposure	521,160	18,486
Forward exchange contracts	(509,612)	–
Net exposure	11,548	18,486

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

b. Market Risk (cont'd)

(i) **Foreign Currency Risk (cont'd)**

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

Functional Currencies	Foreign Currencies	Rate of Increase in Foreign Currencies	Profit Before Tax $'000
Group			
2014			
SGD	**USD**	**1.69%**	**4,106**
RMB	**USD**	**1.69%**	**180**
MYR	**USD**	**1.80%**	**2**
USD	**RMB**	**1.69%**	**(34)**
2013			
SGD	USD	3.24%	82
RMB	USD	1.28%	113
MYR	USD	3.62%	4
USD	RMB	1.28%	(26)

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

(ii) **Interest Rate Risk**

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

At the reporting date, the Group had interest rate swap contracts with a notional amount of $236.5 million (2013: $240.0 million) to hedge the Group's interest rate exposure.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

b. Market Risk (cont'd)

(ii) **Interest Rate Risk (cont'd)**

Exposure to interest rate risk
At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:-

	Group Nominal amount		Company Nominal amount	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
Fixed rate instruments				
Financial assets	**606,724**	771,371	**148,365**	213,123
Financial liabilities	**(1,869,434)**	(1,786,356)	**(500,664)**	(395,245)
Interest rate swaps	**(236,500)**	(240,000)	**–**	–
	(1,499,210)	(1,254,985)	**(352,299)**	(182,122)
Variable rate instruments				
Financial liabilities	**(3,351,263)**	(3,727,204)	**(77,000)**	(60,000)
Interest rate swaps	**236,500**	240,000	**–**	–
	(3,114,763)	(3,487,204)	**(77,000)**	(60,000)

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments
An increase in the interest rates from 5 to 38 (2013: 5 to 25) basis points at the reporting date would decrease the Group's profit before income tax and accumulated profits by $2.5 million (2013: $5.1 million). The impact on the Group's profit and accumulated profits is estimated as an annualised impact on interest expense or income of such a change in interest rates. There is no impact on the other components of equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests. A decrease in the interest rates would have an equal but opposite effect.

(iii) **Equity Price Risk**

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices of equity instruments. The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The Group has available-for-sale equity securities, which are mainly listed in Malaysia.

The Company does not have significant exposure to equity price risk.

Sensitivity Analysis
A 6% (2013: 11%) increase in the equity prices at the reporting date would increase the Group's equity by $0.1 million (2013: $0.2 million); and an equal change in the opposite direction would have decreased the Group's equity by $0.1 million (2013: $0.2 million). This analysis assumes that all other variables remain the same.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

c. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets.

Trade and other receivables
The Group's exposure to credit risk is minimal as customers fund their purchases of residential housing units with mortgaged home loans from independent financial institutions. For trade receivables from tenants of the Group's commercial buildings, the Group has guidelines governing the process of granting credit.

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

Derivatives
Transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. It is the Group's policy to enter into financial instruments with a diversity of creditworthy local and international financial institutions.

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

Guarantees
The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantees is set out in note 36. At reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

d. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk by actively managing its debt portfolio and operating cash flows to ensure that all refinancing, repayments and funding requirements of the Group's operations are met. The Group maintains a sufficient level of cash and cash equivalents to meet the Group's working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

d. Liquidity Risk (cont'd)

The following are the contractual undiscounted cash outflows of financial liabilities, including interest payments:-

	Carrying amount $'000	Contractual Cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Between 1 and 5 years $'000	Cash flows: More than 5 years $'000
Group					
2014					
Non-derivative financial liabilities					
Trade and other payables*	**(377,302)**	**(377,302)**	**(306,360)**	**(69,986)**	**(956)**
Loans and borrowings	**(5,066,774)**	**(5,396,605)**	**(2,545,917)**	**(2,635,656)**	**(215,032)**
	(5,444,076)	**(5,773,907)**	**(2,852,277)**	**(2,705,642)**	**(215,988)**
Derivative financial instruments					
Forward exchange contracts (net)	**(50)**	**(50)**	**(50)**	**–**	**–**
Interest rate swaps (net)	**(3,828)**	**(3,901)**	**(3,262)**	**(639)**	**–**
	(3,878)	**(3,951)**	**(3,312)**	**(639)**	**–**
	(5,447,954)	**(5,777,858)**	**(2,855,589)**	**(2,706,281)**	**(215,988)**
2013					
Non-derivative financial liabilities					
Trade and other payables*	(491,988)	(491,988)	(426,141)	(64,926)	(921)
Loans and borrowings	(5,372,335)	(5,807,918)	(1,667,636)	(3,855,793)	(284,489)
	(5,864,323)	(6,299,906)	(2,093,777)	(3,920,719)	(285,410)
Derivative financial instruments					
Forward exchange contracts (net)	(4,480)	(4,480)	(4,480)	–	–
Interest rate swaps (net)	(6,655)	(7,682)	(3,956)	(3,726)	–
	(11,135)	(12,162)	(8,436)	(3,726)	–
	(5,875,458)	(6,312,068)	(2,102,213)	(3,924,445)	(285,410)

* Excludes progress billings and derivatives.

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

	Carrying amount $'000	Contractual Cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Between 1 and 5 years $'000	Cash flows: More than 5 years $'000
Company					
2014					
Non-derivative financial liabilities					
Trade and other payables	**(1,007)**	**(1,007)**	**(1,007)**	**–**	**–**
Loans and borrowings	**(77,700)**	**(78,074)**	**(78,074)**	**–**	**–**
	(78,707)	**(79,081)**	**(79,081)**	**–**	**–**
2013					
Non-derivative financial liabilities					
Trade and other payables	(738)	(738)	(738)	–	–
Loans and borrowings	(60,000)	(60,085)	(60,085)	–	–
	(60,738)	(60,823)	(60,823)	–	–

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

e. Accounting Classifications and Fair Values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:-

	Note	Fair value through profit or loss $'000	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group							
2014							
Other investments	8	**–**	**–**	**1,717**	**–**	**1,717**	**1,717**
Trade and other receivables#	12	**–**	**459,258**	**–**	**–**	**459,258**	**459,258**
Cash and cash equivalents	16	**–**	**716,006**	**–**	**–**	**716,006**	**716,006**
Derivative financial assets	15	**1,041**	**–**	**–**	**–**	**1,041**	**1,041**
		1,041	**1,175,264**	**1,717**	**–**	**1,178,022**	**1,178,022**
Loans and borrowings	20	**–**	**–**	**–**	**5,066,774**	**5,066,774**	**5,105,587**
Trade and other payables*	21	**–**	**–**	**–**	**377,302**	**377,302**	**377,302**
Derivative financial liabilities	15	**3,878**	**–**	**–**	**–**	**3,878**	**3,878**
		3,878	**–**	**–**	**5,444,076**	**5,447,954**	**5,486,767**
2013							
Other investments	8	–	–	1,582	–	1,582	1,582
Trade and other receivables#	12	–	375,743	–	–	375,743	375,743
Cash and cash equivalents	16	–	934,340	–	–	934,340	934,340
		–	1,310,083	1,582	–	1,311,665	1,311,665
Loans and borrowings	20	–	–	–	5,372,335	5,372,335	5,411,589
Trade and other payables*	21	–	–	–	491,988	491,988	491,988
Derivative financial liabilities	15	11,135	–	–	–	11,135	11,135
		11,135	–	–	5,864,323	5,875,458	5,914,712

	Note	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Company					
2014					
Trade and other receivables	12	**113**	**–**	**113**	**113**
Cash and cash equivalents	16	**948**	**–**	**948**	**948**
		1,061	**–**	**1,061**	**1,061**
Loans and borrowings	20	**–**	**77,700**	**77,700**	**77,700**
Trade and other payables	21	**–**	**1,007**	**1,007**	**1,007**
		–	**78,707**	**78,707**	**78,707**
2013					
Trade and other receivables	12	9,006	–	9,006	9,006
Cash and cash equivalents	16	7,138	–	7,138	7,138
		16,144	–	16,144	16,144
Loans and borrowings	20	–	60,000	60,000	60,016
Trade and other payables	21	–	738	738	738
		–	60,738	60,738	60,754

Excludes prepayments and derivatives.

* Excludes progress billings and derivatives.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

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

Valuation processes applied by the Group

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

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

Interest rates used for determining fair values

The interest rates used to discount estimated cash flows were as follows:-

	2014	**2013**
Loans and borrowings	**2.1% - 4.5%**	1.0% - 7.6%

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

f. Fair Value Hierarchy

The tables in note 5 and below analyse fair value measurements for non-financial assets, financial assets and financial liabilities carried at fair value, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:–

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: unobservable inputs for the asset or liability.

Financial assets and financial liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2014				
Available-for-sale securities	**1,717**	**–**	**–**	**1,717**
Derivative assets	**–**	**1,041**	**–**	**1,041**
	1,717	**1,041**	**–**	**2,758**
Derivative liabilities	**–**	**(3,878)**	**–**	**(3,878)**
2013				
Available-for-sale securities	1,582	–	–	1,582
Derivative liabilities	–	(11,135)	–	(11,135)

Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed*

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2014				
Loans and borrowings	**–**	**5,105,587**	**–**	**5,105,587**
2013				
Loans and borrowings	–	5,411,589	–	5,411,589

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

There were no transfers between the levels during the financial year.

The entity's policy is to recognise transfer out of Level 3 as of the end of the reporting period during which the transfer has occurred.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

34. FINANCIAL INSTRUMENTS (cont'd)

g. Determination of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investment properties

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

The valuation techniques used by the valuers are set out in note 5.

(ii) Equity securities

The fair values of investments in equity securities are determined by reference to their quoted closing bid price in an active market at the measurement date.

(iii) Trade and other receivables

The fair values of trade and other receivables, excluding progress billings, are estimated at the present value of future cashflows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iv) Derivatives

The fair values of interest rate swaps (Level 2 fair values) are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Forward currency contracts are valued based on forward pricing models, using present value calculations. The valuations incorporate various inputs including foreign exchange spot and forward rates, interest rate curves and forward rate curves, and the credit quality of counter parties, where appropriate.

(v) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group entity and counterparty when appropriate.

(vi) Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the historical volatility of the relevant entities' share price, particularly over the historical period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

35. COMMITMENTS

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

	Group	
	2014	**2013**
	$'000	**$'000**
Within 1 year	**2,777**	2,546
Between 1 and 5 years	**2,456**	2,836
	5,233	5,382

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

b. The commitment in respect of capital expenditure contracted but not provided for in the financial statements by the Group was $1,468 million (2013: $1,905 million).

36. CONTINGENT LIABILITIES

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

a. In November 2007, GuocoLand (China) Limited ("GLC"), a wholly owned subsidiary of the Company, completed its acquisition of a 100% interest in Hainan Jing Hao Asset Limited ("Hainan Co"), which in turn held a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("DZM Project Co"), the company undertaking the Dongzhimen project in Beijing ("DZM Project"). An aggregate of RMB3.22 billion of the purchase consideration of RMB5.8 billion had been paid to the vendors of the DZM Project, Beijing Beida Jade Bird Company Limited ("BBJB") and its related corporations (collectively, the "DZM Vendors"). The balance RMB2.58 billion had been withheld, pending resolution of disputes described below and, in respect of a loan of RMB2 billion made by Agricultural Bank of China ("ABC") to Beijing Dong Hua Guang Chang Zhi Ye Co Ltd ("Zhiye"), a related corporation of BBJB, and guaranteed by BBJB, DZM Project Co and Hainan Co. The loan of RMB2 billion with interest ("ABC Loan") had, in April 2011, been acquired from ABC by GuoSon Investment Company Limited ("GICL"), a wholly-owned subsidiary of the Company, together with all rights attaching thereto including enforcement rights against the borrower and guarantors, for a sum of RMB3.048 billion. GICL's acquisition of the ABC Loan had been sanctioned by The Beijing Second Intermediate People's Court. PRC lawyers have advised that GLC has a good case to treat the sum paid by GICL to ABC as a set-off against any outstanding balance of the purchase consideration for the DZM Project.

(i) Alleged claims by Shenzhen Development Bank ("SDB")

SDB had claimed that a loan of RMB1.5 billion was granted by SDB to certain borrowers (the "Alleged Loans"). Amongst the security allegedly obtained by SDB is a guarantee by Zhiye. SDB filed an earlier suit against Zhiye and DZM Project Co in The People's High Court of Beijing ("Beijing Court") but this was dismissed in December 2007. An appeal has been filed by SDB against Zhiye and DZM Project Co in respect of this dismissal ("SDB appeal").

SDB has also initiated another suit directly against DZM Project Co in connection with the recovery of its loan and interest under the Zhiye guarantee ("second SDB suit"). It made an interim application to the Beijing Court to restrict dealing in DZM Project Co's assets in the aggregate sum of its claims. GLC's PRC lawyers have advised that the interim application by SDB granted by the Beijing Court only restricts dealing in the assets of DZM Project Co pending final resolution of the SDB actions. The interim application will be expunged in the event the PRC courts dismiss the SDB actions.

Based on the information available to GLC, DZM Project Co is neither a guarantor nor borrower of the Alleged Loans granted by SDB to the third party borrowers which were unrelated to DZM Project Co. GLC has also been advised by its PRC lawyers that both the SDB appeal and second SDB suit have no merits.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

36. CONTINGENT LIABILITIES (cont'd)

The significant contingent liabilities of the Group and the Company are as follows:- (cont'd)

(i) Alleged claims by Shenzhen Development Bank ("SDB") (cont'd)

Before the hearing of the SDB appeal and the second SDB suit, SDB and BBJB purportedly entered into a settlement agreement in May 2008 for DZM Project Co to pay, *inter alia*, RMB1 billion of the Alleged Loans to SDB. In November 2008, this settlement agreement was purportedly mediated through the Supreme People's Court of The People's Republic of China ("Supreme Court") and was stated to have effect as a judgement upon signing by the relevant parties ("Alleged Civil Mediation Agreement"). GLC did not have conduct of the aforesaid proceedings and is not aware of whether the Alleged Civil Mediation Agreement has been signed by the parties, and has been advised by its PRC lawyers that the Alleged Civil Mediation Agreement is void and unenforceable. GLC has submitted an application for the rehearing of the Alleged Civil Mediation Agreement, which is pending before the Supreme Court.

(ii) Hainan Co and DZM Project Co

In early 2008, GLC had received a notice issued by the Industrial and Commercial Administrative Bureau of Hainan Province purporting to revert registration of the shares in Hainan Co to its original shareholders, who are two of the DZM Vendors, allegedly on the ground, *inter alia*, that GLC had not paid the requisite consideration for Hainan Co.

GLC has challenged the basis for this notice as the full consideration for the transfer of Hainan Co to GLC has been paid to the DZM Vendors. GLC has taken legal advice on these matters and would strongly defend and protect its 90% interest in the DZM Project.

In March 2008, GLC filed a suit against the Industrial and Commercial Administration Bureau of Hainan Province on its reversion of the registration in Hainan Co to the original shareholders. In October 2008, GLC was notified that an administrative judgement by the Hainan Haikou Intermediate People's Court has ruled against GLC. GLC has since appealed to the Hainan High Court against such judgement. The case has been heard by the Hainan High Court and is pending judgement.

GLC group has also sought to protect its 90% interest in the DZM Project and is pursuing separate legal actions in Beijing which are now before the Beijing Intermediate Court, seeking, *inter alia*, for an order as rightful owner that the 90% interest in DZM Project Co be transferred to GLC or its nominee as, amongst other arguments, the development costs of the DZM Project have been funded by the Group. Pending judgement of the aforesaid legal actions, the Beijing Intermediate Court has granted GLC group's application for an asset preservation order in respect of the 90% shareholding in DZM Project Co held by Hainan Co.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

36. CONTINGENT LIABILITIES(cont'd)

b. The Company has issued financial guarantees to financial institutions in connection with banking facilities granted to a subsidiary and the issue of perpetual securities by a subsidiary. The periods in which the financial guarantees expire are as follows:-

	Company	
	2014	**2013**
	$'000	**$'000**
Within 1 year	**1,285,000**	776,915
Between 1 and 5 years	**973,000**	1,561,000
After 5 years	**125,000**	125,000
No fixed maturity	**200,000**	200,000
	2,583,000	2,662,915

At the reporting date, the Company does not consider that it is probable that a claim will be made against the Company under the financial guarantee contracts. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantee contracts.

37. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Group's Executive Officer ("CEO") that are used to make strategic decisions.

The Group's reportable operating segments are as follows:-

a. GuocoLand Singapore – development of residential properties and property investment (holding properties for rental income) in Singapore.

b. GuocoLand China – development of residential, commercial and integrated properties and management and operation of hotels in China.

c. GuocoLand Malaysia – development of residential, commercial and integrated properties, management and operations of hotels in Malaysia.

d. GuocoLand Vietnam – development of residential, commercial and integrated properties in Vietnam.

Other operations include mainly the Group's Corporate Office and Treasury operation.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Geographically, management reviews the performance of the businesses in Singapore, China, Malaysia, Vietnam and other Asia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Non-current assets are based on the geographical location of the assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

37. OPERATING SEGMENTS (cont'd)

	GuocoLand Singapore $'000	GuocoLand China $'000	GuocoLand Malaysia $'000	GuocoLand Vietnam $'000	Sub-Total $'000	Others $'000	Total $'000
2014							
Revenue							
External revenue	**717,337**	**411,488**	**122,176**	**326**	**1,251,327**	**23**	**1,251,350**
Results							
Profit/(loss) from operating activities	**233,049**	**165,065**	**72,718**	**(1,810)**	**469,022**	**(4,190)**	**464,832**
Share of profit/(loss) of associates and joint ventures (net of tax)	**(3)**	**(97)**	**19,377**	**–**	**19,277**	**–**	**19,277**
Interest income	**188**	**9,722**	**323**	**1,869**	**12,102**	**31**	**12,133**
Finance costs	**–**	**(25,432)**	**(8,682)**	**–**	**(34,114)**	**(52,115)**	**(86,229)**
Profit/(loss) before tax	**233,234**	**149,258**	**83,736**	**59**	**466,287**	**(56,274)**	**410,013**
Tax expense	**(26,975)**	**(40,428)**	**(8,545)**	**(45)**	**(75,993)**	**(1,225)**	**(77,218)**
Profit/(loss) for the year	**206,259**	**108,830**	**75,191**	**14**	**390,294**	**(57,499)**	**332,795**
Segment assets	**4,383,204**	**3,399,857**	**861,692**	**55,512**	**8,700,265**	**19,194**	**8,719,459**
Segment liabilities	**2,184,996**	**629,847**	**442,589**	**5,419**	**3,262,851**	**2,483,077**	**5,745,928**
Other segment items:							
Associates and joint ventures	**565**	**315,962**	**179,898**	**–**	**496,425**	**–**	**496,425**
Depreciation	**(159)**	**(5,424)**	**(2,434)**	**(52)**	**(8,069)**	**(382)**	**(8,451)**
Fair value gain from investment properties	**78,420**	**–**	**43,649**	**–**	**122,069**	**500**	**122,569**
Capital expenditure	**122,481**	**176**	**27,984**	**232**	**150,873**	**1,371**	**152,244**
2013							
Revenue							
External revenue	526,642	52,896	70,431	27,455	677,424	18	677,442
Results							
Profit/(loss) from operating activities	159,613	(10,020)	1,565	18,231	169,389	(6,049)	163,340
Share of profit/(loss) of associates and joint ventures (net of tax)	(5)	(137)	17,211	–	17,069	(62)	17,007
Interest income	11	4,543	539	591	5,684	38	5,722
Finance costs	–	(35,301)	(11,740)	–	(47,041)	(40,512)	(87,553)
Profit/(loss) before tax	159,619	(40,915)	7,575	18,822	145,101	(46,585)	98,516
Tax (expense)/credit	(30,615)	(21,471)	904	(4,721)	(55,903)	857	(55,046)
Profit/(loss) for the year	129,004	(62,386)	8,479	14,101	89,198	(45,728)	43,470
Segment assets	4,355,240	3,892,571	812,442	60,463	9,120,716	34,167	9,154,883
Segment liabilities	2,256,127	1,097,957	460,556	10,974	3,825,614	2,554,168	6,379,782
Other segment items:							
Associates and joint ventures	168	312,581	179,216	–	491,965	400	492,365
Depreciation	(190)	(5,844)	(2,545)	(33)	(8,612)	(310)	(8,922)
Fair value gain from investment properties	5,834	31,489	(5,100)	–	32,223	100	32,323
Allowance for foreseeable losses on development properties	–	–	(2,378)	–	(2,378)	–	(2,378)
Capital expenditure	98,845	514	25,044	4	124,407	265	124,672

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

37. OPERATING SEGMENTS (cont'd)

Geographical information

	External Revenue $'000	Non-Current Assets# $'000
2014		
Singapore	**717,360**	**2,207,120**
China	**411,488**	**547,199**
Malaysia	**122,176**	**452,406**
Vietnam and others	**326**	**286**
	1,251,350	**3,207,011**
2013		
Singapore	526,660	2,004,914
China	52,896	554,083
Malaysia	70,431	388,212
Vietnam and others	27,455	107
	677,442	2,947,316

Excludes other receivables, other investments and deferred tax assets.

Major customers

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

38. SUBSEQUENT EVENT

In July 2014, the Group accepted the offer from a shareholder of Continental Estate Sdn Bhd ("Continental Estate"), to acquire an additional interest of 10.66% in Continental Estate for a total purchase consideration of $16.7 million (RM43 million). Upon completion of the transaction, the Group's effective equity interest in Continental Estate will increase from 33.97% to 41.21%. The Group is unable to estimate the financial effect of the transaction at the date of the issuance of these financial statements.

OTHER INFORMATION

1. DEVELOPMENT PROPERTIES

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

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Singapore						
Goodwood Residence Situated at Bukit Timah Road	Residential	TOP obtained in June 2013	N/A	24,845	39,752	100.00
Sophia Residence Situated at 32 Adis Road	Residential	TOP obtained in April 2014	N/A	15,435	32,413	100.00
Leedon Residence Situated at Leedon Heights	Residential	Architectural and external works in progress	1st Quarter 2015	48,525	77,640	100.00
Tanjong Pagar Centre Situated at Peck Seah Street / Choon Guan Street	Residential/ Commercial#/ Office#/ Hotel▲	Substructure and superstructure works in progress	2nd Quarter 2016	15,023	157,738	80.00
Site situated at Lot 10713L, MK 24, Sims Drive	Residential	Planning	*	23,900	71,700	100.00
Malaysia						
Changkat Kia Peng Situated at Lot 241 Seksyen 63, Bandar Kuala Lumpur	Residential	Planning	*	3,030	3,030	67.94
Commerce One, Bedford Business Park Situated at Old Klang Road, Mukim of Petaling Jaya, Kuala Lumpur	Commercial	TOP obtained in December 2013	N/A	2,565	39,636	67.94
Bukit Rahman Putra Situated at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	Phase 6B: Main building works completed	4th Quarter 2014	26,993	23,411	67.94
		Phases 5B, 6C, 6D, 8D & CL5: Planning	*	88,944	65,341	67.94

OTHER INFORMATION

1. DEVELOPMENT PROPERTIES (cont'd)

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

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Malaysia (cont'd)						
Site situated at Lot 3059, Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	30,351	30,351	67.94
Damansara City Situated at Damansara Town Centre, Kuala Lumpur	Residential/ Commercial#/ Office#/ Hotel▲	Building works in progress	2nd Quarter 2016	32,450	214,794	67.94
Site situated at Geran No. 20438, Lot 36, Bandar Batu Ferringhi, Pulau Pinang	Residential	Planning	*	18,534	18,534	67.94
Amandarii Situated at Seksyen 9, Tempat Sungai Kantan, Kajang, Daerah Hulu Langat, Selangor Darul Ehsan	Residential	TOP obtained in September 2013	N/A	35,450	16,591	67.94
The OVAL Situated at Seksyen 63, Jalan Binjai, Kuala Lumpur	Residential	TOP obtained in September 2009	N/A	7,080	54,474	67.94
Site situated at Geran No. 18795-18799, 18803-18805, 18831, Lot 7585-7589, 7597-7599, 7600 Mukim Petaling and District of Kuala Lumpur	Residential	Planning	*	184,687	184,687	67.94
PJ City Corporate Hub Situated at Lot 13508, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling	Industrial	TOP obtained in April 2014	N/A	31,404	18,486	67.94
Site situated at 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling	Commercial	Planning	*	12,974	12,974	67.94

OTHER INFORMATION

1. DEVELOPMENT PROPERTIES (cont'd)

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

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
The People's Republic of China						
Ascot Park Situated in Qixia District, Nanjing	Commercial	Phase 2: Planning	*	19,273	19,273	94.93
Shanghai Guoson Centre Situated in Putuo District, Shanghai	Commercial#	Phase 1: TOP obtained in July 2010	N/A	67,335	155,618	100.00
	Hotel▲	TOP obtained in June 2010	N/A			
	Serviced Apartment	TOP obtained in March 2013	N/A			
	Commercial/ Office	Phase 2: Construction works in progress	4th Quarter 2016	76,510	214,330	100.00
Seasons Park Situated in Nankai District, Tianjin	Residential	TOP obtained in December 2013	N/A	25,866	209,661	100.00
Beijing Guoson Centre Situated in Dong Cheng District, Beijing	Residential/ Commercial/ Office/ Hotel	Construction works under review	N/A	106,000	595,812	90.00
Vietnam						
The Canary Situated in Thuan An District, Binh Duong Province	Residential/ Commercial	Phase 2: TOP obtained in September 2013	N/A	101,532	152,000	100.00
		Phases 3 & 4: Planning	*			

* Not available as these developments have not commenced construction or have not been launched yet.
\# The carrying value is included in Investment Properties.
▲ The carrying value is included in Property, Plant and Equipment.

N/A: Not applicable.

OTHER INFORMATION

2. INVESTMENT PROPERTIES

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

Property	Description	Tenure of Land
Singapore		
20 Collyer Quay Singapore 049319	24-storey office building	999-year lease with effect from 5.11.1862
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interests in freehold land	#
Tanjong Pagar Centre Situated at Peck Seah Street / Choon Guan Street Singapore	Land under development	99-year lease with effect from 21.02.2011
Malaysia		
Menara Pandan C & D Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Two blocks of 10-storey office tower building	99-year lease with effect from 25.03.2002
Damansara City Lot 58303 Damansara Heights Jalan Damanlela 50490 Kuala Lumpur	Land under development	Freehold
The People's Republic of China		
Shanghai Guoson Centre No. 452 Daduhe Road Shanghai	4-storey commercial building (excluding one level of basement)	50-year land use rights with effect from 11.12.2005

The Group disposed of its interests in a 98-year lease (with effect from 19 March 1998) in the freehold land to a third party. Accordingly, the Group recognised its reversionary interests in the freehold land.

SHAREHOLDING STATISTICS
As at 3 September 2014

ISSUED AND FULLY PAID-UP CAPITAL : 1,183,373,276 ORDINARY SHARES
VOTING RIGHTS : 1 VOTE PER SHARE

Size of Shareholdings	No. of Shareholders	No. of Ordinary Shares	% of Ordinary Shares
1 – 999	511	126,290	0.01
1,000 – 10,000	2,551	10,104,299	0.85
10,001 – 1,000,000	661	30,127,687	2.55
1,000,001 & Above	20	1,143,015,000	96.59
TOTAL	3,743	1,183,373,276	100.00

TWENTY LARGEST SHAREHOLDERS REGISTERED WITH THE CENTRAL DEPOSITORY (PTE) LIMITED

Name of Shareholders	No. of Ordinary Shares	% of Ordinary Shares
GUOCOLAND ASSETS PTE. LTD.	772,032,426	65.24
HL BANK NOMINEES (S) PTE LTD	118,202,187	9.99
HSBC (SINGAPORE) NOMINEES PTE LTD	63,183,952	5.34
CITIBANK NOMINEES S'PORE PTE LTD	55,787,090	4.71
KWEK LENG HAI	35,290,914	2.98
AMFRASER SECURITIES PTE. LTD.	19,596,323	1.66
CIMB SECURITIES (S'PORE) PTE LTD	19,364,956	1.64
UOB KAY HIAN PTE LTD	13,859,685	1.17
DBS NOMINEES PTE LTD	12,271,750	1.04
LIM & TAN SECURITIES PTE LTD	5,253,110	0.44
UNITED OVERSEAS BANK NOMINEES PTE LTD	5,191,842	0.44
DBS VICKERS SECURITIES (S) PTE LTD	5,065,732	0.43
DBSN SERVICES PTE LTD	3,947,997	0.33
BANK OF S'PORE NOMINEES PTE LTD	3,399,331	0.29
NOMURA SINGAPORE LIMITED	2,486,888	0.21
TAN KAH BOH ROBERT@ TAN KAH BOO	1,894,000	0.16
LEE YUEN SHIH	1,779,000	0.15
RAFFLES NOMINEES (PTE) LTD	1,640,317	0.14
MORGAN STANLEY ASIA (S'PORE) SECURITIES PTE LTD	1,620,000	0.14
ANG JWEE HERNG	1,147,500	0.10
TOTAL	1,143,015,000	96.60

SHAREHOLDING IN THE HANDS OF THE PUBLIC AS AT 3 SEPTEMBER 2014

The percentage of shareholding in the hands of the public was approximately 20.39% of the total number of the issued and fully paid-up ordinary shares of the Company. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

SHAREHOLDING STATISTICS
As at 3 September 2014

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 3 SEPTEMBER 2014

	Substantial Shareholders	Direct Interest No. of Shares	Deemed Interest No. of Shares
1.	GuocoLand Assets Pte. Ltd.	772,032,426	–
2.	Fairbury Pte Ltd#	73,604,933	–
3.	Guoco Group Limited	–	772,032,426[1]
4.	GuoLine Overseas Limited	–	772,032,426[1]
5.	GuoLine Capital Assets Limited	–	804,493,744[2]
6.	Hong Leong Company (Malaysia) Berhad	–	804,493,744[2]
7.	HL Holdings Sdn Bhd	–	804,493,744[2]
8.	Hong Leong Investment Holdings Pte Ltd	–	804,493,744[2]
9.	Quek Leng Chan	13,333,333	817,911,030[3]

\# Trust established in respect of GuocoLand Limited Executives' Share Option Scheme.

1 deemed interest arising through GuocoLand Assets Pte. Ltd. by virtue of the operation of Section 7 of the Companies Act, Cap 50.

2 deemed interest arising through GuocoLand Assets Pte. Ltd. and a company in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act, Cap 50.

3 deemed interest arising through GuocoLand Assets Pte. Ltd. and companies in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act, Cap 50.

INTERESTED PERSON TRANSACTIONS

In addition to the transactions set out in Notes 27, 30 and 32 to the Financial Statements, 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 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S$100,000)
Hong Leong Group Malaysia	S$13,357,604	N.A.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the 38th Annual General Meeting ("**AGM**") of GuocoLand Limited (the "**Company**") will be held at Orchard Ballroom 3, Level 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 on Friday, 17 October 2014 at 2.30 pm for the following purposes:-

AS ORDINARY BUSINESS

1. To lay before the Meeting the Directors' Report and Audited Accounts of the Company for the financial year ended 30 June 2014.

2. To declare a First and Final Tax-Exempt (One-Tier) Dividend of 5 cents per ordinary share for the financial year ended 30 June 2014. Resolution 1

3. To approve Directors' fees of S$479,334 for the financial year ended 30 June 2014. Resolution 2

4. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-

   Mr Timothy Teo; Resolution 3

   (Mr Teo will, upon re-election as a Director of the Company, remain as Chairman of the Audit and Risk Committee and a member of the Nominating Committee. Mr Teo is considered as an Independent Director by the Nominating Committee.)

   Mr Moses Lee – who was appointed during the year; and Resolution 4

   (Mr Lee will, upon re-election as a Director of the Company, remain as Chairman of the Company. Mr Lee is considered as an Independent Director by the Nominating Committee.)

   Mr Chia Boon Kuah – who was appointed during the year. Resolution 5

5. To re-appoint Mr Quek Leng Chan, who retires pursuant to Section 153(6) of the Companies Act, Chapter 50 (the "**Companies Act**"), as Director of the Company to hold such office until the next AGM of the Company. Resolution 6

   (Mr Quek will, upon re-appointment as a Director of the Company, remain as Chairman of the Executive Committee and a member of the Remuneration Committee and ESOS Committee. Mr Quek is considered as a Non-Independent Director by the Nominating Committee.)

6. To re-appoint Mr Abdullah Bin Tarmugi, who retires pursuant to Section 153(6) of the Companies Act, as Director of the Company to hold such office until the next AGM of the Company. Resolution 7

   (Mr Abdullah will, upon re-appointment as a Director of the Company, remain as Chairman of the Nominating Committee and Chairman of the Remuneration Committee. Mr Abdullah is considered as an Independent Director by the Nominating Committee.)

7. To re-appoint Ms Jennie Chua, who retires pursuant to Section 153(6) of the Companies Act, as Director of the Company to hold such office until the next AGM of the Company. Resolution 8

   (Ms Chua will, upon re-appointment as a Director of the Company, remain as a member of the Remuneration Committee. Ms Chua is considered as an Independent Director by the Nominating Committee.)

8. To re-appoint Messrs KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 9

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

9.1 Authority to Issue Shares — Resolution 10

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to:

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

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

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

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

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed ten per cent. (10%) of the total number of issued Shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (2) below), and provided further that where shareholders of the Company with registered addresses in Singapore are not given the opportunity to participate in the same on a pro rata basis, then the aggregate number of Shares to be issued under such circumstances (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed ten per cent. (10%) of the total number of issued Shares excluding treasury shares of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares excluding treasury shares of the Company shall be calculated based on the total number of issued Shares excluding treasury shares of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

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

and, in relation to an Instrument, the number of shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument; and

NOTICE OF ANNUAL GENERAL MEETING

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

9.2 Renewal of Share Purchase Mandate — Resolution 11

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

(i) 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(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

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

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors 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 AGM of the Company is held; or

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

(c) in this Resolution:

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

"**Maximum Price**" in relation to a 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 over the 5 market days, on which transactions in the Shares were recorded, before the day on which the market purchase was made by the Company, and deemed to be adjusted for any corporate action that occurs after the relevant 5 market days; and

NOTICE OF ANNUAL GENERAL MEETING

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, twenty per cent. (20%) above the average of the closing market prices of the Shares over the 5 market days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under an Off-Market Purchase scheme; and

(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.

10. To transact any other business of an AGM of which due notice shall have been given.

By Order of the Board

Dawn Pamela Lum
Group Company Secretary

1 October 2014
Singapore

Notes:

A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or two proxies 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 #20-01 Singapore 049319 not less than 48 hours before the time set for holding the Meeting.

Notes to Special Business:

Resolution 10 is to empower the Directors to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 10 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed ten per cent. (10%) of the total number of issued shares excluding treasury shares of the Company, with a sub-limit of ten per cent. (10%) for shares issued other than on a *pro rata* basis (including shares to be issued in pursuance of Instruments made or granted pursuant to Resolution 10) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares of the Company will be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of Resolution 10, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 10; and (iii) any subsequent bonus issue, consolidation or subdivision of shares. The authority conferred by Resolution 10 will continue in force until the next AGM of the Company is held or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, unless previously varied or revoked by the Company in a general meeting.

Resolution 11 is to renew the Share Purchase Mandate as described in the Circular to shareholders dated 1 October 2014 (the "Circular") which will, unless varied or revoked by the Company in a general meeting, continue in force until the next AGM of the Company is held or is required by law to be held, whichever is earlier. This ordinary resolution, if passed will authorise the Directors of the Company to make purchases or otherwise acquire issued ordinary shares in the capital of the Company pursuant to and in accordance with the guidelines as set out in the Circular.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy:

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

GuocoLand Limited

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

IMPORTANT

1. For CPF Investors who have used their CPF monies to buy shares of GuocoLand Limited, this Annual Report is forwarded to them at the request of their nominee banks, being nominee banks approved by CPF ("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.
3. CPF Investors who wish to attend the AGM as OBSERVERS have to submit their requests through their respective CPF Approved Nominee so that their CPF Approved Nominee may register with the Company Secretary of GuocoLand Limited.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 October 2014.

PROXY FORM - ANNUAL GENERAL MEETING

*I/We ______________________________ NRIC No. ______________

of ____

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

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

*and/or

or, failing *him/her, the Chairman of the 38th Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be held on Friday, 17 October 2014 at 2.30 pm and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific indication as to voting is given, the *proxy/proxies may vote or abstain from voting at *his/her discretion, as *he/she will on any other matter arising at the AGM. If no person is named in the space above, the Chairman of the Meeting shall be *my/our *proxy/proxies to vote, for or against the Resolutions to be proposed at the AGM, as indicated below, for *me/us and on *my/our behalf at the AGM and at any adjournment thereof.

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

AS ORDINARY BUSINESS			
No.	Resolution	For	Against
1	To declare a First and Final Tax-Exempt (One-Tier) Dividend		
2	To approve Directors' fees		
3	To re-elect Mr Timothy Teo as a Director		
4	To re-elect Mr Moses Lee as a Director		
5	To re-elect Mr Chia Boon Kuah as a Director		
6	To re-appoint Mr Quek Leng Chan as a Director		
7	To re-appoint Mr Abdullah Bin Tarmugi as a Director		
8	To re-appoint Ms Jennie Chua as a Director		
9	To re-appoint Messrs KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration		
AS SPECIAL BUSINESS			
No.	Resolution	For	Against
10	To authorise the Directors to issue shares in the Company		
11	To approve the Renewal of Share Purchase Mandate		

Signed this ____________ day of ____________ 2014

Total Number of Ordinary Shares Held	

____
Signature(s) of member(s)/common seal*
***delete as appropriate**

FOLD HERE

AFFIX
STAMP
HERE

Company Secretary
GuocoLand Limited
20 Collyer Quay
#20-01
Singapore 049319

FOLD HERE

NOTES TO PROXY FORM

1. Please insert in the box at the bottom right hand corner on the reverse of this form, the number of shares held by you. If you have shares entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") in respect of shares in your Securities Account with CDP, 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 #20-01 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 name 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.

This annual report is printed on environmentally-friendly paper using soy-based ink.

GuocoLand Limited (Reg. No. 197600660W)
20 Collyer Quay
#20-01 Singapore 049319
Tel: 65-6535 6455
Fax: 65-6532 6196

www.guocoland.com.sg