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GuocoLand Limited

A Member of the Hong Leong Group

Annual Report 2023

Guoco Midtown Office Tower

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About Us

GuocoLand Limited ("GuocoLand") and its subsidiaries ("the Group") is a leading real estate group that is focused on its twin engines of growth in Property Investment and Property Development. It owns, invests in and manages a portfolio of quality commercial and mixed-use assets providing stabilised, recurring rental income with potential for capital appreciation. The Group has a strong track record in creating distinctive integrated mixed-use developments and premium residential properties that uplift and transform their local neighbourhoods.

The Group's investment properties – the total value of which stood at $6.20 billion as at 30 June 2023 – are located across its key markets of Singapore, China and Malaysia, such as Guoco Tower and Guoco Midtown in Singapore, Guoco Changfeng City in Shanghai, and Damansara City in Kuala Lumpur. Iconic residential projects of the Group include Wallich Residence, Martin Modern, Midtown Modern and Lentor Modern.

The Group's end-to-end capabilities span across the real estate value chain, from planning and design, property investment, property development, and property management to asset management.

GuocoLand is listed on the Mainboard of the Singapore Exchange. The parent company of GuocoLand is Guoco Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. The ultimate holding company of GuocoLand is GuoLine Capital Assets Limited. Both Guoco Group Limited and GuoLine Capital Assets Limited are members of the Hong Leong group of companies.

As of 30 June 2023, the Group has total assets of $12.01 billion and total equity attributable to ordinary equity holders of $4.27 billion.

Guoco Tower

Our Core Values

A member of the Hong Leong Group, GuocoLand is built on a strong heritage of value creation for our stakeholders and the communities we operate in. Over the years, we have taken a progressive approach in integrating sustainability into our businesses, to build a stronger, more resilient group. We are committed to growing our businesses responsibly, balancing environmental factors with economic considerations, as well as creating a positive impact for our stakeholders and contributing to our communities.

GUOCOLAND'S CORPORATE OBJECTIVES ARE FOUNDED ON OUR CORE VALUES:

HONOUR
To conduct business with honour

HUMAN RESOURCES
To enhance the quality of human resources as the essence of management excellence

ENTREPRENEURSHIP
To pursue management vision and foster entrepreneurship

INNOVATION
To nurture and be committed to innovation

QUALITY
To provide products and services that consistently exceed customers' expectations

PROGRESS
To continuously improve existing operations and to position for expansion and new opportunities

UNITY
To ensure oneness in purpose, harmony and friendship in the pursuit of prosperity for all

SOCIAL RESPONSIBILITY
To create wealth for the betterment of society

Our Presence

SINGAPORE

Guoco Tower

Guoco Midtown

Lentor Modern

Midtown Modern

20 Collyer Quay

Midtown Bay

Meyer Mansion

Legend:

- Integrated Developments/Commercial Properties
- Residential Developments

Guoco Central Park

Guoco Changfeng City

CHINA

Guoco 18T

CHONGQING

Guoco Central Park

Guoco 18T

SHANGHAI

Guoco Changfeng City

Emerald 9

Damansara City

MALAYSIA

Emerald Rawang

Damansara City

Emerald Hills

Emerald 9

Emerald Sepang

Chairman's Statement

> At GuocoLand, we have developed end-to-end capabilities from design to execution, from sales and marketing to asset and facilities management. Through our multi-disciplinary approach coupled with an entrepreneurial culture, we will strive to excel in our projects, identify new opportunities and drive results.

QUEK LENG CHAN
Chairman

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of GuocoLand Limited ("GuocoLand") and its subsidiaries ("the Group") for the financial year ended 30 June 2023 ("the Year").

Over the years, the Group has become a well-recognised real estate brand in Singapore through its high-end residential projects and distinctive mixed-use integrated developments. Our projects, especially the mixed-use developments, have also contributed to the rejuvenation of the respective neighbourhoods.

Through a concerted effort, we have also successfully transformed our business from just residential development into what we term as our "twin engines of growth" today, namely the Property Investment and Property Development businesses. The Property Investment business provides stable recurring income and capital appreciation, while the Property Development business is an efficient means to generate revenue and profits. Our results for the Year have shown that the strategy has served us well.

STRONG OPERATING PROFIT GROWTH ON BACK OF RECORD REVENUE

The Group achieved a record revenue of $1.54 billion for the Year, an increase of 60% from a year ago. This was mainly due to the strong performance of both the Property Investment and Property Development businesses – the revenue of which respectively grew by 35% and 62% year-on-year.

Our strategy to grow the Group's Property Investment business for recurring income continues to deliver positive results with increasing revenue and stable operating profit[1]. In spite of the increased market headwinds, demand for our best-in-class, premium Grade A offices at Guoco Tower and Guoco Midtown remained strong. All our offices achieved overall high occupancy rates and positive rental reversions. Our portfolio of investment properties now stands at $6.20 billion, accounting for more than half of the Group's total assets.

Our second integrated development in Singapore, Guoco Midtown, is already changing the Singapore city skyline and building a solid reputation in the market. The office tower has achieved a high pre-commitment take-up of 85% for its 709,000 sq ft of net lettable area as at 30 June 2023. Guoco Midtown's office tower will progressively increase its contribution to the Group as leases commence and the asset becomes fully operational.

(1) Refers to profit before tax excluding any fair value gains/losses, foreign exchange gains/losses and impairments.

Revenue

$1.54B

Profit attributable to ordinary equity holders

$207.1M

Our Property Development business has most of its value in high-end residential developments in Singapore. These include Meyer Mansion, Midtown Modern and Lentor Modern. Their designs and the Group's branding as a high-end residential developer have been well-received by buyers. Most of our residential projects have been substantially sold. The progressive recognition of sales that follows the construction of these projects accounts for the strong revenue growth.

In line with the higher revenue, the Group's operating profit for the Year increased by 39% to $195.3 million. Profit attributable to ordinary equity holders decreased by 47% to $207.1 million, mainly because last year was a bumper year of fair value gains on the Group's integrated developments in Singapore.

As at 30 June 2023, the Group's financial position remained strong with total assets of $12.01 billion and equity attributable to ordinary equity holders of $4.27 billion. Net asset value per share was $3.85 as at 30 June 2023, comparable to $3.86 as at the end of the previous financial year.

PRUDENT AND DISCIPLINED CAPITAL MANAGEMENT

As at 30 June 2023, the Group's net debt stood at $4.22 billion. The 9% decrease in our total loans and borrowings was mainly due to repayments during the Year, following which the Group's gearing reduced from 1.0 to 0.9 times.

DIVIDEND

The Board has proposed a first and final one-tier tax exempt dividend of 6 cents per share for the Year, after considering various factors including the Group's financial performance, working capital requirements, future investment plans and the softer economic outlook.

Subject to shareholders' approval at the Annual General Meeting ("AGM") scheduled for 27 October 2023, the dividend will be paid to shareholders on 16 November 2023.

OUTLOOK

While there are many uncertainties in the broader economy and the specific markets we operate in, we will continue to focus on growing through our twin engines of Property Investment and Property Development, anchored by our strong Singapore operations even as we remain committed to key Asian cities. In the face of uncertainties, we believe that deep capabilities and knowledge in the market and industry will become even more important. At GuocoLand, we have developed end-to-end capabilities from design to execution, from sales and marketing to asset and facilities management. Through our multi-disciplinary approach coupled with an entrepreneurial culture, we will strive to excel in our projects, identify new opportunities and drive results.

COMMITTED TO SUSTAINABILITY

The Group continues to enhance our performance in sustainability, and is mindful of the importance of ensuring that we maintain a portfolio of sustainable developments. During the Year, we established our Green Finance Framework to secure greater access to green financing in future, while our investment properties continue to hold some of the highest green certifications available in the industry. More information on our Group's sustainability journey is available in this Annual Report and in our Sustainability Report, which is available on our website.

BOARD RENEWAL

I would like to extend a warm welcome to our new Directors Ms Madeleine Lee Suh Shin and Mr Quek Kon Sean, both of whom joined us in April 2023, as well as Ms Sharon Wee Hsu Oon who joined us in September 2023. The Group strongly believes in ensuring diversity within the Board and we look forward to their contributions from their respective fields and experiences.

A NOTE OF APPRECIATION

During the Year, two Directors who had served with distinction and grace retired from the Board. Mr Moses Lee Kim Poo retired at our last AGM on 14 October 2022 after leading our Board as Chairman for nearly nine years, while Mr Chew Seong Aun stepped down from the Board in April 2023. We are thankful to both of them for their invaluable guidance and contributions to GuocoLand.

Last but not least, I would like to thank my fellow Board members, as well as the management and employees 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 shareholders, customers, business associates and investors for their continued support and trust in the Group.

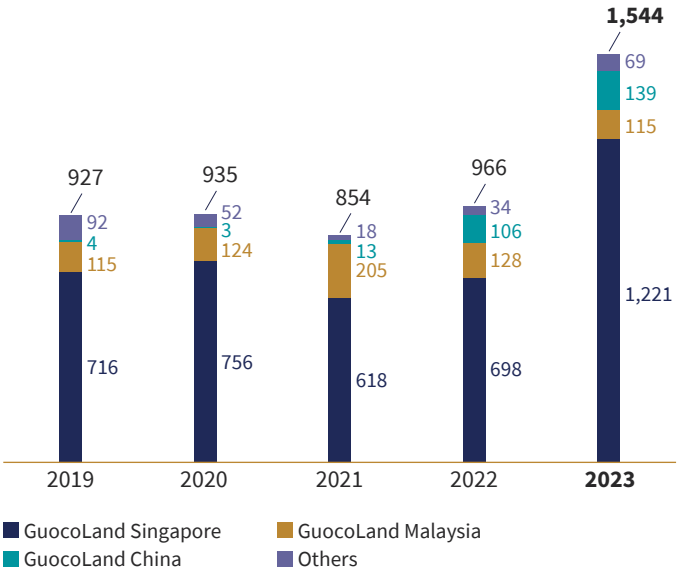
QUEK LENG CHAN
Chairman
22 September 2023

Financial Highlights

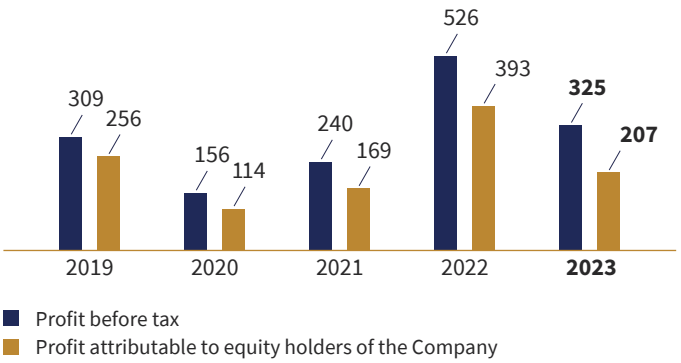
YEAR ENDED 30 JUNE	2019	2020	2021	2022	**2023**
	$'000	$'000	$'000	$'000	**$'000**
STATEMENTS OF PROFIT OR LOSS					
Revenue by operating segments					
GuocoLand Singapore	716,542	756,027	617,782	698,208	**1,221,259**
GuocoLand China	3,721	3,399	12,555	105,417	**139,388**
GuocoLand Malaysia	114,530	123,864	205,487	128,331	**114,966**
Others[1]	92,164	51,512	17,910	33,558	**68,819**
Total revenue	926,957	934,802	853,734	965,514	**1,544,432**
Profit before tax	309,020	156,078	239,875	525,507	**324,901**
Profit attributable to equity holders of the Company	255,674	114,069	169,106	392,728	**207,088**
Proposed dividends in respect of ordinary shares[2]	77,684	66,586	66,586	66,586	**66,586**
STATEMENTS OF FINANCIAL POSITION					
Property, plant and equipment and right-of-use assets	592,263	488,538	479,055	459,407	**439,646**
Investment properties	4,877,319	4,917,019	4,974,546	5,931,715	**6,202,902**
Associates and joint ventures	543,969	529,648	517,892	554,406	**519,502**
Inventories and deposits for land	2,982,227	3,922,646	3,550,906	4,115,488	**3,785,221**
Cash and cash equivalents	823,718	933,892	1,129,289	1,084,925	**890,444**
Other assets	211,953	346,812	663,894	182,472	**172,105**
Total assets	10,031,449	11,138,555	11,315,582	12,328,413	**12,009,820**
Equity attributable to ordinary equity holders of the Company	3,825,698	3,851,424	4,000,224	4,283,813	**4,270,518**
Perpetual securities	405,949	406,492	407,060	407,656	**408,015**
	4,231,647	4,257,916	4,407,284	4,691,469	**4,678,533**
Non-controlling interests	410,866	503,434	537,176	620,780	**891,411**
Loans and borrowings	4,489,796	5,265,249	5,112,233	5,646,771	**5,114,224**
Other liabilities	899,140	1,111,956	1,258,889	1,369,393	**1,325,652**
Total equity and liabilities	10,031,449	11,138,555	11,315,582	12,328,413	**12,009,820**
RATIOS					
Net asset value per share ($)	3.45	3.47	3.60	3.86	**3.85**
Basic earnings per share[3] (cents)	21.30	8.57	13.52	33.68	**16.97**
Dividend per ordinary share (cents)	7	6	6	6	**6**

(1) "Others" included operations of GuocoLand Vietnam and hotels.
(2) The amount is derived after deducting dividends to be paid in respect of ordinary shares of the Company which were held by the Trust for Executive Share Scheme.
(3) The calculation was based on the profit attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares of the Company in issue, after adjusting for the shares held by the Trust.

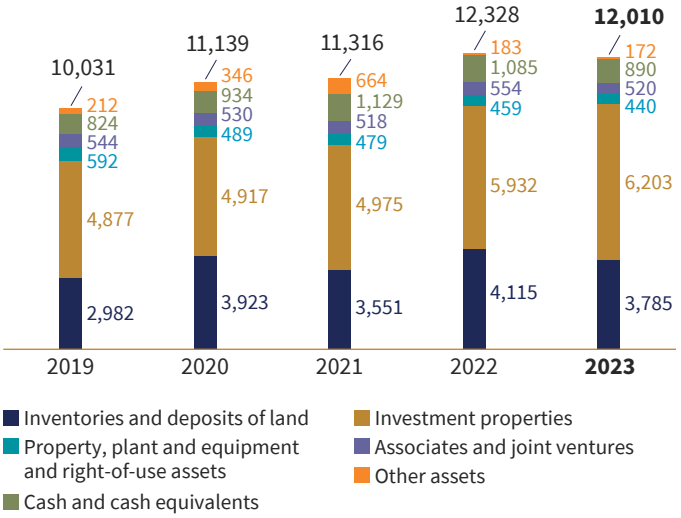
GROUP REVENUE ($ MILLION)



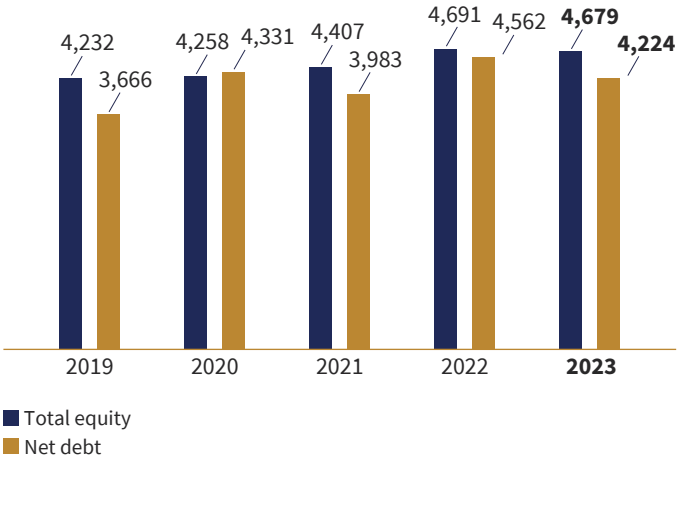
GROUP PROFIT ($ MILLION)



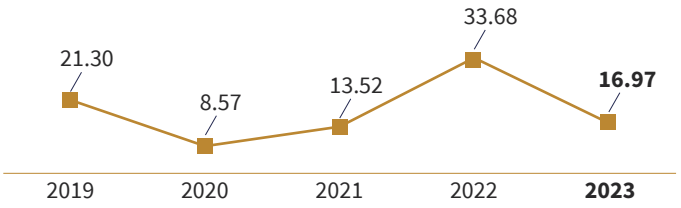
GROUP TOTAL ASSETS ($ MILLION)



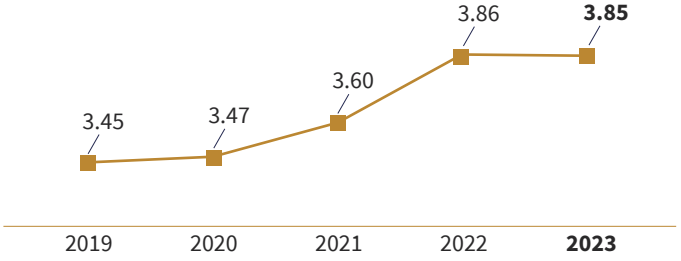
TOTAL EQUITY [4] AND NET DEBT [5] ($ MILLION)



BASIC EARNINGS PER SHARE [3] (CENTS)



NET ASSET VALUE PER SHARE ($)



(4) Total equity is defined as equity attributable to ordinary equity holders of the Company and perpetual securities.
(5) Net debt is defined as loans and borrowings less cash and cash equivalents.

Q&A with Group CEO

> Post pandemic, we have entered a different operating environment whereby assumptions that were prevalent in the pre-pandemic times have to be revisited. For example, interest rate levels, global re-ordering of supply chains and the impact of climate change. At a more intimate level, many people across the globe have re-evaluated their life priorities after experiencing the pandemic. All these will influence the future of real estate products and services.

CHENG HSING YAO
Group Chief Executive Officer

1) What is behind GuocoLand's strong revenue and profit performance for FY2023?

The record revenue of $1.54 billion for the Year was driven by the strong performance of our twin engines of Property Investment and Property Development businesses.

Our investment properties in Singapore, namely Guoco Tower and 20 Collyer Quay, both achieved healthy occupancy rates of around 98%, while Guoco Changfeng City in Shanghai and Guoco Midtown's office tower achieved respective take-up rates of 95% and 85%.[1] The higher rental income from Guoco Tower, Guoco Changfeng City's South Tower, and the initial contribution from Guoco Midtown led to a 35% growth in investment properties revenue to $169.6 million. Our investment properties also recorded a further $156.3 million in fair value gains, mainly for Guoco Tower and Guoco Midtown.

Our Property Development business achieved strong sales across our projects. Our high-end residential developments in Singapore like Meyer Mansion, Midtown Modern and Lentor Modern, are all substantially sold. For example, Lentor Modern which was launched in September 2022, is already more than 90% sold to-date. The progressive recognition of sales contributed to $1.30 billion in development revenue, 62% higher than last year. In line with our topline growth, our operating profit[2] grew 39% y-o-y to $195.0 million.

2) How is it that your investment properties in Singapore still recorded capital appreciation despite the rising trend of hybrid work arrangement?

Even as corporations adopt hybrid work arrangements, most company CEOs would prefer their staff to spend more time at the office to build teamwork and collaborate on projects. As such, the quality of the office environment, and how it helps attract staff to come back to office to work becomes more important. Thus, corporations will try to go to the best quality office that their budgets allow. Some call it the "flight to quality" trend.

Our portfolio of high-quality offices in the Central Business District ("CBD") benefits from this. Beyond being Grade A offices, Guoco Tower and Guoco Midtown are also integrated mixed developments with direct access to MRT stations. They offer a more rounded "live-work-play" lifestyle for office workers, which support the tenants' objective to provide a more engaging office environment.

Our leasing approach is to curate a diversified mix of quality office tenants from a wide range of industries and sizes. This has made our investment assets more resilient

(1) Occupancy and take-up rates are as at 30 June 2023, and include pre-commitment and under-offer leases.
(2) Refers to profit before tax excluding fair value gains/losses, foreign exchange gains/losses and impairments

because the different industry sectors and range of tenants can act in counter-cyclicity. We are never too dependent on any particular sector or tenant.

These have contributed to our offices achieving high occupancies or commitment rates, as well as strong rental growth.

3) How do you see the residential market and why have you bought so many sites at the Lentor area?

The residential market of Singapore has already gone through a structural shift for some time now. Most of the demand is from owner-occupiers and long-term investors. They are more specific about what they want, in terms of locational attributes, design, accessibility and amenities of the projects they buy into. For some, they also pay attention to the development concept and the branding of the developer. In our selection of sites and the way we conceive our projects, we put ourselves in the shoes of such buyers to have strong alignment with what they need and desire. Furthermore, for each project we also do two things consistently. One, is to have the development DNA that distinguishes a GuocoLand product. Two, is for every new project, we will create a strong concept and design to support the lifestyle we envision for the future residents.

The Lentor estate used to be a forested hillock next to the Lentor landed housing estate. The government created a vision for a walkable private housing enclave surrounded by nature and greenery. The estate is served by the Lentor MRT station of the Thomson-East Coast Line, which is a very strong line that goes through large housing catchments, Orchard Road area, CBD and then to the East Coast.

As such, Lentor has a very broad base appeal to buyers islandwide. The first project in the area – Lentor Modern – is being developed by us. As the first and only mixed development in the area, it sets the tone for the entire estate.

With our joint venture ("JV") partners, we acquired three more sites in the Lentor area. There is an advantage to own multiple sites in the same location, it allows us to craft each project to offer something different, thereby capturing different segments of buyers.

Lentor Modern which was launched in September 2022, is to date more than 90% sold. Our second project (site acquired through a JV with Hong Leong Holdings Limited ("Hong Leong Holdings") and TID Residential Pte. Ltd.), Lentor Hills Residences, was launched in July 2023 and is 65% sold to date.

4) What are some of the challenges for the business going forward?

Interest rates are expected to be high, and even if they do taper off at some point, they are expected to remain higher than before. Inflationary pressures are expected to remain, while geopolitical tensions will likely last. Having said that, Singapore being a hub for Southeast Asia is well positioned to benefit from the growth in the region. Meanwhile, the real estate market in China is going through a consolidation. We are watching it carefully as it can offer opportunities that may not be available when the market was more buoyant.

Guoco Midtown, artist impression

Q&A with Group CEO (continued)

At all times, we are guided by prudent capital management policies that ensure that potential economic and financial risks are taken into account even as we seize new opportunities.

Our investment properties are producing very stable recurring income. For example, Guoco Tower's office tenants profile have very strong covenants, and we have not had any rental defaults even through the pandemic periods.

In terms of debt, we have lowered our debt-to-asset ratio to 0.43 for FY2023. Our residential inventories are substantially sold and hence our total debt was reduced from $5.6 billion to $5.1 billion. We will continuously pare down our borrowings through progressive cash received from the strong sales for our residential properties. Our debt for investment properties is backed by strong rental income and we have interest coverage ratios of between 2 – 3 times.

5) Guoco Midtown is being completed in phases. What can we expect from it?

Guoco Midtown is our second major integrated mixed development in Singapore. It has a large premium grade A office component and three retail clusters that will be added to our portfolio of investment properties. It also comprises two residential condominiums. The entire development sits on 3.2 hectares ("ha") of land and has around 1.5 million sq ft of space. It is a massive project at the heart of the neighbourhood. Guoco Midtown is directly connected to the Bugis MRT interchange station, which is where the East West Line and Downtown Line intersect. We have obtained Temporary Occupation Permit ("TOP") for the office building and one of the retail clusters. The office was 85% leased out in June 2023, and the retail clusters are substantially leased.

The rental contribution from Guoco Midtown is only at the initial stage. It will substantially add on to our recurring rental income as more tenants progressively complete their fit-out works and start to move into the building.

The Guoco Midtown office component has a net lettable area of 709,000 sq ft, which is around 80% of the 890,000 sq ft of office space at Guoco Tower.

One innovation we introduced was the Network Hub – a first-of-its-kind, purpose-built business and social club that offers additional on-demand office spaces and meeting facilities. The network hub is key to our "flex in core" leasing strategy that better supports the dynamic nature of work space demand of our tenants.

Just as how Guoco Tower has rejuvenated and repositioned Tanjong Pagar, Guoco Midtown will do the same for the Beach Road and Bugis area.

When both Guoco Midtown and Guoco Midtown II are completed, it will bring with it three distinctive retail and F&B clusters,

Lentor Modern, artist impression

Guoco Changfeng City

and a total of 3.8 ha of landscape areas. The projects will introduce an estimated 8,000 office talents from a wide range of industries, almost 800 new homes and households, and multiple public plazas and gardens for all to enjoy.

Our development's name – "Midtown" – encapsulates our aspiration that Guoco Midtown will turn this part of the CBD into an exciting commercial, leisure and living hub. We hope that, in time to come, people will refer to the area as the Midtown of Singapore.

6) What are your plans for China and Malaysia?

For China, we will focus on two key operations in the gateway cities of Shanghai and Chongqing. In Shanghai, we have completed the last phase of our master development in the Putuo district – a mixed development that comprises five office buildings and a retail mall that are directly linked to the Changfeng MRT station. The South Tower, which we are retaining as a long-term investment, has achieved a 95% take-up rate while the basement retail mall has been fully leased to a master tenant. They will be accretive to our rental income going forward.

In Chongqing, we launched Guoco Central Park, a new development with over 1,500 apartments in one of the city's most sought-after residential areas. Following the positive response for our initial phase of sales where we sold 91% of the first 200 units launched as at 30 June 2023, we are targeting to launch more units towards the end of the year.

Guoco 18T is our large-scale mixed development located at Yuzhong, one of Chongqing's most iconic neighbourhoods. The first phase will be progressively completed till 2025. It features five high-rise residential towers with more than 1,000 apartments on top of a lifestyle mall and various heritage buildings. We have begun to hand over the completed units to homeowners.

We are building up a track record in executing high quality development as well as in asset management, and we will leverage these capabilities to seek out new opportunities in China. Amidst the overall uncertainty in the property sector and the wider economy, we still maintain our long-term confidence in China's growth prospects.

In Malaysia, GuocoLand (Malaysia) Berhad – our subsidiary which is separately listed on the Main Market of Bursa Malaysia – has a diverse range of businesses that comprise development projects and investment assets. We also have large land banks in the Jasin and Sepang areas. We are in the process of studying the development options for them. The outlook for the property market is uncertain. We are using this time to strategise a sustainable growth path.

7) What is GuocoLand's sustainability strategies?

Our projects in Singapore are all conceived and built to meet the Building and Construction Authority's Green Mark requirements. Both Guoco Tower and Guoco Midtown are Green Mark Platinum, while Lentor Modern and Midtown Modern are Green Mark Gold^{Plus}. The upcoming project at Lentor Gardens is designed to achieve a Green Mark Platinum (Super Low Energy) with Maintainability Badge certification. In China, Guoco Changfeng City is the first commercial project in Shanghai's Putuo District to obtain Platinum certifications for LEED (Leadership in Energy and Environmental Design) and WELL Building Standard.

Q&A with Group CEO (continued)

We introduced our Green Finance Framework during the Year which has allowed us to secure green facilities amounting to $974 million for refinancing the commercial component of Guoco Tower, and $498.6m for the upcoming Lentor Gardens site development.

We are also undertaking a carbon accounting and decarbonisation study and will use a science-based approach to align our businesses and operations accordingly.

8) What's next for GuocoLand?

We are glad that we are in a position now to look for new opportunities for the business. Post pandemic, we have entered a different operating environment whereby assumptions that were prevalent in the pre-pandemic times have to be revisited. For example, interest rate levels, global re-ordering of supply chains and the impact of climate change. At a more intimate level, many people across the globe have re-evaluated their life priorities after experiencing the pandemic. All these will influence the future of real estate products and services.

Times ahead are exciting, albeit uncertain. With the continued support from our stakeholders, including homebuyers, tenants, investors and shareholders, coupled with the capabilities of our team, we seek to take the business forward and further strengthen the GuocoLand brand.

Guoco Tower, Urban Park

Business Updates

Singapore

GUOCO MIDTOWN

TOTAL OFFICE NET LETTABLE AREA ("NLA"):

709,000 sq ft

TAKE-UP RATE (INCLUDING PRE-COMMITMENTS) AS AT 30 JUNE 2023:

85%

Located at the Beach Road-Bugis district is Guoco Midtown, the Group's mega transit-oriented integrated development that will transform the location into the new Midtown of Singapore. Sprawled across 3.2 hectares ("ha") of land, the development is anchored by the 30-storey premium Grade A office tower with high quality specifications. Guoco Midtown also comprises a five-storey Network Hub, three retail clusters with an aggregate 50,000 sq ft of NLA, and two condominiums with distinctly different concepts – Midtown Bay and Midtown Modern. The development is seamlessly connected to the Bugis MRT station via an Underground Pedestrian Network ("UPN"), allowing for convenient access to both the East-West Line and Downtown Line.

Business Updates (continued)

Singapore

Guoco Midtown's office tower achieved its Temporary Occupation Permit ("TOP") in January 2023, injecting 709,000 sq ft of new premium Grade A office space and offering multiple dimensions of flexibility to tenants operating in a highly dynamic business environment. Guoco Midtown offers tenants the flexibility to design their office space as an activity-based workplace suited for hybrid work strategy, while having the option to lease additional dedicated, fitted out swing spaces. Tenants can also tap on the Network Hub – a first-of-its-kind, purpose-built business and social club that offers additional on-demand office spaces and meeting facilities. The Network Hub received TOP in August 2023. As of 30 June 2023, the take-up rate (including pre-commitments) for Guoco Midtown's office space stood at 85%.

Building on GuocoLand's strong track record in green and sustainable developments, Guoco Midtown's immersive work-live-play concept supports the physical and mental wellness of its occupants through a wide range of recreational, retail and garden spaces. Thirty thematic gardens and landscape areas spanning more than 3.8 ha will be incorporated across Guoco Midtown, Midtown Bay and Midtown Modern. The Guoco Midtown community will also stand to benefit from GuocoLand's placemaking efforts.

MIDTOWN MODERN

TOTAL NO. OF UNITS:

558

% OF UNITS SOLD AS AT 30 JUNE 2023:

91%

With its unique "nature in the city" concept focusing on wellness, efficient layouts and extensive amenities, Midtown Modern is a rare family-oriented residential development with full condominium facilities in the Central Business District ("CBD"). Besides luxurious 1- to 4-bedroom units, Midtown Modern features two exclusive penthouses. Targeted for completion in 2024, Midtown Modern is jointly developed with Hong Leong Holdings Limited and Hong Realty (Private) Limited.

MIDTOWN BAY

TOTAL NO. OF UNITS:

219

% OF UNITS SOLD AS AT 30 JUNE 2023:

51%

Midtown Bay, one of two residential developments that is part of the Guoco Midtown integrated development, offers luxury city homes in the form of 219 units that can be designed and adapted to fit living, office or entertainment needs of trendy professionals. The units feature sleek marble flooring and come with high, airy ceilings of 3.2 m. In addition to 1- and 2-bedroom units, Midtown Bay also offers 2- and 3-bedroom duplexes.

Business Updates (continued)

Singapore

GUOCO TOWER

TOTAL NLA:

990,000 sq ft[1]

COMMITTED OCCUPANCY (INCLUDING PRE-COMMITMENTS) AS AT 30 JUNE 2023:

98%

(1) Includes 890,000 sq ft of Grade A office space and 100,000 sq ft of retail space

Guoco Tower is our flagship transit-oriented integrated development in the CBD which is directly connected to the Tanjong Pagar MRT station – one of the busiest stations in the district. Guoco Tower is Singapore's tallest building standing at a height of 290 m, and comprises 890,000 sq ft of premium Grade A office space, 100,000 sq ft of retail space, 181 exclusive apartments at Wallich Residence, a luxury hotel in Sofitel Singapore City Centre and a 150,000 sq ft public Urban Park. As at 30 June 2023, the occupancy (including pre-commitments) of Guoco Tower's office and retail components stood at 98%. Its tenant mix includes multi-national corporations from a diversity of sectors and industries such as technology, banking and finance, investment services and consultancy, insurance as well as media.

Wallich Residence, which occupies the highest floors of Guoco Tower starting from 180 m above mean sea level, is the epitome of ultra-luxury living in the city. Living in the integrated development, residents have access to a wide range of well-curated F&B and retail offerings, while enjoying the exclusivity that Wallich Residence offers. As at 30 June 2023, 94% of the 181 ultra-luxury apartments have been sold.

Guoco Tower has transformed Tanjong Pagar into one of the most prime office districts as well as a vibrant business and lifestyle destination. Through a host of placemaking activities such as outdoor fitness classes and community events at the Urban Park, we have contributed to building a stronger sense of community in Tanjong Pagar.

Business Updates (continued)

Singapore

LENTOR MODERN

TOTAL NO. OF UNITS:

605

% OF UNITS SOLD AS AT 30 JUNE 2023:

89%

Lentor Modern is situated on a 1.7 ha site surrounded by various parks and reservoirs in the vicinity. It comprises three 25-storey residential towers with 605 units above a mall with more than 96,000 sq ft of F&B and retail shops, a supermarket and a childcare centre. The development is directly integrated with Lentor MRT station on the Thomson-East Coast Line ("TEL"). The 2- to 4-bedroom units all come with an additional Flex Room that offers homeowners great flexibility to use it in ways that best fit their life stages and lifestyles. The development received positive response from buyers when it was launched in September 2022. With Lentor Modern, GuocoLand kickstarted the rejuvenation and transformation of the new Lentor Hills estate.

LENTOR HILLS RESIDENCES

TOTAL NO. OF UNITS:

598

% OF UNITS SOLD AS AT 22 SEPTEMBER 2023[2]:

65%

(2) This project was launched after the close of our FY2023

Lentor Hills Residences is a residential development at the new Lentor Hills estate. Jointly developed by Hong Leong Holdings Limited ("Hong Leong Holdings"), TID Residential Pte. Ltd. and GuocoLand (30% stake), Lentor Hills Residences is connected to the Lentor MRT Station via a sheltered walkway. The development sold 50% of its units over its launch weekend in July 2023.

Upcoming: Lentor Gardens site

In addition to Lentor Modern and Lentor Hills Residences, GuocoLand has another upcoming residential development at the Lentor Gardens site – won through a government land sales tender in April 2023 at a bid price of approximately $486.8 million. The project at the Lentor Gardens site is jointly developed with Hong Leong Holdings and is targeted to be launched in the first half of 2024. With 533 planned units across a combination of 8-storey blocks and 16-storey towers with sky terraces, the project is inspired by modern concepts of living amidst nature and greenery, and offers residents unblocked views of nature in the vicinity as well as proximity to its neighbouring parks and nature reserves. The more than 6,000 sq ft of planned space for childcare facilities will provide added convenience to families with young children.

Upcoming: Lentor Central site

Most recently in September 2023, a consortium comprising Hong Leong Holdings, GuocoLand and CSC Land Group was awarded a 99-year leasehold, 158,264 sq ft land parcel at Lentor Central through a bid of $435.2 million. The consortium plans to build a residential development with about 475 units in two high-rise blocks.

With our strong presence in the neighbourhood through these four developments, GuocoLand will transform the Lentor Hills estate into a new distinctive private estate.

MEYER MANSION

TOTAL NO. OF UNITS:

200

% OF UNITS SOLD AS AT 30 JUNE 2023:

99%

Meyer Mansion is a freehold seafront development offering unblocked panoramic views of the sea and the prestigious Meyer Road landed homes estate where it is located in. Located within walking distance to East Coast Park and a short 10-minute drive away from the city, the development's connectivity will be further enhanced when the Katong Park MRT station on the TEL is opened in 2024. Meyer Mansion is on track for completion in 2024.

Business Updates (continued)

Singapore

THE AVENIR

TOTAL NO. OF UNITS:

376

% OF UNITS SOLD AS AT 30 JUNE 2023:

99%

Located in the heart of prime District 9, The Avenir is a freehold luxury condominium jointly developed with Hong Leong Holdings. The development is located near Great World MRT Station on the TEL and is scheduled for completion in 2024.

20 COLLYER QUAY

TOTAL NLA:

134,000 sq ft

COMMITTED OCCUPANCY (INCLUDING PRE-COMMITMENTS) AS AT 30 JUNE 2023:

98%

Located in the heart of Raffles Place, with sheltered direct access to Raffles Place MRT, 20 Collyer Quay boasts a panoramic view of Marina Bay. 20 Collyer Quay is certified with the BCA Green Mark Award for Existing Buildings and has also been awarded the PUB Water Efficient Building (SILVER) Certification for the Office Building Sector.

China

国浩长风城
Guoco Changfeng City

TOTAL NLA:

364,530 sq ft[3]

TAKE-UP RATE (INCLUDING PRE-COMMITMENTS AND LEASES UNDER OFFER) AS AT 30 JUNE 2023:

95%

(3) Refers to the total office space in the South Tower

Guoco Changfeng City is the Group's large-scale mixed-use development in Shanghai, China. Directly linked to Metro Line 15 Changfeng Park station, Guoco Changfeng City is the first commercial project in Shanghai's Putuo District to obtain Platinum certifications for LEED (Leadership in Energy and Environmental Design) and WELL Building Standard. The development comprises two 18-storey Grade A office towers (North and South Towers), two low-rise buildings, a cultural office building, as well as a basement retail mall that has been fully leased to a master tenant. The low-rise buildings and cultural office building have already been successfully sold, while the South Tower is being retained as an investment property.

Business Updates (continued)

China

GUOCO 18T
国浩 18T

TOTAL NO. OF UNITS[4]:

715

% OF UNITS SOLD AS AT 30 JUNE 2023:

33%

(4) Refers to current units launched

One of our two ongoing residential developments in Chongqing, China, Guoco 18T is located at one of Chongqing's iconic neighborhoods next to the Jiefangbei (Liberation Square) CBD. The first two of four plots that are being developed comprise five high-rise residential towers with more than 1,000 luxury apartments on top of a lifestyle mall based on a 'high-street' concept. Apartments have splendid views overlooking the Yangtze River. The development is working towards being the first residential development in Asia to receive the highest level of Platinum certification under the WELL Building Standard.

GUOCO CENTRAL PARK 国浩 白屿林

TOTAL NO. OF UNITS[5]:

200

% OF UNITS SOLD AS AT 30 JUNE 2023[5]:

91%

(5) Refers to first batch of three-bedroom units launched under initial phase of sales

Our other ongoing residential development in Chongqing, China, Guoco Central Park is located in the Chongqing Liang Jiang New Area located near Chongqing Central Park – which is the third largest urban park in the world after New York's Central Park and London's Hyde Park. The 35 acre development, which is also near the Lujiagou Station and the Central Park commercial and lifestyle district, will comprise a mix of mid- and low-rise condominium blocks set to offer more than 1,500 units.

Malaysia

DAMANSARA CITY
DAMANSARA HEIGHTS

TOTAL GROSS FLOOR AREA:

1.8 million sq ft

COMMITTED OCCUPANCY OF MENARA GUOCO AS AT 30 JUNE 2023:

89%

Developed by Guocoland (Malaysia) Berhad ("GLM") – our indirect subsidiary which is separately listed on the Main Market of Bursa Malaysia – Damansara City is the award-winning, single-largest mixed development within the prime Damansara Heights district of Kuala Lumpur, and comprises two Grade A office towers including Menara Guoco, the DC Residensi serviced apartment tower, and DC Mall, a lifestyle mall with approximately 170,000 sq ft of retail space across five levels, as well as the luxurious Sofitel Kuala Lumpur Damansara with 312 well-appointed rooms and suites and over 15,000 sq ft of state-of-the-art meeting and event facilities.

emerald 9
CHERAS
RESIDENCES • SHOPPES • OFFICES

TOTAL NO. OF UNITS:

1,352

% OF UNITS SOLD AS AT 30 JUNE 2023[6]:

82%

(6) Refers to current units launched

GLM is also developing Emerald 9 – a bold, transit-oriented integrated mixed development located at the prime Batu 9 Cheras – which will comprise residential towers, office spaces and urban street shoppes and courtyard clustered around green spaces. The project is within a short walking distance from the MRT station at Taman Suntex and is only eight stops away from the Kuala Lumpur city centre. Construction of the first phase of Emerald 9 is underway as at 30 June 2023.

Board of Directors

QUEK LENG CHAN, 80

Chairman
Non-Independent Non-Executive Director

Mr Quek was appointed to the Board on 19 December 1988, and was re-elected as Director at the Company's Annual General Meeting ("AGM") held on 28 October 2021. He has been appointed as Chairman of the Board and the Company on 14 October 2022. He is also a member of the Remuneration Committee.

Mr Quek is the Chairman of GuoLine Capital Assets Limited, the ultimate holding company of the Company. He is also the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad, a public company; Chairman of Hong Leong Assurance Berhad, a public company; and Chairman of the Council of Members of Hong Leong Bank Vietnam Limited.

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

Present directorship(s) in other listed companies
- Hong Leong Financial Group Berhad
- Hong Leong Bank Berhad

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

Past directorship(s) in listed companies held over the preceding 5 years
- Nil

CHENG HSING YAO, 52

Group Chief Executive Officer
Non-Independent Executive Director

Mr Cheng was appointed as Chief Executive Officer ("CEO") of the Group and Executive Director to the Board on 1 July 2021 and was re-elected as Director at the Company's AGM held on 28 October 2021. Mr Cheng is proposed for re-election as Director at the Company's AGM to be held on 27 October 2023.

Mr Cheng joined the Group in October 2012 and has assumed various positions, the last role being that of Group Managing Director of GuocoLand Singapore since 2014. Prior to joining the Group, he was with the Singapore public service at the Urban Redevelopment Authority ("URA") and the Centre for Liveable Cities ("CLC") (Ministry of National Development).

Mr Cheng is currently a Non-Independent Non-Executive Director of GLM REIT Management Sdn Bhd, an indirect subsidiary of the Company and the Manager of Tower Real Estate Investment Trust which is listed on Bursa Malaysia.

He is a Board Member of the Land Transport Authority of Singapore, a member of the National Parks Board, Singapore, and a member of CLC's Advisory Panel. He is a member of URA's International Panel of Experts, Design Advisory Committee and Heritage and Identity Partnership. He co-chairs the Central Procurers Panel at the Building and Construction Authority, Singapore, and is a member of the management board of the Institute of Real Estate and Urban Studies at the National University of Singapore. He was the Founding Chairman of Discover Tanjong Pagar – the business association to promote Tanjong Pagar as a destination to the wider community, and currently serves as a Director of the association.

Mr Cheng was appointed by the President of the Republic of Singapore to serve as a Nominated Member of Parliament from January 2021 to July 2023.

Mr Cheng holds a Bachelor of Architecture (First Class Honours) from Newcastle University, United Kingdom and a Master in Design Studies (with Distinction) from Harvard University.

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

Past directorship(s) in listed companies held over the preceding 5 years
- Nil

KWEK LENG HAI, 70

Non-Independent Non-Executive Director

Mr Kwek was appointed to the Board on 28 November 1988, and was re-elected as Director at the Company's AGM held on 14 October 2022. He is a member of the Nominating Committee.

Mr Kwek is the Executive Chairman of Guoco Group Limited, listed on The Stock Exchange of Hong Kong Limited ("HKSE"). He was the President, CEO of Guoco Group Limited from 1995 to 1 September 2016.

Mr Kwek is a Director of GuoLine Capital Assets Limited, the ultimate holding company of the Company. He is also a Director of GL Limited which was privatised and delisted from SGX-ST in June 2021.

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

Present directorship(s) in other listed companies

- Guoco Group Limited, listed on HKSE
- Lam Soon (Hong Kong) Limited, listed on HKSE
- Hong Leong Bank Berhad, listed on Bursa Malaysia
- Bank of Chengdu Co., Ltd., listed on Shanghai Stock Exchange

Past directorship(s) in listed companies held over the preceding 5 years

- Nil

SAW KOK WEI, 60

Independent Non-Executive Director

Mr Saw was appointed to the Board on 24 October 2020, and was re-elected as Director at the Company's AGM held on 28 October 2021. He is the Chairman of the Audit and Risk Committee, a member of the Nominating Committee and a member of the Remuneration Committee. Mr Saw is proposed for re-election as Director at the Company's AGM to be held on 27 October 2023.

Mr Saw was Chief Financial Officer of Jurong Port Pte Ltd ("Jurong Port") from October 2021 to December 2022, having first served in this capacity from September 2013 to March 2019. Mr Saw was President, Business Units of Jurong Port from April 2019 to September 2021, and oversaw several functions including Finance, Admin, Enterprise Risk Management, Information Technology and Business Intelligence.

Mr Saw has many years of commercial and financial experience across a number of industries in the United Kingdom, Singapore, Indonesia and China. He started his career with Arthur Young in London as an auditor. Since then he has worked for Chase Manhattan, Inchcape Berhad, Nike South East Asia, and Merck Sharp & Dohme. Mr Saw was also with Electrolux for ten years holding various positions including that of Vice President, Finance & Administration, East Asia; President-Director & General Manager for its operations in Indonesia; Chief Financial Officer in China; and Deputy Head of Strategy in Asia Pacific.

Mr Saw holds a Bachelor of Science (Honours) Degree in Accounting and Finance from The University of Warwick, United Kingdom.

Present directorship(s) in other listed companies

- Nil

Past directorship(s) in listed companies held over the preceding 5 years

- Hong Leong Financial Group Berhad, listed on Bursa Malaysia

Board of Directors (continued)

WEE LIENG SENG, 65

Independent Non-Executive Director

Mr Wee was appointed to the Board on 29 October 2021, and was re-elected as Director at the Company's AGM held on 14 October 2022. He is the Chairman of the Nominating Committee, Chairman of the Remuneration Committee and a member of the Audit and Risk Committee.

Mr Wee is currently the CEO and Co-Founder of Dragonfly LLC, a New York based firm which provides strategy, risk management and investment advice to companies in the United States, Europe and Asia. Prior to founding Dragonfly LLC, Mr Wee was a partner and head of the risk and shareholder value practice at Capco. Before that he was a partner at Capital Market Risk Advisors in New York.

Mr Wee was a Managing Director, Global Risk Management at Bankers Trust Company (now part of Deutsche Bank). Prior to this, he was a senior associate at Booz Allen in New York managing strategy engagements across industries. Mr Wee started his career as a banker at Banque Paribas in Singapore and New York. He has been an adjunct professor of risk management at Singapore Management University, Columbia University and Peking University. Mr Wee was appointed Senior Fellow of The Wharton School. He co-authored the books, "What Every CEO Must Know About Risk" and "RAROC and Risk Management".

Mr Wee is an independent director on the board of the Private Infrastructure Development Group Ltd. He also serves on the Investor Committee of Mapletree US Logistics Private Trust, and the Management Advisory Board of NUS Business School.

Mr Wee holds a Bachelor of Business Administration (Valedictorian) from the National University of Singapore and a Master of Business Administration with Distinction (Salutatorian) from the Wharton School, University of Pennsylvania. He also has a Corporate Director Certificate from Harvard Business School.

Present directorship(s) in other listed companies
- Nil

Past directorship(s) in listed companies held over the preceding 5 years
- Nil

MADELEINE LEE SUH SHIN, 61

Independent Non-Executive Director

Ms Lee was appointed to the Board on 1 April 2023. She is also a member of the Audit and Risk Committee. Ms Lee is proposed for re-election as Director at the Company's AGM to be held on 27 October 2023.

Ms Lee is Managing Director & Chief Investment Officer of Athenaeum Private Limited, an advisory and consultancy partnership focusing on Asian Family Offices. She founded Athenaeum in 2008 and sold its mutual funds business in 2016. From 2005 to 2007, Ms Lee was Deputy Chief Investment Officer of the Investment Office of the National University of Singapore. She has spent more than 30 years in investment management in various institutions including Government of Singapore Investment Corporation, Morgan Grenfell and as Managing Director at Commerzbank Asset Management Asia.

Ms Lee has served on the Boards of public and private companies, and the not-for-profit sector in Singapore; she served on the board of directors of Mapletree Investments Pte Ltd, Aetos Holdings Pte. Ltd. and ECICS Holdings of the Temasek Holdings stable of companies. She was on the Monetary Authority of Singapore's Financial Sector Review Committee on the Liberalisation of the Stockbroking Industry and the Business Development Review Group for the Merged Exchange. She has volunteered on the Board/Excos of UNIFEM Singapore (now UN Women), IWFS, YST Conservatory of Music NUS, CFS, SSO and Singapore Academy of Law.

Ms Lee is currently Board Director of Arts House Ltd and the Singapore Institute of Management Group Limited. She is also a published author of twelve books of poetry in English.

Ms Lee holds a Bachelor of Arts Honours in Economics and Accounting from the University of Leeds, United Kingdom, a Master of Business Administration from the University of Bradford, United Kingdom. She is a Chartered Financial Analyst of the Institute of Chartered Financial Analysts, United States of America and a Fellow of the Eisenhower Fellowship.

Present directorship(s) in other listed companies
- First Pacific Company Limited, listed on HKSE
- Verde Agritech Ltd, listed on the Toronto Stock Exchange

Past directorship(s) in listed companies held over the preceding 5 years
- Nil

QUEK KON SEAN, 43

Non-Independent Non-Executive Director

Mr Quek was appointed to the Board on 1 April 2023, and is proposed for re-election as Director at the Company's AGM to be held on 27 October 2023.

Mr Quek started his career in investment banking before joining the Hong Leong Group in 2004. He has held various positions in the Hong Leong Group, including Executive Director of Hong Leong Financial Group Berhad and is currently the Managing Director of HL Management Co Sdn Bhd, a post held since 2016. He is also a Director of Hong Leong Foundation, a public company.

Mr Quek holds a Bachelor of Science (Economics) and a Master of Science (Economics) from the London School of Economics and Political Science, United Kingdom.

Present directorship(s) in listed subsidiary

- GuocoLand (Malaysia) Berhad, an indirect subsidiary of the Company

Past directorship(s) in listed companies held over the preceding 5 years

- Nil

SHARON WEE HSU OON, 48

Independent Non-Executive Director

Ms Wee was appointed to the Board on 1 September 2023, and is proposed for re-election as Director at the Company's AGM to be held on 27 October 2023.

Ms Wee is a Partner of Allen & Gledhill LLP, where she specialises in mergers and acquisitions ("M&A") and capital markets. She also provides corporate regulatory and compliance advice to Singapore listed entities.

Ms Wee has extensive experience acting for public and private entities on complex M&A and capital markets transactions. She also advises companies listed on the Singapore Exchange on a wide range of post-listing matters, including follow-on equity offerings, acquisitions, issues of convertibles and hybrid securities, regulatory and compliance matters.

Ms Wee holds a Bachelor of Arts (Hons) from the University of Cambridge, United Kingdom and she was called to the Singapore Bar in 1999.

Present directorship(s) in other listed companies

- Nil

Past directorship(s) in listed companies held over the preceding 5 years

- Nil

Additional Information on Directors Seeking Re-Election at the Annual General Meeting

The additional information set out below on the following Directors who are seeking re-election at the 47th Annual General Meeting of the Company, is to be read in conjunction with their respective profiles under the "Board of Directors", "Corporate Governance" and "Directors' Statement" sections in this Annual Report 2023.

Name of Director	Madeleine Lee Suh Shin	Quek Kon Sean
Country of principal residence	Singapore	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Taking into account the background, qualifications, experience and independence, as well as contributions to the effectiveness of the Board and the Audit and Risk Committee ("ARC"), the Nominating Committee ("NC") and Board recommend the re-election of Ms Madeleine Lee Suh Shin, as an Independent Non-Executive Director of the Company. Upon re-election, Ms Lee will remain as a Member of the ARC.	Taking into account the background, qualifications and experience as well as contributions to the effectiveness of the Board, the NC and Board recommend the re-election of Mr Quek Kon Sean, as a Non-Independent Non-Executive Director of the Company.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or any of its principal subsidiaries	Nil	Mr Quek Kon Sean is a son of Mr Quek Leng Chan (Director, and deemed substantial shareholder of GuocoLand Limited) and nephew of Mr Kwek Leng Hai (Director and shareholder of GuocoLand Limited).
Conflict of interests (including any competing business)	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Nil	Refer to Directors' Statement
Past (for the last 5 years)	Nil	1. GuoLine Capital Limited 2. GEM Group Limited 3. GuoLine Group Management Co Limited 4. Inbound Education Holdings Sdn Bhd 5. Orcadas Ltd
Present	1. First Pacific Company Limited 2. Verde Agritech Ltd 3. Athenaeum Private Limited 4. Athenaeum Holdings Asia Pte Ltd 5. Athenaeum Multi-Asset Fund VCC 6. Arts House Ltd. 7. GreenPhyto Pte. Ltd. 8. Perfection Point Holdings Limited 9. Perfection Point Investment Limited 10. Pericles Investments Pte Ltd 11. Singapore Institute of Management Group Limited	1. HL Management Co Sdn Bhd 2. HLCM Assets Sdn Bhd and its 5 subsidiaries 3. HLCM Capital Sdn Bhd 4. Hong Leong Manufacturing Group Sdn Bhd 5. GuoLine Capital Assets Limited and its 4 subsidiaries 6. Soft Portfolio Sdn Bhd 7. Swan Lodge Sdn Bhd and its subsidiary 8. Lofty Dragon Management Limited 9. Hong Leong Bank (Cambodia) PLC 10. Hong Leong Bank Vietnam Limited 11. Hong Leong Healthcare Group Sdn Bhd 12. HLT Healthcare Holdings Limited and its 2 subsidiaries 13. HL Holdings Sdn Bhd 14. GuocoLand (Malaysia) Berhad 15. Hong Leong Foundation 16. Inbound Education Partners Sdn Bhd 17. Chaghese Limited (In voluntary liquidation) 18. Robusto Ltd 19. Frenda Financial Limited 20. IMU Education Sdn Bhd
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Ms Lee has confirmed that the responses for items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Mr Quek has confirmed that the responses for items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

	Sharon Wee Hsu Oon	Cheng Hsing Yao	Saw Kok Wei
	Singapore	Singapore	Singapore
	Taking into account the background, experience and qualifications as well as Ms Wee's ability and willingness to operate independently, the NC and Board recommend the re-election of Ms Sharon Wee Hsu Oon as an Independent Non-Executive Director of the Company.	Taking into account the background, qualifications and experience as well as contributions to the effectiveness of the Board, the NC and Board recommend the re-election of Mr Cheng Hsing Yao, as Non-Independent Executive Director of the Company. Mr Cheng will remain as the Group Managing Director & Group Chief Executive Officer of the Company.	Taking into account the background, qualifications, experience and independence as well as contributions to the effectiveness of the Board and Board Committees, the NC and Board (with Mr Saw abstaining) recommend the re-election of Mr Saw Kok Wei as an Independent Non-Executive Director of the Company. Upon re-election, Mr Saw will remain as Chairman of the ARC as well as a member of the NC and Remuneration Committee.
	Nil	Nil	Nil
	Nil	Nil	Nil
	Yes	Yes	Yes
	Nil	Refer to Directors' Statement	Nil
	Nil	1. 8 subsidiaries of GuocoLand Limited 2. Maven Investment Holdings Pte. Ltd. 3. Maven Resources Pte. Ltd. 4. Milehigh Holdings Pte. Ltd. 5. Riveria Resources Pte. Ltd. 6. 11 subsidiaries of Eco World International Berhad	1. Hong Leong Financial Group Berhad 2. Jurong Port Tank Terminals Pte Ltd 3. Jurong Port Singapore Holdings Pte Ltd 4. PT. Pelabuhan Tegar Indonesia
	Nil	1. GuocoLand Limited and its 44 subsidiaries 2. Carmel Development Pte. Ltd. 3. Lentor Hills Development Pte. Ltd. 4. GuocoLand (Malaysia) Berhad 5. Eco World International Berhad 6. TPI Limited 7. National Parks Board 8. Land Transport Authority of Singapore	1. Lam Ah Company Sdn Bhd 2. Saw Chong Teok Quarry Sdn Bhd 3. Su Poh Company Sdn Bhd 4. Welepeq Sdn Bhd 5. Kuari Utama (Valdor) Sdn Bhd
	Ms Wee has confirmed that the responses for items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Mr Cheng has confirmed that the responses for items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Mr Saw has confirmed that the responses for items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".

Key Senior Management

GROUP CHIEF EXECUTIVE OFFICER
CHENG HSING YAO

Please refer to profile on page 26.

GUOCOLAND SINGAPORE
CHENG HSING YAO
Country Head

Please refer to profile on page 26.

GROUP CHIEF FINANCIAL OFFICER
ANDREW CHEW

Mr Chew is the Group Chief Financial Officer. He joined the Group in 2011 and held several positions, the latest being Chief Financial Officer of the Group's Singapore operations.

As Group CFO, Mr Chew is responsible for all financial matters of the Group, including financial reporting and operations, corporate finance, taxation, risk management and treasury functions. He is also involved in driving GuocoLand's environmental, social and governance ("ESG") and digitalisation efforts.

Prior to joining GuocoLand, Mr Chew worked with GL Limited (then known as GuocoLeisure Limited), owned by Hong Kong-listed Guoco Group Limited.

Mr Chew holds a Bachelor of Business (Accounting) from Monash University, Australia. He is a certified practicing accountant with CPA Australia and a chartered accountant with the Malaysian Institute of Accountants.

MANAGING DIRECTOR, ASSET MANAGEMENT
VALERIE WONG

Ms Wong is the Managing Director of Asset Management for the Group. She joined the Group in 2014, first as General Manager for Commercial Leasing for the Group's Singapore business.

As Managing Director, Asset Management, Ms Wong oversees the asset management strategies for the Group's expanding portfolio of investment properties in Singapore, China and Malaysia. Ms Wong has almost 30 years of experience in asset management, and spearheaded the launch of the Group's premium Grade A offices at Guoco Tower and Guoco Midtown. She also led the placemaking efforts of the integrated development and was a founding member of the Discover Tanjong Pagar Business Improvement District initiative.

Ms Wong holds a Bachelor of Science (Real Estate) with Second Class Upper Honours from the National University of Singapore, and a Master of Business Administration from the University of Western Australia.

GUOCOLAND CHINA

PETER LEE WAI MUN

Country Head

Mr Lee is the Country Managing Director of GuocoLand China. He joined the Group in April 2022. Mr Lee leads GuocoLand's businesses in China and its diverse portfolio of development and investment assets.

Having operated in China for more than 20 years and led China business development for a regional property developer, Mr Lee brings with him a wealth of experience in China's real estate market. He was instrumental in the acquisition and management of development projects and joint ventures across the region.

Before joining the real estate sector in 2008, Mr Lee was with the Singapore public service as a regional director at International Enterprise Singapore. He founded and led the Western China operations, helping Singapore companies secure business opportunities in Western China. He was subsequently designated Head of Singapore Consulate in Chengdu. He holds a Bachelor of Science (Computer & Info Sciences) from the National University of Singapore.

GUOCOLAND MALAYSIA

NOORBAIZURA HERMEYNEY

Country Head

Puan Noorbaizura Hermeyney is the Managing Director of GuocoLand Malaysia. She brings with her close to 20 years of experience including in investment and asset management. She was instrumental in spearheading the real estate portfolios for several public listed real estate investment trusts and government-linked companies. Besides in Malaysia, she has also managed portfolios, in other countries including Japan and the United States, successfully securing new major investments as well as strategic partnerships and joint ventures.

Most recently, Puan Noorbaizura served as the Chief Executive Officer of GLM REIT Management Sdn Bhd, a subsidiary of GuocoLand Malaysia and the Manager of Tower Real Estate Investment Trust ("Tower REIT"), a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad. Tower REIT has three prime office buildings in Kuala Lumpur with close to one million square feet of Grade A office space.

Puan Noorbaizura holds a Bachelor in Accounting & Finance with First Class Honours from Universiti Teknologi Mara in Malaysia, and was a Chartered Accountant registered with the Association of Chartered Certified Accountants ("ACCA").

Sustainability at GuocoLand

GuocoLand publishes our sustainability reports on an annual basis, aligned with our financial year. Our latest sustainability report covers our sustainability practices and performance for the financial year period 1 July 2022 to 30 June 2023 ("FY2023").

Our latest sustainability report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards. The GRI Standards cover a wide range of topics and are used by a vast majority of companies in Singapore and internationally, which facilitates benchmarking. The report has also been prepared with reference to the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited Listing Manual (Rules 711A and 711B), as well as the recommendations of the TCFD.

As part of our efforts to reduce paper waste, no hard copies of our sustainability report have been printed. All our sustainability reports are available on our corporate website at https://www.guocoland.com.

REPORT SCOPE

The scope of our sustainability report is limited to GuocoLand Group's significant assets in Singapore and China. Sustainability reporting for GuocoLand (Malaysia) Berhad ("GuocoLand Malaysia") – our indirect subsidiary which is separately listed on Bursa Malaysia Berhad – is separately governed and managed by GuocoLand Malaysia's own board of directors and management team. GuocoLand Malaysia publishes its yearly sustainability statement as part of its annual report.

Singapore

(1) Guoco Midtown & Midtown Bay
(2) Guoco Tower
(3) Meyer Mansion
(4) Guoco Midtown II & Midtown Modern
(5) Sofitel Singapore City Centre[1]
(6) 20 Collyer Quay
(7) Lentor Modern
(8) Guoco Midtown Office

China

(1) Guoco Changfeng City, Shanghai
(2) Guoco 18T, Chongqing
(3) Guoco Central Park, Chongqing

(1) The Group owns Sofitel Singapore City Centre, which is managed by Accor under their luxury 'Sofitel' brand.

SUSTAINABILITY GOVERNANCE STRUCTURE

SUSTAINABILITY REPORTING FRAMEWORK

Since FY2019, GuocoLand has adhered to a sustainability reporting framework which provides a roadmap for employees to work towards the mission of "Guoco Sustainability Value Creation" via four pillars –

PILLAR 1: TOWARDS A GREENER FUTURE
We aim to reduce waste and improve efficiency in energy and use of resources, covering every facet of our operations and seek to entrench the philosophy into a Group-wide awareness and culture of caring for the environment as a community corporate citizen.

PILLAR 2: EMPOWERING OUR PEOPLE
We aim to create a diverse, welcoming culture and a safe working environment in which our people are engaged, nurtured and empowered to reach their full potential.

MISSION: GUOCO SUSTAINABILITY VALUE CREATION

PILLAR 3: CONDUCTING BUSINESS WITH HONOUR
We aim to uphold good business ethics and integrity and to develop long-term relationships with our business partners based upon fairness, mutual trust and benefits.

PILLAR 4: CARING FOR OUR COMMUNITY
We aim to contribute to the betterment of our society, to create collective advancement and harmonious community relationships.

Sustainability at GuocoLand (continued)

STAKEHOLDER ENGAGEMENT

Key stakeholders are identified based on the impact of GuocoLand's businesses on them and their influence on our businesses.

We regularly engage our key stakeholders through various channels to understand their needs, expectations and interests, and to communicate our sustainability efforts. Meaningful two-way communication with our various key stakeholders provides us with insights to improve our business operations and adjust our business strategies where necessary.

STAKEHOLDER	ENGAGEMENT PLATFORMS	KEY TOPICS	HOW WE ENGAGE THESE STAKEHOLDERS
Customers — Tenants / Homebuyers / Hotel Guests & Visitors / Retail Shoppers	• Tenant meetings • Customer service teams • Tenant annual survey • Email and phone channels • Tenant circulars and notices • Social media channels	• Lease terms and facilities management • Quality of product and timely delivery • Customer experience	Refer to the following section of our FY2023 Sustainability Report ("SR"): Pillar 3 – Conducting Business with Honour
Investors	• SGX-ST announcements and news releases on corporate website • Annual General Meeting • Investor meetings • Conferences • Email and phone channels	• Long-term value creation • Strategies for growth • Transparency and timely information • Corporate governance practices	Refer to Chairman's Statement; Q&A with Group CEO; Business Updates; and Corporate Governance in the Annual Report and the following section of our SR: Pillar 3 – Conducting Business with Honour
Suppliers	• On-site inspections • In-person meetings • Email and phone channels	• Occupational health and safety • Product quality, health and safety • Environmental compliance	Refer to the following sections of our SR: Pillar 1 – Towards a Greener Future; Pillar 3 – Conducting Business with Honour; and Pillar 4 – Caring for Our Community
Employees	• Management meetings • Performance appraisal discussions • Knowledge sharing sessions • Internal e-communications • Social media channels • Orientation programme, tea sessions with Management, lunch talks	• Welfare • Health and well-being • Performance	Refer to the following section of our SR: Pillar 2 – Empowering Our People
Regulators / Government	• On-site inspections • In-person meetings • Email and phone channels • Regulatory filings	• Environmental compliance • Labour standard compliance • SGX listing requirements	Refer to the following sections of our SR: Pillar 1 – Towards a Green Future; Pillar 3 – Conducting Business with Honour; and Pillar 4 – Caring for Our Community

MATERIALITY

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

We had added the material topic of Emissions for our FY2022 Sustainability Report. Following a review of our list of material topics by our Sustainability Committee and Management, the material topic of Diversity & Equal Opportunity has been added into this year's report.

CATEGORY	MATERIAL TOPIC	GRI STANDARD REPORTED	IMPACT BOUNDARY
Energy & Water Consumption	**Energy**	Energy (GRI 302)	Development projects and managed properties
	Water	Water and Effluents (GRI 303)	
	Emissions	Emissions (GRI 305)	
Environmental	**Environmental Compliance**	Environmental Compliance (GRI 2: General Disclosures)	Development projects and managed properties
	Waste	Waste (GRI 306)	
Human Capital Development & Relations	**Employment**	Employment (GRI 401)	Employees
	Training and Education	Training and Education (GRI 404)	
Occupational Health and Safety	**Occupational Health and Safety**	Occupational Health and Safety (GRI 403)	Employees, tenants, workers and visitors
Anti-Corruption and Business Ethics	**Anti-corruption**	Anti-corruption (GRI 205)	All business operations
	Customer Privacy	Customer Privacy (GRI 418)	
Product Quality, Health & Safety	**Customer Health and Safety**	Customer Health and Safety (GRI 416)	Development projects and managed properties
	Marketing and Labeling	Marketing and Labeling (GRI 417)	
Local Communities	**Local Communities**	Local Communities (GRI 413)	All business operations
Diversity & Equal Opportunity	**Diversity & Equal Opportunity**	Diversity and Equal Opportunity (GRI 405)	Board and employees

Awards & Accolades

In recognition of its commitment to quality, innovative and sustainable developments, GuocoLand has continued to receive multiple awards and accolades during FY2023. This includes the title of Top Developer and five development awards for Martin Modern at the 6th EdgeProp Singapore Excellence Awards 2022. GuocoLand also received three awards at the 17th Asia Property Awards and eight awards at the 12th Asia Property Awards (Singapore). In addition, GuocoLand won the Proptech – Real Estate Award at the 2023 SBR Technology Excellence Awards.

SINGAPORE

6th EdgeProp Singapore Excellence Awards 2022
GuocoLand:
- Top Developer

Martin Modern:
Residential (Completed) category:
- Top Development Award
- Design Excellence Award
- Landscape Excellence Award
- Innovation Excellence Award
- Sustainability Excellence Award

17th Asia Property Awards
GuocoLand:
- Best Luxury Developer (Asia)
- Best Mixed Use Developer (Asia)
- Best Sustainable Developer (Asia)

12th Asia Property Awards (Singapore)
GuocoLand:
- Best Luxury Developer
- Best Sustainable Developer
- Best Mixed-Use Developer
- Special Recognition in ESG
- Special Recognition in Sustainable Design and Construction

Meyer Mansion:
- Best Condo Development (Singapore)
- Best Luxury Waterfront Condo Development
- Best Luxury Condo Architectural Design

2023 SBR Technology Excellence Awards
GuocoLand:
- Proptech – Real Estate Award

MALAYSIA

Malaysia Developer Awards 2022
GuocoLand Malaysia:
- Top-of-the-Chart Awards Top 10 for Market Cap below RM1 Billion

Sin Chew Business Excellence Award 2022
GuocoLand Malaysia:
- Property Excellence Awards

ASEAN Property Developer Awards 2022
GuocoLand Malaysia:
- Best Developer Award

StarProperty Awards 2022
GuocoLand Malaysia:
- All-Stars Award

Emerald Rawang:
- The Family-Friendly Award: Landed (Excellence)

Emerald Hills:
- The Best Low-Density Award (Excellence)

PropertyGuru Asia Awards 2022
GuocoLand Malaysia:
- Best Lifestyle Developer
- People's Choice Awards
- Special Recognition in ESG

Emerald 9:
- Best Smart Building Development

The Edge Malaysia Best Managed & Sustainable Property Awards 2022
Menara Guoco:
- Below 10 Years: Single-owned Office in a Mixed Strata Category (Gold Winner)

CHINA

Rethinking The Future (RTF) Awards 2023
Guoco Changfeng City:
- Winner – Mixed Use (Built) category

2023 Muse Design Awards
Guoco Changfeng City:
- Silver Award (Architectural Design – Mix Use Architectural Designs) subcategory

Shanghai Property Management Association
Guoco Changfeng City:
- 2022's Shanghai Model Project for Excellence in Property Management

Corporate Governance

GuocoLand Limited (the "Company") is committed to maintaining high standards of corporate governance as well as a strong and sound corporate culture to ensure the Company's long-term success and to enhance its shareholders' value. During the financial year ended 30 June 2023 ("FY2023"), the Company continued to be on the SGX Fast Track programme list which was launched by the Singapore Exchange Regulation to recognise the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record. The Company also supported the Corporate Governance Statement of Support organised by the Securities Investors Association Singapore (SIAS) to demonstrate its commitment towards excellence in corporate governance. The Company was ranked 49th among the 489 companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") that were being assessed in the Singapore Governance and Transparency Index 2022.

During the FY2023, the Company has adhered to the principles and provisions of the Code of Corporate Governance 2018 ("Code 2018") as presented in this report. The Company's own Code of Corporate Governance ("Company Code") comprising the terms of reference for the Board of Directors and its Committees is in line with the principles and provisions of Code 2018.

(A) BOARD MATTERS

Principle 1
The Board's Conduct of Affairs

Board's Role and Responsibilities

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

Its principal role and responsibilities include the following:

(a) providing entrepreneurial leadership setting the overall strategic business objectives, policies and direction for the Company, with appropriate focus on sustainability issues, value creation and innovation;

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

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

(d) reviewing Management's performance;

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

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

Corporate Governance (continued)

Board Committees

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

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

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

Matters which require Board Approval

The Company Code sets out the matters which require the Board's approval. These included the annual business plan and budget, risk appetite, major investments including joint venture transactions, Directors' Statement and audited Financial Statements, the financial results announcements of the Company and interested person transactions which required announcements to be made.

Directors' Attendance and Participation in Board and Board Committees and General Meeting(s)

Meetings of the Board and its Committees are scheduled one year ahead. The Board meets at least on a quarterly basis to review, *inter alia*, the Company's business and financial results. Additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circulating Resolutions. As provided in the Company's Constitution, Directors may convene Board meetings by teleconferencing or videoconferencing. During the FY2023, with the easing of the coronavirus disease 2019 (COVID-19) restrictions in Singapore, the Board and Board Committees resumed most of their meetings in person. Directors who could not attend these meetings in person had participated via videoconferencing . The Company's Annual General Meeting ("AGM") held in 2022 was conducted via electronic means. The attendance of Directors at meetings of the Board and the Board Committees as well as the AGM is set out in the table below:

FY2023 Meetings	Board	ARC	NC	RC	AGM
Total Number of Meetings Held	**4**	**4**	**2**	**2**	**1**
Moses Lee Kim Poo (Retired on 14 October 2022)	1	–	–	–	1
Quek Leng Chan	4	–	–	2	1
Cheng Hsing Yao	4	4	–	1	1
Kwek Leng Hai	4	–	2	–	1
Jennie Chua Kheng Yeng (Retired on 4 August 2022)	–	–	–	–	–
Saw Kok Wei	4	4	2	2	1
Chew Seong Aun (Stepped down on 1 April 2023)	3	3	–	–	1
Wee Lieng Seng	4	4	2	2	1
Madeleine Lee Suh Shin (Appointed on 1 April 2023)	1	1	–	–	–
Quek Kon Sean (Appointed on 1 April 2023)	1	–	–	–	–

Induction, Training and Development of Directors

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

When a Director is appointed to a Board Committee, it is the Company's practice to highlight the relevant terms of reference to such Director and provide a copy of the related Guidebook for the Committee. New Directors will also be encouraged to attend the Listed Entity Director ("LED") programmes (where appropriate) conducted by the Singapore Institute of Directors ("SID"); and Director Financial Reporting Fundamentals co-organised by SID and the Institute of Singapore Chartered Accountants and supported by Accounting and Corporate Regulatory Authority ("ACRA"), where relevant. Newly appointed Director(s) with no prior experience as Director(s) of a listed company will undergo training in the roles and responsibilities of Director of a listed company as prescribed by the SGX-ST. During the FY2023, the Company had arranged for new Directors to attend the relevant LED programmes conducted by SID so as to enhance their skills and knowledge to execute their duties effectively. The new Independent Non-Executive Director, who is a member of the ARC, was also briefed by senior management and the internal auditors of the Company to enable her to familiarise with the Company's business, financials, internal controls/risk management as well as understanding her roles and responsibilities as an Independent Director of the Company.

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

To facilitate each Director to develop his/her competencies to effectively discharge his/her duties, all Directors are updated regularly on key regulatory and accounting changes and risk management from time to time. Training programmes and seminars attended by Directors during the FY2023 included the following: SID Annual Corporate Governance Roundup 2022; ACRA-SGX-SID Audit and Risk Committee Seminar 2023 – Sustainability: Opportunities, Risk and Governance; LED 1: LED Essentials. All Directors have undergone the required training on sustainability as required by the SGX-ST through their attendance of LED - Environmental, Social and Governance Essentials conducted by SID. Arrangements had also been made for the newly appointed Directors to attend the prescribed training by the financial year ending 30 June 2024. The NC has reviewed the training and professional development programmes attended by Directors and supported by the Company.

Access to Information

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

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

Corporate Governance (continued)

Separate and Independent Access

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

The Company Secretary attends all the meetings of the Board and Board Committees and ensures that relevant procedures are followed and that applicable rules and regulations prescribed by, *inter alia*, the Companies Act 1967 and the Listing Manual of the SGX-ST are complied with. She also advises the Board on all governance matters, as well as assisting with the co-ordination of training and professional development for Board members.

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

Principle 2
Board Composition and Guidance

Board Independence

On an annual basis, the NC determines the independence of Directors taking into consideration the circumstances as set out in Code 2018 and the Listing Manual of the SGX-ST, as well as whether there was any circumstance or relationship that might impact on a Director's independence or perception of independence. All the Directors had made declarations on their respective status of independence which were submitted to the NC for review. The NC had determined that Mr Saw Kok Wei, Mr Wee Lieng Seng and Ms Madeleine Lee Suh Shin are independent. The Board had accepted the assessment of Directors' independence by the NC. With the recent appointment of a new Independent Non-Executive Director, Ms Sharon Wee Hsu Oon, the Board now comprises eight Directors, the majority of whom are Non-Executive Directors, and four of whom making up 50% of the Board being Independent Directors. Ms Wee is a partner of Allen & Gledhill LLP ("A&G"), one of the several law firms which provides legal services to and receives fees from the Group. She is not involved in the selection and appointment of legal counsels for the Group. Her interest in A&G is less than 5% and the fees paid by the Group do not form a significant portion of A&G's revenue. The Board has determined that such relationship would not affect Ms Wee's ability and willingness to operate independently. The NC continuously reviews the Company's Board composition to ensure an appropriate level of independence and it is in the process of identifying an additional Independent Director so that a majority of the Board will comprise Independent Directors.

Board Size, Board Renewal and Board Diversity

The NC also reviewed the size and composition of the Board and Board committees, taking into consideration the need for the Board to have the requisite balance and right mix of competencies and other aspects of diversity such as gender and age to oversee the Company's business.

As part of the Board renewal process, new Independent and Non-Executive Directors were appointed in place of those who had served on the Board for 9 years or more and the Non-Executive Director who had retired or stepped down from the Board. In line with the Company's Board Diversity Policy, the recent appointments of two female Independent Directors and one Non-Independent Non-Executive Director, had enhanced the diversity of the Board in terms of gender as well as age and further added to the objective to have Directors who as a group, comprise individuals with the appropriate qualifications and competencies (including skillsets and/or experience) to bring a range of diversified perspectives to the Board.

The Company's diversity targets for the Board and its plans and timelines for achieving the targets and progress towards achieving the targets include:

Gender Diversity: At least 20% female representation on the Board, taking into account the skills, experience and other diversity requirements of the Board. The current composition of the Board comprises two female directors which makes up 25% of the Board composition.

Core Skill Sets: The current Board comprises Directors with skills, experience, knowledge with core competencies in the areas of accounting, risk management, financial, banking, legal, business management, real estate and property development, which are identified by the Board as critical for the Board to carry out its oversight of the business affairs, and to exercise effective stewardship and corporate governance of the Company and the Group.

The Board had tasked the NC to review and monitor the implementation of the Company's Board Diversity Policy.

Based on the NC's review, the Board considers its current size to be adequate to facilitate effective decision making for the current nature and scope of the Group's business operations. The Board also considers its composition with a balanced mix of skills and diversity to be appropriate for the existing needs and demands of the Group's businesses.

Non-Executive Directors are expected to be familiar with the Company's business and stay informed of its activities. They are also encouraged to constructively challenge Management and help develop proposals on strategy. During the FY2023, Non-Executive Directors had met without the presence of Management.

Principle 3
Chairman and Chief Executive Officer

Separate Role of Chairman and Group Chief Executive Officer ("GCEO")

The Board Chairman, Mr Quek Leng Chan is a Non-Independent Non-Executive Director. There is clear division of responsibilities in the respective roles and functions of the Chairman, Mr Quek and the GCEO, Mr Cheng Hsing Yao. There is no familial relationship between Mr Quek and Mr Cheng.

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

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

Lead Independent Director

The Company's Independent Directors are well experienced, able to function effectively and have regular and active interactions during Board and Board Committee meetings as well as discussions without the presence of Management which provided sufficient opportunity for free and open discussions among themselves. Further, the Directors and Management are available to shareholders. The Company also responds promptly to queries of shareholders. As such, the Company is of the view that the appointment of a lead Independent Director to play an additional facilitative role within the Board or to facilitate communication between the Board and shareholders or other stakeholders of the Company is not necessary.

Corporate Governance (continued)

Principle 4
Board Membership

Nominating Committee

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

- Mr Wee Lieng Seng, Chairman (Independent Non-Executive Director);
- Mr Kwek Leng Hai, Member (Non-Independent Non-Executive Director); and
- Mr Saw Kok Wei, Member (Independent Non-Executive Director).

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

(a) reviewing the structure, size and composition of the Board and its Committees;

(b) reviewing and recommending to the Board on all Board appointments and re-appointments (including alternate Directors, if applicable);

(c) determining annually whether or not, a Director is independent;

(d) evaluating the performance of the Board as a whole, the Board Committees, individual Directors and the Board Chairman;

(e) reviewing training and professional development programmes for Directors;

(f) reviewing Board succession plans for Directors, in particular, the Chairman and the GCEO; and

(g) reviewing and recommending, where appropriate, the number of listed board representations a Director may hold.

Selection of Directors

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

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

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

Directors' Multiple Board Representations and Time Commitments

The NC is tasked to determine if a Director is able to and has been adequately carrying out his/her duties as a Director of the Company. In assessing whether a Director is able to or has been adequately carrying out his/her duties, the NC would take into account the number of directorships and principal commitments of each Director. In this regard, the NC and the Board had established a general guidance that the maximum number of listed company board representation which a Director holds should not exceed five. For the FY2023, the NC has determined that each Director is able to and has been adequately carrying out his/her duties as a Director of the Company. The Board has reviewed and is satisfied that the Directors' current directorships in listed company boards (which did not exceed five) and their other principal commitments did not affect their time commitment to the affairs of the Company.

Directorship/Chairmanship of Directors

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

Principle 5
Board Performance

Evaluation of Board Chairman, individual Directors and Board Committees

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

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

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

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

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

Corporate Governance (continued)

Evaluation of the Board as a whole

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

On the basis of the aforesaid evaluation, the NC is satisfied that for the FY2023, the Board and its Committees had been effective in the conduct of their respective duties and the Directors have each contributed to the effectiveness of the Board and its Committees (as applicable). The results of the NC's assessment had been communicated to and accepted by the Board.

(B) REMUNERATION MATTERS

Principle 6
Procedures For Developing Remuneration Policies

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

- Mr Wee Lieng Seng, Chairman (Independent Non-Executive Director);
- Mr Quek Leng Chan, Member (Non-Independent Non-Executive Director); and
- Mr Saw Kok Wei, Member (Independent Non-Executive Director).

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

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

The RC may seek remuneration consultants' advice on remuneration matters for Directors as it deems appropriate. For the FY2023, the RC did not require the service of an external remuneration consultant.

As regards the Company's obligations arising in the event of termination of service contracts, the Company does not provide any termination, retirement or post-employment benefits to its Directors, the GCEO and key management personnel (who are not Directors of the Company or the GCEO).

Principle 7
Level and Mix of Remuneration

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

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

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

The RC affirmed that the Company's performance-related remuneration structure takes into consideration the balance between profit and risk, and is aligned with the long-term interest and risk management policies of the Company. The structure is symmetrical with risk outcomes and sensitive to the risk time horizon with rewards commensurate with the business performance as well as achievement of the individuals.

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

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

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

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

Corporate Governance (continued)

Principle 8
Disclosure on Remuneration

Directors and GCEO

The breakdown of remuneration of Directors and the GCEO of the Company for the FY2023 is set out below:

Directors	Fixed Salary (inclusive of Employer CPF) S$	Variable Bonus (inclusive of Employer CPF) S$	Director Fees S$	Other Benefits S$	Total S$
Moses Lee Kim Poo (Retired on 14 October 2022)	–	–	31,945	11,796	43,741
Quek Leng Chan	–	–	–	–	–
Kwek Leng Hai	–	–	–	–	–
Jennie Chua Kheng Yeng (Retired on 4 August 2022)	–	–	8,438	–	8,438
Saw Kok Wei	–	–	142,233	–	142,233
Chew Seong Aun (Stepped down on 1 April 2023)	–	–	–	–	–
Wee Lieng Seng	–	–	138,000	–	138,000
Madeleine Lee Suh Shin (Appointed on 1 April 2023)	–	–	29,918	–	29,918
Quek Kon Sean (Appointed on 1 April 2023)	–	–	–	–	–
		Total	**350,534**	**11,796**	**362,330**

GCEO	Fixed Salary (inclusive of Employer CPF) %	Variable Bonus (inclusive of Employer CPF) %	Share Grant* %	Other Benefits %	Total %
S$2 million to S$2.25 million					
Cheng Hsing Yao	61.1	28.2	9.3#	1.4	100

* A share grant comprising 243,589 ordinary shares of the Company ("Shares") was granted to Mr Cheng Hsing Yao, pursuant to the ESS, on 20 January 2023 to be vested over 3 years in 3 tranches with the first tranche in 2023 and the last tranche in 2025. The first tranche of share grant comprising 81,196 Shares was vested and such Shares were transferred to Mr Cheng on 1 February 2023. The remaining 2 tranches of share grant comprising an aggregate of 162,393 Shares will be vested to Mr Cheng by 2025.

\# Includes the fair value of Shares vested.

Having considered the provisions in the Code 2018 on the disclosure of remuneration of Directors and the GCEO, the RC is of the view that it is appropriate to provide full disclosure of fees proposed to be paid to Directors for the FY2023 which aggregate to S$362,330 and will be tabled at the forthcoming 47th AGM under Agenda Item No. 3 for shareholders' approval.

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

Top Key Management Personnel

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

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

The remuneration package of the top five key management personnel (who are not Directors of the Company or the GCEO), comprising mainly salaries and bonuses, aggregated to a total remuneration of S$2,369,548 for the FY2023. The number of key management personnel (who are not Directors of the Company or the GCEO) under each remuneration bands of S$250,000 is set out below:

Remuneration in Bands of S$250,000	No. of Key Management Personnel (who are not Directors or the GCEO)
S$500,001 to S$750,000	3
S$250,001 to S$500,000	1
< S$250,000	1

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

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

There are no employees who are substantial shareholders of the Company, or are the immediate family members of any of the Directors or the GCEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 for the FY2023.

(C) ACCOUNTABILITY AND AUDIT

Principle 9
Risk Management and Internal Controls

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

Corporate Governance (continued)

Key Risks

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

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

A robust process had been put in place whereby each business unit provided financial status declaration to the GCEO and the Group Chief Financial Officer ("GCFO"). Such declaration would confirm, *inter alia*, that the consolidated accounts of the business units were correct and had been prepared in accordance with the Group's accounting policies. This process together with the findings and assurance from the IA with regard to the adequacy and effectiveness of the Group's internal controls to address financial, operational, compliance and information technology controls and risk management systems, had facilitated the GCEO and the GCFO to provide assurance to the Board.

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

Having regard to the reviews carried out by the ARC, findings raised by the IA and external auditors and assurance from the Management and IA, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at 30 June 2023. During the FY2023, there were no material weaknesses being identified in the Group's internal controls or risk management systems.

Principle 10
Audit and Risk Committee

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

- Mr Saw Kok Wei, Chairman (Independent Non-Executive Director);
- Mr Wee Lieng Seng, Member (Independent Non-Executive Director); and
- Ms Madeleine Lee Suh Shin, Member (Independent Non-Executive Director).

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

The terms of reference of the ARC are set out in the Company Code which provides that the ARC has explicit authority to investigate any matter within its terms of reference; full access to and cooperation by Management; full discretion to invite any Director or executive officer to attend its meetings; and reasonable resources to enable it to discharge its functions properly.

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

- reviewed the Company's draft announcements on financial results prior to the submission to the Board. The ARC also reported and highlighted to the Board on significant issues and judgements that the ARC had considered in relation to the financial statements, and how these issues were addressed;
- assisted the Board to oversee the Company's risk management framework and policies;
- reviewed the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls, and risk management systems);
- reviewed the assurance from the GCEO and the GCFO on the financial records and financial statements;
- reviewed the Company's Whistle-Blowing Policy to ensure that arrangements are in place for the independent investigation of possible improprieties in matters of financial reporting or other matters to be safely raised; and that appropriate follow up action has been taken as well as highlighting to the Board on any significant matters raised through the whistle-blowing channel;
- reviewed interested person transactions where they exceeded the relevant threshold levels or as required by the Listing Manual of the SGX-ST;
- reviewed the adequacy, effectiveness, independence, scope, and results of the external audit and the Company's internal audit function;
- met with the Company's external auditors and IA, without the presence of Management;
- reviewed the independence of the Company's external auditors and IA. The aggregate amount of fees paid to the external auditors, and a breakdown of the fees paid in total for audit and non-audit services are disclosed in Note 24 to the Financial Statements; the ARC is satisfied with the independence and objectivity of the external auditors and IA;
- made recommendation to the Board on the re-appointment of the external auditors. In this regard, the ARC had assessed the independence and objectivity of the external auditors taking into consideration the requirements under the Accountants Act 2004 of Singapore, the fees paid for audit and non-audit services and the cooperation extended by Management to allow an effective audit. The ARC had also assessed the quality of work carried out by the external auditors based on ACRA's Audit Quality Indicators Disclosure Framework;
- reviewed the Company's Sustainability Report for submission to the Board for approval as well as the assurance provided by the internal audit function in relation to the internal review of the Company's sustainability reporting processes.

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.

In its review of the financial statements of the Group and the Company for the FY2023, the ARC has discussed with both the Management and the external auditors, the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The ARC reviewed, amongst other matters, the following key audit matters as reported by the external auditors for the FY2023. Detailed information on the key audit matters is set out in the Independent Auditors' Report.

Corporate Governance (continued)

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

Conflict of Interest

Directors who are in any way, directly or indirectly, interested in a transaction or proposed transaction, are required to declare the nature of their interests in accordance with the Company's Constitution and provisions of the Companies Act 1967. In the event that a Director faces a conflict of interest, he/she will recuse from participation in any discussion and/or decision on the matter.

Interested Person Transactions ("IPT")

The Company has in place an internal policy that requires the ARC to note and review IPT, as recorded in the Company's Register of IPT. Directors are required to disclose their interest and any conflict of interest in such transactions, and will accordingly abstain from the deliberation and voting in resolutions relating to these transactions. For each material or significant IPT, key information pertaining to the IPT together with the identification of relationship of each party is provided to the ARC for review and evaluation. The ARC will review the IPT to ensure that the terms are fair and at arms' length, and not prejudicial to the interest of the Company and its minority shareholders. In the event that the relevant threshold as stipulated in the Listing Rules of the SGX-ST is met, the IPT including the interested person(s) and its or their relationship with the Company, will be announced via SGXNET or put to vote by disinterested shareholders at the Company's general meeting, as the case may be. The type, nature and value of significant related party transactions during the financial year under review are listed in Note 29 to the Financial Statements. Save as disclosed, no material contract involving the interests of the GCEO, each Director or controlling shareholder of the Company, has been entered into by the Company or any of its subsidiaries during the financial year, and no such material contract was subsisting as at the end of the financial year.

Internal Audit

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

The IA also audits the operations of the Group to ensure regulatory compliances and adherence to Group policies and procedures. The scope of the IA's reviews is set out in the IA's annual work plan which is approved by the ARC. The IA also undertook an internal review on the sustainability reporting processes as required by the Listing Rules of the SGX-ST. During the FY2023, the IA had carried out its function according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors (IIA).

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

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11
Shareholder Rights and Conduct of General Meetings

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

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

The Company's general meetings are the principal forum for dialogues with its shareholders where the Board and Management address shareholders' concerns, if any, as well as solicit views or inputs of shareholders. Shareholders may access the notices of general meetings which set out the resolutions to be tabled to shareholders for approval together with the proxy forms as well as the annual reports and circulars/addendums on the Company's website and the SGX-ST website.

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

To promote effective shareholders' participation and enhance transparency of the voting process at general meetings, the Company had been conducting electronic poll voting for all the resolutions proposed at its general meetings. The electronic voting procedures were presented to shareholders before the commencement of the AGM. Independent scrutineer was engaged to validate or verify the votes cast for or against each resolution. The results of the votes cast on the resolutions were also announced via SGXNET after the AGM.

Corporate Governance (continued)

The minutes of the Company's general meetings are released via SGXNET and published on the Company's website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of such general meetings, and the responses to these comments or queries from the Board and Management.

2022 AGM and 2023 AGM

The Company held its 46th AGM ("2022 AGM") by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders had participated in the 2022 AGM by attending the "live" audio-visual webcast or "live" audio only stream. Textual questions were submitted in advance of and "live" during the 2022 AGM. Shareholders had also appointed proxies to attend and vote on their behalf at the 2022 AGM. The Company had addressed shareholders' substantial and relevant questions submitted prior to the 2022 AGM, as well as those received "live" at the 2022 AGM, and the Company's responses were also published via SGXNET. The results of the votes casted on the resolutions as well as the name of the independent scrutineer were announced via SGXNET after the 2022 AGM.

All Directors, including the Chairman of the Board, the GCEO and the respective Chairmen of the ARC, NC and RC, senior management as well as the Company's external auditors, share registrar and independent scrutineer had attended the 2022 AGM. The minutes of the 2022 AGM which made reference to the substantial and relevant comments or queries received "live" at the 2022 AGM from shareholders relating to the agenda of the 2022 AGM and responses from the Board and Management were uploaded on SGXNET and the Company's website: https://www.guocoland.com.

The Company's forthcoming 47th AGM ("2023 AGM") will be held physically. The arrangements relating to attendance and voting at the 2023 AGM, appointment of proxies, submission of questions in advance of the AGM, addressing of substantial and relevant questions in advance of and at the 2023 AGM, and the access to documents are set out in the Company's Notice of AGM.

Dividend

The Company has a Dividend Policy which aims to create long-term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements, and capturing future growth opportunities. The Dividend Policy provides for the Board to propose or declare the payment of dividend(s) after taking into account the current financial performance of the Company, the future financial requirements of the Company and any other factors as the Board may deem relevant. The Board will be proposing at the 2023 AGM, the declaration of a first and final one-tier tax exempt dividend of 6 cents per ordinary share in respect of the FY2023. The proposed dividend, when approved by shareholders at the AGM, will be paid on 16 November 2023.

Principle 12
Engagement with Shareholders

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

Corporate Website

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

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

Investor Relations

The Company has a Corporate Communications & Investor Relations department which facilitates communication with shareholders and the investment community. In line with the Company's communications guidelines and policies, the Company regularly conveys to shareholders and the investment community, information on its financial performance, corporate developments and business prospects via half-yearly financial results announcements, Annual Reports, Sustainability Reports, press releases and other additional announcements uploaded onto SGXNET and the Company's website. Relevant announcements and press releases are also disseminated to the media, analysts and subscribers to the Company's mailing list. Investors may subscribe to the Company's mailing list to receive the latest updates on the Group via the Company's website.

A Corporate Communications & Investor Relations contact (contact@guocoland.com) is published on the Company's website to facilitate two-way communication with investors. During the FY2023, the Company's Corporate Communications & Investor Relations team attended to calls/email enquiries on the Group and had responded within 1 week.

Release of Financial Results

The Company reports its financial results on a half-yearly basis and will continue to comply with the continuing disclosure obligations under the Listing Manual of the SGX-ST to keep stakeholders informed of material developments relating to the Company and the Group. The Company had released its financial results through announcements, press releases and presentation to the SGX-ST. The Company's financial results are readily available on its website.

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

Release of Annual Report

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

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13
Engagement with Stakeholders

The Company's key stakeholders namely, its employees, investors, customers (tenants/shoppers/home buyers), regulators/government, and suppliers are listed in the Company's Sustainability Report ("SR"). The SR describes, *inter alia*, the Company's sustainability governance and practices in the Group's business operations and management of stakeholders' relationships. The Environmental, Social and Governance factors that are material to the Company and its stakeholders have been identified and are described in the Company's SR. The Company's SR for FY2023 and previous editions are available on the Company's corporate website: https://www.guocoland.com.

Corporate Governance (continued)

(F) DEALINGS IN SECURITIES

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

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

(G) CODE OF CONDUCT

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

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

(H) WHISTLE-BLOWING POLICY

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

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

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

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Directors' Statement

For the year ended 30 June 2023

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 2023.

In our opinion:

(a) the financial statements set out on pages 70 to 157 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

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

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

DIRECTORS

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

Quek Leng Chan, *Chairman*

Cheng Hsing Yao

Kwek Leng Hai

Saw Kok Wei

Wee Lieng Seng

Madeleine Lee Suh Shin (Appointed on 1 April 2023)

Quek Kon Sean (Appointed on 1 April 2023)

Sharon Wee Hsu Oon (Appointed on 1 September 2023)

DIRECTORS' INTERESTS

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

	Holdings in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 1 July 2022/ Date of Appointment	As at 30 June 2023	As at 1 July 2022/ Date of Appointment	As at 30 June 2023
Company	Ordinary Shares			
Quek Leng Chan	–	–	850,229,371	850,229,371
Kwek Leng Hai	35,290,914	35,290,914	–	–
Cheng Hsing Yao	–	81,196*	–	–
Quek Kon Sean	182,000	182,000	–	–
	Share Grant pursuant to the GuocoLand Limited Executive Share Scheme 2018 ("ESS 2018")			
Cheng Hsing Yao	–	162,393*	–	–
Intermediate Holding Company				
Guoco Group Limited	Ordinary Shares			
Quek Leng Chan	1,056,325	–	240,951,792	242,008,117
Kwek Leng Hai	3,800,775	3,800,775	–	–
Ultimate Holding Company				
GuoLine Capital Assets Limited	Ordinary Shares			
Quek Leng Chan	15,754,200	15,754,200	–	–
Kwek Leng Hai	841,000	841,000	–	–
Quek Kon Sean	328,710	328,710	–	–
Subsidiary				
GuocoLand (Malaysia) Berhad	Ordinary Shares			
Quek Leng Chan	19,506,780	19,506,780	477,304,296	478,766,996
Kwek Leng Hai	226,800	226,800	–	–

* A share grant comprising 243,589 ordinary shares of the Company ("Shares") was granted to Mr Cheng Hsing Yao pursuant to the ESS 2018 on 20 January 2023 to be vested over 3 years in 3 tranches with the first tranche in 2023 and the last tranche in 2025. The first tranche of share grant comprising 81,196 Shares was vested and such Shares were transferred to Mr Cheng on 1 February 2023. The remaining 2 tranches of share grant comprising an aggregate of 162,393 Shares will be vested to Mr Cheng by 2025.

Directors' Statement

For the year ended 30 June 2023

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	Number of Ordinary Shares/Preference Shares/ Ordinary Shares issued or to be issued			
	As at 1 July 2022	As at 30 June 2023	As at 1 July 2022	As at 30 June 2023
Interests of Quek Leng Chan in related corporations				
Lam Soon (Hong Kong) Limited	–	–	140,008,659	140,008,659
The Rank Group Plc	285,207	–	263,194,433	269,472,313
Guoman Hotel & Resort Holdings Sdn Bhd	–	–	100,000	100,000
GLM Emerald Industrial Park (Jasin) Sdn Bhd	–	–	34,408,000	34,408,000
	–	–	6,460,000[1]	–
TPC Commercial Pte. Ltd.	–	–	389,600,000	389,600,000
TPC Hotel Pte. Ltd.	–	–	70,400,000	70,400,000
Wallich Residence Pte. Ltd.	–	–	24,000,000	24,000,000
GLL Chongqing 18 Steps Pte. Ltd.	–	–	210,450,201	334,950,201
Guoco Midtown Pte. Ltd.	–	–	184,000,000	797,000,000
Midtown Bay Pte. Ltd.	–	–	32,000,000	32,000,000
Midtown Modern Pte. Ltd.	–	–	69,180,000	69,180,000
Guoco Midtown II Pte. Ltd.	–	–	3,000,000	3,000,000
Shanghai Xinhaojia Property Development Co., Ltd	–	–	1,000,000[2]	1,000,000[2]
JB Parade Sdn Bhd	–	–	28,000,000	–[3]
	–	–	97,390,000[4]	–[3]
Lentor Gardens Pte. Ltd.[5]	–	–	–	27,000,000
Interests of Kwek Leng Hai in related corporations				
Lam Soon (Hong Kong) Limited	2,300,000	2,300,000	–	–
The Rank Group Plc	1,026,209	1,026,209	–	–

Legend

(1) Redeemable Preference Shares.
(2) Capital contribution in RMB.
(3) Became a wholly-owned subsidiary during the financial year.
(4) Cumulative Redeemable Preference Shares.
(5) Incorporated during the financial year.

By virtue of Section 7 of the Act, Mr Quek Leng Chan is deemed to have an interest in all of GuoLine Capital Assets Limited's direct and indirect interests in its subsidiaries and associates, at the beginning and at the end of the financial year.

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

Except as disclosed, there were no changes in any of the above-mentioned Directors' interests in the Company between the end of the financial year and 21 July 2023.

DIRECTORS' INTERESTS (CONT'D)

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

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

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

SHARE SCHEME(S)

The GuocoLand Limited Executive Share Scheme

(a) The GuocoLand Limited Executive Share Scheme was approved by shareholders of the Company on 25 October 2018 and further approved by shareholders of Guoco Group Limited (an intermediate holding company of the Company) on 12 December 2018 ("ESS 2018"). The ESS 2018 shall continue to be in force for a maximum period of 10 years from 12 December 2018 to 11 December 2028.

(b) The ESS 2018 was administered by the Remuneration Committee comprising Mr Wee Lieng Seng (Chairman), Mr Quek Leng Chan and Mr Saw Kok Wei who were non-participants.

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

(d) Since the commencement of the ESS 2018, no grant of options has been made. Accordingly, there were no new Shares issued by virtue of the exercise of options and there were no unissued Shares under options at the end of the financial year.

(e) During the financial year, a share grant pursuant to the ESS 2018 was granted on 20 January 2023 to be vested over 3 years in 3 tranches with the first tranche in 2023 and the last tranche in 2025. The details of the share grant are as follows:

Eligible Executive	Balance as at 1 July 2022	Shares granted during the financial year	Shares vested during the financial year	Balance as at 30 June 2023
Cheng Hsing Yao	–	243,589	81,196	162,393

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

(i) Eligibility

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

Directors' Statement

For the year ended 30 June 2023

SHARE SCHEME(S) (CONT'D)

(ii) Maximum Entitlement

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

(iii) Grant of Options

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

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

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

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

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

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

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

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

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

(g) In relation to the Company's subsidiary, GuocoLand (Malaysia) Berhad, there were no new options granted during the financial year. There is no outstanding share option as at 30 June 2023. Please refer to Note 27 to the Financial Statements for the relevant details.

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

AUDIT AND RISK COMMITTEE

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

- Saw Kok Wei, *Chairman* (Independent Non-Executive Director)
- Wee Lieng Seng (Independent Non-Executive Director)
- Madeleine Lee Suh Shin (Independent Non-Executive Director)

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

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

- the audit plans of the internal and external auditors, their audit reports, the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system and the assistance provided by the Company's management to the internal and external auditors;
- the draft announcements of financial performance and financial statements of the Group and the Company prior to their submission to the Board of Directors of the Company for approval;
- the interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual);
- the Whistle-Blowing Policy of the Company;
- the Group Risk Register;
- the draft sustainability report prior to submission to the Board of Directors of the Company for approval; and
- the assurance provided by the Internal Audit function in relation to the internal review of the Company's sustainability reporting processes.

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

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

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

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

The details of the functions carried out by the ARC are set out under "Corporate Governance" in the Company's Annual Report 2023.

Directors' Statement

For the year ended 30 June 2023

AUDITORS

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

On behalf of the Board of Directors

QUEK LENG CHAN
Director

CHENG HSING YAO
Director

Singapore
8 September 2023

Independent Auditors' Report

Members of the Company
GuocoLand Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GuocoLand Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 70 to 157.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Independent Auditors' Report

Members of the Company
GuocoLand Limited

Valuation of investment properties ($6.2 billion)
(Refer to Note 5 to the financial statements)

Risk

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

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

Our response

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

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

We also considered industry research reports and the estimation uncertainty highlighted in the valuation reports when assessing the assumptions applied in the valuations.

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

Our findings

The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and the key assumptions used are within the range of available market data for comparable properties, taking into consideration relevant market conditions. We considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values in conveying the uncertainties.

Valuation of development properties ($3.6 billion)
(Refer to Note 9 to the financial statements)

Risk

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

The determination of the estimated NRV is largely dependent on the Group's expectations of the forecast selling price for the properties. There is a risk that the carrying value of development properties exceeds future selling price, resulting in losses when the properties are eventually sold.

Our response

We assessed the reasonableness of the forecast selling prices by considering recent transacted sales price of the same project and for comparable properties within the same vicinity of the projects.

Our findings

In determining the NRV, the Group takes into account the recent transacted sale prices of the same project and for comparable properties. We found the Group's forecast selling prices to be within the range of observable selling prices in the market.

Other information

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

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

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

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

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

Independent Auditors' Report

Members of the Company
GuocoLand Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Chiu Sok Hua.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 September 2023

Statements of Financial Position

As at 30 June 2023

		Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment and right-of-use assets	4	**439,646**	459,407	**–**	–
Investment properties	5	**6,202,902**	5,931,715	**–**	–
Subsidiaries	6	**–**	–	**2,157,610**	2,136,772
Associates and joint ventures	7	**519,502**	554,406	**–**	–
Deferred tax assets	8	**15,681**	27,376	**–**	–
		7,177,731	6,972,904	**2,157,610**	2,136,772
Current assets					
Inventories	9	**3,610,021**	4,115,488	**–**	–
Deposits for land	10	**175,200**	–	**–**	–
Trade and other receivables, including derivatives	11	**156,424**	155,096	**1,156**	2
Cash and cash equivalents	13	**890,444**	1,084,925	**85**	84
		4,832,089	5,355,509	**1,241**	86
Total assets		**12,009,820**	12,328,413	**2,158,851**	2,136,858
Equity					
Share capital	14	**1,926,053**	1,926,053	**1,926,053**	1,926,053
Reserves	15	**2,344,465**	2,357,760	**227,818**	207,661
Equity attributable to ordinary equity holders of the Company		**4,270,518**	4,283,813	**2,153,871**	2,133,714
Perpetual securities	16	**408,015**	407,656	**–**	–
Non-controlling interests	6	**891,411**	620,780	**–**	–
Total equity		**5,569,944**	5,312,249	**2,153,871**	2,133,714
Non-current liabilities					
Other payables, including derivatives	19	**531,758**	689,239	**3,795**	1,996
Loans and borrowings	17	**4,191,017**	3,889,779	**–**	–
Deferred tax liabilities	8	**21,722**	32,699	**–**	–
		4,744,497	4,611,717	**3,795**	1,996
Current liabilities					
Trade and other payables, including derivatives	18	**736,513**	621,229	**1,185**	1,148
Loans and borrowings	17	**923,207**	1,756,992	**–**	–
Current tax liabilities		**35,659**	26,226	**–**	–
		1,695,379	2,404,447	**1,185**	1,148
Total liabilities		**6,439,876**	7,016,164	**4,980**	3,144
Total equity and liabilities		**12,009,820**	12,328,413	**2,158,851**	2,136,858

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

Consolidated Statement of Profit or Loss

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Continuing operations			
Revenue	20	**1,544,432**	965,514
Cost of sales	24	**(1,159,542)**	(599,850)
Gross profit		**384,890**	365,664
Other income	21	**208,536**	354,596
Administrative expenses		**(80,411)**	(78,727)
Other expenses	22	**(46,856)**	(14,396)
Finance costs	23	**(149,733)**	(93,977)
Share of profit/(loss) of associates and joint ventures (net of tax)	7	**8,475**	(7,653)
Profit before tax	24	**324,901**	525,507
Tax expense	25	**(56,063)**	(57,349)
Profit from continuing operations		**268,838**	468,158
Discontinued operation			
Profit from discontinued operation (net of tax)	34	**–**	14,301
Profit for the year		**268,838**	482,459
Profit attributable to:			
Equity holders of the Company		**207,088**	392,728
Non-controlling interests		**61,750**	89,731
Profit for the year		**268,838**	482,459
Earnings per share (cents)			
Basic / Diluted	26	**16.97**	33.68

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

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2023

	2023 $'000	2022 $'000
Profit for the year	**268,838**	482,459
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:-		
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**(185,895)**	(46,334)
Translation differences of subsidiaries reclassified to profit or loss upon disposal	**–**	(1,331)
Effective portion of changes in fair value of cash flow hedges	**72**	39
Effective portion of changes in fair value of net investment hedges	**25,425**	3,593
Net change in fair value of cash flow hedges reclassified to profit or loss	**–**	15,734
Total other comprehensive income for the year, net of tax	**(160,398)**	(28,299)
Total comprehensive income for the year, net of tax	**108,440**	454,160
Attributable to:		
Equity holders of the Company	**76,965**	369,171
Non-controlling interests	**31,475**	84,989
Total comprehensive income for the year, net of tax	**108,440**	454,160

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Attributable to ordinary equity holders of the Company						
	Share Capital $'000	Other Reserves $'000	Accumulated Profits $'000	Total Ordinary Equity $'000	Perpetual Securities $'000	Non-Controlling Interests $'000	Total Equity $'000
At 1 July 2022	**1,926,053**	**(180,274)**	**2,538,034**	**4,283,813**	**407,656**	**620,780**	**5,312,249**
Total comprehensive income for the year							
Profit for the year	–	–	207,088	207,088	–	61,750	268,838
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:-							
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	–	(155,620)	–	(155,620)	–	(30,275)	(185,895)
Effective portion of changes in fair value of cash flow hedges	–	72	–	72	–	–	72
Effective portion of changes in fair value of net investment hedges	–	25,425	–	25,425	–	–	25,425
Total other comprehensive income, net of tax	–	(130,123)	–	(130,123)	–	(30,275)	(160,398)
Total comprehensive income for the year, net of tax	–	(130,123)	207,088	76,965	–	31,475	108,440
Transactions with equity holders, recorded directly in equity							
Contributions by and distributions to equity holders							
Share-based payments	–	189	–	189	–	–	189
Accrued distribution for perpetual securities	–	–	(18,759)	(18,759)	18,759	–	–
Distribution payment for perpetual securities	–	–	–	–	(18,400)	–	(18,400)
Dividends (note 28)	–	–	(66,586)	(66,586)	–	(5,298)	(71,884)
Capital reduction of a subsidiary with non-controlling interests	–	–	–	–	–	(880)	(880)
Capitalisation of shareholder's loan from non-controlling interests	–	–	–	–	–	243,400	243,400
Total contributions by and distributions to equity holders	–	189	(85,345)	(85,156)	359	237,222	152,425
Changes in ownership interests in subsidiaries							
Acquisition of interests in a subsidiary without a change in control	–	–	(5,104)	(5,104)	–	1,934	(3,170)
Total changes in ownership interests in subsidiaries	–	–	(5,104)	(5,104)	–	1,934	(3,170)
Total transactions with equity holders	–	189	(90,449)	(90,260)	359	239,156	149,255
At 30 June 2023	**1,926,053**	**(310,208)**	**2,654,673**	**4,270,518**	**408,015**	**891,411**	**5,569,944**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Attributable to ordinary equity holders of the Company						
	Share Capital $'000	Other Reserves $'000	Accumulated Profits $'000	Total Ordinary Equity $'000	Perpetual Securities $'000	Non-Controlling Interests $'000	Total Equity $'000
At 1 July 2021	1,926,053	(156,717)	2,230,888	4,000,224	407,060	537,176	4,944,460
Total comprehensive income for the year							
Profit for the year	–	–	392,728	392,728	–	89,731	482,459
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:-							
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	–	(41,659)	–	(41,659)	–	(4,675)	(46,334)
Translation differences of subsidiaries reclassified to profit or loss upon disposal	–	(1,264)	–	(1,264)	–	(67)	(1,331)
Effective portion of changes in fair value of cash flow hedges	–	39	–	39	–	–	39
Effective portion of changes in fair value of net investment hedges	–	3,593	–	3,593	–	–	3,593
Net change in fair value of cash flow hedges reclassified to profit or loss	–	15,734	–	15,734	–	–	15,734
Total other comprehensive income, net of tax	–	(23,557)	–	(23,557)	–	(4,742)	(28,299)
Total comprehensive income for the year, net of tax	–	(23,557)	392,728	369,171	–	84,989	454,160
Transactions with equity holders, recorded directly in equity							
Contributions by and distributions to equity holders							
Accrued distribution for perpetual securities	–	–	(18,996)	(18,996)	18,996	–	–
Distribution payment for perpetual securities	–	–	–	–	(18,400)	–	(18,400)
Dividends (note 28)	–	–	(66,586)	(66,586)	–	(1,385)	(67,971)
Total contributions by and distributions to equity holders	–	–	(85,582)	(85,582)	596	(1,385)	(86,371)
Total transactions with equity holders	–	–	(85,582)	(85,582)	596	(1,385)	(86,371)
At 30 June 2022	1,926,053	(180,274)	2,538,034	4,283,813	407,656	620,780	5,312,249

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Profit for the year		**268,838**	482,459
Adjustments for:-			
Allowance for foreseeable losses on development properties		**1,251**	–
Allowance/(Reversal of allowance) for credit loss on trade and other receivables		**31**	(692)
Depreciation of property, plant and equipment and right-of-use assets	4	**12,160**	15,344
Finance costs		**149,733**	93,977
Gain on disposal of discontinued operation, net of tax	34	**–**	(14,301)
Gain on disposal of interests in subsidiaries	30	**–**	(4)
Loss on disposal of property, plant and equipment		**238**	–
Impairment loss on investment in a joint venture		**44,000**	–
Interest income		**(27,875)**	(18,840)
Net fair value gain on derivative financial instruments		**(605)**	(67,161)
Net fair value gain from investment properties	5	**(156,271)**	(248,833)
Share of (profit)/loss of associates and joint ventures (net of tax)		**(8,475)**	7,653
Write off of property, plant and equipment		**2**	955
Share-based payments		**189**	–
Fair value gain on transfer from development properties to investment properties	5	**–**	(79,276)
Foreign exchange gains		**(16,223)**	(7,812)
Tax expense		**56,063**	57,349
		323,056	220,818
Changes in:-			
Inventories		**364,148**	(276,964)
Deposits for land		**(175,200)**	–
Trade and other receivables		**(5,967)**	4,897
Trade and other payables		**182,880**	60,001
Balances with holding companies and related corporations		**(1,329)**	(4,605)
Cash generated from operating activities		**687,588**	4,147
Tax paid		**(32,558)**	(32,903)
Net cash from/(used in) operating activities		**655,030**	(28,756)
Cash flows from investing activities			
Investment in equity-accounted investee		**–**	(1,200)
Additions to investment properties		**(116,800)**	(289,801)
Additions to property, plant and equipment		**(2,646)**	(925)
Advances to associates and joint ventures		**(10,242)**	(80,996)
Dividends received from associates and joint ventures		**1,239**	14,915
Interest received		**17,897**	12,784
Proceeds from disposal of discontinued operation	34	**–**	21,888
Proceeds from disposal of interests in subsidiaries	30	**–**	1,226
Proceeds from disposal of property, plant and equipment		**808**	72
Net cash used in investing activities		**(109,744)**	(322,037)

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from financing activities			
Capital reduction of a subsidiary with non-controlling interests		**(880)**	–
Dividends paid	28	**(66,586)**	(66,586)
Dividends paid to non-controlling interests	6	**(5,298)**	(1,385)
Distribution payment for perpetual securities		**(18,400)**	(18,400)
Increase in fixed deposits pledged		**(2,385)**	(1,912)
Interest paid		**(213,094)**	(138,540)
Payment for lease liabilities		**(948)**	(1,157)
Proceeds from loans and borrowings		**1,859,492**	2,223,877
Proceeds of loans from non-controlling interests		**93,680**	20,437
Repayment of loans from non-controlling interests		**(33,383)**	(31,587)
Repayment of loans and borrowings		**(2,299,022)**	(1,676,273)
Acquisition of non-controlling interests in a subsidiary	30	**(3,170)**	–
Net cash (used in)/from financing activities		**(689,994)**	308,474
Net decrease in cash and cash equivalents		**(144,708)**	(42,319)
Cash and cash equivalents at beginning of the year		**1,076,406**	1,123,177
Exchange differences on translation of balances held in foreign currencies		**(52,243)**	(4,452)
Cash and cash equivalents at end of the year	13	**879,455**	1,076,406

Significant non-cash transaction

During the year, certain subsidiaries capitalised shareholders' loans from non-controlling interests of $243.4 million (2022 : Nil) through the issuance of shares by the subsidiaries to the non-controlling interests.

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

Notes to the Financial Statements

For the year ended 30 June 2023

The financial statements were authorised for issue by the Board of Directors on 8 September 2023.

1. DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 30 June 2023 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 GuoLine Capital Assets Limited, incorporated in Jersey Channel Islands.

2. BASIS OF PREPARATION

a. Statement of Compliance

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

b. Basis of Measurement

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

c. Functional and Presentation Currency

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

d. Use of Estimates and Judgements

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

2. BASIS OF PREPARATION (CONT'D)

d. Use of Estimates and Judgements (cont'd)

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

Note 5 – determination of fair value of investment properties
Note 7 – impairment assessment of investment in associates and joint ventures
Note 9 – allowance for foreseeable losses on development properties

e. Measurement of Fair Values

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

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

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

Note 5 – Investment properties
Note 31 – Financial instruments

2. BASIS OF PREPARATION (CONT'D)

f. New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 July 2022: -

- *COVID-19-Related Rent Concession beyond 30 June 2021* (Amendments to SFRS(I) 16)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment: Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of Consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether or not the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce output.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(i) Business combinations (cont'd)

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

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

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

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

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

(ii) Subsidiaries

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

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

(iii) Acquisitions from entities under common control

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(iv) Loss of control

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

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

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

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

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

(vi) Joint operations

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

(vii) Transactions eliminated on consolidation

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

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

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

(ix) Trust for Executive Share Scheme

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

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Foreign Currency

(i) Foreign currency transactions

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

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

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

(ii) Foreign operations

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Foreign Currency (cont'd)

(iii) Hedge of a net investment in foreign operation

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

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

c. Property, Plant and Equipment

(i) Recognition and measurement

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

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

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

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

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

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

(ii) Subsequent costs

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

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iii) Depreciation

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

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

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

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

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

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

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

d. Investment Property

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments

(i) Non-derivative financial assets

Classification and measurement

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

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

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

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

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

At initial recognition

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

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

At subsequent measurement

(i) Financial assets at amortised cost

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

(ii) Financial assets at FVOCI

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

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

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

At subsequent measurement (cont'd)

(iii) Financial assets at FVTPL

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

(ii) Non-derivative financial liabilities

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

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

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

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

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

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

(iii) Share capital

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

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

(iv) Perpetual securities

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

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

(v) Derivative financial instruments and hedge accounting

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

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

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from Interest rate benchmark reform

For the purpose of evaluation whether there is an economic relationship between the hedged items(s) and the hedging instruments(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met: -

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes: -

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

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

Hedges directly affected by interest rate benchmark reform (cont'd)

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform (cont'd)

The Group amends the description of the hedging instrument only if the following conditions are met:-

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Cash flow hedges

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

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in cost of hedging reserve within equity.

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

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

Cash flow hedges (cont'd)

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

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

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f. Inventories

(i) Development properties for sale

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs (applicable to construction of a development for which revenue is to be recognised at a point in time) and other costs directly attributable to the development activities. When the use of a property changes such that it is reclassified as investment property, the property will be transferred at fair value and the fair value gain / loss will be recognised in profit or loss under cost of sales.

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

(ii) Others

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

g. Non-Current Assets Held for Sale

Non-current assets or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets or components of a disposal group, are remeasured in accordance with the applicable SFRS(I) immediately before the reclassification as held for sale. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less cost to sell.

Any Impairment losses on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measure in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale.

h. Impairment

(i) Non-derivative financial assets

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment (cont'd)

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

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

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

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

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

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

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

(ii) Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment (cont'd)

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

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

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

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

i. Employee Benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

(iii) Share-based payments transactions

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

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j. Provisions

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

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

k. Income Recognition

(i) Sale of development properties

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Income Recognition (cont'd)

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

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

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

(ii) Hotel income

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

(iii) Rental income

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

(iv) Management fee income

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

(v) Dividends

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

(vi) Interest income

The Group has presented interest income on financial assets that are subsequently measured at amortised costs or FVOCI as part of "other income" because it does not consider it as part of its revenue-generating activities. Interest income is recognised on an accrual basis using the effective interest method.

l. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l. Leases (cont'd)

As a lessee (cont'd)

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

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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

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

Lease payments included in the measurement of the lease liability comprise the following: -

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

From 1 July 2021, where the basis for determining future lease payments changes as required by interest rate benchmark reform (see note 2f), the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l. Leases (cont'd)

As a lessee (cont'd)

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

Short-term leases and leases of low-value assets

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

As a lessor

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

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

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

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

m. Government Grants

An unconditional government grant related to a biological asset is recognised in profit or loss as 'other income' when the grant becomes receivable.

Other government grants related assets are initially recognised as deferred income at fair value when there is reasonable assurance that they be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised; they are deducted in reporting the related expenses. In this case, the grant is recognised when it becomes receivable.

n. 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.

Notes to the Financial Statements

For the year ended 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o. Tax

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

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

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

Deferred tax is not recognised for: -

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p. Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which: -

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

q. 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.

r. Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group Chief Executive Officer ("GCEO") (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 GCEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets, liabilities and expenses relating to the Group's corporate office and treasury operations.

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

s. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balance and short-term deposits with maturities of three months or less from the date of acquisition that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. For the purposes of statement of cash flows, 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.

Notes to the Financial Statements

For the year ended 30 June 2023

4. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Group	Freehold land $'000	Freehold land and buildings $'000	Leasehold land and buildings $'000	Furniture, fittings and other equipment $'000	Motor vehicles $'000	Right-of-use assets $'000	Total $'000
Cost							
At 1 July 2021	736	139,702	366,546	46,243	2,745	4,520	560,492
Additions	–	25	(468)	1,868	9	4	1,438
Disposals	–	–	–	(236)	(2)	–	(238)
Written off	–	–	–	(1,611)	–	–	(1,611)
Translation differences	(21)	(3,924)	(1,086)	(941)	(24)	(127)	(6,123)
At 30 June 2022	715	135,803	364,992	45,323	2,728	4,397	553,958
At 1 July 2022	**715**	**135,803**	**364,992**	**45,323**	**2,728**	**4,397**	**553,958**
Additions	**–**	**9**	**–**	**1,281**	**1,356**	**3,222**	**5,868**
Disposals	**–**	**(340)**	**–**	**(1,591)**	**(1,526)**	**–**	**(3,457)**
Written off	**–**	**–**	**–**	**(64)**	**(64)**	**(266)**	**(394)**
Translation differences	**(58)**	**(10,983)**	**(3,034)**	**(2,261)**	**(91)**	**(405)**	**(16,832)**
At 30 June 2023	**657**	**124,489**	**361,958**	**42,688**	**2,403**	**6,948**	**539,143**
Accumulated Depreciation							
At 1 July 2021	–	17,898	30,954	29,037	2,592	956	81,437
Depreciation charge for the year	–	2,532	5,265	6,286	128	1,133	15,344
Disposals	–	–	–	(162)	(2)	–	(164)
Written off	–	–	–	(656)	–	–	(656)
Translation differences	–	(555)	(343)	(439)	(23)	(50)	(1,410)
At 30 June 2022	–	19,875	35,876	34,066	2,695	2,039	94,551
At 1 July 2022	**–**	**19,875**	**35,876**	**34,066**	**2,695**	**2,039**	**94,551**
Depreciation charge for the year	**–**	**2,329**	**5,615**	**3,397**	**127**	**692**	**12,160**
Disposals	**–**	**–**	**–**	**(885)**	**(1,526)**	**–**	**(2,411)**
Written off	**–**	**–**	**–**	**(62)**	**(64)**	**(266)**	**(392)**
Translation differences	**–**	**(1,712)**	**(981)**	**(1,528)**	**(88)**	**(102)**	**(4,411)**
At 30 June 2023	**–**	**20,492**	**40,510**	**34,988**	**1,144**	**2,363**	**99,497**
Carrying Amounts							
At 1 July 2021	736	121,804	335,592	17,206	153	3,564	479,055
At 30 June 2022	715	115,928	329,116	11,257	33	2,358	459,407
At 30 June 2023	**657**	**103,997**	**321,448**	**7,700**	**1,259**	**4,585**	**439,646**

4. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONT'D)

a. The Group's property, plant and equipment with a carrying amount of $408.2 million (2022: $447.9 million) have been mortgaged to secure loan facilities granted to the Group (note 17).

b. The Group's depreciation charge for the year of $12.2 million (2022: $15.3 million) is recognised in the administrative expenses.

5. INVESTMENT PROPERTIES

		Group	
		30 June 2023	**30 June 2022**
	Note	**$'000**	**$'000**
At 1 July		**5,931,715**	4,974,546
Additions		**158,291**	356,125
Reclassification from development properties	c	**–**	361,899
Changes in fair values recognised in other income	21	**156,271**	248,833
Translation differences recognised in other comprehensive income		**(43,375)**	(9,688)
At 30 June		**6,202,902**	5,931,715
Comprising:-			
Completed investment properties		**3,770,300**	3,630,793
Investment properties under development		**2,432,602**	2,300,922
		6,202,902	5,931,715

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

a. The Group's investment properties with a carrying value of $5,628.5 million (2022: $5,375.0 million) have been mortgaged to secure loan facilities granted to the Group (note 17).

b. During the financial year, interest expense capitalised as cost of investment properties amounted to $41.5 million (2022: $51.1 million) (note 23) and is included in additions.

c. In financial year 2022, a high rise office tower with basement retail and carparks ("South Tower") in Guoco Changfeng City, Shanghai was transferred from development properties to investment properties due to change in intention to hold the asset for capital appreciation and rental income, as well as the commencement of leases. Accordingly, the property was transferred at fair value and the fair value gain of $79.3 million was recognised in profit or loss under cost of sales (note 24).

Notes to the Financial Statements

For the year ended 30 June 2023

5. INVESTMENT PROPERTIES (CONT'D)

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	
	30 June 2023	**30 June 2022**
	$'000	**$'000**
Operating lease under SFRS(I) 16		
Within 1 year	**212,601**	134,948
Between 1 to 2 years	**206,815**	107,161
Between 2 to 3 years	**173,427**	77,406
Between 3 to 4 years	**130,889**	54,295
Between 4 to 5 years	**96,519**	37,158
After 5 years	**13,489**	12,736
	833,740	423,704

e. Fair value hierarchy

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

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

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

Valuer	**2023 Valuation Date**	**2022 Valuation Date**
CBRE	**June 2023**	June 2022
Savills	**June 2023**	June 2022
Cheston International	**June 2023**	June 2022

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

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

5. INVESTMENT PROPERTIES (CONT'D)

e. Fair value hierarchy (cont'd)

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

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

f. Valuation techniques and significant unobservable inputs

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

Type of investment properties	Valuation Method	Key unobservable inputs			Inter-relationship between key unobservable inputs and fair value measurement
		Singapore	China	Malaysia	
Commercial properties	• Direct comparison method	• Sales prices of $3,001 to $3,212 (2022: $2,850 to $3,151) per square feet (psf)			The estimated fair value increases when sales price and gross development value increases and capitalisation rate decreases
	• Income capitalisation method	• Capitalisation rate of 3.3% to 4.5% (2022: 3.3% to 4.5%)	• Capitalisation rate of 3.8% to 4.5% (2022: 3.8%)	• Capitalisation rate of 5.5% to 6.0% (2022: 5.5% to 6.0%)	
Commercial properties under development	• Residual land method	• Gross development value of $3,040 to $3,902 (2022: $3,000 to $3,800) psf	• 2023: Not applicable (2022: Gross development value of $122 psf)		
Reversionary interest in freehold land and commercial properties	• Direct comparison method • Residual land method	• Sales prices of $226 to $926 (2022: $201 to $857) psf • Gross development value of $3,450 (2022: $3,220) psf			

Notes to the Financial Statements

For the year ended 30 June 2023

6. SUBSIDIARIES

		Company	
		30 June 2023	30 June 2022
	Note	$'000	$'000
a. Unquoted shares, at cost		**911,303**	786,614
Less: Impairment loss		**(67,303)**	(93,903)
		844,000	692,711
Amounts due from subsidiaries		**1,422,068**	1,476,519
Less: Impairment loss		**(108,458)**	(32,458)
		1,313,610	1,444,061
		2,157,610	2,136,772
Non-current amounts due to subsidiaries	19	**(3,795)**	(1,996)

The amounts due from/to subsidiaries are unsecured, interest-free and not expected to be repaid in the next 12 months from 30 June 2023.

The impairment loss on investments in subsidiaries is made mainly in respect of a subsidiary that hold hotels and operates hotel related activities and in respect of subsidiaries which have completed or substantially completed their respective developments.

The investments in and amounts due from these subsidiaries were written down to their respective recoverable amounts, determined using the net asset values of the subsidiaries. The net asset values, which take into consideration the fair values of the underlying assets held by the subsidiaries, approximate the fair values of the subsidiaries. The fair values were categorised as Level 3 fair value measurements. Costs of disposal were assessed as insignificant. Based on the assessment, the Company recognised a reversal of impairment loss on investment in subsidiaries of $26.6 million during the year (2022: Nil), due to improved performance in the hotel businesses.

During the year, an impairment loss of $76.0 million (2022: Nil) was made in respect of an amount due from a subsidiary which held interests in EcoWorld International Berhad (note 7).

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

6. SUBSIDIARIES (CONT'D)

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

	Country of incorporation/ Principal place of business	Ownership interest/ Voting rights held by the Group	
		30 June 2023 %	30 June 2022 %
(i) Directly held by the Company			
GLL IHT Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand (Singapore) Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand (China) Limited	Bermuda	**100.00**	100.00
GuoSon Assets China Limited	Hong Kong	**100.00**	100.00
GLL Chongqing 18 Steps Pte. Ltd.	Singapore	**75.00**	75.00
GLL (Malaysia) Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand Hotels Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand Management Pte. Ltd.	Singapore	**100.00**	100.00
(ii) Directly and indirectly held by GuocoLand (Singapore) Pte. Ltd.			
TPC Commercial Pte. Ltd.	Singapore	**80.00**	80.00
GLL Land Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand Property Maintenance Services Pte. Ltd.	Singapore	**100.00**	100.00
GuocoLand Property Management Pte. Ltd.	Singapore	**100.00**	100.00
Wallich Residence Pte. Ltd.	Singapore	**80.00**	80.00
Martin Modern Pte. Ltd.	Singapore	**100.00**	100.00
Midtown Bay Pte. Ltd.	Singapore	**70.00**	70.00
Guoco Midtown Pte. Ltd.	Singapore	**70.00**	70.00
Meyer Mansion Pte. Ltd.	Singapore	**100.00**	100.00
Midtown Modern Pte. Ltd.	Singapore	**60.00**	60.00
Guoco Midtown II Pte. Ltd.	Singapore	**60.00**	60.00
Lentor Modern Pte. Ltd.	Singapore	**100.00**	100.0
Lentor Central Pte. Ltd.	Singapore	**100.00**	100.0
Lentor Gardens Pte. Ltd.	Singapore	**60.00**	–
(iii) Directly and indirectly held by GuoSon Assets China Limited			
[§] GuoSon Investment Company Limited	The People's Republic of China	**100.00**	100.00
Shanghai Xinhaolong Property Development Co., Ltd	The People's Republic of China	**100.00**	100.00
(iv) Directly held by GLL Chongqing 18 Steps Pte. Ltd.			
Chongqing Yuzhong Xinhaojun Real Estate Development Co., Ltd	The People's Republic of China	**75.00**	75.00
Chongqing Xinhaoren Real Estate Development Co., Ltd	The People's Republic of China	**75.00**	75.00

Notes to the Financial Statements

For the year ended 30 June 2023

6. SUBSIDIARIES (CONT'D)

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

	Country of incorporation/ Principal place of business	Ownership interest/ Voting rights held by the Group	
		30 June 2023 %	30 June 2022 %
(v) Directly and indirectly held by GLL (Malaysia) Pte. Ltd.			
@ GLM Emerald Industrial Park (Jasin) Sdn Bhd	Malaysia	**46.24**	46.24
@ Damansara City Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Hotel Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Parking Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Town Square Sdn Bhd	Malaysia	**68.00**	68.00
@ GuocoLand (Malaysia) Berhad	Malaysia	**68.00**	68.00
▲ GLM Oval Sdn Bhd	Malaysia	**68.00**	68.00
▲ Titan Debut Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM Emerald Hills (Cheras) Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM Emerald Square (Cheras) Sdn Bhd	Malaysia	**68.00**	68.00
▲ GLM Property Services Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM IHM Sdn Bhd	Malaysia	**68.00**	68.00
GLL EWI (HK) Limited	Hong Kong	**100.00**	100.00
(vi) Directly held by GuocoLand Hotels Pte. Ltd.			
TPC Hotel Pte. Ltd.	Singapore	**80.00**	80.00
^ JB Parade Sdn Bhd	Malaysia	**100.00**	70.00
▲ PD Resort Sdn Bhd	Malaysia	**100.00**	100.00

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

@ Audited by Ernst & Young, Malaysia.
▲ Audited by Ling Kam Hoong & Co.
^ Audited by Grant Thornton Malaysia PLT.
§ Audited by Beijing Zhuodixin Certified Public Accountants

c. Non-controlling interests in subsidiaries

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

	Ownership interest held by NCI	
	30 June 2023 %	30 June 2022 %
TPC Commercial Pte. Ltd.	**20.00**	20.00
Guoco Midtown Pte. Ltd.	**30.00**	30.00
GuocoLand (Malaysia) Berhad Group	**32.00**	32.00

6. SUBSIDIARIES (CONT'D)

c. Non-controlling interests in subsidiaries (cont'd)

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

	TPC Commercial Pte. Ltd.		Guoco Midtown Pte. Ltd. (note 29c)		GuocoLand (Malaysia) Berhad Group		Other individually immaterial subsidiaries		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current assets	**2,762,004**	2,678,010	**2,169,885**	2,031,940	**276,361**	301,743				
Current assets	**38,749**	91,621	**97,909**	30,170	**375,995**	437,044				
Non-current liabilities	**(1,464,721)**	(589,598)	**(1,218,163)**	(1,658,942)	**(130,563)**	(158,990)				
Current liabilities	**(26,223)**	(972,519)	**(42,276)**	(36,158)	**(132,162)**	(162,492)				
Net assets	**1,309,809**	1,207,514	**1,007,355**	367,010	**389,631**	417,305				
Net assets attributable to NCI	**261,952**	241,493	**302,206**	110,103	**131,313**	140,247	**195,940**	128,937	**891,411**	620,780
Revenue	**108,501**	100,210	**29,096**	520	**131,513**	139,556				
Profit	**102,294**	181,750	**27,344**	151,835	**14,853**	9,026				
Other comprehensive income	**–**	–	**–**	–	**(35,963)**	(12,992)				
Total comprehensive income	**102,294**	181,750	**27,344**	151,835	**(21,110)**	(3,966)				
Profit attributable to NCI	**20,459**	36,350	**8,203**	45,551	**4,754**	3,732				
Other comprehensive income attributable to NCI	**–**	–	**–**	–	**(11,510)**	(4,158)				
Total comprehensive income attributable to NCI	**20,459**	36,350	**8,203**	45,551	**(6,756)**	(426)	**9,569**	3,514	**31,475**	84,989
Cash flows from operating activities	**80,073**	70,008	**20,300**	13,239	**59,112**	1,494				
Cash flows from/(used in) investing activities	**1,134**	14	**(92,495)**	(99,744)	**649**	36,126				
Cash flows (used in)/from financing activities	**(129,463)**	(76,035)	**97,578**	93,838	**(44,182)**	(31,191)				
Net (decrease)/increase in cash and cash equivalents	**(48,256)**	(6,013)	**25,383**	7,333	**15,579**	6,429				
Dividends paid to NCI during the year	**–**	–	**–**	–	**1,298**	1,385				

During the year, certain non-wholly owned subsidiaries capitalised shareholders' loans of $243.4 million (2022: Nil) from non-controlling interests.

Notes to the Financial Statements

For the year ended 30 June 2023

7. ASSOCIATES AND JOINT VENTURES

	Group	
	30 June 2023	**30 June 2022**
	$'000	**$'000**
Investments in associates		
- quoted	**31,326**	35,560
- unquoted	**32,439**	35,542
	63,765	71,102
Investments in joint ventures		
- quoted	**125,521**	190,342
- unquoted	**61,406**	47,737
Amounts due from joint ventures	**268,810**	245,225
	455,737	483,304
	519,502	554,406

During the year, the Group received dividends of $1.2 million (2022: $14.9 million) from its investments in associates and joint ventures.

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

Name of Associates/ Joint Ventures	**Principal activities**	**Country of incorporation/ Principal place of business**	**Ownership interest/ Voting rights held by the Group**	
			30 June 2023	**30 June 2022**
			%	**%**
Associates				
*§ Tower Real Estate Investment Trust ("Tower REIT")	Investment in real estate and real estate related assets	Malaysia	**14.73**	14.73
@ GLM Emerald (Sepang) Sdn Bhd ("Emerald Sepang")	Property development and operation of an oil palm estate	Malaysia	**32.20**	32.20
Joint Ventures				
* EcoWorld International Berhad ("EWI")	Property development	Malaysia/ United Kingdom & Australia	**27.00**	27.00
▲ Carmel Development Pte. Ltd. ("Carmel")	Property development	Singapore	**40.00**	40.00
▲ Lentor Hills Development Pte. Ltd. ("Lentor Hills")	Property development	Singapore	**30.00**	30.00

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

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

At the reporting date, the associates and joint ventures do not have any contingent liabilities. The Group has not recognised losses totalling $8.9 million (2022: $21.2 million) in relation to its interests in joint ventures, because the Group has no obligation in respect of these losses.

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

Associates

	Tower REIT		**Emerald Sepang**		**Total**	
Percentage of interest	**21.66%***		**45.00%#**			
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets	**233,014**	259,698	**60,149**	64,703		
Current assets	**918**	783	**9,587**	14,452		
Non-current liabilities	**(82,967)**	(89,983)	**–**	(3,213)		
Current liabilities	**(6,337)**	(6,322)	**(4,052)**	(3,925)		
Net assets	**144,628**	164,176	**65,684**	72,017		
Group's share of net assets	**31,326**	35,560	**29,558**	32,408		
Goodwill	**–**	–	**2,881**	3,134		
Group's carrying amount	**31,326**	35,560	**32,439**	35,542	**63,765**	71,102
Revenue	**10,286**	10,484	**3,409**	4,249		
Profit/(Loss) from continuing operations	**(5,726)**	2,312	**(458)**	3,153		
Other comprehensive income	**(13,006)**	(4,748)	**(6,436)**	(2,477)		
Total comprehensive income	**(18,732)**	(2,436)	**(6,894)**	676		
Group's interest in net assets of investee at beginning of year	**35,560**	36,548	**35,542**	35,238	**71,102**	71,786
Group's share of profit/(loss)	**(1,240)**	501	**(206)**	1,419	**(1,446)**	1,920
Group's share of other comprehensive income	**(2,817)**	(1,028)	**(2,897)**	(1,115)	**(5,714)**	(2,143)
Share of total comprehensive income attributable to the Group	**(4,057)**	(527)	**(3,103)**	304	**(7,160)**	(223)
Dividends received during the year	**(177)**	(461)	**–**	–	**(177)**	(461)
Carrying amount of interest in investee at end of the year	**31,326**	35,560	**32,439**	35,542	**63,765**	71,102

* The Group has a 68.00% (2022: 68.00%) equity interest in a subsidiary, GuocoLand (Malaysia) Berhad, which in turn holds a 21.66% (2022: 21.66%) equity interest in Tower REIT. The Group's effective equity interest in Tower REIT is 14.73% (2022: 14.73%).

\# Emerald Sepang is 40.00% (2022: 40.00%) and 5.00% (2022: 5.00%) owned by GuocoLand (Malaysia) Berhad and a wholly owned subsidiary of the Group respectively. The Group's effective equity interest in Emerald Sepang is 32.20% (2022: 32.20%).

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For the year ended 30 June 2023

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

Associates (cont'd)

None of the Group's associates are publicly listed entities except for Tower REIT, which is listed on the Malaysia Stock Exchange. Based on its closing price per unit of RM0.42 (2022: RM0.45) (Level 1 in the fair value hierarchy) at the reporting date, the value of the Group's investment in Tower REIT was $7.3 million (2022: $8.5 million). The Group undertook an impairment assessment of its investment in Tower REIT and estimated its recoverable amount, taking into consideration the value in use of the underlying properties held by Tower REIT. Based on the assessment, the recoverable amount of the investment approximates its carrying amount.

Joint Ventures

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

Carmel is an unlisted joint venture in which the Group has joint control via a shareholders' agreement with two other shareholders and 40.00% ownership interest. Carmel was incorporated by the Group and its related corporation and is based in Singapore, principally engaged in property development. The entity is structured as a separate vehicle and the Group has residual interest in its net assets. Accordingly, the Group has classified its interest in this entity as a joint venture, which is equity accounted. The Group has advanced shareholder's loan to Carmel for the development (note 29f) and the shareholder's loan bears interest of 3.9% (2022: 3.2%) per annum and is repayable at the discretion of the Board of Carmel. The amounts are subordinated to external bank loans of Carmel.

Lentor Hills is an unlisted joint venture in which the Group has joint control via a shareholders' agreement with two other shareholders and 30.00% ownership interest. Lentor Hills was incorporated during the year by the Group and its related corporation and is based in Singapore, principally engaged in property development. The entity is structured as a separate vehicle and the Group has residual interest in its net assets. Accordingly, the Group has classified its interest in this entity as a joint venture, which is equity accounted. The Group has advanced shareholder's loan to Lentor Hills for the development (note 29g) and the shareholder's loan bears interest of 3.9% (2022: 3.2%) per annum and is repayable at the discretion of the Board of Lentor Hills. The amounts are subordinated to external bank loans of Lentor Hills.

At the reporting date, the Group's share of the commitment in respect of capital expenditure contracted but not provided for in the financial statements by the joint ventures relating to development properties was $97.5 million (2022: $56.8 million).

None of the Group's joint ventures are publicly listed entities except for EWI, which is listed on the Malaysia Stock Exchange. Based on its closing price per share of RM0.60 (2022: RM0.34) (Level 1 in the fair value hierarchy) at the reporting date, the value of the Group's investment in EWI was $112.5 million (2022: $68.4 million). The Group has elected an accounting policy choice to treat the investment as whole. During the year, the Group undertook an impairment assessment of its investment in EWI and estimated its recoverable amount, taking into consideration the control premium to the fair value of the investment in EWI as a whole (Level 3 in the fair value hierarchy). Based on the assessment, the Group recognised an impairment loss of $44.0 million during the year (2022: Nil), reflecting the prevailing cautious outlook and market conditions in the United Kingdom.

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

Joint Ventures (cont'd)

Percentage of interest	EWI 27.00%		Carmel 40.00%		Lentor Hills 30.00%		Other immaterial joint ventures		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current assets	**323,998**	503,685	**–**	12,110	**–**	–				
Current assets	**299,858**	392,336	**1,138,498**	904,660	**693,167**	660,191				
Non-current liabilities	**(78)**	(22,886)	**(806,297)**	(959,897)	**(720,725)**	(659,053)				
Current liabilities	**(19,326)**	(191,179)	**(287,750)**	(9,570)	**(2,331)**	(1,417)				
Non-controlling interest	**(396)**	(786)	**–**	–	**–**	–				
Net assets	**604,056**	681,170	**44,451**	(52,697)	**(29,889)**	(279)				
Cash and cash equivalents	**223,859**	96,181	**195,430**	109,735	**13,528**	8,912				
Non-current financial liabilities (excluding trade and other payables and provision)	**(190)**	(22,886)	**(806,297)**	(959,897)	**(720,725)**	(659,053)				
Current financial liabilities (excluding trade and other payables and provision)	**(332)**	(182,950)	**(1,907)**	(1,845)	**(19)**	(268)				
Group's share of net assets	**163,095**	183,916	**17,781**	–	**–**	–				
Goodwill	**53,426**	53,426	**–**	–	**–**	–				
Shareholder's loan	**–**	–	**188,022**	176,759	**80,788**	68,466				
Impairment loss	**(91,000)**	(47,000)	**–**	–	**–**	–				
Group's carrying amount	**125,521**	190,342	**205,803**	176,759	**80,788**	68,466	**43,625**	47,737	**455,737**	483,304
Revenue	**36,112**	51,072	**768,233**	198,336	**–**	–				
Depreciation	**(394)**	(514)	**–**	–	**–**	–				
Interest income	**6,568**	1,649	**3,407**	185	**93**	–				
Interest expense	**(8,574)**	(16,469)	**(35,746)**	(24,587)	**(26,072)**	(4,145)				
Income tax (expense)/credit	**(1,354)**	520	**–**	–	**–**	–				
(Loss)/Profit for the year	**(46,401)**	(50,937)	**44,452**	5,720	**(29,609)**	(4,000)				
Other comprehensive income	**(30,716)**	(96,355)	**–**	–	**–**	–				
Total comprehensive income	**(77,117)**	(147,292)	**44,452**	5,720	**(29,609)**	(4,000)				
Group's share of profit for the year	**(12,528)**	(13,753)	**17,781**	–	**–**	(1,200)	**4,668**	5,380	**9,921**	(9,573)
Group's share of other comprehensive income	**(8,293)**	(26,016)	**–**	–	**–**	–	**(3,482)**	(2,429)	**(11,775)**	(28,445)
Group's share of total comprehensive income	**(20,821)**	(39,769)	**17,781**	–	**–**	(1,200)	**1,186**	2,951	**(1,854)**	(38,018)
Group's interest in net assets of investee at beginning of year	**190,342**	240,531	**176,759**	156,755	**68,466**	–	**47,737**	48,820	**483,304**	446,106
Addition during the year	**–**	–	**11,263**	20,004	**12,322**	69,666	**–**	–	**23,585**	89,670
Impairment loss during the year	**(44,000)**	–	**–**	–	**–**	–	**–**	–	**(44,000)**	–
Dividends received during the year	**–**	(10,420)	**–**	–	**–**	–	**(1,062)**	(4,034)	**(1,062)**	(14,454)
Repayment of advances	**–**	–	**–**	–	**–**	–	**(4,236)**	–	**(4,236)**	–
Total comprehensive income attributable to the Group	**(20,821)**	(39,769)	**17,781**	–	**–**	(1,200)	**1,186**	2,951	**(1,854)**	(38,018)
Carrying amount of interest in investee at end of the year	**125,521**	190,342	**205,803**	176,759	**80,788**	68,466	**43,625**	47,737	**455,737**	483,304

Notes to the Financial Statements

For the year ended 30 June 2023

8. DEFERRED TAX

a. Deferred Tax Assets and Liabilities

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

Group	At 1 July $'000	Recognised in profit or loss $'000	Translation differences $'000	At 30 June $'000
2023				
Deferred tax liabilities				
Property, plant and equipment	**3,758**	**–**	**(91)**	**3,667**
Investment properties	**21,214**	**4,607**	**(2,249)**	**23,572**
Development properties	**26,048**	**(32,739)**	**499**	**(6,192)**
Investment in joint ventures	**1,561**	**(795)**	**(91)**	**675**
Deferred tax liabilities	**52,581**	**(28,927)**	**(1,932)**	**21,722**
Set off of tax	**(19,882)**	**18,768**	**1,114**	**–**
Net deferred tax liabilities	**32,699**	**(10,159)**	**(818)**	**21,722**
Deferred tax assets				
Unutilised tax losses	**5,730**	**(5,730)**	**–**	**–**
Development properties	**40,786**	**(24,314)**	**(1,735)**	**14,737**
Loans and borrowings	**742**	**202**	**–**	**944**
Deferred tax assets	**47,258**	**(29,842)**	**(1,735)**	**15,681**
Set off of tax	**(19,882)**	**18,768**	**1,114**	**–**
Net deferred tax assets	**27,376**	**(11,074)**	**(621)**	**15,681**
2022				
Deferred tax liabilities				
Property, plant and equipment	3,790	–	(32)	3,758
Investment properties	1,500	20,154	(440)	21,214
Development properties	27,578	(1,469)	(61)	26,048
Investment in joint ventures	1,764	(187)	(16)	1,561
Deferred tax liabilities	34,632	18,498	(549)	52,581
Set off of tax	–	(20,282)	400	(19,882)
Net deferred tax liabilities	34,632	(1,784)	(149)	32,699
Deferred tax assets				
Unutilised tax losses	7,203	(1,498)	25	5,730
Development properties	28,022	13,187	(423)	40,786
Loans and borrowings	918	(176)	–	742
Deferred tax assets	36,143	11,513	(398)	47,258
Set off of tax	–	(20,282)	400	(19,882)
Net deferred tax assets	36,143	(8,769)	2	27,376

8. DEFERRED TAX (CONT'D)

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

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

As at 30 June 2023, the temporary differences relating to the undistributed profits of subsidiaries amounted to $179.6 million (2022: $199.5 million). Deferred tax liabilities of $18.0 million (2022: $19.9 million) have not been recognised in respect of the tax that would be payable on the distribution of these accumulated profits as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that the profits will not be distributed in the foreseeable future.

b. Unrecognised Deferred Tax Assets

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

	Group	
	30 June 2023	**30 June 2022**
	$'000	**$'000**
Deductible temporary differences	**102**	72
Tax losses	**201,283**	226,935
Unutilised capital allowances	**152,805**	159,391
	354,190	386,398

The tax losses with expiry dates are as follows: -

	Group	
	30 June 2023	**30 June 2022**
	$'000	**$'000**
Expiry date:-		
After 1 year but less than 5 years	**88,542**	91,447

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.

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9. INVENTORIES

	Group	
	30 June 2023	**30 June 2022**
	$'000	**$'000**
Development properties	**3,117,365**	3,880,728
Contract assets for development properties	**491,742**	233,740
Consumable stocks	**914**	1,020
	3,610,021	4,115,488

Development properties

During the year, cost of development properties included in cost of sales in profit or loss amounted to $1,005.8 million (2022: $570.6 million).

		Group	
		30 June 2023	**30 June 2022**
		$'000	**$'000**
a.	Properties under development, for which revenue is to be recognised over time	**1,568,174**	2,186,427
	Properties under development, for which revenue is to be recognised at a point in time	**1,216,207**	1,250,244
		2,784,381	3,436,671
b.	Completed development properties	**282,892**	407,873
c.	Contract costs	**50,092**	36,184
	Total development properties	**3,117,365**	3,880,728

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

		Group	
		2023	**2022**
	Note	**$'000**	**$'000**
Interest expense	23	**37,075**	32,515

Certain development properties with a carrying amount of $2,858.5 million (2022: $2,808.5 million) are under legal mortgages with banks (note 17).

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

Contract costs mainly relates to commission fees paid to property agents for securing sale contracts for the Group's development properties. During the year $53.4 million (2022: $26.2 million) of commission fees paid were capitalised as contract costs. Capitalised commission fees are amortised when the related revenue is recognised. During the year, $39.5 million (2022: $13.5 million) was amortised. There was no impairment loss in relation to such costs.

9. INVENTORIES (CONT'D)

Development properties (cont'd)

The Group recognises an allowance for foreseeable losses on development properties taking into consideration the selling prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods. During the year, $1.3 million of allowance for foreseeable losses (2022: Nil) has been made in respect of the Group's development properties.

10. DEPOSITS FOR LAND

The deposits for land of $175.2 million as at 30 June 2023 (2022: Nil) were related to the progressive payment made for the acquisition of a land parcel in Singapore for a planned development of residential properties. The acquisition was completed in July 2023.

11. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

		Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	$'000	$'000	$'000	$'000
Current					
Trade receivables	a	**98,031**	111,708	**–**	–
Other receivables, deposits and prepayments	b	**58,051**	42,470	**1,156**	2
Amount due from:-	c				
Joint ventures		**193**	390	**–**	–
Associates		**118**	122	**–**	–
Related corporations		**31**	406	**–**	–
		156,424	155,096	**1,156**	2

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

	Group	
	30 June 2023	30 June 2022
	$'000	$'000
GuocoLand Singapore	**76,834**	82,059
GuocoLand China	**153**	11,862
GuocoLand Malaysia	**20,137**	16,135
Others	**907**	1,652
	98,031	111,708

Notes to the Financial Statements

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

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

	Gross 30 June 2023 $'000	Credit loss allowance 30 June 2023 $'000	Gross 30 June 2022 $'000	Credit loss allowance 30 June 2022 $'000
Group				
Not past due	**85,320**	**–**	106,592	–
Past due 1 – 30 days	**2,072**	**–**	2,024	–
Past due 31 – 90 days	**3,357**	**–**	1,996	–
Past due more than 90 days	**7,917**	**(635)**	1,755	(659)
	98,666	**(635)**	112,367	(659)

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

b. Other Receivables, Deposits and Prepayments

		Group		Company	
	Note	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Current					
Deposits		**4,966**	4,424	**–**	–
Interest receivable		**1,144**	201	**–**	–
Prepayments		**31,583**	22,741	**6**	2
Tax recoverable		**513**	953	**–**	–
Derivative assets	12	**9,683**	9,104	**–**	–
Other receivables		**10,762**	5,700	**1,150**	–
Credit loss allowance for doubtful receivables		**(600)**	(653)	**–**	–
		10,162	5,047	**1,150**	–
		58,051	42,470	**1,156**	2

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

12. DERIVATIVE ASSETS AND LIABILITIES

		Group	
		30 June 2023	30 June 2022
	Note	$'000	$'000
Derivative assets			
Current			
Interest rate swaps	11b	**9,683**	9,104
Derivative liabilities			
Current			
Forward exchange contracts		**–**	26
	19	**–**	26

As at the reporting date, the Group had entered into interest rate swaps and forward exchange contracts with a notional amount of $986.0 million (2022: $1,601.0 million), Nil (2022: $4.2 million) respectively, to hedge the Group's interest rate and foreign exchange exposure.

In financial year 2022, cross currency interest rate swaps with notional amounts of $142.7 million and $74.0 million, which were designated as a cash hedge against interest rate exposure and as a net investment hedge against fluctuations in foreign currency risks respectively, have expired. Accordingly, there were no fair value gain/loss of the cross currency interest rate swap as at reporting date.

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

Master netting or similar arrangements

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

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

Notes to the Financial Statements

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12. DERIVATIVE ASSETS AND LIABILITIES (CONT'D)

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

	Gross amounts of recognised financial instruments	Gross amounts of recognised financial instruments offset in the statement of financial position	Net amounts of financial instruments presented in the statement of financial position	Related financial instruments that are offset	Net amount
	$'000	$'000	$'000	$'000	$'000
30 June 2023					
Financial assets					
Interest rate swaps	**9,683**	**–**	**9,683**	**–**	**9,683**
30 June 2022					
Financial assets					
Interest rate swaps	9,104	–	9,104	–	9,104
Financial liabilities					
Forward exchange contracts	26	–	26	–	26

13. CASH AND CASH EQUIVALENTS

		Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	$'000	$'000	$'000	$'000
Short-term deposits with banks		**589,578**	680,989	**–**	–
Cash and bank balances		**300,866**	403,936	**85**	84
Cash and cash equivalents		**890,444**	1,084,925	**85**	84
Bank overdrafts	17	**(862)**	(777)		
Cash collaterals	d	**(10,127)**	(7,742)		
Cash and cash equivalents in the statement of cash flows		**879,455**	1,076,406		

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

a. Amounts held under the Singapore Housing Developers (Project Account) Rules (the "Rules") totalling $298.2 million (2022: $236.7 million), the use of which is subject to restrictions imposed by the Rules;

b. Amounts held under the China Housing Developers Restricted Funds Agreement totalling $82.5 million (2022: $91.2 million), the use of which is subject to restrictions imposed by the above-mentioned Agreement.

c. Amounts held in Malaysia pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 totalling $10.7 million (2022: $3.2 million), the use of which is restricted from other operations; and

d. Cash collaterals comprised deposits of $10.1 million (2022: $7.7million) pledged with financial institutions in Singapore for bank loans.

14. SHARE CAPITAL

	Company	
	2023	**2022**
	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 2023, the Trust for GuocoLand Limited Executives Share Scheme 2018 ("ESS 2018") held an aggregate of 73.5 million (2022: 73.6 million) shares in the Company (note 15a) which had been acquired from the market for the purpose of satisfying outstanding share options and shares granted or to be granted to participants under the ESS 2018 (note 27a).

Capital Management

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

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

	Group	
	30 June 2023	**30 June 2022**
	$'000	**$'000**
Total loans and borrowings	**5,114,224**	5,646,771
Cash and cash equivalents	**(890,444)**	(1,084,925)
Net debt	**4,223,780**	4,561,846
Total equity	**4,678,533**	4,691,469
Net debt to equity ratio	**0.90**	0.97

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

In addition, from time to time, the Group may purchase shares in the Company from the market. Share purchase allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased may be held as treasury shares which the Company or the Trust may transfer to participants for the purposes of or pursuant to the ESS 2018. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders.

Notes to the Financial Statements

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14. SHARE CAPITAL (CONT'D)

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 $1.0 million. These entities complied with the requirement throughout the year.

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

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

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

15. RESERVES

		Group		Company	
		30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Reserve for own shares	a	**(156,861)**	(157,034)	**(156,861)**	(157,034)
Capital reserve	b	**(4,907)**	(4,923)	**(4,997)**	(5,013)
Translation reserve	c	**(148,283)**	(18,088)	**–**	–
Hedging reserve	d	**(4)**	(76)	**–**	–
Revaluation reserve	e	**8,341**	8,341	**–**	–
Merger reserve	f	**(8,494)**	(8,494)	**–**	–
Other reserves		**(310,208)**	(180,274)	**(161,858)**	(162,047)
Accumulated profits		**2,654,673**	2,538,034	**389,676**	369,708
		2,344,465	2,357,760	**227,818**	207,661

15. RESERVES (CONT'D)

The movement of other reserves is as follows: -

	Reserve for own shares $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Revaluation reserve $'000	Merger reserve $'000	Total $'000
Group							
At 1 July 2022	**(157,034)**	**(4,923)**	**(18,088)**	**(76)**	**8,341**	**(8,494)**	**(180,274)**
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:-							
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**–**	**–**	**(155,620)**	**–**	**–**	**–**	**(155,620)**
Effective portion of changes in fair value of cash flow hedges	**–**	**–**	**–**	**72**	**–**	**–**	**72**
Effective portion of changes in fair value of net investment hedges	**–**	**–**	**25,425**	**–**	**–**	**–**	**25,425**
Total other comprehensive income, net of tax	**–**	**–**	**(130,195)**	**72**	**–**	**–**	**(130,123)**
Transactions with equity holders, recorded directly in equity							
Contributions by and distributions to equity holders							
Share-based payments	**173**	**16**	**–**	**–**	**–**	**–**	**189**
Total contributions by and distributions to equity holders	**173**	**16**	**–**	**–**	**–**	**–**	**189**
Total transactions with equity holders	**173**	**16**	**–**	**–**	**–**	**–**	**189**
At 30 June 2023	**(156,861)**	**(4,907)**	**(148,283)**	**(4)**	**8,341**	**(8,494)**	**(310,208)**
At 1 July 2021	(157,034)	(4,923)	9,179	(3,786)	8,341	(8,494)	(156,717)
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:-							
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	–	–	(41,659)	–	–	–	(41,659)
Translation differences of subsidiaries reclassified to profit or loss upon disposal	–	–	(1,264)	–	–	–	(1,264)
Effective portion of changes in fair value of cash flow hedges	–	–	–	39	–	–	39
Effective portion of changes in fair value of net investment hedges	–	–	3,593	–	–	–	3,593
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	12,063	3,671	–	–	15,734
Total other comprehensive income, net of tax	–	–	(27,267)	3,710	–	–	(23,557)
At 30 June 2022	(157,034)	(4,923)	(18,088)	(76)	8,341	(8,494)	(180,274)

Notes to the Financial Statements

For the year ended 30 June 2023

15. RESERVES (CONT'D)

a. Reserve for Own Shares

This comprises the purchase consideration for issued shares of the Company acquired by the Trust for the ESS 2018 for the purpose of satisfying outstanding share options and shares granted or to be granted to participants under the ESS 2018 (note 27a).

b. Capital Reserve

This comprises the gain or loss recognised when a participant exercises the share options and shares granted under the ESS 2018.

c. Translation Reserve

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

d. Hedging Reserve

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

e. Revaluation Reserve

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

f. Merger Reserve

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

16. PERPETUAL SECURITIES

In 2018, GLL IHT Pte. Ltd. ("issuer"), a wholly owned subsidiary of the Group, issued subordinated perpetual securities (the "Perpetual Securities"), guaranteed by the Company, with an aggregate principal amount of $400.0 million. Transaction costs incurred amounting to $2.8 million were recognised in equity as a deduction from the proceeds.

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

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

As at 30 June 2023, distribution payment of $8.0 million (2022: $8.0 million) was accrued for the relevant period relating to the semi-annual period 23 January 2023 to 30 June 2023 (2022: 23 January 2022 to 30 June 2022) as the Group had not elected to defer the payment.

Total distribution payment for the year amount to $18.4 million (2022: $18.4 million).

17. LOANS AND BORROWINGS

		Group	
		30 June 2023	30 June 2022
	Note	$'000	$'000
Non-current Liabilities			
Secured bank loans		**3,533,984**	3,131,312
Unsecured bank loans		**158,282**	260,155
Unsecured medium-term notes		**498,751**	498,312
		4,191,017	3,889,779
Current Liabilities			
Secured bank overdrafts	13	**862**	777
Secured bank loans		**431,763**	1,291,547
Unsecured bank loans		**490,582**	294,721
Unsecured medium-term notes		**–**	169,947
		923,207	1,756,992
Total loans and borrowings		**5,114,224**	5,646,771

Maturity of loans and borrowings: -

	Group	
	30 June 2023	30 June 2022
	$'000	$'000
Within 1 year	**923,207**	1,756,992
After 1 year but within 5 years	**3,128,107**	3,821,563
After 5 years	**1,062,910**	68,216
Total loans and borrowings	**5,114,224**	5,646,771

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

		Group	
		30 June 2023	30 June 2022
	Note	$'000	$'000
Property, plant and equipment	4	**408,225**	447,926
Investment properties	5	**5,628,479**	5,375,038
Development properties	9	**2,858,549**	2,808,544
		8,895,253	8,631,508

At the reporting date, the Group's loans from banks bore interest ranging from 3.9% to 5.3% (2022: 1.9% to 5.1%) per annum.

Notes to the Financial Statements

For the year ended 30 June 2023

17. LOANS AND BORROWINGS (CONT'D)

Medium-Term Notes

The unsecured fixed rate medium-term notes are issued by GLL IHT Pte Ltd ("IHT") with a tenor between 3 to 4 years (2022: 1 to 5 years). The interest rates at the reporting date ranged from 3.3% to 3.4% (2022: 3.3% to 3.9%) per annum.

During the year, IHT redeemed medium-term notes with an aggregate principal amount of $170.0 million (2022: $357.0 million).

The medium-term notes are guaranteed by the Company.

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

	Liabilities					Derivatives assets held to hedge long-term borrowings	
	Bank overdrafts $'000	Other loans and borrowings $'000	Interest payable $'000	Amounts due to non-controlling interests $'000	Lease Liabilities $'000	Interest rate swap used for hedging - assets $'000	Total $'000
At 1 July 2022	777	5,645,994	19,666	641,100	2,550	(9,104)	6,300,983
Changes from financing cash flows							
Proceeds from borrowings	–	1,859,492	–	–	–	–	1,859,492
Repayment of borrowings	–	(2,299,022)	–	–	–	–	(2,299,022)
Proceeds of loans from non-controlling interests	–	–	–	93,680	–	–	93,680
Repayment of loans from non-controlling interests	–	–	–	(33,383)	–	–	(33,383)
Interest paid	–	–	(212,965)	–	(129)	–	(213,094)
Payment for lease liabilities	–	–	–	–	(948)	–	(948)
Total changes from financing cash flows	–	(439,530)	(212,965)	60,297	(1,077)	–	(593,275)
The effect of changes in foreign exchange rates	–	(32,189)	–	(14,010)	–	–	(46,199)
Change in fair value	–	–	–	–	–	(579)	(579)
Other changes							
Liability-related							
Change in bank overdraft	155	–	–	–	–	–	155
Capitalised borrowing costs	–	1,736	67,556	9,275	–	–	78,567
Interest expense	–	1,782	138,079	9,743	129	–	149,733
Total liability-related other changes	155	3,518	205,635	19,018	129	–	228,455
Total equity-related other changes	(70)	(64,431)	6,047	(243,400)	3,158	–	(298,696)
At 30 June 2023	862	5,113,362	18,383	463,005	4,760	(9,683)	5,590,689

17. LOANS AND BORROWINGS (CONT'D)

	Liabilities					Derivatives liabilities/ (assets) held to hedge long-term borrowings	
	Bank overdrafts	Other loans and borrowings	Interest payable	Amounts due to non-controlling interests	Lease Liabilities	Interest rate swap and cross currency interest rate swaps used for hedging - liabilities	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2021	283	5,111,950	15,567	630,051	3,696	67,098	5,828,645
Changes from financing cash flows							
Proceeds from borrowings	–	2,223,877	–	–	–	–	2,223,877
Repayment of borrowings	–	(1,676,273)	–	–	–	–	(1,676,273)
Proceeds of loans from non-controlling interests	–	–	–	20,437	–	–	20,437
Repayment of loans from non-controlling interests	–	–	–	(31,587)	–	–	(31,587)
Interest paid	–	–	(138,448)	–	(92)	–	(138,540)
Payment for lease liabilities	–	–	–	–	(1,157)	–	(1,157)
Total changes from financing cash flows	–	547,604	(138,448)	(11,150)	(1,249)	–	396,757
The effect of changes in foreign exchange rates	–	(7,364)	–	(689)	–	–	(8,053)
Change in fair value	–	–	–	–	–	(57,458)	(57,458)
Other changes							
Liability-related							
Change in bank overdraft	477	–	–	–	–	–	477
Capitalised borrowing costs	–	1,491	68,805	13,276	–	–	83,572
Interest expense	–	2,728	81,545	9,612	92	–	93,977
Total liability-related other changes	477	4,219	150,350	22,888	92	–	178,026
Total equity-related other changes	17	(10,415)	(7,803)	–	11	(18,744)	(36,934)
At 30 June 2022	777	5,645,994	19,666	641,100	2,550	(9,104)	6,300,983

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For the year ended 30 June 2023

18. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

		Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	$'000	$'000	$'000	$'000
Trade payables and accrued operating expenses		**272,902**	295,901	**1,185**	1,148
Amounts due to:-					
Associates		**–**	43	**–**	–
Related corporations		**5,723**	7,535	**–**	–
Other payables	19	**162,994**	148,131	**–**	–
Contract liabilities	20	**294,894**	169,619	**–**	–
		736,513	621,229	**1,185**	1,148

Trade payables and accrued operating expenses included $5.3 million of accrued management fees to related corporations (2022: $5.4 million).

The amounts due to associates and related corporations are non-trade, unsecured and repayable on demand. As at 30 June 2023, $5.5 million (2022: $6.0 million) of amount due to a related corporation is interest bearing at 4.2% (2022: 4.2%) per annum.

19. OTHER PAYABLES, INCLUDING DERIVATIVES

		Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	$'000	$'000	$'000	$'000
Non-current					
Amounts due to non-controlling interests	29c,d,e,f	**463,005**	641,100	**–**	–
Rental deposits		**64,555**	46,271	**–**	–
Amounts due to subsidiaries	6	**–**	–	**3,795**	1,996
Lease liabilities	19a	**4,198**	1,868	**–**	–
		531,758	689,239	**3,795**	1,996
Current					
Deposits received		**33,187**	23,416	**–**	–
Interest payable		**18,383**	19,666	**–**	–
Rental deposits		**10,720**	4,663	**–**	–
Real estate tax payable		**70,166**	68,433	**–**	–
Employee benefits payable		**9,690**	8,220	**–**	–
Derivative liabilities	12	**–**	26	**–**	–
Lease liabilities	19a	**562**	682	**–**	–
Others		**20,286**	23,025	**–**	–
		162,994	148,131	**–**	–

19. OTHER PAYABLES, INCLUDING DERIVATIVES (CONT'D)

The amounts due to non-controlling interests are unsecured, bear interest ranging from 3.9% to 4.1% (2022: 3.2% to 4.1%) per annum and are repayable at the discretion of the Boards of the borrowing subsidiaries. The amounts are subordinated to external bank loans.

Real estate tax payable relates mainly to land appreciation taxes payable on the Group's assets in The People's Republic of China.

a. Lease Liabilities

The Group leases some of its office premises. The leases typically run for a period of 2 to 9 years (2022: 2 to 7 years) with interest rates at the reporting date ranged from 3.7% to 5.2% per annum (2022: 3.7% to 5.2%) per annum.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property is presented as property, plant and equipment (note 4).

Amounts recognised in profit or loss

	Group	
	2023	**2022**
	$'000	**$'000**
Interest on lease liabilities	**129**	92

Amounts recognised in statement of cash flows

	2023	**2022**
	$'000	**$'000**
Total cash outflow for leases	**1,077**	1,249

Maturity of lease liabilities: -

	2023	**2022**
	$'000	**$'000**
Within 1 year	**562**	682
Between 1 to 2 years	**512**	673
Between 2 to 3 years	**460**	659
Between 3 to 4 years	**496**	536
Between 4 to 5 years	**520**	–
More than 5 years	**2,210**	–
	4,760	2,550

Notes to the Financial Statements

For the year ended 30 June 2023

20. REVENUE

	Group	
	2023	**2022**
	$'000	**$'000**
Revenue recognised at a point in time:-		
Sale of development properties	**246,375**	355,686
Revenue recognised over time:-		
Sale of development properties	**1,056,975**	447,691
Hotel operations	**68,709**	33,464
Rental and related income from investment properties	**169,625**	126,066
Management fee income from:-		
Related corporations	**236**	214
Third parties	**2,512**	2,393
	1,544,432	965,514

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

	Group	
	2023	**2022**
	$'000	**$'000**
Revenue recognised at a point in time:-		
Sale of development properties		
Singapore	**94,142**	243,470
China	**125,451**	98,130
Malaysia	**26,782**	14,086
	246,375	355,686
Revenue recognised over time:-		
Sale of development properties		
Singapore	**976,370**	340,277
Malaysia	**80,605**	107,414
	1,056,975	447,691
Hotel operations		
Singapore	**40,695**	17,355
Malaysia	**28,014**	16,109
	68,709	33,464
Rental and related income from investment properties		
Singapore	**150,621**	114,340
China	**13,937**	7,288
Malaysia	**5,067**	4,438
	169,625	126,066

20. REVENUE (CONT'D)

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

		Group	
		30 June 2023	**30 June 2022**
	Note	**$'000**	**$'000**
Contract assets	a	**491,742**	233,740
Contract liabilities	b	**(294,894)**	(169,619)
		196,848	64,121

a. Contract assets

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

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

Contract assets are included in inventories (note 9).

b. Contract liabilities

Contract liabilities relate primarily to: -

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

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

Contract liabilities are included in trade and other payables (note 18).

Notes to the Financial Statements

For the year ended 30 June 2023

20. REVENUE (CONT'D)

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Group	Contract assets		Contract liabilities	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**–**	–	**15,638**	13,554
Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	–	**(140,913)**	(85,701)
Contract assets reclassified to trade receivables	**(197,678)**	(291,214)	**–**	–
Changes in measurement of progress	**455,680**	26,532	**–**	–

Transaction price allocated to the remaining performance obligations

As at 30 June 2023, the amount allocated to the sale of development properties is $1,740.5 million (2022: $1,331.9 million). This will be recognised as revenue by reference to surveys of work performed, which is expected to complete over the next three years.

21. OTHER INCOME

		Group	
		2023	2022
	Note	$'000	$'000
Fair value gain on investment properties	5	**156,271**	248,833
Fair value gain on derivative financial instrument		**605**	67,161
Gain on disposal of interests in subsidiaries	30	**–**	4
Income from forfeiture of deposit		**969**	7,979
Interest income from fixed deposits with banks		**18,839**	12,902
Interest income from joint ventures	29g,h	**9,036**	5,938
Net foreign exchange gain		**16,688**	–
Rental income		**1,551**	1,589
Others		**4,577**	10,190
		208,536	354,596

22. OTHER EXPENSES

	Group	
	2023	**2022**
	$'000	**$'000**
Impairment loss on investment in a joint venture	**44,000**	–
Net foreign exchange loss	**–**	10,789
Write-off of property, plant and equipment	**2**	955
Loss on disposal of property, plant and equipment	**238**	–
Others	**2,616**	2,652
	46,856	14,396

23. FINANCE COSTS

		Group	
		2023	**2022**
	Note	**$'000**	**$'000**
Interest expense:-			
Financial institutions		**188,506**	123,132
Medium-term notes		**20,776**	31,529
Non-controlling interests	29c,d,e	**19,018**	22,888
		228,300	177,549
Less: Interest expense capitalised in:-			
Investment properties	5	**(41,492)**	(51,057)
Development properties	9	**(37,075)**	(32,515)
		(78,567)	(83,572)
		149,733	93,977

Notes to the Financial Statements

For the year ended 30 June 2023

24. PROFIT BEFORE TAX

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

	Note	Group 2023 $'000	Group 2022 $'000
Cost of sales		**1,159,542**	679,126
Fair value gain on transfer from development properties to investment properties	5c	**–**	(79,276)
		1,159,542	599,850
Allowance for foreseeable losses on development properties		**1,251**	–
Allowance/(Reversal of allowance) for credit loss on trade and other receivables		**31**	(692)
Depreciation of property, plant and equipment and right-of-use assets	4	**12,160**	15,344
Direct operating expenses of investment properties		**40,597**	30,935
Operating lease expenses		**257**	407
Management fees paid and payable to related corporations	29b	**9,802**	9,649
Auditors' remuneration:-			
Auditors of the Company		**688**	682
Other auditors		**479**	443
		1,167	1,125
Non-audit fees:-			
Auditors of the Company		**–**	50
Other auditors		**11**	8
		11	58
Staff costs:-			
Wages, salaries and benefits		**55,957**	45,970
Contributions to defined contribution plans		**5,965**	4,413
Share-based payments	27a	**189**	–
Liability for short-term accumulating compensated absences		**74**	(229)
Government grants		**–**	(632)
		62,185	49,522

Government grants represent the grant provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme.

24. PROFIT BEFORE TAX (CONT'D)

b. Key Management Personnel Remuneration

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

	Group	
	2023	**2022**
	$'000	**$'000**
Wages, salaries and benefits	**4,183**	4,690
Contributions to defined contribution plans	**73**	102
Share-based payments	**189**	–
	4,445	4,792
Directors' fees	**350**	602

25. TAX EXPENSE

	Group	
	2023	**2022**
	$'000	**$'000**
Current tax		
Current year	**52,765**	50,393
Under/(Over) provision in respect of prior years	**1,373**	(189)
	54,138	50,204
Foreign withholding tax	**1,010**	160
	55,148	50,364
Deferred tax		
Movements in temporary differences	**915**	6,985
Tax expense on continuing operations	**56,063**	57,349

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

Profit before tax from continuing operations	**324,901**	525,507
Less: Share of (profit)/loss of associates and joint ventures	**(8,475)**	7,653
Profit before share of profit/loss of associates, joint ventures and tax	**316,426**	533,160
Tax calculated using the Singapore tax rate of 17% (2022: 17%)	**53,792**	90,637
Effect of different tax rates in foreign jurisdictions	**2,912**	6,622
Effect of unrecognised tax losses and other deductible temporary differences	**(4,450)**	1,695
Expenses not deductible for tax purpose	**10,198**	12,190
Foreign withholding tax	**1,010**	160
Land appreciation tax	**18,356**	6,712
Income not subject to tax	**(28,673)**	(59,798)
Under/(Over) provision in respect of prior years	**1,373**	(189)
Effect of taxable distributions from associate	**42**	111
Others	**1,503**	(791)
	56,063	57,349

Notes to the Financial Statements

For the year ended 30 June 2023

25. TAX EXPENSE (CONT'D)

In financial year 2022, tax expense on continuing operations excludes tax expense from discontinued operation of $3.6 million, which has been included in profit from discontinued operation (net of tax) in the statement of profit or loss (note 34).

26. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

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

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

	Group	
	2023	**2022**
	$'000	**$'000**
Profit attributable to equity holders of the Company	**207,088**	392,728
Less: Profit attributable to perpetual securities holders	**(18,759)**	(18,996)
Profit attributable to ordinary equity holders of the Company	**188,329**	373,732
	'000	**'000**
Issued ordinary shares at 30 June	**1,183,373**	1,183,373
Effect of own shares held by the Trust	**(73,524)**	(73,605)
Weighted average number of ordinary shares used in the computation of basic EPS	**1,109,849**	1,109,768

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

	Group	
	2023	**2022**
	$'000	**$'000**
Profit attributable to ordinary equity holders of the Company	**188,329**	373,732
	'000	**'000**
Weighted average number of ordinary shares used in the computation of basic EPS	**1,109,849**	1,109,768
Assumed vesting of share grants	**162**	–
Weighted average number of ordinary shares used in the computation of diluted EPS	**1,110,011**	1,109,768

27. EMPLOYEE BENEFITS

a. Company

GuocoLand Limited Executive Share Scheme

(i) The GuocoLand Limited Executive Share Scheme was approved by shareholders of the Company on 25 October 2018 and further approved by shareholders of Guoco Group Limited (an intermediate holding company of the Company) on 12 December 2018 ("ESS 2018"). The ESS 2018 shall continue to be in force for a maximum period of 10 years from 12 December 2018 to 11 December 2028.

(ii) The ESS 2018 was administered by the Remuneration Committee comprising Mr Wee Lieng Seng (Chairman), Mr Quek Leng Chan and Mr Saw Kok Wei who were non-participants.

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

(iv) Since the commencement of the ESS 2018, no grant of options has been made. Accordingly, there were no new Shares issued by virtue of the exercise of options and there were no unissued Shares under options at the end of the financial year

(v) During the financial year, a share grant pursuant to the ESS 2018 was granted on 20 January 2023 to be vested over 3 years in 3 tranches with the first tranche in 2023 and the last tranche in 2025. The details of the share grant are as follows: -

Eligible Executive	Balance as at 1 July 2022	Shares granted during the financial year	Shares vested during the financial year	Balance as at 30 June 2023
Cheng Hsing Yao	–	243,589	81,196	162,393

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

1. Eligibility

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

2. Maximum Entitlement

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

Notes to the Financial Statements

For the year ended 30 June 2023

27. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

GuocoLand Limited Executive Share Scheme (cont'd)

(vi) Other information regarding the ESS 2018 is as follows: (cont'd)

3. Grant of Options

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

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

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

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

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

4. Grant of Shares ("Grant Offer")

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

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

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

Since the commencement of the ESS 2018, a grant of 243,589 shares has been made on 20 January 2023. There were no new Shares issued by virtue of the share grant and there were no unissued Shares at the end of the financial year. On 31 January 2023, 81,196 shares has been vested under the Grant Shares.

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.

27. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

Shares held by Trust

In October 2004, the Company established a Trust in respect of the Executive Share Scheme ("ESS"). Pursuant to a trust deed between the Company and the Trust, the Trust had acquired Shares from the market for the purpose of satisfying options and shares granted or to be granted to participants under the ESS. Subject to financial performance and other targets being met by these participants, Shares held under the Trust may be transferred to them upon exercise of their share options and share grants.

As at 30 June 2023, the Trust held an aggregate of 73.5 million (2022: 73.6 million) Shares. For accounting purposes, the assets and liabilities of the Trust are recognised as assets and liabilities of the Company and Shares held by the Trust are accounted for as treasury shares of the Company.

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

GLM Executive Share Scheme

(i) GLM had on 9 December 2022, implemented a new Executive Share Scheme ("GLM ESS") which comprises an Executive Share Option Scheme ("ESOS") and an Executive Share Grant Scheme ("ESGS") for the eligible executives and/or directors of GLM and its subsidiaries ("GLM Group") ("Eligible Executives"). The GLM ESS shall be in force for a period of 10 years.

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

1. The GLM ESS is governed by the GLM Bye-Laws and entails the making of one or more offers to the Eligible Executives as follow:

   (i) options under the ESOS which entitle an Eligible Executive who has accepted the offer to acquire the issued ordinary shares of GLM ("Shares") at pre-determined exercise prices ("Options"); and/or

   (ii) grants under the ESGS which entitle an Eligible Executive who has accepted the offer to receive Shares without any consideration payable by the Grant Holder ("Grants").

2. Eligible Executives are those executives of the GLM Group who have been confirmed in service on the date of offer or directors of GLM Group. The Board of Directors of GLM (the "GLM Board") may from time to time at its absolute discretion select and identify suitable Eligible Executives to be offered Options or Grants.

3. The aggregate number of Shares comprised in the Options and/or Grants under the GLM ESS, and any other executive share schemes established by the Company which are still subsisting, shall not exceed an amount equivalent to 10% of the total number of issued Shares (excluding treasury Shares) at any one time ("Maximum Aggregate").

4. Where an Eligible Executive holds 20% or more of the total number of issued Shares (excluding treasury Shares), either singly or collectively through persons connected with the Eligible Executive, the allocation to such Eligible Executive must not exceed 10% of the Maximum Aggregate.

5. The exercise price of the Options shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day volume weighted average market price of the Shares preceding the date of offer.

Notes to the Financial Statements

For the year ended 30 June 2023

27. EMPLOYEE BENEFITS (CONT'D)

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

GLM Executive Share Scheme (cont'd)

The main features of the GLM ESS are, inter alia, as follows: - (cont'd)

6. At the absolute discretion of the Board, the Options and/or Grants will be satisfied through the following:

   (i) issuance of new Shares;
   (ii) transfer of treasury Shares;
   (iii) transfer of existing Shares (other than treasury Shares); and/or
   (iv) cash settlement pursuant to the GLM Bye-Laws.

No Options and/or Grants have been granted or vested under the GLM ESS during the financial year ended 30 June 2023.

(ii) On 22 August 2011, GLM has established a Value Creation Incentive Plan ("VCIP") for selected key executives of the GLM Group to incentivise them towards achieving long term performance targets through the grant of options over Shares in GLM, which options will be satisfied through the transfer of existing Shares and/or cash settlement.

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.

During the financial year, no share option was granted (2022: 3,000,000 share options lapsed) pursuant to the GLM's VCIP. There is no outstanding option (2022: Nil) as at reporting date.

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

28. DIVIDENDS

	2023 $'000	2022 $'000
Paid by the Company to ordinary equity holders of the Company		
Final one-tier ordinary dividend paid of 6 cents (2022: 6 cents) per ordinary share in respect of the previous financial year*	**66,586**	66,586
Paid by subsidiaries to non-controlling interests	**5,298**	1,385

After the reporting date, the Directors proposed a one-tier final dividend of 6 cents (2022: one-tier final dividend of 6 cents) per ordinary share amounting to $66.6 million (2022: $66.6 million). The dividends have not been provided for.

* Dividend payments in respect of 73.5 million (2022: 73.6 million) ordinary shares of the Company which were held by the Trust for the ESS were eliminated.

29. RELATED PARTY TRANSACTIONS

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

a. Rental income of $2.6 million was received for the financial year ended 30 June 2023 (2022: $2.0 million) and will continue to be receivable by the Group pursuant to lease agreements entered into with companies in which two of the directors have an interest.

b. In 2021, the Group signed a renewal of the Management Agreement with a related corporation, GuoLine Group Management Company Pte. Ltd. ("GGMC"), a wholly owned subsidiary of GuoLine Capital Assets Limited, which is the ultimate holding company of the Company, in relation to the provision of services to the Group for a further period of 3 years up to 30 June 2023. The said Management Agreement was entered into, on the same terms and conditions as the previous agreement signed with the Company's intermediate holding company, Guoco Group Limited, which had expired on 30 June 2020. In accordance with the Management Agreement, the payment of the annual fee to GGMC will be based on the equivalent of 3% of the adjusted profit before tax of the Company's subsidiaries. The aggregate fees payable by the Group in each financial year to GGMC shall in any event not exceed 2% of the audited consolidated net tangible assets of the Group for the relevant financial year. In addition, GGMC also provides human resource, corporate secretarial and legal services to certain entities of the Group for an annual fee. Three directors of the Company are directors of GGMC (note 24).

c. The Group has entered into shareholders' agreements with its immediate holding company, GuocoLand Assets Pte. Ltd., for the acquisition and development of a commercial site in Singapore through its subsidiaries, Guoco Midtown Pte. Ltd. and Midtown Bay Pte. Ltd. As at 30 June 2023, $304.6 million (2022: $112.1 million) of non-controlling interests and $31.1 million (2022: $189.5 million) of amount due to non-controlling interests were in relation to contributions by the immediate holding company for its equity interests in the projects. During the year, $0.9 million (2022: $5.6 million) of interest payable was accrued in the amount due to non-controlling interests and $183.9 million (2022: Nil) of shareholders' loan from non-controlling interests was capitalised.

d. The Group has entered into shareholder's agreement with a related corporation, Hong Leong Holdings (China) Pte. Ltd., for the acquisition and development of four land parcels situated within Yuzhong and Yubei districts of Chongqing, the People's Republic of China through its subsidiary, GLL Chongqing 18 Steps Pte. Ltd. As at 30 June 2023, $89.3 million (2022: $57.6 million) of non-controlling interests and $131.0 million (2022: $180.3 million) of amount due to non-controlling interests were in relation to contributions by the related corporation for its equity interests in the projects. During the year, $6.0 million (2022: $8.3 million) of interest payable was accrued in the amount due to non-controlling interests and $41.5 million (2022: Nil) of shareholders' loan from non-controlling interests was capitalised.

e. The Group has entered into shareholder's agreement with related corporations, Intrepid Investments Pte. Ltd and Hong Realty Pte. Ltd, for the acquisition and development of a residential site in Singapore through its subsidiaries, Midtown Modern Pte. Ltd. and Guoco Midtown II Pte. Ltd. As at 30 June 2023, $53.7 million (2022: $38.5 million) of non-controlling interests and $104.2 million (2022: $98.6 million) of amount due to non-controlling interests were in relation to contributions by the related corporations for their equity interests in the projects. During the year, $3.6 million (2022: $3.1 million) of interest payable was accrued in the amount due to non-controlling interests.

f. During the year, the Group entered into shareholders' agreement with related corporation, Intrepid Investments Pte. Ltd, for the acquisition and development of a residential site in Singapore through its subsidiary, Lentor Gardens Pte. Ltd. As at 30 June 2023, $18.0 million of non-controlling interests and $52.1 million of amount due to non-controlling interests were in relation to contributions by the related corporation for its equity interests in the project. During the year, $18.0 million of shareholders' loan from non-controlling interests was capitalised.

Notes to the Financial Statements

For the year ended 30 June 2023

29. RELATED PARTY TRANSACTIONS (CONT'D)

g. The Group has entered into shareholders' agreement with related corporations, Intrepid Investments Pte. Ltd. and Hong Realty Pte. Ltd., for the acquisition and development of a residential site in Singapore through its joint venture, Carmel Development Pte. Ltd. ("Carmel"). As at 30 June 2023, $188.0 million (2022: $176.8 million) of shareholder's loan was injected into Carmel by the Group for its equity interest in the project (note 7). During the year, $6.5 million (2022: $5.2 million) of interest receivable was accrued in the amount due from joint venture.

h. The Group has entered into shareholders' agreement with related corporations, Intrepid Investments Pte. Ltd. and TID Residential Pte. Ltd., for the acquisition and development of a residential site in Singapore through its joint venture, Lentor Hills Development Pte. Ltd. ("Lentor Hills"). As at 30 June 2023, $80.8 million (2022: $68.5 million) of shareholder's loan was injected into Lentor Hills by the Group for its equity interest in the project (note 7). $2.6 million (2022: $0.7 million) of interest receivable was accrued in the amount due from joint venture.

30. CHANGES IN INTERESTS IN SUBSIDIARIES

a. Acquisition of non-controlling interests

During the year, the Group acquired an additional interest of 30% in JB Parade Sdn. Bhd., increasing its ownership from 70% to 100%.

The following summaries the effect of changes in the Group's ownership interest in JB Parade Sdn Bhd. On the equity attributable to owners of the Company: -

	2023
	$'000
Carrying amount of non-controlling interests acquired	**(1,934)**
Consideration paid to non-controlling interests	**(3,170)**
Decrease in equity attributable to owners of the Company	**(5,104)**

b. Disposal of interests in a subsidiary

In financial year 2022, the Group disposed its investment in a subsidiary, Shanghai Xinhaozhong Holding Co., Ltd. for a consideration of $1.6 million (RMB7.4 million) and liquidated a subsidiary.

The cash flows and net assets relating to subsidiaries disposed/liquidated are summarised as follows:

	2022
	$'000
Net assets disposed	3,119
Realisation of translation reserve	(1,571)
Gain on disposal of subsidiaries	4
Sale consideration	1,552
Cash balances of subsidiary disposed	(326)
Net sales consideration received	1,226

31. FINANCIAL INSTRUMENTS

a. Financial Risk Management Objectives and Policies

The Group operates and generates a substantial part of its business from Singapore, China and Malaysia. 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 a set of approved policies which 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 is set out in note 3e.

b. Market Risk

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

(i) Foreign Currency Risk

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

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

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency and exposure arising from intercompany balances which are considered to be in the nature of interests in subsidiaries and derivatives entered into as net investment hedge (note 12) are excluded.

	Chinese Renminbi
	$'000
Group	
30 June 2023	
Cash and cash equivalents	**479**
Other payables	**(132,216)**
Loans and borrowings	**(235,314)**
Net exposure in the statement of financial position	**(367,051)**

Notes to the Financial Statements

For the year ended 30 June 2023

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

	Chinese Renminbi $'000
30 June 2022	
Cash and cash equivalents	1,233
Other payables	(181,787)
Loans and borrowings	(302,208)
Net exposure in the statement of financial position	(482,762)
Forward exchange contracts	(4,178)
Total exposure	(486,940)

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			
2023			
SGD	**RMB**	**3.17%**	**(11,636)**
2022			
SGD	RMB	2.87%	(13,975)

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. The management of interest rate risk is reported and reviewed by 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.

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are: -

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and

- differences in repricing dates between the swaps and the borrowings.

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition. For further details, see 'Managing interest rate benchmark reform and associated risks' below.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of a major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

In Singapore, the Steering Committee for SOR and SIBOR transition to SORA ("SC-STS") together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee ("SFEMC"), has identified the Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark to replace SIBOR and SOR in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2023 respectively.

The Group treasury function monitors and manages the Group's transition to alternative rates. The Treasury Department evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The Treasury Department reports and provides periodic reports to management of interest rate risk and risks arising from IBOR reform and collaborates with other business functions as needed.

Notes to the Financial Statements

For the year ended 30 June 2023

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

Managing interest rate benchmark reform and associated risks (cont'd)

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SIBOR or SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. The Group expects to negotiate the inclusion of new fall-back clauses with its derivative counterparties.

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 30 June 2023. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SIBOR and SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's SIBOR and SOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. The Group applies to the amendments to SFRS(I) 9 issued in December 2020 (Phase 1) to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SIBOR or SOR using available quoted market rates for SIBOR-based and SOR instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SIBOR-based and SOR instruments of the same turnaround similar maturities and has measure of the cumulative change in the present value of hedged cash flows attributable to changes in SIBOR and SOR on a similar basis.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

Total amounts of unreformed contracts, including those with an appropriate fallback clause (cont'd)

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 30 June 2023. The amounts of financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR	
	Total amount of unreformed contracts	**Amount with appropriate fallback clause**
	$'000	**$'000**
Group		
30 June 2023		
Derivatives		
Interest rate swaps	**657,331**	**657,331**
30 June 2022		
Financial liabilities		
Unsecured bank loans	147,370	4,700
Secured bank loans	3,015,097	–
Derivatives		
Interest rate swaps	1,601,000	–

The Group's exposure to Singapore-dollar SOR designated in hedging relationships is $657.3 million (2022: $1,601.0 million), representing the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated secured bank loan liabilities maturing in calendar year 2024.

Notes to the Financial Statements

For the year ended 30 June 2023

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

Exposure to interest rate risk

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

	Group	
	Nominal amount	
	30 June 2023	30 June 2022
	$'000	$'000
Fixed rate instruments		
Financial assets	**589,578**	680,989
Financial liabilities	**(1,202,142)**	(1,577,903)
Interest rate swaps	**(986,000)**	(1,601,000)
	(1,598,564)	(2,497,914)
Variable rate instruments		
Financial liabilities	**(4,380,564)**	(4,724,227)
Interest rate swaps	**986,000**	1,601,000
	(3,394,564)	(3,123,227)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

An increase in the interest rates of 19 basis points for SGD (2022: 19 basis points) at the reporting date would decrease the Group's profit before income tax by $6.4 million (2022: $5.9 million). The impact on the Group's profit is estimated as an annualised impact on interest expense or income of such a change in interest rates. There is no impact on the other components of equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests. A decrease in the interest rates would have an equal but opposite effect.

31. FINANCIAL INSTRUMENTS (CONT'D)

c. Credit Risk

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

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

Trade receivables and other receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade and other receivables and contract assets are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each business.

Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group generally considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when the Group assesses that the debtor fails to make contractual payments. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(i) The movements in credit loss allowance on trade and other receivables of the Group are as follows: -

	Trade receivables	Other receivables	Total
	$'000	$'000	$'000
Group			
At 1 July 2022	**659**	**653**	**1,312**
Allowance during the year	**32**	**–**	**32**
Reversal of allowance during the year	**(1)**	**–**	**(1)**
Translation differences	**(55)**	**(53)**	**(108)**
At 30 June 2023	**635**	**600**	**1,235**
At 1 July 2021	1,375	672	2,047
Allowance during the year	3	–	3
Reversal of allowance during the year	(695)	–	(695)
Translation differences	(24)	(19)	(43)
At 30 June 2022	659	653	1,312

Notes to the Financial Statements

For the year ended 30 June 2023

31. FINANCIAL INSTRUMENTS (CONT'D)

c. Credit Risk (cont'd)

(ii) The movements in credit loss allowance on amounts due from subsidiaries of the Company are as follows: -

	Company	
	30 June 2023	**30 June 2022**
	$'000	**$'000**
At 1 July	**32,458**	33,585
Provision/(reversal) of allowance during the year	**76,000**	(1,127)
At 30 June	**108,458**	32,458

No aging analysis of contract assets and other receivables are presented as the majority of outstanding balances as at 30 June 2023 are current. The Group assesses that no credit loss allowance on contract assets is required.

The Company's credit risk exposure to trade and other receivables and contract assets is immaterial.

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

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

Cash is placed with regulated financial institutions. Cash and cash equivalents are subject to immaterial credit loss.

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantees is set out in note 33b. At reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

d. Liquidity Risk

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

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

The Group has contractual commitments to incur capital expenditure on its investment properties and development properties (note 32).

31. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk (cont'd)

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

			Cash flows		
	Carrying amount	Contractual cash flows	Within 1 year	Between 1 and 5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
30 June 2023					
Non-derivative financial liabilities					
Trade and other payables*	**(510,372)**	**(511,596)**	**(292,792)**	**(215,776)**	**(3,028)**
Loans and borrowings	**(5,114,224)**	**(5,692,998)**	**(1,133,178)**	**(4,490,325)**	**(69,495)**
	(5,624,596)	**(6,204,594)**	**(1,425,970)**	**(4,706,101)**	**(72,523)**
30 June 2022					
Non-derivative financial liabilities					
Trade and other payables*	(499,723)	(499,977)	(254,549)	(245,255)	(173)
Loans and borrowings	(5,646,771)	(6,006,891)	(1,918,915)	(4,009,362)	(78,614)
	(6,146,494)	(6,506,868)	(2,173,464)	(4,254,617)	(78,787)
Derivative financial liabilities					
Forward exchange contracts	(26)	(26)	(26)	–	–
	(6,146,520)	(6,506,894)	(2,173,490)	(4,254,617)	(78,787)

	Carrying amount	Contractual cash flows	Cash flows within 1 year
	$'000	$'000	$'000
Company			
30 June 2023			
Non-derivative financial liabilities			
Trade and other payables*	**(1,185)**	**(1,185)**	**(1,185)**
30 June 2022			
Non-derivative financial liabilities			
Trade and other payables*	(1,148)	(1,148)	(1,148)

* Excludes derivatives, amounts due to non-controlling interests and subsidiaries and contract liabilities

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

Notes to the Financial Statements

For the year ended 30 June 2023

31. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk (cont'd)

The maturity analysis shows the contractual undiscounted cash flows of the financial liabilities of the Group and the Company on the basis of their earliest possible contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement e.g. forward exchange contracts. Net-settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the Group's floating rate loans. Except for these financial liabilities and the cash flows arising from the derivatives, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

e. Accounting Classifications and Fair Values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The carrying amounts of the Company's assets and liabilities approximate its fair value.

	Carrying amount				Fair value			
	Fair value through profit or loss	At amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
30 June 2023								
Financial assets measured at fair value								
Derivative financial assets	9,683	–	–	9,683	–	9,683	–	9,683
	9,683	–	–	9,683				
Financial assets not measured at fair value								
Trade and other receivables#	–	115,158	–	115,158				
Cash and cash equivalents	–	890,444	–	890,444				
	–	1,005,602	–	1,005,602				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	5,114,224	5,114,224	–	5,094,995	–	5,094,995
Trade and other payables*	–	–	973,377	973,377				
	–	–	6,087,601	6,087,601				

31. FINANCIAL INSTRUMENTS (CONT'D)

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

	Carrying amount				Fair value			
	Fair value through profit or loss	At amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
30 June 2022								
Financial assets measured at fair value								
Derivative financial assets	9,104	–	–	9,104	–	9,104	–	9,104
	9,104	–	–	9,104				
Financial assets not measured at fair value								
Trade and other receivables#	–	123,251	–	123,251				
Cash and cash equivalents	–	1,084,925	–	1,084,925				
	–	1,208,176	–	1,208,176				
Financial liabilities measured at fair value								
Derivative financial liabilities	26	–	–	26	–	26	–	26
	26	–	–	26				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	5,646,771	5,646,771	–	5,622,585	–	5,622,585
Trade and other payables*	–	–	1,140,823	1,140,823				
	–	–	6,787,594	6,787,594				

Excludes prepayments and derivatives.
* Excludes derivatives and contract liabilities.

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values.

Financial instruments measured at fair value

Type	Valuation technique
Group Forward exchange contracts, cross currency interest rate swaps and interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Notes to the Financial Statements

For the year ended 30 June 2023

31. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments not measured at fair value

Type	Valuation technique
Group Loans and borrowings	*Discounted cash flow method:* The valuation model considers the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

(ii) Transfers between Level

There were no transfers between levels during the financial year.

32. COMMITMENTS

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

	Group	
	2023	**2022**
	$'000	**$'000**
Capital expenditure contracted but not provided for in the financial statements:-		
- investment properties	**130,217**	214,687
- development properties	**548,814**	767,844
	679,031	982,531

33. CONTINGENT LIABILITIES

a. On 20 August 2015, the Group, through its subsidiary, GuocoLand (China) Limited ("GLC"), entered into a Master Transaction Agreement (the "Agreement") to dispose of all the equity, contractual and loan interest of GLC in or relating to the Dongzhimen project in Beijing ("DZM Project"). The Agreement provides that the buyer will indemnify GLC, its affiliates and representatives from and against all actions, losses and liabilities to which any of these parties is or may become subject to arising out of or related to the DZM Project in accordance with the terms and conditions therein.

33. CONTINGENT LIABILITIES (CONT'D)

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

	Company	
	2023	**2022**
	$'000	**$'000**
Within 1 year	**429,721**	420,969
Between 1 and 5 years	**657,033**	760,739
	1,086,754	1,181,708

Refer to note 16 and 17 for the guarantees in respect of the Perpetual Securities and medium term notes. The Company has also provided undertaking for financial support to certain subsidiaries to enable them to meet their obligations.

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

34. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer ("GCEO") that are used to make strategic decisions. The Group's reportable operating segments are as follows: -

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

b. GuocoLand China – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in China.

c. GuocoLand Malaysia – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in Malaysia.

The hotel operations of the Group, which is in Singapore and Malaysia, and its investment in EcoWorld International Berhad, which is in the investment of property development business in United Kingdom and Australia, are not significant to the Group and have been included in the "Unallocated" column.

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 GCEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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

Notes to the Financial Statements

For the year ended 30 June 2023

34. OPERATING SEGMENTS (CONT'D)

a. Operating Segments

	GuocoLand Singapore $'000	GuocoLand China $'000	GuocoLand Malaysia $'000	Sub-Total $'000	Unallocated $'000	Total $'000
2023						
Revenue						
External revenue	**1,221,259**	**139,388**	**114,966**	**1,475,613**	**68,819**	**1,544,432**
Results						
Segment profit/(loss) before tax	**417,456**	**41,824**	**22,922**	**482,202**	**(43,918)**	**438,284**
Share of profit/(loss) of associates and joint ventures (net of tax)	**17,780**	**42**	**3,181**	**21,003**	**(12,528)**	**8,475**
Interest income	**8,122**	**9,095**	**879**	**18,096**	**9,779**	**27,875**
Finance costs	**(111,822)**	**(2,000)**	**(6,525)**	**(120,347)**	**(29,386)**	**(149,733)**
Profit/(Loss) before tax	**331,536**	**48,961**	**20,457**	**400,954**	**(76,053)**	**324,901**
Tax (expense)/credit	**(23,748)**	**(29,101)**	**(5,449)**	**(58,298)**	**2,235**	**(56,063)**
Profit/(Loss) for the year	**307,788**	**19,860**	**15,008**	**342,656**	**(73,818)**	**268,838**
Segment assets	**8,702,584**	**2,093,005**	**569,077**	**11,364,666**	**645,154**	**12,009,820**
Segment liabilities	**4,062,907**	**861,939**	**197,746**	**5,122,592**	**1,317,284**	**6,439,876**
Other segment items:-						
Associates and joint ventures	**286,590**	**4,497**	**102,893**	**393,980**	**125,522**	**519,502**
Depreciation	**(138)**	**(587)**	**(1,942)**	**(2,667)**	**(9,493)**	**(12,160)**
Fair value gain on investment properties	**126,973**	**25,804**	**1,694**	**154,471**	**1,800**	**156,271**
Impairment loss on investment in a joint venture	**–**	**–**	**–**	**–**	**(44,000)**	**(44,000)**
Capital expenditure	**151,412**	**7,290**	**3,544**	**162,246**	**1,913**	**164,159**

34. OPERATING SEGMENTS (CONT'D)

a. Operating Segments (cont'd)

	Continuing Operations						Discontinued Operation	
	GuocoLand Singapore $'000	GuocoLand China $'000	GuocoLand Malaysia $'000	Sub-Total $'000	Unallocated $'000	Sub-Total $'000	GuocoLand Vietnam $'000	Total $'000
2022								
Revenue								
External revenue	698,208	105,417	128,331	931,956	33,558	965,514	–	965,514
Results								
Segment profit/(loss) before tax	496,939	112,145	22,387	631,471	(23,174)	608,297	17,904	626,201
Share of (loss)/profit of associates and joint ventures (net of tax)	(1,200)	148	7,152	6,100	(13,753)	(7,653)	–	(7,653)
Interest income	609	11,183	654	12,446	6,394	18,840	–	18,840
Finance costs	(48,393)	–	(6,652)	(55,045)	(38,932)	(93,977)	–	(93,977)
Profit/(Loss) before tax	447,955	123,476	23,541	594,972	(69,465)	525,507	17,904	543,411
Tax (expense)/credit	(13,175)	(36,695)	(7,199)	(57,069)	(280)	(57,349)	(3,603)	(60,952)
Profit/(Loss) for the year	434,780	86,781	16,342	537,903	(69,745)	468,158	14,301	482,459
Segment assets	8,551,042	2,401,558	645,107	11,597,707	730,706	12,328,413	–	12,328,413
Segment liabilities	4,278,740	1,038,987	234,772	5,552,499	1,463,665	7,016,164	–	7,016,164
Other segment items:-								
Associates and joint ventures	245,224	4,863	113,977	364,064	190,342	554,406	–	554,406
Depreciation	(405)	(705)	(1,829)	(2,939)	(12,405)	(15,344)	–	(15,344)
Fair value gain/(loss) on investment properties	253,819	(5,923)	(463)	247,433	1,400	248,833	–	248,833
Capital expenditure	346,901	8,606	1,611	357,118	445	357,563	–	357,563

Notes to the Financial Statements

For the year ended 30 June 2023

34. OPERATING SEGMENTS (CONT'D)

a. Operating Segments (cont'd)

Geographical information

	External Revenue $'000	Non-current Assets# $'000
2023		
Singapore	**1,262,064**	**6,354,697**
China	**139,388**	**359,139**
Malaysia	**142,980**	**322,694**
Others	**–**	**125,520**
	1,544,432	**7,162,050**
2022		
Singapore	715,658	6,037,477
China	105,417	364,012
Malaysia	144,439	353,697
Others	–	190,342
	965,514	6,945,528

Excludes deferred tax assets.

Major customers

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

b. Discontinued operation

In October 2020, the Group entered into an agreement to dispose of its two subsidiaries in Vietnam for a consideration of USD 28 million ($36.8 million). Upon completion of this transaction, the Group will not have any business operations in Vietnam. Accordingly, the GuocoLand Vietnam segment operation results have been presented as discontinued operation for the year ended 30 June 2022.

The profit from discontinued operation of $14.3 million, which is the gain on disposal, is attributable entirely to the equity holders of the Company. Of the profit from continuing operations of $468.2 million in the financial year 2022, an amount of $378.4 million is attributable to the equity holders of the Company.

	2022 $'000
Net gain on disposal of discontinued operation	17,904
Tax on gain on disposal of discontinued operation	(3,603)
Profit from discontinued operation, net of tax	14,301
Earnings per share (cents)	
Basic / Diluted	1.29

34. OPERATING SEGMENTS (CONT'D)

b. Discontinued operation (cont'd)

	2022 $'000
Cash flows from discontinued operation	
Net cash from investing activities	21,888
Net cash flows for the year	21,888
Effect of disposal of the financial position of the Group	
Property, plant and equipment	3
Inventories	6,930
Trade and other receivables	2,877
Cash and cash equivalents	11,046
Trade and other payables	(2,530)
Net assets disposed	18,326
Realisation of translation reserve	307
Disposal costs	223
Gain on disposal of discontinued operation	17,904
Sale consideration	36,760
Cash balances of discontinued operation	(11,046)
Disposal costs paid	(223)
Tax paid	(3,603)
Net sales consideration	21,888

35. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

Other Information

MAJOR PROPERTIES

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

Singapore	Tenure	Stage of Completion	Expected Date of Completion	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Integrated Developments						
Guoco Tower Comprises a 37-Storey Office Block, 6-Storey of Retail & F&B Space, 181 Residential Units (Wallich Residence) and a Luxury Hotel (Sofitel Singapore City Centre) Located at 1/3/5/7/9 Wallich Street	99-Year Lease With Effect From 21.02.2011	N/A	Completed	15,023	157,738	80.00
Guoco Midtown Comprises a 30-Storey Office Tower, Network Hub, Retail and Community Spaces, and 219 Residential Units (Midtown Bay) Located at Beach Road	99-Year Lease With Effect From 02.01.2018	Structural, Architectural & M&E Works	Office Tower: Completed Others: In phases from 3rd Quarter 2023 to 2nd Quarter 2024	22,202	90,029	70.00
Midtown Modern Comprises Retail Units and 2 Blocks of Residential Units and Community Spaces Located at Tan Quee Lan Street	99-Year Lease With Effect From 10.12.2019	Structural, Architectural & M&E Works	2nd Quarter 2024	11,531	48,430	60.00
Lentor Modern Comprises 3 Blocks of Residential Units and Community Spaces, Early Childhood Development Centre, Retail and F&B Space Located at Lentor Central	99-Year Lease With Effect From 26.10.2021	Piling Works completed	2nd Quarter 2026	17,280	60,480	100.00
Commercial Properties						
20 Collyer Quay 24-Storey Office Block^ Located at Singapore 049319	999-Year Lease With Effect From 05.11.1862	N/A	Completed	2,273	23,248	100.00
Reversionary Interests in Freehold Land Located at Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	#	N/A	Completed	1,405	15,738	100.00
Residential						
Meyer Mansion Located at Meyer Road	Freehold	Structural, Architectural & M&E Works	1st Quarter 2024	7,920	22,175	100.00
Lentor Gardens Site Comprises 6 Blocks of Residential Units with Childcare Facilities Located at Lentor Gardens	99-Year Lease With Effect From 11.07.2023	Planning	*	21,867	45,921	60.00

MAJOR PROPERTIES (CONT'D)

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

The People's Republic of China	Tenure	Stage of Completion	Expected Date of Completion	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Integrated Developments						
Guoco Changfeng City Comprises two 18-Storey Office Towers and a Basement Retail Located in Putuo District, Shanghai	50-Year Land Use Rights With Effect From 11.12.2005	N/A	Completed	27,534	130,714	100.00
Guoco 18T Comprises Residential Units and Commercial Units Located in Yuzhong District, Chongqing	Residential: 50-Year Land Use Rights Till 29.06.2069	Plot 1 to 3: Works In Progress	In phases from 3rd Quarter 2023 to 4th Quarter 2024	39,669	256,845	75.00
	Commercial: 40-Year Land Use Rights Till 29.06.2059	Plot 4: Planning	*	9,292	84,235	75.00
Residential						
Guoco Central Park Comprises Residential Units Located in Liangjiang District, Chongqing	50-Year Land Use Rights Till 2070	Plot 1 & 2: Planning	In phases from 2nd Quarter 2026 to 4th Quarter 2027	75,137	84,570	75.00
		Plot 3 & 4: Works In Progress	In phases from 3rd Quarter 2024 to 1st Quarter 2025	66,821	113,030	75.00

Other Information

MAJOR PROPERTIES (CONT'D)

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

Malaysia	Tenure	Stage of Completion	Expected Date of Completion	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Integrated Developments						
Damansara City Comprises 2 Condominium Blocks (DC Residensi), a Mall (DC Mall) and a Hotel (Sofitel Kuala Lumpur Damansara) Located at Lot 58303 Bukit Damansara, Kuala Lumpur	Freehold	N/A	Completed	32,450	139,646	68.00
Emerald 9 Comprises Serviced Apartments, Offices and Retail Located at Lot 809 and 810, Cheras Batu 8 ¼ and 8 ½, Jalan Cheras, Daerah Hulu Langat, Selangor	Freehold	Phase 1 & 2: Works In Progress Phase 3 & 4: Planning	In phases from 3rd Quarter 2023 to 2nd Quarter 2026 *	41,010	287,235	68.00
Commercial Properties						
PJ Corporate Park Located at Lot 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling Selangor	Leasehold Till 12.12.2107	Planning	*	12,974	38,053	68.00
Residential						
Emerald Hills Located at Lot 7585 to 7589, 7597 to 7600,103882 and PT 15231, Mukim Petaling Wilayah Persekutuan, Kuala Lumpur	Freehold	Phase 1: N/A Phase 2: Works In Progress	Completed 1st Quarter 2025	137,229 54,429	132,915 113,065	68.00 68.00
Oval Kuala Lumpur Located at Seksyen 63, Bandar & Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Freehold	N/A	Completed	7,136	19,172	68.00
Others						
Vacant Agriculture Land Located at Mukim of Jasin, Melaka Darul Amin	Freehold	Planning	*	7,153,439	7,153,439	46.24

N/A: Not applicable.
^ The Group disposed of its interests in a 50-year lease (with effect from 29 January 1985) in 7 office units and a 99-year lease (with effect from 1 March 1985) in 3 office units to third parties. Accordingly, the Group recognised its reversionary interests in these office units.
# The Group disposed of its interests in a 98-year lease (with effect from 19 March 1998) in the freehold land to a third party. Accordingly, the Group recognised its reversionary interests in the freehold land.
* Not available as these developments have not commenced construction or have not been launched yet.

Shareholding Statistics

As at 4 September 2023

SHARE CAPITAL

Number of Issued Shares	:	1,183,373,276
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings*	:	Nil

* "Subsidiary Holdings" is defined in the Listing Manual of the SGX-ST to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	240	4.01	5,282	0.00
100 - 1,000	806	13.48	605,658	0.05
1,001 - 10,000	3,669	61.35	17,577,806	1.49
10,001 - 1,000,000	1,242	20.77	53,365,353	4.51
1,000,001 and above	23	0.39	1,111,819,177	93.95
Total	**5,980**	**100.00**	**1,183,373,276**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	GUOCOLAND ASSETS PTE. LTD.	791,017,434	66.84
2.	RAFFLES NOMINEES (PTE) LIMITED	80,215,477	6.78
3.	HSBC (SINGAPORE) NOMINEES PTE LTD	49,044,182	4.15
4.	CITIBANK NOMINEES SINGAPORE PTE LTD	37,222,875	3.15
5.	KWEK LENG HAI	35,290,914	2.98
6.	CITIGROUP GM SINGAPORE SECURITIES PTE. LTD.	26,683,058	2.26
7.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	23,227,899	1.96
8.	KGI SECURITIES (SINGAPORE) PTE. LTD.	20,185,990	1.71
9.	DBS NOMINEES PTE LTD	14,797,620	1.25
10.	UOB KAY HIAN PTE LTD	4,178,564	0.35
11.	LIM AND TAN SECURITIES PTE LTD	3,764,233	0.32
12.	MAYBANK SECURITIES PTE. LTD.	3,558,756	0.30
13.	PHILLIP SECURITIES PTE LTD	3,327,380	0.28
14.	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,213,613	0.27
15.	VIOLET LEE HUI MIN	2,648,300	0.22
16.	SOON LI HENG CIVIL ENGINEERING PTE LTD	2,100,000	0.18
17.	OCBC NOMINEES SINGAPORE PTE LTD	1,928,103	0.16
18.	IFAST FINANCIAL PTE LTD	1,858,910	0.16
19.	LEE YUEN SHIH	1,779,000	0.15
20.	TAN KAH BOH ROBERT@ TAN KAH BOO	1,550,000	0.13
	Total	**1,107,592,308**	**93.60**

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 4 September 2023, approximately 18.93% of the total number of issued ordinary shares of the Company was held by the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

SUBSTANTIAL SHAREHOLDERS
(As shown in the Register of Substantial Shareholders as at 4 September 2023)

Substantial Shareholders	Direct Interest No. of Shares	Deemed Interest No. of Shares	%[1]
GuocoLand Assets Pte. Ltd.	790,507,734	–	66.80
Fairbury Pte. Ltd.[2]	73,604,933	–	6.22
Guoco Group Limited	–	790,507,734[3]	66.80
GuoLine Overseas Limited	–	790,507,734[3]	66.80
GuoLine Capital Assets Limited	–	822,969,052[4]	69.54
Hong Leong Investment Holdings Pte. Ltd.	–	824,368,452[4]	69.66
Quek Leng Chan	–	850,229,371[5]	71.85

1 The percentage is calculated based on the total number of issued ordinary shares.
2 Trust established in respect of the Company's share scheme for its executives.
3 Deemed interest arising through GuocoLand Assets Pte. Ltd. by virtue of the operation of Section 7 of the Companies Act 1967.
4 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 1967.
5 Deemed interest arising through GuocoLand Assets Pte. Ltd. and 2 companies in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act 1967.

INTERESTED PERSON TRANSACTIONS

The Audit and Risk Committee reviewed interested person transactions entered into by the Group during the financial year ended 30 June 2023. The aggregate value of interested person transactions entered into during the financial year is as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than $100,000)
Hong Leong Group Malaysia	Associate of Controlling Shareholder	$2,317,000	N/A[3]
Guoco Group	Controlling Shareholder - intermediate holding company listed on The Stock Exchange of Hong Kong Limited	$66,345,000[1]	N/A[3]
GuoLine Capital Assets Limited	Controlling Shareholder - ultimate holding company	$10,089,000	N/A[3]
Singapore Hong Leong Group	Associate of Controlling Shareholder	$185,216,000[2]	N/A[3]

1 Include a sum of $63.5 million being the aggregate value of joint venture with GuocoLand Assets Pte. Ltd. which falls within the exemption stipulated under SGX-ST Listing Manual Rule 916.
2 Include a sum of $158.4 million being the aggregate value of joint ventures with Hong Leong Holdings (China) Pte. Ltd., Intrepid Investments Pte. Ltd., Hong Realty Pte. Ltd. and TID Residential Pte. Ltd. which falls within the exemption stipulated under SGX-ST Listing Manual Rule 916.
3 Not applicable. The Company does not have a general mandate from shareholders pursuant to Rule 920 of the SGX-ST Listing Manual.

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Corporate Information

BOARD OF DIRECTORS
Quek Leng Chan
Chairman
Cheng Hsing Yao
Group Chief Executive Officer
Kwek Leng Hai
Saw Kok Wei
Wee Lieng Seng
Madeleine Lee Suh Shin
Quek Kon Sean
Sharon Wee Hsu Oon

AUDIT AND RISK COMMITTEE
Saw Kok Wei
Chairman
Wee Lieng Seng
Madeleine Lee Suh Shin

NOMINATING COMMITTEE
Wee Lieng Seng
Chairman
Kwek Leng Hai
Saw Kok Wei

REMUNERATION COMMITTEE
Wee Lieng Seng
Chairman
Quek Leng Chan
Saw Kok Wei

GROUP COMPANY SECRETARY
Mary Goh Swon Ping

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

INVESTOR RELATIONS
Email: contact@guocoland.com

WEBSITE
https://www.guocoland.com

AUDITORS
KPMG LLP
Public Accountants and Chartered Accountants
Partner-in-charge: Chiu Sok Hua
(since FY ended June 2023)
Auditor's Registration No.: 01240

SHARE REGISTRAR
B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

STOCK EXCHANGE LISTING
Singapore Exchange Securities Trading Limited

DATE OF INCORPORATION
31 March 1976

DATE OF CONVERSION TO A PUBLIC COMPANY
30 September 1978

GuocoLand Limited

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

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