GuocoLand Limited (Reg. No. 197600660W)
A Member of the Hong Leong Group

ANNUAL REPORT 2008

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GuocoLand Limited ("GuocoLand") is an award-winning developer whose developments are distinguished by quality, innovative designs and concepts. A major developer headquartered in Singapore and with a regional footprint, GuocoLand has substantial land bank in its embedded markets of Singapore, China, Malaysia and Vietnam, which it will continue to build on.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Reggie Thein, *Chairman*
Lum Choong Wah
Goh Yong Hong

NOMINATING COMMITTEE

Sat Pal Khattar, *Chairman*
Kwek Leng Hai
Lum Choong Wah

REMUNERATION COMMITTEE

Sat Pal Khattar, *Chairman*
Quek Leng Chan
Reggie Thein

GROUP COMPANY SECRETARY

Dawn Pamela Lum

REGISTERED OFFICE

20 Collyer Quay #20-01
Tung Centre, Singapore 049319
Tel : (65) 6535 6455
Telefax : (65) 6532 6196
Registration No : 197600660W

WEBSITE

http://www.guocoland.com.sg

AUDITORS

KPMG
Public Accountants and Certified Public Accountants
Partner-in-charge : Lee Sze Yeng
(commencing FY ended June 2008)
Auditor's Registration No : 01037

REGISTRAR

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

PRINCIPAL BANKERS

Affin Bank Berhad
Agricultural Bank of China
Australia and New Zealand Banking Group Limited
Bank of America N.A.
Bank of China Limited
Bank of Communications Co. Ltd
Bank of Shanghai
Bank of Taiwan
China Construction Bank Corporation
CIMB Bank Berhad
Citibank N.A.
DBS Bank Ltd
EON Bank Berhad
Fortis Bank S.A./N.A.
Industrial and Commercial Bank of China Limited
KBC Bank N.V.
Kuwait Finance House (Malaysia) Berhad
Malayan Banking Berhad
Mizuho Corporate Bank, Ltd
Oversea-Chinese Banking Corporation Limited
Public Bank Berhad
RHB Bank Berhad
Sumitomo Mitsui Banking Corporation
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland plc
United Overseas Bank Limited
WestLB Asia Pacific Limited

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

DATE OF INCORPORATION

31 March 1976

DATE OF CONVERSION TO A PUBLIC COMPANY

30 September 1978

CHAIRMAN'S STATEMENT



MR SAT PAL KHATTAR,
CHAIRMAN, GUOCOLAND LIMITED

"We will continue to concentrate on maintaining financial prudence, generating cashflow and fortifying our Management and operational teams. These will help the Group to weather the challenging conditions ahead and position the Group to take on new opportunities for growth in the future."

PERFORMANCE

FINANCIAL RESULTS

The economic scenario in the world is challenging which in some respects is unprecedented. Volatility in global financial markets and rising inflation have slowed down the economies in Singapore and other geographies in which the Group operates. Amidst this challenging environment, the Group reported satisfactory results for the financial year ended 30 June 2008. Net profit after tax and minority interests was $161.8 million. The profits were mainly derived from:

- sales of three projects in Singapore, namely: ***The View @ Meyer, Le Crescendo*** and ***The Quartz***, which are respectively 91%, 92% and 68% sold;

- sale of units of ***West End Point***, a prestigious 810-unit residential development in the heart of Beijing's financial district. This development is almost fully sold; and

- a revaluation gain from ***Tung Centre***, the Group's flagship office building located in Collyer Quay and facing Marina Bay.

The Group's assets have increased from $3.96 billion as at 30 June 2007 to $5.99 billion as at 30 June 2008 following completion of land acquisitions mainly in Singapore and China. Shareholders' funds increased from $1.41 billion to $1.98 billion due to recognition of profits and a Rights Issue of approximately $555 million. Whilst earnings per share fell from 46.15 cents in 2007 to 20.17 cents in 2008, net asset value per share increased from $2.30 to $2.41 during the same period. Gearing ratio as at 30 June 2008 was 1.2 times.

DIVIDENDS

The Group continues to be committed towards delivering stable and superior returns to its shareholders. The Board is recommending a first and final dividend payment of 8 cents per share. The total dividend payout is approximately $71 million and is subject to shareholders' approval at the Annual General Meeting to be convened on 17 October 2008. If approved, the dividend will be paid to shareholders on 13 November 2008.

BUSINESS REVIEW

The year in review in respect of our core markets of Singapore, China, Malaysia and Vietnam was as follows.

Singapore

Whilst Singapore achieved economic growth of 7.7% in 2007, the economy grew at a slower rate of 4.5% in the first half of 2008. The Government's forecast for the full year growth is estimated at 4 to 5%. Weaker sentiment in the property market was reflected in the fact that only 2,287 private residential units were sold by developers in the first half of 2008 whereas developers sold 9,912 units in the same period in 2007.

We have a portfolio of five freehold sites with a Gross Floor Area (GFA) of approximately 178,000 square metres. These are in good areas and were acquired at reasonable prices in 2006 and early 2007. We will be developing quality housing for sale. We will launch these projects taking into account market conditions. Our portfolio comprises the following:

- *Goodwood Residence*: A 210-unit luxury development located in the vicinity of the prime Goodwood Hill and the Orchard/Scotts Road area. In June 2008, the Group sold about 17% of the units. This development is in a very prime area and should sell well.

- *Sophia Residence*: An exclusive residential project at Mount Sophia near the end of Orchard Road and part of the Arts and Heritage District, in close proximity to Singapore Management University and the School of the Arts campuses.

- *Leedon Heights*: With a land area of approximately 48,525 square metres in an established good class bungalow enclave off Holland Road and Farrer Road, this is one of the largest freehold residential sites in District 10. We will be developing an up-market development in this prestigious location.

- *Palm Beach Garden*: This site is located in the affluent and popular suburb of the East Coast with walking access to the East Coast Parkway and its beach and recreational facilities.

- *Toho Garden site*: In March 2008, the Group completed the en bloc acquisition of Toho Garden Condominium in Yio Chu Kang. This will be an upper medium tier development.

The *Palm Beach Garden* development and *Sophia Residence* are expected to be launched in the current financial year.

Our projects continue to be associated with innovative designs and concepts, and superior finishes. *Goodwood Residence* was awarded a Singapore Building and Construction Authority (BCA) Green Mark Platinum Award for ecologically-friendly design in 2007; *Le Crescendo* was awarded a Certificate of Merit for BCA Construction Excellence in 2008. These are prestigious awards for quality conferred by the Government authorities. We will continue to work towards better designs and finishes to deliver superior products.

China

Despite the challenging global environment, China's economy registered growth of 10.4% in the first half of 2008, slightly lower than the growth of 11.4% for the whole of 2007. Rising affluence and rapid urbanization underscore strong demand for real estate in the major cities of China. Although real estate prices have eased due to measures by the central government to curb real estate speculation, the strong economy will continue to create demand for better quality housing and ensure support for prices in the medium and long-term.

The Group has continued to build up its land bank in China which is currently approximately 2 million square metres GFA in prime locations in the major cities of Beijing, Shanghai, Nanjing and Tianjin. This diversified quality portfolio can be classified into two key areas:

- Residential projects to tap into the demand for new homes and communities. These include *Ascot Park* and *Hillview Regency* in Nanjing, and the *Four Seasons Park* in Tianjin, totaling approximately 930,000 square metres of GFA.

- Integrated developments with commercial i.e. retail, hotel and office components which give the Group the flexibility to sell or own income-generating assets with potential for asset appreciation over the medium to longer term. We have two such major sites which in addition to the commercial components, also have residential / "small-office, home-office" (or SoHo) units, namely:

- about 600,000 square metres GFA in the *Dongzhimen project ("DZM Project")* in the Dongcheng District of Beijing; and

- about 493,000 square metres GFA in *Guoson Centre Changfeng* in the Putuo District of Shanghai.

In November 2007, GuocoLand (China) Limited ("GLC"), the Group's wholly-owned subsidiary, completed the acquisition of an effective 90% stake in the DZM Project. Legal disputes in relation to this acquisition are pending hearing and subject to adjudication before the courts of the People's Republic of China. Details are recapped in Note 36 of the Financial Statements in this Annual Report. Notwithstanding the litigation, construction of the DZM Project has been progressing steadily. In July 2008, GLC completed and handed over part of the transportation hub component of the DZM Project to the Beijing government, providing the only direct rail link between Beijing City Centre and Beijing Capital International Airport by way of express trains. This airport rail link was operational ahead of the Olympic Games in August 2008.

Malaysia

Malaysia's gross domestic product grew by 6.3% in 2007 and 6.7% in the first half of 2008. Although demand for housing has weakened, the Group believes that the medium term property outlook remains positive. Government policies, including the use of Employee Provident Funds for mortgage repayments, abolition of real property gains tax and the relaxation of the Foreign Investment Committee rules for foreign ownership of properties, should help to stabilise the market and make home ownership more attractive to buyers.

The Group's 64.98% subsidiary, GuocoLand (Malaysia) Berhad ("GLM"), has eight mixed residential development projects under development, including the flagship *Damansara City*, a freehold integrated development with 203,332 square metres of GFA for retail, office, residential and hotel within fifteen kilometres of the city centre of Kuala Lumpur, the capital of Malaysia.

GLM completed the acquisition of two freehold properties, namely, *The Oval*, a prestigious residential development comprising 140 exclusive residences, located in the Kuala Lumpur City Centre and *Changkat Kia Peng*, a land parcel of 3,030 square metres.

GLM also increased its interest in Tower REIT from 15% to 19.97%, making it an associate of the Group. GLM is the manager of Tower REIT which has an investment portfolio comprising three prime commercial office buildings in the heart of the commercial area in Kuala Lumpur, namely, *Menara HLA, HP Towers* and *Menara ING.*

Vietnam

The economy grew at 8.5% in 2007 but slipped to 6.5% in the first half of 2008. In view of rising inflation, high interest rates and a weakening of the Vietnamese dong, the property market has shown clear signs of slowing down. Nonetheless, the country's longer-term prospects remain attractive in view of its open economy. It continues to receive a strong inflow of foreign direct investments.

In January 2008, the Group launched 237 residential units as part of the first phase of *The Canary*, an integrated development just outside Ho Chi Minh. The launch was well received with sales of 95%. *The Canary* is located next to the Vietnam Singapore Industrial Park in Binh Duong province which is an up-and-coming residential district.

Notwithstanding the change in market sentiment, we believe that Vietnam will continue to show strong growth and demand for residential developments catering to a growing new middle class comprising a young and vibrant urban population. We will continue to source for opportunities to build upon our presence in Vietnam.

GOING FORWARD

In view of changes in the outlook for the global economy and in the areas in which we operate and elsewhere, a mood of caution has crept into the overall real estate market sentiment across the region. We expect the operating environment to remain challenging in the short term. Over the medium to longer term however, we are positive on the outlook of the core markets in which we operate. As such, our strategy is to focus on strengthening our balance sheet and fundamentals so as to remain resilient in the face of volatilities in market conditions which we think will pass. We look towards the future.

Towards this end, the Group has built up a strong asset base comprising a quality land bank across select growth regions. We are also confident that our assets will retain value during these uncertain times. We structured a $1.25 billion fund raising exercise last year, comprising a $555 million Rights Issue and a 5-year $690 million zero coupon convertible bonds due 2012. This was secured at a time when the capital markets were more conducive to capital raising. This significant pool of funds has considerably strengthened our capital base. In addition, a substantial portion of the Group's existing project and working capital loans were financed at favourable rates. In April 2008, we established an $800 million Medium Term Note programme, which will allow us to tap the capital markets for funds from time to time. We will continue to concentrate on maintaining financial prudence, generating cashflow and fortifying our Management and operational teams. These will help the Group to weather the challenging conditions ahead and position the Group to take on new opportunities for growth in the future.

APPRECIATION

As always, I would like to thank my fellow directors for their invaluable contributions and guidance to the Management team during the past year.

We also recognise the valuable contributions of our over 1,000 staff spread across Singapore, China, Malaysia and Vietnam. On behalf of the Board, I wish to express my appreciation to both Management and staff of the Group, and to our customers and business associates for their continued support.

Mr Lum Choong Wah who has served as an independent Director since 1997 has informed the Board that he will be retiring at the coming Annual General Meeting and will not be offering himself for reappointment. We will miss his valuable input. On behalf of the Group, I wish to express our appreciation for his contributions over the past ten years.

SAT PAL KHATTAR
8 September 2008

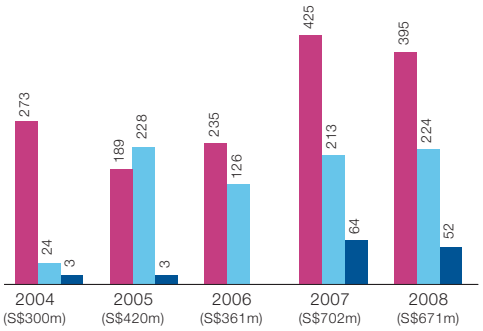
FINANCIAL HIGHLIGHTS

Year ended 30 June	2008 S$'000	2007 S$'000	2006 S$'000	2005 [1] S$'000	2004 [1] S$'000
INCOME STATEMENTS					
Revenue by business segments					
Property development	615,730	652,813	345,940	400,069	283,221
Property investment	23,228	17,625	11,544	9,444	13,353
Hotel operations	19,598	23,896	-	-	-
Equity investment	-	3,500	3,576	9,935	527
Other operations	12,337	4,645	267	93	2,960
Total	670,893	702,479	361,327	419,541	300,061
Profit before income tax	194,426	302,237	164,757	109,201	116,005
Profit attributable to shareholders	161,840	281,892	155,630	82,743	120,015
Proposed dividends (ordinary) [2]	65,516 [3]	65,516 [3]	48,813	40,948	42,594
BALANCE SHEETS					
Property, plant and equipment	141,304	130,065	127,161	1,864	1,846
Investment properties	449,086	363,976	246,224	308,000	308,000
Inventories	4,461,662	1,555,849	1,288,334	958,800	878,650
Interests in associates and jointly-controlled entities	189,531	438,113	190,462	223,541	147,947
Cash and cash equivalents	654,461	1,092,564	542,876	403,981	262,685
Other assets	96,930	380,391	305,773	227,930	525,671
Total Assets	**5,992,974**	**3,960,958**	**2,700,830**	**2,124,116**	**2,124,799**
Share capital	1,394,047	839,716	839,716	665,540	675,524
Reserves	581,528	566,299	284,949	417,537	297,058
Equity attributable to shareholders	1,975,575	1,406,015	1,124,665	1,083,077	972,582
Minority interests	152,956	165,200	153,356	43,943	41,852
Total equity	2,128,531	1,571,215	1,278,021	1,127,020	1,014,434
Loans and borrowings	3,032,991	2,006,288	1,157,533	809,845	980,612
Other liabilities	831,452	383,455	265,276	187,251	129,753
Total liabilities	3,864,443	2,389,743	1,422,809	997,096	1,110,365
Total Equity and Liabilities	**5,992,974**	**3,960,958**	**2,700,830**	**2,124,116**	**2,124,799**
RATIOS					
Net tangible assets per share (S$)	2.41	2.30	1.82	1.67	1.54
Net asset value per share (S$)	2.41	2.30	1.83	1.67	1.44
Basic earnings per share (cents)	20.17	46.15	24.43	12.57	19.95
Gross ordinary dividend per share (cents)	8	8	8	8	8

Note:-

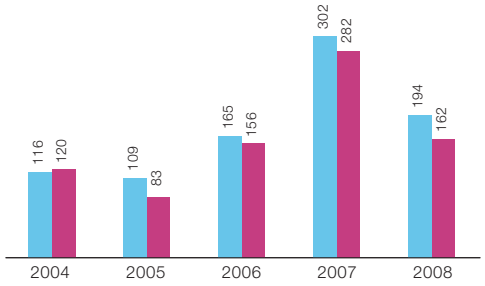
1. Comparative figures for 2005 have been restated to take into account retrospective adjustments arising from the adoption of various new/revised Financial Reporting Standards in 2006. Comparative figures for 2004 have not been restated.
2. The amount is derived after deducting dividends to be paid in respect of ordinary shares of the Company which were held by the Trust for Executives' Share Option Scheme as at balance sheet date.
3. The amount is derived after taking into account the issue of 221,882,489 new ordinary shares of the Company pursuant to a rights issue undertaken by the Company on 30 July 2007.

GROUP REVENUE (S$ MILLION)



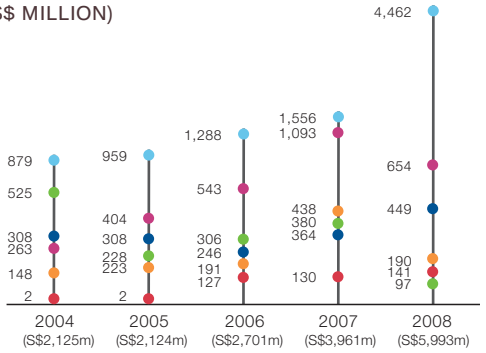
Singapore
China
Others

GROUP PERFORMANCE (S$ MILLION)



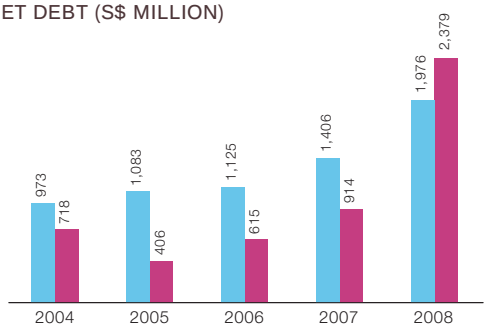
Profit Before Income Tax
Profit Attributable To Shareholders

GROUP TOTAL ASSETS (S$ MILLION)



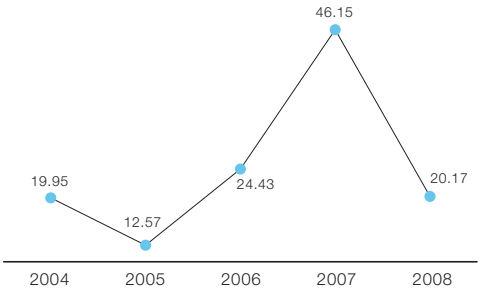
Property, Plant and Equipment
Investment Properties
Inventories
Interests In Associates and Jointly-Controlled Entities
Cash and Cash Equivalents
Other Assets

SHAREHOLDERS' EQUITY AND NET DEBT (S$ MILLION)

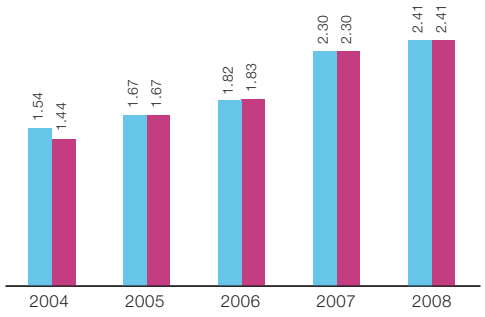


Shareholders' Equity
Net Debt (Loans and Borrowings Less Cash and Cash Equivalents)

BASIC EARNINGS PER SHARE (CENTS)



NET TANGIBLE ASSETS PER SHARE AND NET ASSET VALUE PER SHARE (S$)



Net Tangible Assets Per Share
Net Assets Value Per Share

CORPORATE GOVERNANCE

The Company remains committed to maintaining high standards of corporate governance and endeavours to continuously keep abreast of developing practices in corporate governance.

The framework of the Company's corporate governance provided by its own Code of corporate governance is substantially in line with the principles of the Singapore Code of Corporate Governance ("Code") issued by the Singapore Exchange Securities Trading Limited ("SGX-ST").

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

(A) BOARD MATTERS

Board's Conduct Of Its Affairs
Principle 1

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

The Board also reviews and approves key strategic and financial initiatives, the business plan and budget, quarterly, interim and annual results, and major investments and divestments.

The Board meets at least on a quarterly basis to review inter alia the Company's quarterly results. During the last financial year, the Board held four meetings. New directors are apprised of the business activities of the Group and its strategic directions. As provided in the Company's Articles of Association, Directors may convene Board meetings by teleconferencing or videoconferencing.

All Directors are provided with relevant information on the Company's policies, procedures and practices relating to governance issues, including disclosure of interests in securities, dealings in the Company's securities, restrictions on disclosure of price sensitive information and disclosure of interests relating to the Group's businesses. Directors are also updated regularly on key regulatory and accounting changes at Board Meetings.

Board Composition And Balance
Principle 2

Currently, the Board comprises seven well-qualified members who are business leaders and professionals with financial, banking and legal backgrounds. The Board considers its present size to be appropriate after taking into account the current nature and scope of the Group's operations. Profiles of the Directors are set out on pages 14 and 15. The majority of the Directors are non-executive and are considered independent by the Nominating Committee. The Nominating Committee determines annually the independence of Directors.

Board Committees

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

1. ***Executive Committee***: The Executive Committee is entrusted with the conduct of the Company's business and affairs, in line with the overall strategy set by the Board. The members of the Executive Committee are Messrs Quek Leng Chan (who is the Chairman), Quek Chee Hoon (who is the Group President and Chief Executive Officer ["CEO"]) and Kwek Leng Hai, and certain key senior Management personnel. During the last financial year, the Executive Committee held six meetings.

2. ***Audit Committee***: The members of the Audit Committee comprise Messrs Reggie Thein (who is the Chairman), Lum Choong Wah and Goh Yong Hong, all

of whom are non-executive Directors and are considered independent. As part of the Company's corporate governance practices, the CEO participates at all Audit Committee meetings. The Audit Committee held four meetings during the last financial year.

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

4. *Nominating Committee*: This committee comprises three non-executive Directors, two of whom are considered to be independent. Mr Sat Pal Khattar chairs the Nominating Committee and the other members are Messrs Kwek Leng Hai and Lum Choong Wah. This committee which meets at least annually, held one meeting in the last financial year.

5. *Remuneration Committee*: This committee comprises two non-executive independent Directors (Mr Sat Pal Khattar who is the Chairman and Mr Reggie Thein, member) and an executive non-independent director, Mr Quek Leng Chan. The Board is of the view that the inclusion of an executive director in the Remuneration Committee is appropriate and in the best interests of the Company and its subsidiaries. The Remuneration Committee which meets at least annually, held one meeting in the last financial year.

Chairman And Chief Executive Officer
Principle 3

There is a clear division of responsibilities in the respective roles and functions of the Chairman and CEO as these appointments are held separately by Messrs Sat Pal Khattar and Quek Chee Hoon respectively. The Chairman oversees the Group's corporate governance structure and conduct, in particular, the effective functioning of the Board and its Board committees. The Chairman also ensures that shareholders' questions and concerns are addressed at the general meetings of the Company. The CEO leads the Management team by providing entrepreneurial leadership and strategic directions. He oversees the business operations and affairs of the Group and monitors the performance of Management against pre-agreed targets.

As the Chairman is a non-executive Director, the Company Secretary assists the Chairman to schedule and prepare agendas for Board meetings. The CEO ensures the quality and timeliness of information flow between the Board and Management, which comprises key executive personnel of the Company.

Board Membership
Principle 4

The Nominating Committee reviews and recommends all new Board appointments and also the re-nomination and re-appointment of Directors to the Board. As prescribed by the Company's Articles of Association and recommended by the Code, one-third of the Directors for the time being are required to retire from office and are subject to re-election by shareholders at the Company's Annual General Meeting. All Directors also retire from office and are subject to re-election at least once in every three years.

Board Performance
Principle 5

On an annual basis, the Nominating Committee assesses the effectiveness and performance of the Board as a whole and the contributions of each Director. The assessment takes into account the performance of the Company, attendance and contributions of Directors at meetings of the Board and Board Committees and Directors' participation in the affairs of the Company, including a review of matters such as the independence of Directors, their individual skills and experience as well as overall Board size and composition. The results of the Nominating Committee's assessment for the financial year ended 30 June 2008 had been communicated to and accepted by the Board.

Access To Information
Principle 6

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

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

(B) REMUNERATION MATTERS

Principles 7, 8 & 9

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

Non-executive Directors do not receive any salary. However, non-executive Directors together with executive Directors receive directors' fees that are based on corporate and individual responsibilities and which are in line with industry norm. The fees for the seven Directors for the last financial year amounted in the aggregate to S$411,000 and are subject to the approval of shareholders.

The remuneration package comprising mainly salaries and bonuses, for the executive Directors (including the CEO) and the top eight key executives who are not Directors of the Company, is disclosed in bands of S$250,000 so as to maintain confidentiality of staff remuneration matters. This information is contained in Note 27c and 27d to the Financial Statement.

The Company and its principal subsidiaries do not have any employees who are the immediate family members of any of the Directors or the CEO and whose remuneration exceeded S$150,000 during the last financial year.

(C) ACCOUNTABILITY AND AUDIT

Audit Committee And Internal Controls
Principles 10, 11, 12 & 13

The terms of reference of the Audit Committee are set out in the Company's own Code of corporate governance.

In performing its functions in the last financial year, the Audit Committee undertook, inter alia, the following:-

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

The Company has put in place a whistle-blowing policy which sets out procedures and rules for employees to raise responsibly, in confidence, concerns about possible improprieties for investigation. In line with the requirement of the Code, the role of the Audit Committee has been expanded to include reviewing and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

The Company has an internal audit team comprising qualified personnel, which assists the Audit Committee in discharging its responsibilities. To assist the Board in inter alia, identifying, assessing and managing the significant business risks faced by the Group within its operating environment, Internal Audit reviews the Group's enterprise risk management framework which incorporates a Risk Register to capture the risk profile of the Group and the strategy / internal controls in place to mitigate these significant business risks.

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

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

(D) COMMUNICATION WITH SHAREHOLDERS

Principles 14 & 15

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

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

Dealings In Securities

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

BOARD OF DIRECTORS

Mr Sat Pal Khattar, *aged 65*

was appointed to the Board in 1988, and was last re-elected to the Board at the Company's Annual General Meeting in October 2007. He has been the Chairman of the Group since 1990. Mr Khattar is the Chairman of the Nominating Committee and Remuneration Committee which were established in September 2002. Mr Khattar is also a Director of other listed companies such as Haw Par Corporation Limited in Singapore and Guoco Group Limited in Hong Kong, Gateway Distriparks Ltd and India InfoLine Ltd in India. Mr Khattar holds a LLM degree and a LLB (Hons) degree from the University of Singapore.

Mr Khattar chaired the Board, Nominating Committee and Remuneration Committee meetings of the Company held during the financial year ended 30 June 2008.

Mr Quek Chee Hoon, *aged 55*

was appointed to the Board in 1998, and was last re-elected to the Board at the Company's Annual General Meeting in October 2006. He is the Group President and Chief Executive Officer of the Group. Mr Quek has 31 years' extensive experience in various investment, corporate and management activities, including property related activities and businesses. Mr Quek holds a Bachelor of Accountancy degree from the University of Singapore.

Mr Quek attended all the Board and Executive Committee meetings of the Company held during the financial year ended 30 June 2008. He also participated at all the Audit Committee meetings, held during the financial year ended 30 June 2008 in his capacity as the Group President and Chief Executive Officer of the Company.

Mr Quek Leng Chan, *aged 65*

was appointed to the Board in 1988, and was last re-elected to the Board at the Company's Annual General Meeting in October 2007. He is the Chairman of the Executive Committee and a member of the Remuneration Committee. Mr Quek is the Chairman and Chief Executive Officer of Hong Leong Company (Malaysia) Berhad ("HLCM") and he sits on the Boards of Directors of the major public listed companies of HLCM. He is also the Executive Chairman of Guoco Group Limited, the Company's intermediate holding company in Hong Kong. Mr Quek qualified as a Barrister-at-Law from Middle Temple, United Kingdom and has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

Mr Quek attended all the Board, Executive Committee and Remuneration Committee meetings of the Company held during the financial year ended 30 June 2008.

Mr Kwek Leng Hai, *aged 55*

was appointed to the Board in 1988, and is proposed for re-election at the Company's Annual General Meeting to be held on 17 October 2008. He is a member of the Nominating Committee. Mr Kwek is the President, CEO of Guoco Group Limited in Hong Kong. His directorships in other public listed companies include Hong Leong Bank Berhad, GuocoLeisure Limited (formerly known as BIL International Limited), Camerlin Group Berhad and Lam Soon (Hong Kong) Limited. Mr Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales and has extensive experience in financial services, manufacturing and property investment.

Mr Kwek attended all the Board, Executive Committee and Nominating Committee meetings of the Company held during the financial year ended 30 June 2008.

Mr Lum Choong Wah, *aged 69*

was appointed to the Board in 1997. He is a member of the Audit Committee and Nominating Committee. Mr Lum who is now retired, has held senior executive and chief executive positions in both the public and private sectors spanning some 25 years. He holds a Bachelor of Arts (Hons) degree from the University of Malaya in Singapore and a Master of Public Administration from Harvard University.

Mr Lum attended all the Board, Audit Committee and Nominating Committee meetings of the Company held during the financial year ended 30 June 2008.

Mr Lum is stepping down as Director at the Company's Annual General Meeting on 17 October 2008.

Mr Goh Yong Hong, *aged 69*

was appointed to the Board in 1999, and was last re-elected to the Board at the Company's Annual General Meeting in October 2007. Mr Goh is a member of the Audit Committee. He had served 31 years in the Singapore Police Force, being Commissioner of Police from 1979 until his retirement from service in 1992. His other appointments include being Chairman of the Board of Advisors of Raffles Town Club, Director of Asia Pacific Breweries Limited, Asia Pacific Breweries (S) Pte Ltd, Evergro Properties Limited and SC Global Developments Ltd. Mr Goh holds a Bachelor of Law (Hons) degree from the University of Malaya in Singapore (1961).

Mr Goh attended all the Board and Audit Committee meetings of the Company held during the financial year ended 30 June 2008.

Mr Reggie Thein, *aged 67*

was appointed to the Board in July 2002, and is proposed for re-election at the Company's Annual General Meeting to be held on 17 October 2008. He is Chairman of the Audit Committee and a member of the Remuneration Committee. He is also a Director of United Overseas Bank Limited, a Board member and Chairman of the Audit Committee of several listed companies in Singapore, among them Haw Par Corporation Limited, GuocoLeisure Limited (formerly known as BIL International Limited), MobileOne Ltd, Keppel Telecommunications & Transportation Limited, MFS Technology Ltd, FJ Benjamin Holdings Ltd and Grand Banks Yachts Limited.

Mr Thein is a member of the Governing Council of the Singapore Institute of Directors, a Fellow of the Institute of Chartered Accountants in England and Wales, and member of the Institute of Certified Public Accountants of Singapore. He was previously a Senior Partner of PricewaterhouseCoopers, Vice Chairman of Coopers & Lybrand, and Managing Partner of its management consulting services firm. In 1999, he was awarded the Public Service Medal by the President of Singapore.

Mr Thein attended all the Board and Remuneration Committee meetings and chaired all the Audit Committee meetings of the Company held during the financial year ended 30 June 2008.

MANAGEMENT TEAM

CORPORATE OFFICE

Mr Jerry Lee
Chief Financial Officer

Mr Jerry Lee is the Chief Financial Officer. He has been with the Group since 1996. Mr Lee has 29 years of working experience and has held various positions in management, business development, corporate finance, corporate treasury, accounting and banking. Mr Lee holds a Bachelor of Accountancy degree from the University of Singapore, a Master of Business Administration degree from the Australian Graduate School of Management, University of New South Wales and a Master Degree in Applied Finance from Macquarie University.

Mrs Dawn Pamela Lum
Group Company Secretary

Mrs Dawn Pamela Lum is the General Manager, Corporate Affairs and concurrently, the Group Company Secretary of the Group. She has been with the Group since 1987. Mrs Lum has a total of 32 years of working experience and has assumed key roles in the corporate and management functions of the Company. Mrs Lum holds a Bachelor of Law (Hons) degree from the University of Singapore. She was admitted to the Rolls of the Supreme Court of Singapore as an advocate and solicitor in 1977.

Ms Lim Chor Hoon
General Manager, Group Human Resource

Ms Lim Chor Hoon is the General Manager, Group HR. She joined the Group in May 2007 with 21 years' experience in the various aspects of HR functions such as recruitment and staffing, compensation and benefits, training and development, performance appraisal and management. She holds a Bachelor of Science in Psychology degree from the University of Wisconsin at Madison, USA.

DIVISION HEADS

Mr Ho Sing
General Manager, International Investment

Mr Ho Sing is the General Manager, International Investment. He joined the Group in June 2007 with 14 years' experience and has held key positions in various industries ranging from engineering, medical, infrastructure and investment holdings. He holds a Bachelor of Science in Aerospace Engineering degree from the University of Texas, Austin, USA.

Mr Chay Wai Chuen
Managing Director, Retail Real Estate Management

Mr Chay Wai Chuen is the Managing Director of the Group's Retail Real Estate Management. He joined the Group in July 2007. He has 29 years of experience, spanning economic research, business development, finance and retail real estate investment and supply chain management. He obtained a Master in Social Science at the University of Singapore, where he was Research Scholar in economics and also received a Master of Arts in Development Economics at University of Sussex, where he was a Commonwealth Scholar. He is also a graduate of the Singapore Command and Staff College and had attended the Advanced Management Programme at the Harvard Business School.

COUNTRY HEADS

Mrs Trina Loh
Singapore Country Head

Mrs Trina Loh is the Managing Director of GuocoLand (Singapore) Pte. Ltd. She joined the Group in 1999. Mrs Loh has 26 years of experience in various aspects of the real estate business, particularly in Singapore, United Kingdom and New Zealand. She is a member of the Singapore Institute of Surveyors and Valuers and an associate of the New Zealand Institute of Valuers. Mrs Loh was a Colombo Plan Scholar and holds a Bachelor of Property Administration degree from the University of Auckland, New Zealand.

Ms Violet Lee
China Country Head

Ms Violet Lee is the Group Managing Director of GuocoLand (China) Limited. She joined the Group in 2000. Ms Lee has 24 years of working experience, spanning business development, marketing and management of various projects, including real estate-related projects in China. Ms Lee holds a Bachelor of Accountancy degree from the National University of Singapore.

Mr Poh Yang Hong
Malaysia Country Head

Mr Poh Yang Hong is the Managing Director of GuocoLand (Malaysia) Berhad ("GLM"). He joined Hong Leong Group in 1994 as the Project Executive of Hume Industries (Malaysia) Berhad and was subsequently promoted to Project Manager. In 1996, he joined HLG Securities Sdn Bhd as a commissioned dealer and was subsequently promoted to General Manager and Executive Director, Dealing before assuming the position of Chief Operating Officer in early 2006. He was appointed as the Head of Group Investment of HL Management Co Sdn Bhd in 2007 with responsibility for sourcing direct investments, merger and acquisition opportunities for companies under the Hong Leong Group. Mr Poh holds a Bachelor of Economics degree from Monash University, Australia.

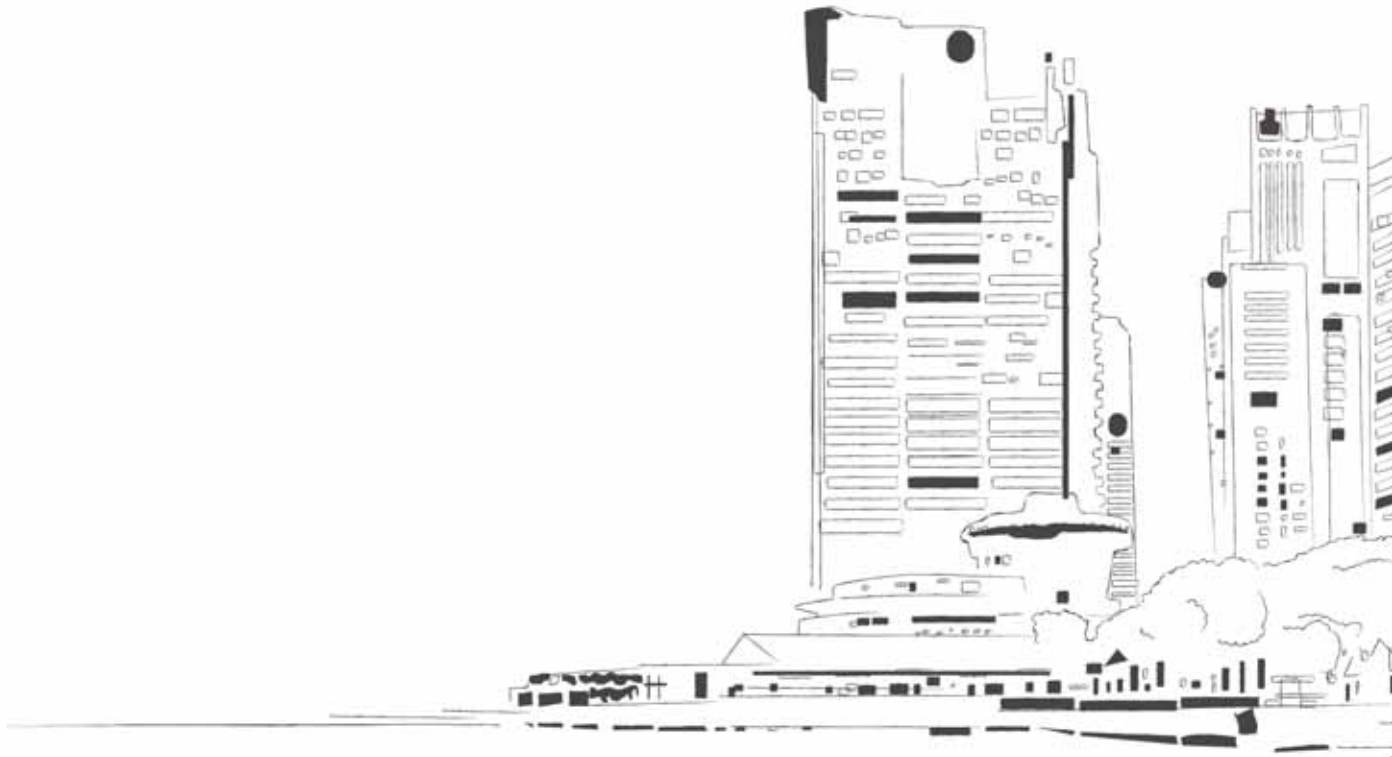
Mr Lawrence Peh
Vietnam Country Head

Mr Lawrence Peh is the General Manager, Vietnam. He joined the Group in August 2007. Mr Peh has 21 years' experience and has held key positions in various companies in the property and real estate industry. He holds a Diploma in Building Construction (Merit Award) from the Singapore Polytechnic, a Bachelor of Science (First Class Honours) in Construction and Management degree from the University of Reading, UK and a Master of Business Administration degree from the Murdoch University, Western Australia.

SINGAPORE

QUALITY | ECO-FRIENDLY | EXCELLENCE

An acclaimed developer, GuocoLand has garnered the coveted BCA Green Mark Platinum Award for Goodwood Residence in its quest to build eco-friendly developments. GuocoLand has a portfolio of five freehold sites with a Gross Floor Area of about 178,000 square metres in good residential areas in Singapore.




TUNG CENTRE
Singapore River

PROPERTY DEVELOPMENTS IN SINGAPORE

GOODWOOD
RESIDENCE



"Set against the verdant backdrop of the adjoining Goodwood Hill, Goodwood Residence offers its residents lush greenery and generous space on a 24,845 square metre site. "

Goodwood Residence is an exclusive freehold residential development situated just off the Orchard-Scotts area, Singapore's premier shopping belt. Set against the verdant backdrop of the adjoining Goodwood Hill, Goodwood Residence offers its residents lush greenery and generous space on a 24,845 square metre site. The estate's spaciousness will allow the two apartment blocks to enjoy a good distance of 100 metres between each other, enhancing residents' privacy. A beautifully-manicured lawn, measuring 60 metres in length, will further complement the green foliage.

GOODWOOD
RESIDENCE



"Goodwood Residence received the prestigious Green Mark Platinum Award from the Building and Construction Authority in 2007, the highest honour given to 'green' buildings in Singapore."

Goodwood RESIDENCE

The 210 apartments will offer homes of mainly 3-bedroom and 4-bedroom units. A unique feature is the availability of cabana-type units with extended living space that blends in with the green surrounds. Selected ground floor units will also come with private enclosed water spaces affording residents a tranquil retreat. Goodwood Residence is designed by award-winning consultants – WOHA Architects Pte Ltd and landscape specialist ICN Design International Pte Ltd.

Goodwood Residence received the prestigious Green Mark Platinum Award from the Building and Construction Authority in 2007, the highest honour given to 'green' buildings in Singapore.

PROPERTY DEVELOPMENTS IN SINGAPORE

L TO R
SOPHIA RESIDENCE
/LEEDON
HEIGHTS SITE





SOPHIA RESIDENCE

Sophia Residence is located on a prime District 9 site at the Mount Sophia area in the vicinity of Orchard Road, within the vibrant Arts and Heritage District and Civic District. Near to the 15,435 square metre site are the Singapore Art Museum as well as the School of the Arts, Nanyang Academy of Fine Arts and Lasalle-SIA College of the Arts. Adding to the lively locale is the Singapore Management University and Singapore Institute of Commerce. The nearby Dhoby Ghaut MRT station interchange and Plaza Singapura also provide convenient transportation and shopping facilities.

Sophia Residence's unique city location will ensure that it will be a premier address for discerning home buyers.

Contemporary and modern, Sophia Residence is designed by renowned architectural firm WATG (Wimberly Allison Tong & Goo) of the United States. ICN Design International Pte Ltd, the acclaimed landscape specialist, has been appointed the landscape consultant.

LEEDON HEIGHTS SITE

This upcoming development located off Holland Road and Farrer Road is an exclusive condominium covering 48,525 square metres of land, one of the largest freehold residential sites available in prime District 10.

Apart from enjoying the spacious grounds in the estate, residents will also have another green belt for their recreation – the sprawling, leafy Singapore Botanic Gardens which is just a short drive away. The site will have good access to transportation, including two new MRT stations, Holland Village and Farrer Road which are on the Circle Line. The Circle Line will be operational in 2010.

The Leedon Heights site is also near the vibrant F&B and lifestyle locales of Holland Village and Dempsey Hill.

The development joins the work of acclaimed consultants, including SCDA Architects Pte Ltd and landscape specialist Karl Princic of Intaran Design Inc., whose expertise is in condominium, hotel and resort landscape design.

L TO R
PALM BEACH GARDEN /TOHO GARDEN SITES





PALM BEACH GARDEN SITE

A modern low rise condominium is being planned on this 11,882 square metre site at Elliot Road, just off Upper East Coast Road. The development, which is being designed by DP Architects Pte Ltd, is nestled in a quiet residential district.

The freehold site is within easy reach of a variety of F&B outlets, established schools and junior colleges. An excellent transportation network connects the development via the East Coast Parkway Expressway which allows convenient access to Changi Airport and the city. Residents are also able to enjoy a range of seafront leisure activities and water sports available at the nearby East Coast Park beach.

TOHO GARDEN SITE

There are plans to develop a contemporary and modern condominium on this freehold site of 8,072 square metres off Yio Chu Kang Road.

The upcoming development is well located in a private residential locale, in close proximity to reputable educational institutions such as Rosyth School, Montfort Secondary School and Serangoon Junior College. Two international schools, Lycée Français de Singapour (French International School) and The Australian International School, are also nearby.

The popular Chomp Chomp Food Centre is only a short drive away. Hougang Point, Heartland Mall and Ang Mo Kio Hub shopping malls are in the vicinity.

The development's connectivity will be enhanced by the future development of the Serangoon Sub-Regional Centre which aims to be a major transportation hub with a variety of new commercial, residential and community facilities, including a civic plaza. The Serangoon Sub-Regional Centre will have the Serangoon MRT station, which will serve as an interchange for the North East Line and Circle Line when the Circle Line is completed.

PROPERTY DEVELOPMENTS IN SINGAPORE

THE VIEW @ MEYER



The View @ Meyer is an exclusive freehold boutique development, with each of its 45 units accessible only via private lifts.

It is well positioned in the established residential enclave of Meyer Road, with quick access to the new Marina Bay district where the newly opened Singapore Flyer and Marina Bay Golf Course are located. Other upcoming attractions include Gardens by the Bay which aims to showcase Singapore as the world's premier tropical garden city, and the Marina Bay Sands Integrated Resort.

Residents of The View @ Meyer can expect to enjoy living in a private estate with expansive park, city and sea views. In addition, all units in this well designed development will have a north-south orientation.

PATERSON
RESIDENCE



"Paterson Residence offers a quality lifestyle in a prime location that is just a stone's throw away from Singapore's major shopping belt of Orchard Road."

PATERSON
residence

A freehold upmarket development in District 9 comprising 104 apartments and 6 strata houses, Paterson Residence received its Temporary Occupation Permit in July 2008.

The development has a modern and elegant facade which is in keeping with its luxurious finishes. Comprehensive facilities include an infinity-edged pool with underwater chaise lounge, a spa pool with underwater chaise lounge, tennis court, jacuzzi and kids' wading pool. Air-conditioned lobbies at every level of the tower block enhance the pleasure of living at Paterson Residence. Residents can also enjoy a personalised concierge service for their daily needs.

Paterson Residence offers a quality lifestyle in a prime location that is just a stone's throw away from Singapore's major shopping belt of Orchard Road.

PROPERTY DEVELOPMENTS IN SINGAPORE

THE STELLAR



the STELLAR

Residents will live in a resort-like ambience when they step into The Stellar. Located in the West Coast, the immaculate garden surroundings of this freehold property will blend seamlessly with nature to give the 162 home owners a tranquil retreat.

Among the outstanding features are a stunning club house which has a distinguished entrance, unique placement of studio units and private enclosed water and living spaces for selected units on the ground floor.

Within walking distance of The Stellar is the National University of Singapore, whilst the mega VivoCity shopping mall and the upcoming Resorts World at Sentosa are a short drive away. The NUS High School of Mathematics and Science and Singapore Polytechnic are also in the vicinity. The Southern Ridges, a newly-opened 9 km chain of green spaces spanning Mount Faber Park, Telok Blangah Hill Park, Kent Ridge Park and West Coast Park, is yet another attraction for home owners of The Stellar. Altogether, a perfect blend of tranquillity and vibrancy.

THE QUARTZ



The Quartz is a 99-year leasehold condominium located in the fast developing Sengkang New Town. The development won the Certified Green Mark Award from the Building and Construction Authority in 2006. There are plans to install a host of eco-friendly and energy-saving devices such as air-conditioning heat recovery system and solar power within the project.

The Quartz will feature a full suite of unique facilities, including a "sky gym" and "sky bridge" to allow residents to enjoy a leisurely evening stroll, and a floating club house which is set above the pool.

Home owners will have access to shopping conveniences at the Rivervale Plaza and Compass Point shopping malls. New food centres and amenities are also available in the neighbourhood malls to meet the needs of residents. A Kopitiam City food court and NTUC FairPrice supermarket, both of which are newly-opened and operate round the clock, are located right next to the Buangkok MRT station which is a mere 3 minutes' walk from The Quartz.

PROPERTY DEVELOPMENTS IN SINGAPORE

LE CRESCENDO



Le Crescendo is a freehold condominium located in the Paya Lebar area. Designed as a 20-storey single block, Le Crescendo is equipped with a full suite of condominium facilities and features north-south orientation for all its units. The apartments, which come with wide bay windows offering good views, are also well ventilated. The development won the Certificate of Merit for Construction Excellence from the Building and Construction Authority in 2008.

Under the Master Plan 2008 unveiled by the Urban Redevelopment Authority, there are plans to transform the Paya Lebar Central area into a bustling commercial centre, brimming with activity from offices, retail, hotels and attractive public spaces.

Residents already have access to the recently opened Kallang/Paya Lebar Expressway, which brings the Central Business District, Suntec City and other downtown areas within their easy reach. The excellent connectivity enjoyed by residents of Le Crescendo will be enhanced when the under-construction Tai Seng and MacPherson MRT stations are completed, expected to be from 2010 onwards. Amenities such as food centres, supermarkets and restaurants are nearby.

Le Crescendo is available for immediate occupation.

INVESTMENT PROPERTY



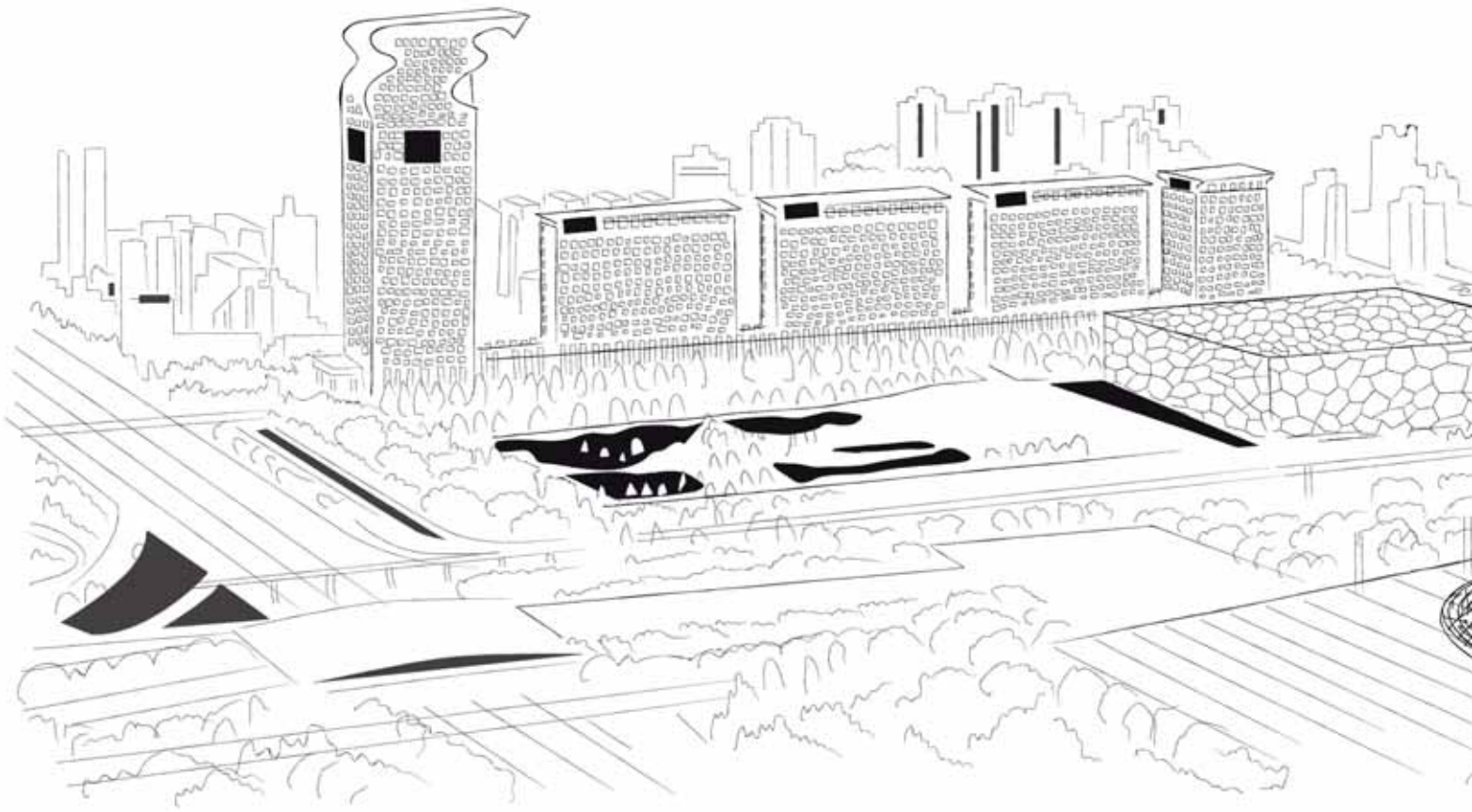
ARTIST'S IMPRESSION / RENOVATED LOBBY OF TUNG CENTRE

TUNG CENTRE

The Group's flagship building, Tung Centre is a 24-storey office block within walking distance of the Raffles Place MRT station and adjacent to Fullerton Hotel, within the historic Collyer Quay area of downtown Singapore.

Tung Centre overlooks Marina Bay, which is being transformed into an exciting and vibrant waterfront destination. With the new developments in its vicinity, Tung Centre is also undergoing its own upgrading and restyling, with the front lobby being extended to provide an open and expansive frontage for tenants and visitors. Additional light fittings along the street frontage have been installed, providing the building with a striking facade at night.

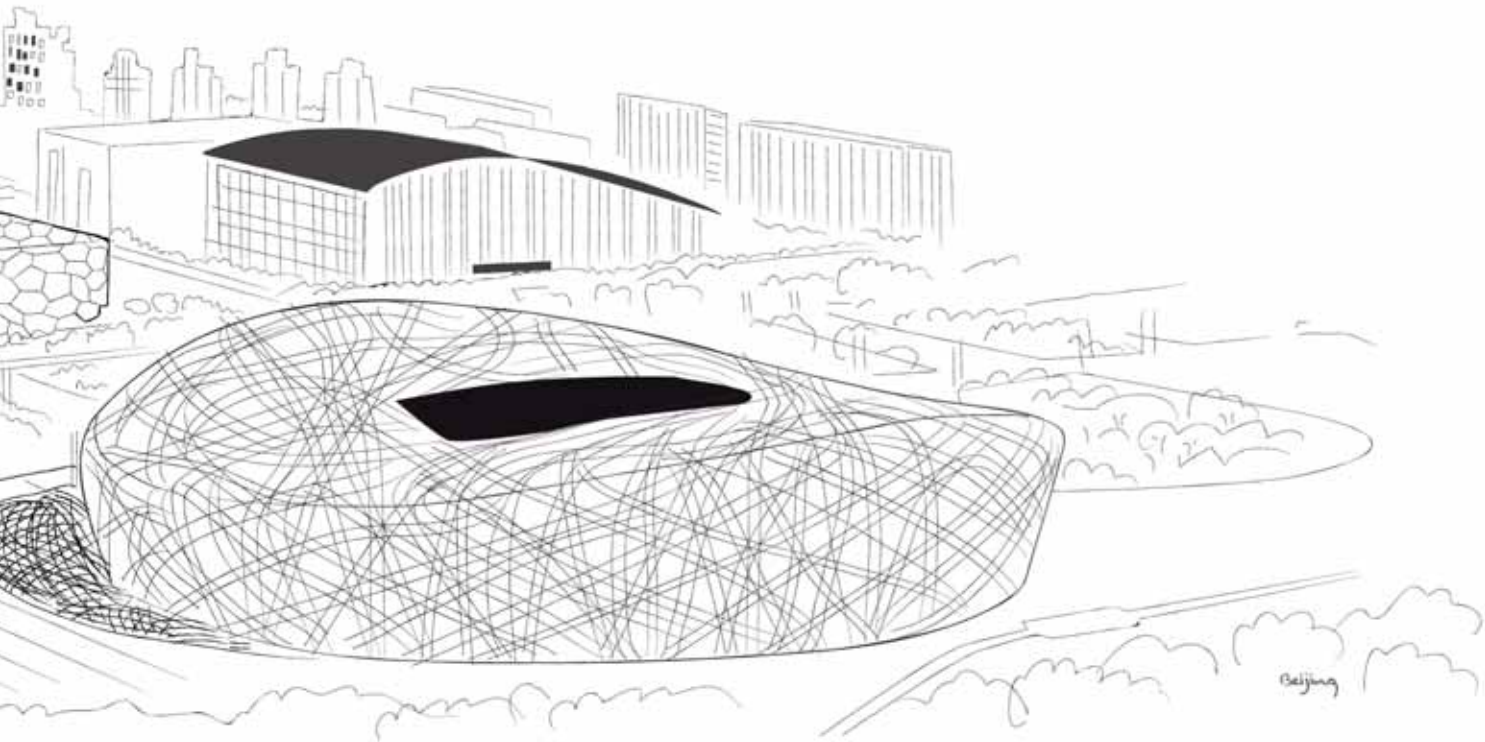
Occupancy in Tung Centre is almost 100%, with established corporate tenants such as BNP Paribas, Dresdner Bank, Munich Management Pte. Ltd. and HL Bank.



CHINA

SCALE | SOLID | COMMITMENT

GuocoLand has a sizeable land bank of approximately 2 million square metres of Gross Floor Area, spanning Beijing, Shanghai, Nanjing and Tianjin. With embedded operations in these major cities which underline its commitment in China, GuocoLand's property portfolio comprises residential developments and signature large-scale integrated developments in prime locations.



PROPERTY DEVELOPMENTS IN CHINA

/ Beijing



ARTIST'S IMPRESSION / DONGZHIMEN INTEGRATED DEVELOPMENT, BEIJING

DONGZHIMEN INTEGRATED DEVELOPMENT

The Dongzhimen integrated development covers an immense site area of about 106,000 square metres with gross floor area of approximately 600,000 square metres. The integrated development comprises residential, retail, office and hotel components. The residential component will have 166 quality apartments, allowing residents to enjoy a suite of facilities literally at their door-step, as well as efficient travel through the comprehensive network of transportation services.

This iconic project is located at the intersection of Dongzhimenwai Road and the East Second Ring Road in the Dongcheng District. The development will house a bus interchange, subway lines, an above-ground light rail and an airport express train, making it the largest transportation hub in Asia.



ARTIST'S IMPRESSION / DONGZHIMEN INTEGRATED DEVELOPMENT, BEIJING

DONGZHIMEN INTEGRATED DEVELOPMENT (cont'd)

The airport express train was operational just ahead of the Olympic Games in August 2008. Via this airport rail link, passengers can reach the Beijing Capital International Airport in 16 minutes.

The development is also located in an established expatriate area where major embassies are situated. Beijing's famous Salitun entertainment belt, with its trendy 24-hour food and beverage outlets, is also in the neighbourhood.

Construction is currently in progress.

PROPERTY DEVELOPMENTS IN CHINA

/ Beijing, Shanghai

WEST END POINT, BEIJING



西城晶华
West End Point

West End Point sits on a site area of around 36,501 square metres with a gross floor area of about 140,326 square metres, comprising 810 units and 37 attached retail shops. The development is within the West Second Ring Road across the Political Consultative Conference Assembly Hall. Located near the city's Financial Street, West End Point is a short drive from historical landmarks such as Tiananmen Square and the Forbidden City. The posh district surrounding West End Point includes the high-end The Season's Place shopping mall and three international five-star hotels.

West End Point blends a modern lifestyle with traditional Chinese architecture, with features such as a unique 'submerged' club house and sunken courtyard garden. Residents can enjoy unblocked views of the sky while relaxing at the club house.



SOHO SHOW UNIT,
GUOSON CENTRE
CHANGFENG,
SHANGHAI

GUOSON CENTRE • CHANGFENG

The integrated development of Guoson Centre Changfeng will comprise retail, office, SoHo ("small-office, home-office") units, serviced apartments and a five-star hotel on a 143,845 square metre site.

Well positioned at the crossroads of the Hongqiao, Zhongshan and Gubei commercial districts, Guoson Centre Changfeng is a sizeable project in the Putuo District of Shanghai. The project is within the Changfeng Ecology commercial district. The adjacent Changfeng Park with its green belt and Suzhou Creek on its south bank will provide relaxing surroundings for the growing communities in this area.

The prime location of Guoson Centre Changfeng is further bolstered by the Zhongshan Park business hub to the north, the nearby Hongqiao Development Zone and its proximity to the Hongqiao Airport. The site is currently serviced by Metro train line No 2, which connects to Pudong where the new financial hub of Shanghai is located.

PROPERTY DEVELOPMENTS IN CHINA

/ Shanghai, Nanjing

CENTRAL PARK,
SHANGHAI



CENTRAL PARK 淮海晶华

Central Park is a high-end condominium comprising three high-rise blocks with 262 apartments. The development is built on a 14,841 square metre site situated within the Luwan District at the junction of Taoyuan Road and Liulin Road in Shanghai. Central Park is next to Huai Hai Park and within walking distance of the bustling Xintiandi entertainment area.

The development has facilities like a swimming pool and gymnasium that are located on high floors, which give residents a panoramic view of the Shanghai skyline.

ASCOT PARK,
NANJING



Ascot Park is built on an expansive 89,709 square metre site which can yield about 240,712 square metres of gross floor area. A total of 1,112 apartments will be available for sale in this spacious development, which also includes retail space and SoHo units. Construction is currently in progress.

Targeted at discerning homeowners, Ascot Park is located east of the picturesque Purple Mountains. The adjacent Nanjing Xianlin University campus area, which has many established universities, contributes to the educational milieu of Ascot Park. An international golf club and a race course are also nearby. Transportation needs will be well served through a future railway depot near the development.

PROPERTY DEVELOPMENTS IN CHINA

/ Nanjing, Tianjin



ARTIST'S IMPRESSION / HILLVIEW REGENCY, NANJING

"The site is nestled at the foothills of Purple Mountains in the Xuanwu District of Nanjing. It will be served by a new metro line which is currently under construction."

HILLVIEW REGENCY, NANJING

This 296,002 square metre site is slated for development of residential apartments, SoHo units and retail space.

The site is nestled at the foothills of Purple Mountains in the Xuanwu District of Nanjing. It will be served by a new metro line which is currently under construction, and is a short drive from the Nanjing City Centre at Xinjiekou via Huning Highway and Ninghang Road. The area surrounding Hillview Regency has many institutions of higher education, and of research and development.



ARTIST'S IMPRESSION / FOUR SEASONS PARK, TIANJIN

FOUR SEASONS PARK, TIANJIN

The Group's first development in Tianjin is on a 25,866 square metre site in the Laochengxiang area in the Nankai District. Laochengxiang is the oldest residential district in Tianjin with a rich history of over 600 years and is a cultural, commercial and historic hub. Tianjin is a key economic centre in northern China, just half an hour's train ride from Beijing.

The site which has a gross floor area of approximately 203,000 square metres, is designated primarily for a residential development named Four Seasons Park.


Oval, Kuala Lumpur

MALAYSIA

STRENGTH | PRESENCE | EXPERTISE

GuocoLand (Malaysia) Berhad ("GLM") is a 64.98% subsidiary of GuocoLand. The GLM group has an established presence in Malaysia, with property development activities and approximately 11,110 acres land bank for township development as well as a property investment portfolio which includes prime office properties.



PROPERTY DEVELOPMENTS IN MALAYSIA



ARTIST'S IMPRESSION / OVAL, KUALA LUMPUR

OVAL
KUALA LUMPUR

OVAL, Kuala Lumpur is situated on an estimated 2.14 acre site at Jalan Binjai in Kuala Lumpur City Centre. It will feature twin 41-storey towers called East Tower and West Tower that will be a landmark in the Kuala Lumpur cityscape. These will have 140 exclusive residences enveloped in smooth glass exteriors, exuding understated glamour.

Featuring generous space, each tower will come in two configurations: Sky Villa with 3,750 square feet and the bigger Mansionary Villa with 7,600 square feet of space. To complement the exclusive lifestyle of its residents, each tower will have its own suite of recreational facilities. OVAL, Kuala Lumpur will have a gross floor area of about 54,474 square metres.

With its enviable location, the prime business and financial district, embassy row and five-star leisure amenities will only be minutes away, whether by foot, private or public transport. Yet, the OVAL, Kuala Lumpur aims to deliver to residents the quiet tranquillity of city living.



ARTIST'S IMPRESSION / DAMANSARA CITY, KUALA LUMPUR

DAMANSARA CITY

A fresh new concept in integrated city living comes to the exclusive enclave of Damansara Heights with the flagship development of Damansara CITY. The development seeks to bring together the essence of a truly integrated lifestyle with hotel, office and retail spaces seamlessly integrated with residences. It is bounded by the equally upmarket areas of Bangsar and Bukit Kiara and enjoys easy access into the city centre of Kuala Lumpur via the Sprint Expressway.

Damansara CITY will comprise two luxurious 30 storey residential towers, two office towers of 33 storeys and 19 storeys, a five-star boutique hotel and lifestyle retail mall. Trendy fashion stores, learning and wellness centres, hip restaurants and cafes, and a gourmet food hall will make Damansara CITY a "must-visit" destination for shoppers and diners alike.

Construction of Damansara CITY, which sits on an 8.5 acre site, is in progress. It will have a total gross floor area of about 203,332 square metres.

PROPERTY DEVELOPMENTS IN MALAYSIA

L TO R
ARTIST'S
IMPRESSION /
THE CIRRUS, CHERAS
/ EMERALD, RAWANG





THE Cirrus CHERAS

The Cirrus is a high-end development, offering a trendy lifestyle to its home owners. Located on an approximately 16.1 acre site just outside Kuala Lumpur, The Cirrus comprises private bungalows and semi-detached homes built on elevated ground. Situated in a matured neighbourhood, The Cirrus enjoys close proximity to shopping amenities, educational facilities and is well-connected to major growth areas in Kuala Lumpur and Petaling Jaya.

Phase 1 of the freehold development comprises 22 units of bungalow homes spread over a generous four-acre site.

emerald RAWANG

A lifestyle away from the hustle and bustle of city dwelling is what residents of Emerald township can expect to enjoy. Emerald is a spacious residential-commercial township located on about 1,029 acres of land cradled in the undulating green foothills of Rawang, of which an estimated 300 acres have been developed.

Comprising link houses, semi-detached houses, bungalows, apartments and shop offices, Emerald offers security behind a gated community. The established, well planned township will have a Ronald Fream-designed nine hole golf course with club house facilities, shops, schools and a community park when fully developed.

Emerald is just one kilometre from the Rawang Interchange and a short drive from Kuala Lumpur via the North-South Highway. In keeping with its gemstone theme, precincts in this township have names such as Peridot and Ivory.

TOWER REIT

TOWER REIT



MENARA HLA



HP TOWERS



MENARA ING

TOWERreit

As at 30 June 2008, GLM had a 19.97% interest in Tower Real Estate Investment Trust (Tower REIT), which has been listed on the Main Board of Bursa Malaysia Securities Berhad since April 2006. GLM REIT Management Sdn Bhd, a wholly-owned subsidiary of GLM, is the manager of Tower REIT.

Tower REIT's investment portfolio currently comprises three prime commercial office buildings located in Kuala Lumpur. They are Menara HLA, HP Towers and Menara ING.

Menara HLA

Located in the heart of Kuala Lumpur's Golden Triangle, the 32-storey office tower with a 4 level basement car park is diagonally opposite the Kuala Lumpur Convention Centre. With a net lettable area of about 396,820 square feet, Menara HLA enjoyed an occupancy rate of 94% as at 30 June 2008, with blue chip tenants such as Hong Leong Assurance Berhad and Aker Kvearner Engineering SEA Sdn Bhd, which is engaged in the oil and gas industry.

HP Towers

The building comprises two blocks of 9 storeys and 21 storeys and 3 levels of connecting podium. Situated in the commercial area of Bukit Damansara, HP Towers has a net lettable area of about 350,056 square feet. Tenants include Hewlett-Packard (M) Sdn Bhd and Dagang Net Technologies Sdn Bhd. As at 30 June 2008, the occupancy rate was 98%.

Menara ING

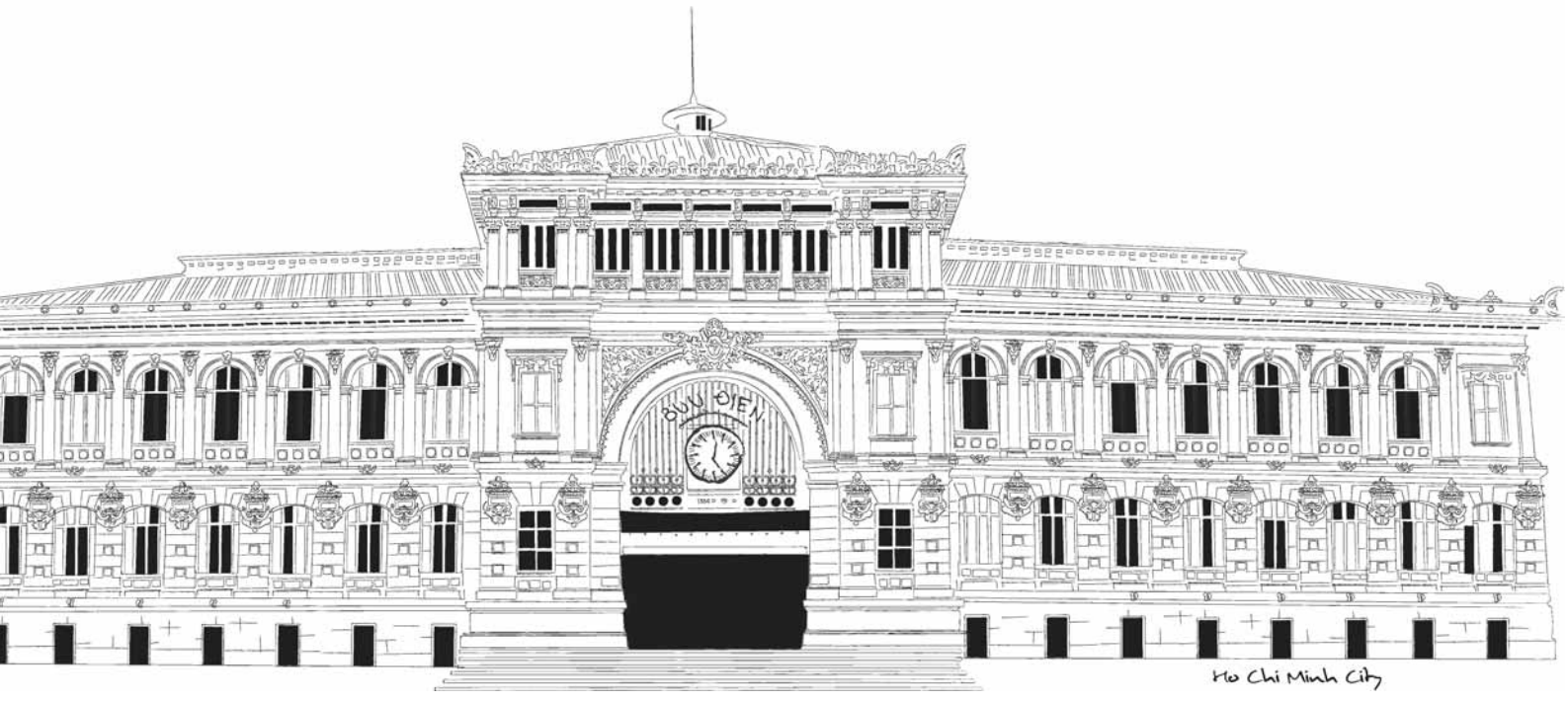
Menara ING is situated at Jalan Raja Chulan, an established office address within the Golden Triangle area of Kuala Lumpur. As at 30 June 2008, Tower REIT owned 78.3% of the total share unit entitlement of the building or about 151,395 square feet and 100% of the carpark bays. Tower REIT's share of the building and carpark bays are 100% leased to the ING Insurance Berhad group of companies.

VIETNAM

FORESIGHT | STRATEGY | ACTION

GuocoLand invested in Vietnam following its accession to the World Trade Organisation which had spurred foreign investments into the country. Translating its investment strategy into action, GuocoLand is currently developing The Canary, its first development in Vietnam.




BƯU ĐIỆN
Ho Chi Minh City

PROPERTY DEVELOPMENT IN VIETNAM



ARTIST'S IMPRESSION / THE CANARY, BINH DUONG PROVINCE

The Canary is a proposed integrated development to be developed on a 17.5 hectare site. It will comprise about 1,200 residential apartments, a good class international hotel, a retail mall, educational facilities and a sports complex. The development will yield a total gross floor area of approximately 285,000 square metres.

Phase 1 of the residential component comprising 237 units called Homez @ The Canary, is under construction. Its launch in January 2008 was well received with sales of 95%.





The retail mall will have a frontage on Highway 13, which connects to Ho Chi Minh City in 30 minutes. Interesting retail tenants, such as lifestyle shops, specialty stores and hip F&B outlets will offer consumers a new retail experience and add buzz to The Canary.

The Canary is next to the Vietnam Singapore Industrial Park which is located in Binh Duong province, one of Vietnam's leading provinces in terms of socio-economic development and per capita income. The Canary, which will promise a new lifestyle experience, can expect to be a thriving community hub for Binh Duong and its surrounding provinces.

EXPERTISE, RECOGNITION & CONTRIBUTION

STRONG IN-HOUSE EXPERTISE



PROPERTY-RELATED SERVICES

The Group has about 18 years of experience in property-related services and offers project management, marketing and building maintenance services through its subsidiary, GuocoLand Property Management Pte. Ltd. ("GLPM"). To date, GLPM continues to give its strong in-house experience and competence to the Group's projects.

This is evidenced by the Group winning the following awards from the Building and Construction Authority in consecutive years: the Certified Green Mark Award for The Quartz in 2006; the Best Buildable Design Award for Leonie Studio and the prestigious Green Mark Platinum Award for Goodwood Residence in 2007. It also clinched the Certificate of Merit for Construction Excellence for Le Crescendo in 2008.

The Group owns www.myhome.com.sg, an internet portal that provides new home buyers with updates on the construction progress of their units. The portal also serves as a convenient one stop facility booking system for existing home owners.



GUOCOLAND RECEIVES THE BCA GREEN MARK PLATINUM AWARD FOR GOODWOOD RESIDENCE FROM MINISTER OF NATIONAL DEVELOPMENT, MR MAH BOW TAN

ECO-FRIENDLY DEVELOPMENTS

Towards developing eco-friendly buildings, green features and processes may be incorporated in GuocoLand's developments to protect the environment and improve the quality of life.

Two of the Group's residential developments have won the Green Mark Award in Singapore in consecutive years. Goodwood Residence, a luxurious residential development, won the Green Mark Platinum Award last year, the highest honour for a "green building" accorded by the Building and Construction Authority (BCA). The Quartz won the Certified Green Mark Award for its outstanding green features in 2006.

Goodwood Residence shares a 150 metre boundary with Goodwood Hill, an expansive 20 hectares of natural greenery. The seamless green belt extension of the natural Goodwood Hill foliage into Goodwood Residence is one of the outstanding features recognised by the BCA. Reinforcing the green ambience will be "Green Walls" which will allow the landscape to extend vertically up the buildings. These will help the buildings to blend into the already lush green setting of Goodwood Residence while visually "rooting" the buildings into the compound. Altogether, there will be about 1,700 square metres of these "Green Walls".

In Shanghai, Guoson Centre Changfeng is building on the ecology of its surrounding area by devoting 30% of the land area to "green" coverage to give the integrated development an even more eco-friendly environment. Guoson Centre Changfeng is located within the Changfeng Ecology commercial district. It will have a host of other eco-friendly features, including an equipment monitoring system that will control the air-conditioning system, lighting and water supply to help reduce energy and water usage.

In Kuala Lumpur, the integrated development of Damansara CITY will have a curved "green" wall on a six level podium block. Featuring lush foliage, the wall will measure 19 metres high and 170 metres long. It will serve the dual purpose of absorbing traffic noise as well as reducing heat gain to the buildings. Two residential blocks of apartments will be built above the podium block. Rain water will also be collected and recycled to irrigate the landscaping in Damansara CITY, enhancing the eco-friendliness of the development.

EXPERTISE, RECOGNITION & CONTRIBUTION

HELPING THE LESS PRIVILEGED IN OUR COMMUNITY



HELPING THE LESS PRIVILEGED IN OUR COMMUNITY

As a socially responsible corporate citizen, GuocoLand contributes its efforts to helping the less fortunate in our community.

Last year, the Group supported various fund-raising activities and causes organised by corporations and charity organisations. One of the fund-raising events was the Bull Run 2007 organised by the Singapore Exchange. The Bull Run was a 3.2 km charity run held in October 2007 around the Central Business District of Singapore. GuocoLand was represented by a team of runners and supporters.

In China, GuocoLand staff from the Beijing, Shanghai, Nanjing and Tianjin offices rallied and raised funds to help the Sichuan earthquake victims, after the devastating earthquake struck Sichuan province in May 2008.

FINANCIAL SECTION

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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 2008.

DIRECTORS

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

Sat Pal Khattar
Quek Chee Hoon
Quek Leng Chan
Kwek Leng Hai
Lum Choong Wah
Goh Yong Hong
Reggie Thein

DIRECTORS' INTERESTS

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

	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	As at 1 July 2007	As at 30 June 2008	As at 1 July 2007	As at 30 June 2008
The Company	**Fully Paid Ordinary Shares**			
Sat Pal Khattar	5,000,000	-	5,392,362	13,856,482
Quek Chee Hoon	6,862,725	12,849,449	-	-
Quek Leng Chan	15,047,224	20,062,965	425,361,240	570,958,320
Kwek Leng Hai	19,851,140	26,468,186	-	-
	Options to subscribe for Ordinary Shares▪			
Quek Chee Hoon	16,500,000	15,081,150	-	-
	Convertible Bonds**			
Quek Leng Chan	-	-	-	4,000,000

▪ Please refer to Notes 1 and 3 under "Share Options".

** The Convertible Bonds ("CBs") are convertible into fully paid ordinary shares of the Company pursuant to the terms and conditions of the Company's offering circular dated 4 May 2007. Mr Quek Leng Chan is deemed interested in the CBs arising through a company in which he has an interest by virtue of Section 7 of the Companies Act, Cap. 50. Please refer to Note 21 to the financial statements for details of the CBs.

DIRECTORS' REPORT
For the year ended 30 June 2008

DIRECTORS' INTERESTS (CONT'D)

	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	As at 1 July 2007	As at 30 June 2008	As at 1 July 2007	As at 30 June 2008
Intermediate Holding Company				
Guoco Group Limited	**Ordinary Shares of US$0.50 each fully paid**			
Sat Pal Khattar	691,125[+]	-	-	691,125
Quek Leng Chan	1,656,325	1,656,325	220,036,309	223,866,391
Kwek Leng Hai	3,800,775	3,800,775	-	-
Ultimate Holding Company				
Hong Leong Company (Malaysia) Berhad	**Ordinary Shares of RM1.00 each fully paid**			
Quek Leng Chan	390,000	390,000	7,487,100	7,487,100
Kwek Leng Hai	420,500	420,500	-	-

[+] Mr Sat Pal Khattar has transferred his personal interest of such shares to his controlled company on 26 September 2007.

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	Ordinary shares/*shares issued or to be issued or acquired arising from the exercise of warrants/ options/convertible loan stocks/bonds			
		As at 1 July 2007	As at 30 June 2008	As at 1 July 2007	As at 30 June 2008
Interests of Quek Leng Chan in Related Corporations					
Hong Leong Fund Management Sdn Bhd	RM1.00	-	-	1,400,000	1,400,000
Hong Leong Financial Group Berhad	RM1.00	4,989,600	4,989,600	824,437,300	824,437,300
				-	2,500,000*^^
HLG Capital Berhad	RM1.00	-	-	92,590,545	92,590,545
Hong Leong Bank Berhad	RM1.00	-	-	955,910,600	961,690,100
Hong Leong Tokio Marine Takaful Berhad	RM1.00	-	-	65,000,000	65,000,000
Hong Leong Industries Berhad	RM0.50	-	-	183,651,737	184,899,737
Hong Leong Yamaha Motor Sdn Bhd	RM1.00	-	-	17,352,872	17,352,872

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	Ordinary shares/*shares issued or to be issued or acquired arising from the exercise of warrants/ options/convertible loan stocks/bonds			
		As at 1 July 2007	As at 30 June 2008	As at 1 July 2007	As at 30 June 2008
Interests of Quek Leng Chan in Related Corporations (cont'd)					
Guocera Tile Industries (Meru) Sdn Bhd	RM1.00	-	-	19,600,000	19,600,000
Hong Leong Maruken Sdn Bhd (In members' voluntary liquidation)	RM1.00	-	-	1,750,000	1,750,000
Guocera Tile Industries (Labuan) Sdn Bhd	RM1.00	-	-	6,545,001	6,545,001
Varinet Sdn Bhd (In members' voluntary liquidation)	RM1.00	-	-	10,560,627	10,560,627
RZA Logistics Sdn Bhd	RM1.00	-	-	7,815,980	7,815,980
Malaysian Pacific Industries Berhad	RM0.50	-	-	120,643,609	127,683,309
Carter Realty Sdn Bhd	RM1.00	-	-	7	7
Carsem (M) Sdn Bhd	RM1.00	-	-	84,000,000	84,000,000
	RM100.00	-	-	22,400 (Redeemable Preference Shares)	22,400 (Redeemable Preference Shares)
Guolene Packaging Industries Berhad (In members' voluntary liquidation)	RM1.00	-	-	69,924,134	-♦
Hume Industries (Malaysia) Berhad	RM1.00	2,000,000	2,000,000	120,144,828	120,208,928
Narra Industries Berhad	RM1.00	8,150,200	8,150,200	38,314,000	38,314,000
Camerlin Group Berhad ("CGB")	RM0.01▲	-	-	279,358,017	286,874,078@
				7,251,391*	-##

DIRECTORS' REPORT
For the year ended 30 June 2008

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	Ordinary shares/*shares issued or to be issued or acquired arising from the exercise of warrants/ options/convertible loan stocks/bonds			
		As at 1 July 2007	As at 30 June 2008	As at 1 July 2007	As at 30 June 2008
Interests of Quek Leng Chan in Related Corporations (cont'd)					
First Garden Development Pte Ltd	∞	-	-	72,000,000	72,000,000
Melville Park Development Pte Ltd (in members' voluntary liquidation)	∞	-	-	57,840,000	57,840,000
Sanctuary Land Pte Ltd	∞	-	-	54,000,000	54,000,000
Beijing Minghua Property Development Co., Ltd (in members' voluntary liquidation)	^	-	-	150,000,000	150,000,000
Shanghai Xinhaozhong Property Development Co., Ltd	#	-	-	19,600,000	19,600,000
Beijing Jiang Sheng Property Development Co., Ltd	^	-	-	247,600,000	247,600,000
Nanjing Xinhaoning Property Development Co., Ltd	#	-	-	11,800,800	11,800,800
Nanjing Xinhaoxuan Property Development Co., Ltd	#	-	-	11,800,800	11,800,800
Nanjing Mahui Property Development Co., Ltd	^	-	-	271,499,800	271,499,800
Beijing Cheng Jian Dong Hua Real Estate Development Company Limited	^	-	-	-	50,000,000

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	Ordinary shares/*shares issued or to be issued or acquired arising from the exercise of warrants/ options/convertible loan stocks/bonds			
		As at 1 July 2007	As at 30 June 2008	As at 1 July 2007	As at 30 June 2008
Interests of Quek Leng Chan in Related Corporations (cont'd)					
Lam Soon (Hong Kong) Limited	HK$1.00	-	-	140,008,659	140,008,659
Kwok Wah Hong Flour Company Limited	HK$100.00	-	-	9,800	9,800
LS Golden Oils & Fats Limited	HK$1.00	-	-	200,000,000	200,000,000
M.C. Packaging Offshore Limited	HK$0.01	-	-	812,695	812,695
Lam Soon Ball Yamamura Inc	NT$10.00	-	-	15,221,823	-
Guangzhou Lam Soon Food Products Limited	Ω	-	-	6,570,000	6,570,000
Shekou Lam Soon Silo Company Limited	#	-	-	8,464,500	8,464,500
GuocoLand (Malaysia) Berhad	RM0.50	3,266,280	4,476,280	456,555,616	456,555,616
Guoman Hotel & Resort Holdings Sdn Bhd	RM1.00	-	-	277,000,000	277,000,000
JB Parade Sdn Bhd	RM1.00	-	-	18,000,000	18,000,000
	RM0.01	-	-	68,594,000 (Redeemable Preference Shares)	68,594,000 (Redeemable Preference Shares)
GuocoLeisure Limited (formerly known as BIL International Ltd)	US$0.20	150,000	150,000	811,297,043	839,709,108
Oil Basins Limited	US$0.10	-	-	80,000 (Class A Shares)	80,000 (Class A Shares)
Oil Basins Limited	US$0.10	-	-	40,000 (Class B Shares)	40,000 (Class B Shares)

DIRECTORS' REPORT
For the year ended 30 June 2008

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	Ordinary shares/*shares issued or to be issued or acquired arising from the exercise of warrants/ options/convertible loan stocks/bonds			
		As at 1 July 2007	As at 30 June 2008	As at 1 July 2007	As at 30 June 2008
Interests of Quek Leng Chan in Related Corporations (cont'd)					
Oil Basins Limited	US$0.10	-	-	1,000 (Class D Shares)	1,000 (Class D Shares)
Bondway Properties Limited	GBP1.00	-	-	1,134,215 (Ordinary-Voting Shares)	1,134,215 (Ordinary-Voting Shares)
Bondway Properties Limited	GBP1.00	-	-	10,332 (Ordinary-Non Voting Shares)	10,332 (Ordinary-Non Voting Shares)
Denarau Corporation Limited	FJ$1.00	-	-	1 (Ordinary A Share)	1 (Ordinary A Share)
Denarau Corporation Limited	FJ$1.00	-	-	30,000 (Ordinary C Shares)	30,000 (Ordinary C Shares)
Denarau Corporation Limited	FJ$1.00	-	-	5,000 (Ordinary D Shares)	5,000 (Ordinary D Shares)
Denarau Corporation Limited	FJ$1.00	-	-	14,632 (Ordinary E Shares)	14,632 (Ordinary E Shares)
Denarau Corporation Limited	FJ$1.00	-	-	5,000 (Ordinary F Shares)	5,000 (Ordinary F Shares)

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	Nominal Value per share	Ordinary shares/*shares issued or to be issued or acquired arising from the exercise of warrants/ options/convertible loan stocks/bonds			
		As at 1 July 2007	As at 30 June 2008	As at 1 July 2007	As at 30 June 2008
Interests of Kwek Leng Hai in Related Corporations					
Hong Leong Bank Berhad	RM1.00	3,955,700	3,955,700	-	-
Lam Soon (Hong Kong) Limited	HK$1.00	2,300,000	2,300,000	-	-
GuocoLand (Malaysia) Berhad	RM0.50	226,800	226,800	-	-
Hong Leong Industries Berhad	RM0.50	189,812	189,812	-	-
Hong Leong Financial Group Berhad	RM1.00	2,316,800	2,316,800	-	-
HLG Capital Berhad	RM1.00	500,000	500,000	-	-
Interests of Sat Pal Khattar in Related Corporations					
Hong Leong Bank Berhad	RM1.00	294,000	294,000	-	-
Hong Leong Industries Berhad	RM0.50	198,580	547,080	-	-
Malaysian Pacific Industries Berhad	RM0.50	210,000	210,000	-	-
Hume Industries (Malaysia) Berhad	RM1.00	200,000	200,000	-	-
GuocoLand (Malaysia) Berhad	RM0.50	152,700	152,700	-	-

∞ Concept of par value was abolished with effect from 30 January 2006 pursuant to the Singapore Companies (Amendment) Act, 2005.
^ Capital contribution in RMB.
# Capital contribution in US$.
Ω Capital contribution in HK$.
♦ Dissolved by members' voluntary liquidation.
▲ Reduction in par value from RM1.00 to RM0.01 per share with effect from 22 May 2008.
@ Inclusive of shares arising from conversion of convertible unsecured loan stocks ("conversion"), additional shares from cash top up pursuant to the conversion and exercise of warrants to subscribe for shares.
^^ Held through children who are not directors of the Company.
The convertible unsecured loan stocks and warrants of CGB expired on 16 July 2007 and 25 July 2007 respectively.

DIRECTORS' REPORT
For the year ended 30 June 2008

DIRECTORS' INTERESTS (CONT'D)

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

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

There were no changes in any of the above-mentioned directors' interests in the Company and its related corporations between the end of the financial year and 21 July 2008.

On 30 July 2007, the Company issued and allotted 221,882,489 new ordinary shares in the capital of the Company ("Rights Shares") at an issue price of S$2.50 for each Rights Share on the basis of one Rights Share for every 3 shares held by entitled shareholders.

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

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

Except as disclosed in this report and in Notes 24, 27, 30 and 32 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

SHARE OPTIONS

The GuocoLand Limited Executives' Share Option Scheme

a. The GuocoLand Limited ("GLL") Executives' Share Option Scheme (the "ESOS") was approved by shareholders of the Company at an Extraordinary General Meeting held on 31 December 1998. The ESOS was further approved by the shareholders of Guoco Group Limited ("GGL"), a company listed on The Stock Exchange of Hong Kong Limited ("HKSE") and the intermediate holding company of the Company, at an Extraordinary General Meeting held on 1 February 1999.

b. In October 2004, shareholders of the Company and GGL approved the proposed amendments to the rules of the ESOS (the "Rules") to *inter alia* alter the structure of the ESOS to allow the grant of options to be satisfied over newly issued ordinary shares of the Company (the "Shares") or the transfer of existing Shares, or a combination of both new Shares and existing Shares, as well as to align the Rules with the requirements under Chapter 17 of the HKSE Listing Rules.

c. The ESOS is administered by a Committee of Directors (the "ESOS Committee") comprising Mr Sat Pal Khattar and Mr Quek Leng Chan who were not participants in the ESOS during the financial year.

SHARE OPTIONS (CONT'D)

d. The following options were granted to selected key executives of the Company ("Participants") in respect of an aggregate of 42,250,000 Shares:-

Date of Grant	Participants	No. of Shares comprised in Options	Exercise Price per Share	Note
1 November 2004	Selected key executives of GLL	12,500,000	S$1.19	1
30 May 2005	Selected key executive of GLL	6,000,000	S$1.32	2
19 January 2007	Selected key executives of GLL	23,750,000	S$2.65	3

e. In connection with a variation in the issued share capital of the Company arising from the Company's Rights Issue 2007, the number of Shares comprised in the Options and the exercise price per Share were adjusted as follows:-

Date of Grant	Participants	Adjusted No. of Shares comprised in Options	Adjusted Exercise Price per Share	Note
1 November 2004	Selected key executives of GLL	14,227,500	S$1.045	1
30 May 2005	Selected key executive of GLL	4,552,800 (excluding 2,000,000 which had been exercised)	S$1.159	2
19 January 2007	Selected key executives of GLL	27,032,250	S$2.328	3

f. During the financial year, 5,406,450 options were exercised and 569,100 options were cancelled arising from the resignation of a Participant. However, no options were granted. Further, no Shares were issued pursuant to the ESOS.

SHARE OPTIONS (CONT'D)

g. The status relating to Options under the ESOS including the number of adjusted Options following the close of the Company's Rights Issue 2007 as at the end of the financial year were as follows:-

Name of Participants	Options Granted during Financial Year under Review	Aggregate Options Granted since Commencement of ESOS to End of Financial Year under Review	Aggregate Adjusted Options Exercised/ Lapsed since Commencement of ESOS to End of Financial Year under Review	Aggregate Adjusted Options Outstanding as at End of Financial Year under Review
(i) Executive Director				
Quek Chee Hoon	-	2,000,000	(2,000,000) (lapsed)	-
	-	7,398,300 [1]*	(3,699,150)* (exercised)	3,699,150*
	-	11,382,000 [3]*	-	11,382,000*
(ii) Directors of Subsidiaries				
Violet Lee Hui Min	-	3,414,600 [1]*	-	3,414,600*
	-	2,000,000 [2]	(2,000,000) (exercised)	-
	-	4,552,800 [2]*	-	4,552,800*
	-	6,829,200 [3]*	-	6,829,200*
Trina Loh nee Ng Soh Yong	-	250,000	(250,000) (lapsed)	-
	-	1,138,200 [1]*	(569,100)* (exercised)	569,100*
	-	3,414,600 [3]*	-	3,414,600*
Jerry Lee Yang Chiang	-	500,000	(500,000) (lapsed)	-
	-	1,138,200 [1]*	(569,100)* (exercised)	569,100*
	-	2,276,400 [3]*	-	2,276,400*
Dawn Pamela Lum nee Lim Siew Fah	-	500,000	(500,000) (lapsed)	-
	-	1,138,200 [1]*	(569,100)* (exercised)	569,100*
	-	2,276,400 [3]*	-	2,276,400*
(iii) Other Executives	-	2,130,000	(2,130,000) (lapsed)	-
	-	853,650 [3]*	(569,100)* (lapsed)	284,550*
Total	**-**	**53,192,550**	**(13,355,550) (exercised/lapsed)**	**39,837,000***

* Adjustments had been made to the number of Options granted to Participants and the exercise price of the Options, following the close of the Company's Rights Issue 2007.

SHARE OPTIONS (CONT'D)

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

(i) The exercise price per Share is the average of the closing prices of the Company's share on Singapore Exchange Securities Trading Limited for each of the last five market days immediately prior to the date of grant of the Option.

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

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

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

j. None of the Options which were offered since the commencement of the ESOS was granted at a discount.

Note:-

1. The exercise price was determined based on the average closing price for the five days preceding 1 November 2004. The closing market price per Share on 29 October 2004 (the trading date immediately before the date of grant) was S$1.20. Following the close of the Company's Rights Issue 2007, adjustments were made to the number of outstanding Options. The exercise price was also adjusted to S$1.045. Pursuant to certain financial and performance targets met by the Participants during the performance period for the financial years 2004/05 to 2006/07, the Participants were notified by the ESOS Committee in August 2007 of the vesting of a total of 14,227,550 Options. The Participants were given an exercise period of up to 2 years from the date of vesting to exercise the vested Options in accordance with the terms of their grant. During the financial year 2007/08, a first tranche of 5,406,450 Shares were exercised under the terms of the grant. The Participants now have a balance of 8,821,050 vested Options available for exercise.

2. The exercise price was determined based on the average closing price for the five days preceding 30 May 2005. The closing market price per Share on 27 May 2005 (the trading date immediately before the date of grant) was S$1.34. Following the close of the Company's Rights Issue 2007, adjustments were made to the number of outstanding Options. The exercise price was also adjusted to S$1.159. Under the terms of the grant, a first tranche of 2,000,000 Shares was exercised during the financial year 2006/07. Pursuant to certain financial and performance targets met by the Participant during the financial years 2005/06 to 2006/07, the Participant was notified by the ESOS Committee in August 2007 and November 2007 of the vesting of the remaining 4,552,800 Options in accordance with the terms of the grant. The Participant was given an exercise period of up to 2 years from the date of vesting to exercise the vested options in accordance with the terms of the grant.

3. The exercise price was determined based on the average closing price for the five days preceding 19 January 2007. The closing market price per Share on 18 January 2007 (the trading date immediately before the date of grant) was S$2.75. Following the close of the Company's Rights Issue 2007, adjustments were made to the number of outstanding Options, as well as the exercise price to S$2.328. Subject to certain financial and performance targets being met by the Participants during the performance periods for the financial years 2005/06 to 2007/08 and 2008/09 to 2010/11, the Participants may at the end of each performance period be notified by the ESOS Committee of the vesting of the Options and the number of Shares comprised in the vested Options. Thereafter, the Participants shall have a phased period of between 6 to 30 months to exercise the vested Options in accordance with the terms of the grant.

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 end of the financial year.

DIRECTORS' REPORT
For the year ended 30 June 2008

AUDIT COMMITTEE

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

Reggie Thein, Chairman
Lum Choong Wah
Goh Yong Hong

The Audit Committee performs the functions specified in Section 201B of the Companies Act, Chapter 50, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:-

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

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

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

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

On behalf of the Board of Directors

SAT PAL KHATTAR
Director

QUEK CHEE HOON
Director

Singapore
22 August 2008

STATEMENT BY DIRECTORS

For the year ended 30 June 2008

In our opinion:-

a. the financial statements set out on pages 68 to 145 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2008 and of the results, changes in equity and cash flows of the Group and of the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

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

On behalf of the Board of Directors

SAT PAL KHATTAR
Director

QUEK CHEE HOON
Director

Singapore
22 August 2008

INDEPENDENT AUDITORS' REPORT

To the Members of GuocoLand Limited

We have audited the accompanying financial statements of GuocoLand Limited ("the Company") and its subsidiaries ("the Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2008, the income statement, statement of changes in equity and statement of cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 68 to 145.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion:

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2008 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

KPMG
Public Accountants and
Certified Public Accountants

Singapore
22 August 2008

BALANCE SHEETS
as at 30 June 2008

	Note	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Non-Current Assets					
Property, Plant and Equipment	3	141,304	130,065	-	-
Goodwill on Consolidation	4	-	1,094	-	-
Investment Properties	5	449,086	363,976	-	-
Interests in Subsidiaries	6	-	-	3,214,105	2,248,409
Interests in Associates and Jointly-Controlled Entities	7	189,531	438,113	7,837	8,780
Amounts due from Minority Shareholders of Subsidiaries	8	16,419	20,617	-	-
Investment Securities	9	2,504	31,781	-	-
Deferred Tax Assets	10	485	551	-	-
		799,329	986,197	3,221,942	2,257,189
Current Assets					
Inventories	11	4,461,662	1,555,849	-	-
Trade and Other Receivables	14	77,522	326,348	747	2,768
Cash and Cash Equivalents	17	654,461	1,092,564	282,717	438,632
		5,193,645	2,974,761	283,464	441,400
Total Assets		**5,992,974**	**3,960,958**	**3,505,406**	**2,698,589**
Equity attributable to equity holders of the Company					
Share Capital	18	1,394,047	839,716	1,394,047	839,716
Reserves	19	581,528	566,299	191,614	71,887
		1,975,575	1,406,015	1,585,661	911,603
Minority Interests		152,956	165,200	-	-
Total Equity		2,128,531	1,571,215	1,585,661	911,603
Non-Current Liabilities					
Amounts due to Subsidiaries	6	-	-	469,537	257,625
Interest Bearing Loans and Borrowings	20	2,127,334	1,931,868	857,066	1,459,099
Deferred Tax Liabilities	10	22,109	7,644	-	-
		2,149,443	1,939,512	1,326,603	1,716,724
Current Liabilities					
Trade and Other Payables	22	771,884	326,458	13,931	19,070
Interest Bearing Loans and Borrowings – Current Portion	20	905,657	74,420	572,444	35,000
Current Tax Payable		37,459	49,353	6,767	16,192
		1,715,000	450,231	593,142	70,262
Total Liabilities		3,864,443	2,389,743	1,919,745	1,786,986
Total Equity and Liabilities		**5,992,974**	**3,960,958**	**3,505,406**	**2,698,589**

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

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2008

	Note	Group 2008 $'000	Group 2007 $'000
Revenue	24	670,893	702,479
Cost of sales		(535,593)	(548,065)
Gross profit		135,300	154,414
Other income	25	130,776	194,708
Administrative expenses		(41,086)	(30,053)
Other expenses		(9,455)	(369)
Finance costs	26	(39,438)	(32,379)
Share of profit (net of tax)			
- associates		11,545	13,108
- jointly-controlled entities		6,784	2,808
Profit before income tax	27	194,426	302,237
Income tax expense	28	(29,145)	(12,896)
Profit for the year		**165,281**	**289,341**
Attributable to:			
Equity holders of the Company		**161,840**	**281,892**
Minority interests		3,441	7,449
Profit for the year		**165,281**	**289,341**
Earnings per ordinary share (cents)	29		
Basic		20.17	46.15
Diluted		19.35	44.30

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

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2008

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Share Capital				
At 1 July	839,716	839,716	839,716	839,716
Issue of 221,882,489 ordinary shares at $2.50 each ("Rights Issue")	554,706	-	554,706	-
Rights Issue expenses	(375)	-	(375)	-
At 30 June	1,394,047	839,716	1,394,047	839,716
Reserve for Own Shares				
At 1 July	(104,487)	(88,387)	(104,487)	(88,387)
Transfer of shares to employees upon exercise of share options	7,497	2,852	7,497	2,852
Subscription of shares under Rights Issue by the Trust for Executives' Share Option Scheme	(46,240)	-	(46,240)	-
Purchase of shares by the Trust for Executives' Share Option Scheme (see Note 30)	-	(18,952)	-	(18,952)
At 30 June	(143,230)	(104,487)	(143,230)	(104,487)
Share Option Reserve				
At 1 July	3,874	1,185	3,874	1,185
Value of employee services received for issue of share options	4,010	2,689	4,010	2,689
At 30 June	7,884	3,874	7,884	3,874
Capital Reserve				
At 1 July	64,996	1,383	64,913	1,300
Excess of purchase cost over consideration received from employees upon exercise of share options	(1,847)	(212)	(1,847)	(212)
Equity portion of convertible bonds	-	63,825	-	63,825
At 30 June	63,149	64,996	63,066	64,913

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2008

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Exchange Translation Reserve				
At 1 July	(26,673)	(34,374)	-	-
Translation differences relating to financial statements of foreign subsidiaries and associates	64,864	29,659	-	-
Exchange differences on monetary items forming part of net investments in foreign subsidiaries and associates	(104,996)	(20,668)	-	-
Transfer to income statement upon disposal of interest in subsidiary	-	(1,290)	-	-
At 30 June	(66,805)	(26,673)	-	-
Revaluation Reserve				
At 1 July	8,341	8,522	-	-
Transfer to income statement upon disposal of interest in subsidiary	-	(181)	-	-
At 30 June	8,341	8,341	-	-
Mark-to-market Reserve				
At 1 July	3,648	19,524	-	-
Change in fair value of available-for-sale securities	487	9,766	-	-
Transfer to income statement upon disposal of available-for-sale securities	(347)	(25,750)	-	-
Transfer to interests in associates	(4,210)	-	-	-
Exchange differences on translation	(313)	108	-	-
At 30 June	(735)	3,648	-	-
Unappropriated Profits				
At 1 July	616,600	377,096	107,587	105,118
Transfer to income statement upon disposal of available-for-sale securities	-	6,425	-	-
Profit attributable to equity holders of the Company	161,840	281,892	221,823	51,282
Dividends (see Note 31)	(65,516)	(48,813)	(65,516)	(48,813)
At 30 June	712,924	616,600	263,894	107,587
Equity attributable to equity holders of the Company	**1,975,575**	**1,406,015**	**1,585,661**	**911,603**

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2008

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Minority Interests				
At 1 July	165,200	153,356	-	-
Profit attributable to minority interests	3,441	7,449	-	-
Change in fair value of available-for-sale securities	230	3,036	-	-
Disposal of available-for-sale securities	576	-	-	-
Transfer to interests in associates	(1,833)	-	-	-
Acquisition of interests in subsidiaries	(3,203)	(1,999)	-	-
Disposal of interest in subsidiary	-	(626)	-	-
Capital contribution	-	1,841	-	-
Dividends	(3,756)	(1,390)	-	-
Exchange differences on translation	(7,699)	3,533	-	-
At 30 June	152,956	165,200	-	-
Total Equity	**2,128,531**	**1,571,215**	**1,585,661**	**911,603**
Note:-				
a. Attributable to equity holders of the Company				
Net losses recognised directly in equity	(40,305)	(1,931)	-	-
Profit attributable to equity holders of the Company	161,840	281,892	221,823	51,282
Total recognised income and expense for the year	121,535	279,961	221,823	51,282
b. Attributable to minority interests				
Net (losses)/gains recognised directly in equity	(6,893)	6,569	-	-
Profit attributable to minority interests	3,441	7,449	-	-
Total recognised income and expense for the year	(3,452)	14,018	-	-

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2008

	Group	
	2008	2007
	$'000	$'000
Operating activities		
Profit before income tax	194,426	302,237
Adjustments for:-		
Amortisation of transaction costs of convertible bonds	1,001	150
Depreciation of property, plant and equipment	3,731	3,138
Gain on disposal of property, plant and equipment	(148)	(296)
Gain on disposal of interest in subsidiary	-	(16,901)
Gain on disposal of interest in jointly-controlled entities	-	(627)
Share of profit of associates (net of tax)	(11,545)	(13,108)
Share of profit of jointly-controlled entities (net of tax)	(6,784)	(2,808)
Finance costs	39,438	32,379
Interest income	(17,792)	(12,693)
Dividend income	(1,811)	(4,330)
Loss/(Gain) on disposal of available-for-sale securities	225	(19,325)
Gain on revaluation of investment properties	(88,060)	(116,520)
Writeback of allowance for foreseeable losses on development properties	(8,375)	(61,889)
Mark-to-market loss/(gain) on derivative financial instruments	2,416	(761)
Gain on unwinding of equity swap	-	(10,258)
Property, plant and equipment written off	85	-
Goodwill written off	1,064	-
Share option expense	4,010	2,689
	(82,545)	(221,160)
Operating profit before working capital changes	111,881	81,077
Changes in working capital:-		
Inventories	(1,834,452)	(96,718)
Trade and other receivables	134,104	(213,514)
Trade and other payables	(42,452)	61,587
Balances with holding companies and related corporations	(2,678)	561
	(1,745,478)	(248,084)
Cash used in operations	(1,633,597)	(167,007)
Income taxes (paid)/received	(34,259)	3,762
Subscription/Purchase of shares by the Trust for Executives' Share Option Scheme	(46,240)	(18,952)
Consideration received upon exercise of share options	5,650	2,640
Cash flows from operating activities	(1,708,446)	(179,557)

STATEMENT OF CASH FLOWS

For the year ended 30 June 2008

	Note	Group 2008 $'000	Group 2007 $'000
Investing activities			
Proceeds from disposal of property, plant and equipment		287	581
Purchase of property, plant and equipment		(23,831)	(10,541)
Net proceeds from disposal of asset held for sale		-	130,500
Dividends received		1,811	4,330
Net proceeds from disposal of available-for-sale securities		5,672	38,500
Purchase of available-for-sale securities		(8,047)	(2,559)
Settlement of equity swap		-	24,321
Interests in associates and jointly-controlled entities		(35,811)	(20,820)
Net cash outflow on acquisition of additional interest in associate		-	(138,731)
Proceeds from disposal of interest in jointly-controlled entities		-	14,133
Net cash outflow on acquisition of additional interest in subsidiary		(4,190)	(1,248)
Net cash outflow on acquisition of interests in subsidiaries	33	(45,130)	(90,797)
Net proceeds from disposal of interest in subsidiary	33	-	20,899
Cash flows from investing activities		(109,239)	(31,432)
Financing activities			
Balances with minority shareholders of subsidiaries		(8,379)	(33,039)
Capital contribution from minority shareholder of a subsidiary		-	1,841
Dividends paid		(65,516)	(48,813)
Dividends paid to minority shareholders of subsidiaries		(3,756)	(1,390)
Interest paid		(71,671)	(59,245)
Interest received		19,071	13,860
Fixed deposits pledged		(2,613)	-
Net proceeds from rights issue		554,331	-
Net proceeds from convertible bonds		-	684,995
Proceeds from bank loans		1,113,032	409,503
Repayment of bank loans		(144,399)	(193,462)
Proceeds from medium-term notes		-	170,000
Repayment of medium-term notes		-	(132,750)
Repayment of short-term notes		-	(30,000)
Cash flows from financing activities		1,390,100	781,500
Net (decrease)/increase in cash and cash equivalents		(427,585)	570,511
Cash and cash equivalents at 1 July		1,092,044	525,831
Exchange differences on translation of balances held in foreign currency		(12,611)	(4,298)
Cash and cash equivalents at 30 June	17	651,848	1,092,044

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on 22 August 2008.

1. DOMICILE AND ACTIVITIES

GuocoLand Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 20 Collyer Quay, #20-01 Tung Centre, Singapore 049319.

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

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

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associates and jointly-controlled entities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities: investment properties and certain financial assets and financial liabilities, the basis of measurement of which are indicated in the accounting policies set out below.

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

The preparation of financial statements in conformity with FRS 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 estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 37 and the following notes:-

Note 2d	–	measurement of recoverable amounts of property, plant and equipment
Note 2i	–	valuation of inventories
Note 5	–	valuation of investment properties
Note 30	–	measurement of share-based payments
Note 33	–	valuation of assets, liabilities and contingent liabilities acquired in business combinations
Note 34	–	valuation of financial instruments
Note 36	–	measurement of provisions and contingent liabilities

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Consolidation

(i) *Business combinations*

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess or deficiency of the purchase consideration over the net fair value of the identifiable assets, liabilities and contingent liabilities is accounted for as goodwill or negative goodwill (see Note 2e).

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. 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 where necessary to align them with the policies adopted by the Group.

(iii) *Associates and jointly-controlled entities*

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly-controlled entities are accounted for using the equity method. The consolidated financial statements include the Group's share of the income, expenses and equity movements of associates and jointly-controlled entities, 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 associate or a jointly-controlled entity, the carrying amount of that interest (including any long-term investment) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate or jointly-controlled entity.

(iv) *Transactions eliminated on consolidation*

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

(v) *Accounting for subsidiaries and associates by the Company*

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

(vi) *Trust for Executives' Share Option Scheme*

The Company and a subsidiary have each established a separate trust for their respective Executives' Share Option Schemes. The Company and its subsidiary have de facto control of the assets and liabilities of their respective trusts and accordingly these assets and liabilities are recognised in their own respective financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c. Foreign Currencies

(i) *Foreign currency transactions*

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency").

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see Note 2c(iii)) and available-for-sale investment securities (see Note 2g(i)).

(ii) *Foreign operations*

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates prevailing 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 closing rate.

Foreign currency differences are recognised in the exchange translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the exchange translation reserve is transferred to the income statement.

(iii) *Net investment in a foreign operation*

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. When the net investment is disposed of, the cumulative amount in equity is transferred to the income statement as an adjustment to the profit or loss arising on disposal.

d. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Freehold land and freehold land under development are not depreciated. Depreciation on other property, plant and equipment is provided on a straight-line basis over the estimated useful lives of each component of property, plant and equipment as follows:-

	Number of Years
Freehold buildings	50
Leasehold land and buildings	19 – 83
Furniture and fittings	3 – 5
Office and other equipment	2 – 5
Motor vehicles	5

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Freehold land under development are stated at cost. Expenditure relating to freehold land under development (including borrowing costs) are capitalised when incurred. Upon completion of the development, depreciation will commence or the amount will be reclassified to investment properties, which will be stated at fair value on the basis stated in Note 2f.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

e. Goodwill

Goodwill and negative goodwill arise on the acquisition of subsidiaries, associates and jointly-controlled entities.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Negative goodwill represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and jointly-controlled entities is presented together with investments in associates and jointly-controlled entities.

(i) *Acquisition prior to 1 July 2004*
Prior to 1 July 2001, goodwill and negative goodwill on acquisitions were written off against reserves in the year of acquisition.

From 1 July 2001 to 30 June 2004, goodwill was stated at cost from the date of initial recognition and was amortised from the date of initial recognition over its estimated useful life of up to 15 years. On 1 July 2004, the Group discontinued the amortisation of goodwill. The remaining goodwill balance is subject to testing for impairment, as described in Note 2j. Negative goodwill was derecognised by crediting accumulated profits on 1 July 2004.

(ii) *Acquisitions on or after 1 January 2004*
Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in Note 2j. Negative goodwill is credited to the income statement in the period of the acquisition.

(iii) *Acquisition of minority interests*
Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

f. Investment Properties

Investment properties, including reversionary interests in freehold land, are held either to earn rental income or capital appreciation or both. It does not include properties for sale in ordinary course of business, used in the production or supply of goods or services, or for administrative purposes.

Investment properties are measured at fair value on an annual basis based on independent professional valuation. Any gain or loss arising from a change in fair value is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments

(i) *Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, financial liabilities, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs except for financial instruments that are measured at fair value through profit and loss. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and deposits with financial institutions. Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows whereas cash collaterals are excluded.

Available-for-sale investment securities

The Group's investments in equity securities are classified as available-for-sale investment securities. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses, and foreign exchange gains and losses on available-for-sale monetary items (see note 2c(i)), are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement.

Other non-derivative financial instruments

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) *Derivative financial instruments*

The Group may use derivative financial instruments such as interest rate swaps and forward exchange contracts to hedge its interest rate and foreign currency exposures.

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates and by discounting the future cash flows. The fair value of interest rate swap contracts is determined as the difference in the present value of the future interest cash flows.

(iii) *Convertible bonds*

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds from the bond issue are allocated separately between the liability component which represents the implied fair value of the financial liability and the equity component which represents the implied fair value of the conversion rights.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g. Financial Instruments (cont'd)

(iv) *Financial guarantees*
Financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Group's or the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date.

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.

(v) *Impairment of financial assets*
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available-for-sale investment securities is calculated by reference to its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. Any cumulative loss in respect of available-for-sale investment securities recognised previously in equity is transferred to the income statement.

An impairment loss in respect of the financial assets measured at amortised cost and available-for-sale equity securities are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Impairment loss once recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in fair value of such assets is recognised directly in equity.

h. Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Where share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs is presented as a deduction from equity. Where such shares are subsequently reissued, sold or cancelled, the consideration received is recognised as a change in equity. No gain or loss is recognised in the income statement.

i. Inventories

(i) *Development properties*
Development properties for sale are stated at the lower of cost plus, where appropriate, a portion of the attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of properties under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i. Inventories (cont'd)

(ii) *Construction work-in-progress*

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating activity.

Construction work-in-progress is presented as part of inventories in the balance sheet. If payments received from customers exceed the income recognised, the difference is presented as current liabilities in the balance sheet.

(iii) *Work-in-progress*

Work-in-progress comprises properties under development by third parties. They are stated at the lower of cost and net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties. The cost of work-in-progress comprises acquisition costs, borrowing costs and other related expenditure.

(iv) *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.

j. Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Employee Benefits

(i) *Short-term employee benefits*
All short-term employee benefits, including accumulated compensated absences, are recognised in the income statement in the period in which the employees render their services.

A provision 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*
Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the income statement as incurred.

(iii) *Share-based payments*
The GuocoLand Limited Executives' Share Option Scheme allows Group employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

l. Provision

A provision is recognised if, as a result of a past event, the Group has a 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.

m. Operating Leases

(i) *When entities within the Group are lessees of an operating lease*
Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

(ii) *When entities within the Group are lessors of an operating lease*
Assets subject to operating leases are included in investment properties and are stated at fair value and are not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n. Revenue Recognition

(i) *Development properties for sale*
The Group recognises income on property development projects when the risks and rewards of ownership have been transferred to the buyer through either the transfer of legal title or an equitable interest in a property. In cases where the Group is obliged to perform any significant acts after the transfer of legal title or equitable interest, revenue is recognised as the acts are performed based on the percentage of completion method, which is an allowed alternative method under Recommended Accounting Practice 11 *Pre-completion Contracts for the Sale of Development Property* ("RAP 11") issued by the Institute of Certified Public Accountants of Singapore in October 2005. Under the percentage of completion method, profit is brought into the income statement only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The stage of completion is assessed by reference to surveys of work performed. Allowance for foreseeable losses is made in the period in which such loss is determined.

(ii) *Completed properties held for sale and work-in-progress*
Revenue from disposal of completed properties held for sale and work-in-progress is recognised when substantially all the conditions of sales have been met and the risks and rewards of ownership have been transferred to the buyers. Allowance for foreseeable losses is made in the period in which such loss is determined.

(iii) *Construction revenue*
When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively in the income statement in proportion to the stage of completion of the contract. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statement.

(iv) *Rental income*
Rental income receivable under operating leases is recognised in the income statement 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 to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

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

(vi) *Management fee income*
Management fee income is recognised in the income statement when services are rendered.

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

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

o. Finance Costs

Borrowing costs are recognised in the income statement 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p. Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the balance sheet method, providing for 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 the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and jointly-controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at 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 income 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 to the extent that it is probable that future taxable profits will be available against which temporary differences 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.

q. Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

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

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

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

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (property, plant and equipment) that are expected to be used for more than one period.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land & building $'000	Leasehold land & buildings $'000	Freehold land under development $'000	Furniture & fittings $'000	Office & other equipment $'000	Motor vehicles $'000	Total $'000
Group							
Cost							
At 1 July 2006	31,104	47,663	41,376	3,790	4,992	2,307	131,232
Acquisition of subsidiary	-	-	-	-	1	-	1
Additions	673	-	6,650	609	903	1,706	10,541
Disposal of subsidiary	-	(6,682)	-	(109)	(961)	(6)	(7,758)
Disposals	-	-	-	(6)	(42)	(1,034)	(1,082)
Transfer in/(out)	-	557	-	-	(557)	-	-
Written off	-	-	-	(1)	(169)	-	(170)
Exchange differences on translation	840	1,162	1,217	44	(89)	17	3,191
At 30 June 2007	32,617	42,700	49,243	4,327	4,078	2,990	135,955
At 1 July 2007	32,617	42,700	49,243	4,327	4,078	2,990	135,955
Acquisition of subsidiary	-	-	-	24	110	176	310
Additions	510	-	19,322	1,071	2,273	655	23,831
Disposals	-	-	-	(11)	(156)	(222)	(389)
Transfer in/(out)	-	(145)	-	-	145	-	-
Written off	-	-	-	(285)	(1,729)	-	(2,014)
Exchange differences on translation	(2,045)	(2,649)	(3,775)	(165)	(139)	(52)	(8,825)
At 30 June 2008	31,082	39,906	64,790	4,961	4,582	3,547	148,868

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

	Freehold land & building $'000	Leasehold land & buildings $'000	Freehold land under development $'000	Furniture & fittings $'000	Office & other equipment $'000	Motor vehicles $'000	Total $'000
Group							
Accumulated Depreciation							
At 1 July 2006	-	-	-	1,076	1,710	1,285	4,071
Depreciation charge for the year	403	1,189	-	661	424	486	3,163
Disposal of subsidiary	-	(327)	-	(75)	(157)	(4)	(563)
Disposals	-	-	-	-	(11)	(903)	(914)
Written off	-	-	-	(1)	(169)	-	(170)
Exchange differences on translation	6	13	-	6	271	7	303
At 30 June 2007	409	875	-	1,667	2,068	871	5,890
At 1 July 2007	409	875	-	1,667	2,068	871	5,890
Acquisition of subsidiary	-	-	-	1	86	170	257
Depreciation charge for the year	419	1,234	-	667	826	641	3,787
Disposals	-	-	-	(3)	(135)	(112)	(250)
Written off	-	-	-	(220)	(1,709)	-	(1,929)
Exchange differences on translation	(40)	(100)	-	(33)	2	(20)	(191)
At 30 June 2008	788	2,009	-	2,079	1,138	1,550	7,564
Carrying Amount							
At 1 July 2006	31,104	47,663	41,376	2,714	3,282	1,022	127,161
At 30 June 2007	32,208	41,825	49,243	2,660	2,010	2,119	130,065
At 1 July 2007	32,208	41,825	49,243	2,660	2,010	2,119	130,065
At 30 June 2008	30,294	37,897	64,790	2,882	3,444	1,997	141,304

The Group's property, plant and equipment with a book value of $105.3 million (2007 : $91.1 million) has been mortgaged to secure loan facilities granted to the Group (see Note 20).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

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

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

	2008 $'000	2007 $'000
Capitalised as cost of development properties	56	25
Cost of sales	951	1,522
Administrative expenses	2,780	1,616
	3,787	3,163

4. GOODWILL ON CONSOLIDATION

	Group	
	2008 $'000	2007 $'000
Cost		
At 1 July	1,094	1,064
Written off	(1,064)	-
Exchange differences on translation	(30)	30
At 30 June	-	1,094
Accumulated impairment loss		
At 1 July and 30 June	-	-
Carrying amount		
At 1 July	1,094	1,064
At 30 June	-	1,094

5. INVESTMENT PROPERTIES

Movements in the investment properties are as follows:-

	Group	
	2008 $'000	2007 $'000
At 1 July	363,976	246,224
Increase in fair values	88,060	116,520
Exchange differences on translation	(2,950)	1,232
At 30 June	449,086	363,976

Investment properties comprise commercial properties and reversionary interests in freehold land. The commercial properties are leased mainly to external parties for a period of one to three years.

5. INVESTMENT PROPERTIES (CONT'D)

a. The details of the investment properties are as follows:-

Investment Property	Description	Tenure of Land	Open Market Value	
			2008	2007
			$'000	$'000
Singapore				
Tung Centre 20 Collyer Quay Singapore 049319	24-storey office building	999-year lease with effect from 5.11.1862	399,480	312,750
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interests in freehold land	Note (d)	5,100	3,770
Malaysia				
Bangunan Hong Leong No. 117 Jalan Tun H.S. Lee 50000 Kuala Lumpur	16-storey office building	Freehold	15,390	16,410
Menara Pandan Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Two blocks of 10-storey office tower building	99-year lease with effect from 25.03.2002	29,116	31,046
			449,086	363,976

b. In accordance with the Group's accounting policy, the Group's investment properties in Singapore and Malaysia were valued at balance sheet date on an open market basis by independent firms of professional valuers, namely, CB Richard Ellis and Raine & Horne International Zaki & Partners Sdn Bhd respectively.

The valuers have considered valuation techniques including the direct comparison method, income method and residual land value method in determining the open market values as at the balance sheet date.

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. Income method involves capitalising the annual net rent at an appropriate interest rate after taking into account the property tax payable and an allowance for vacancy. The residual land value method involves the deduction of the estimated development costs and the developer's profit from the gross development value to arrive at the residual value of the land.

c. The Group's investment properties with a book value of $15.4 million (2007 : $16.4 million) have been mortgaged to secure loan facilities granted to the Group (see Note 20).

d. The Group disposed 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

6. INTERESTS IN SUBSIDIARIES

		Company	
		2008	2007
		$'000	$'000
a.	Unquoted shares, at cost	1,022,380	1,196,690
	Less : Impairment loss	(245,526)	(262,046)
		776,854	934,644
	Amounts due from subsidiaries	2,452,181	1,494,103
	Less : Allowance for doubtful receivables	(14,930)	(180,338)
		2,437,251	1,313,765
		3,214,105	2,248,409
	Non-current amounts due to subsidiaries	(469,537)	(257,625)

The amounts due from subsidiaries consist of $1,177.0 million (2007 : $821.1 million) interest-free loans and $1,275.2 million (2007 : $673.0 million) interest bearing loans.

The amounts due to subsidiaries are interest-free.

The amounts due from/(to) subsidiaries form part of the Company's net investments in these subsidiaries. The amounts are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

The amounts due from subsidiaries comprise foreign currency loans amounting to $10.4 million (2007 : $883.9 million) which form part of the Company's net investments in these subsidiaries. In accordance with FRS 21 *(revised)*, the exchange differences arising from these loans are recognised in the Company's income statement and reclassified to equity in the Group's consolidated financial statements.

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

	2008	2007
	%	%
Amounts due from subsidiaries	3.80 to 6.00	4.00 to 6.00

The above interest rates reprice monthly.

6. INTERESTS IN SUBSIDIARIES (CONT'D)

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

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2008 %	2007 %
A-Z Holdings Pte Ltd	Singapore	100	100
Branmil Holdings Pte Ltd	Singapore	100	100
[+]Checkenden Limited	British Virgin Islands	-	100
Chelford Pte Ltd	Singapore	100	100
Cheltenham Investments Pte Ltd	Singapore	100	100
[^]Chiltern Park Development Pte Ltd	Singapore	100	100
Da Zhong Investment Pte Ltd	Singapore	100	100
Everian Holdings Pte Ltd	Singapore	100	100
FCC Holdings Pte Ltd	Singapore	100	100
[■]FCC Net Pte Ltd and its subsidiary:-	Singapore	-	100
[■]MyHome Online Pte Ltd	Singapore	-	100
Fica Nominees Pte Ltd	Singapore	100	100
[^]First Bukit Panjang Land Pte Ltd	Singapore	100	100
[^]First Capital Asia Pte Ltd	Singapore	100	100
First Capital Assets Pte Ltd and its subsidiaries:-	Singapore	100	100
[+]First Capital Assets (BVI) Ltd.	British Virgin Islands	-	100
FCC Equities Pte Ltd and its subsidiary:-	Singapore	100	100
[+]Imej Maju Sdn. Bhd.	Malaysia	-	100
First Capital Corporation Realty Pte. Ltd.	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

6. INTERESTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2008 %	2007 %
First Capital Development Pte Ltd and its subsidiary:-	Singapore	100	100
Elias Development Pte Ltd	Singapore	100	100
^First Capital Holdings (HK) Pte Ltd	Singapore	100	100
^First Capital Hotels Pte Ltd	Singapore	100	100
First Capital Realty Pte Ltd	Singapore	100	100
+First Cavendish Development Pte Ltd	Singapore	-	100
■First Changi Development Pte Ltd	Singapore	-	90
First Coventry Development Pte Ltd	Singapore	100	100
First Garden Development Pte Ltd	Singapore	90	90
^First Loyang Land Pte Ltd	Singapore	100	100
First Meyer Development Pte Ltd	Singapore	100	100
^First Tanglin Land Pte Ltd	Singapore	100	100
GLL (Malaysia) Pte. Ltd. and its subsidiaries:-	Singapore	100	100
@GuocoLand (Malaysia) Berhad and its subsidiaries:-	Malaysia	67.92	67.92
@Guoman Hotel & Resort Holdings Sdn Bhd and its subsidiaries:-	Malaysia	77.54	77.54
▲PD Resort Sdn Bhd	Malaysia	77.54	77.54
@Kiapeng Development Sdn Bhd	Malaysia	77.54	77.54
#Guoman Hotels Limited and its subsidiaries:-	Bermuda	77.54	77.54
∞Guoman Philippines, Inc.	Philippines	77.54	77.54

6. INTERESTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2008 %	2007 %
#Guoman International Limited and its subsidiary:-	Jersey, Channel Islands	77.54	77.54
@Guoman International Sdn Bhd	Malaysia	77.54	77.54
@JB Parade Sdn Bhd and its subsidiary:-	Malaysia	46.53	46.53
@JB Parade Condominium Sdn Bhd	Malaysia	46.53	46.53
@Bedford Development Sdn Bhd and its subsidiaries:-	Malaysia	67.92	67.92
@Hong Leong Housing Sdn Bhd	Malaysia	67.92	67.92
@Bedford Industrial Development Sdn Bhd	Malaysia	67.92	67.92
▲Pembinaan Sri Jati Sdn Berhad	Malaysia	67.92	67.92
@Sabna Development Sdn Bhd	Malaysia	67.92	67.92
@Ace Acres Sdn Bhd	Malaysia	67.92	67.92
+Evergreen Direction Sdn Bhd	Malaysia	-	67.92
@Hong Leong Real Estate Holdings Sdn Bhd and its subsidiaries:-	Malaysia	67.92	67.92
▲Bedford Land Sdn Bhd and its subsidiaries:-	Malaysia	67.92	67.92
@BLV Fashions Sdn Bhd	Malaysia	67.92	67.92
▲Guobena Development Sdn Bhd	Malaysia	67.92	67.92
@HL Bandar Sdn Bhd	Malaysia	67.92	67.92
@Prophills Development Sdn Bhd	Malaysia	67.92	67.92
@Damansara City Sdn Bhd	Malaysia	67.92	67.92
@Orifour Sdn Bhd	Malaysia	67.92	67.92
@Orifive Sdn Bhd	Malaysia	67.92	67.92

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

6. INTERESTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2008 %	2007 %
^Resource Properties Sdn Bhd	Malaysia	67.92	67.92
^Bedford Excel Venture Sdn Bhd	Malaysia	67.92	67.92
^Bedford Leisure Ventures Sdn Bhd and its subsidiary:-	Malaysia	67.92	67.92
^BLV Entertainment Sdn Bhd	Malaysia	67.92	67.92
@HLP Equities Sdn Bhd	Malaysia	67.92	67.92
#HLL Overseas Limited	Jersey, Channel Islands	67.92	67.92
▲Hong Leong Real Estate Management Sdn Bhd	Malaysia	67.92	67.92
▲Hong Leong Property Services Sdn Bhd	Malaysia	67.92	67.92
▲Hong Leong Property Management Co. Sdn Bhd and its subsidiary:-	Malaysia	67.92	67.92
^Online Ventures Sdn Bhd	Malaysia	67.92	67.92
*GLM REIT Management Sdn Bhd	Malaysia	67.92	67.92
▲Astute Modernization Sdn Bhd and its subsidiary:-	Malaysia	67.92	-
▲Titan Debut Sdn Bhd	Malaysia	67.92	-
^GLL Holdings (UK) Pte. Ltd.	Singapore	100	100
GLL IHT Pte. Ltd. (formerly known as GLL Investments Ltd.)	Singapore	100	100
■GLL Land Pte. Ltd.	Singapore	-	100
*GuocoLand (China) Limited and its subsidiaries:-	Bermuda	100	100
*Beijing Jiang Sheng Property Development Co., Ltd	The People's Republic of China	99.04	99.04
^*Beijing Minghua Property Development Co., Ltd	The People's Republic of China	75	75

6. INTERESTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2008 %	2007 %
*Guo Xiang Property Co., Limited	Hong Kong	100	100
Guoco Property Management Pte Ltd	Singapore	100	100
*Hainan Jinghao Asset Ltd and its subsidiary:-	The People's Republic of China	100	100
*Beijing Cheng Jian Dong Hua Real Estate Development Company Limited (see Note 7)	The People's Republic of China	90	-
*Nanjing Mahui Property Development Co., Ltd	The People's Republic of China	94.93	94.93
*Nanjing Xinhaoning Property Development Co., Ltd	The People's Republic of China	99	99
*Nanjing Xinhaoxuan Property Development Co., Ltd	The People's Republic of China	99	99
*Shanghai Xinhaolong Property Development Co., Ltd	The People's Republic of China	100	100
*Shanghai Xinhaozhong Property Development Co., Ltd	The People's Republic of China	98	98
*Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd	The People's Republic of China	100	100
GuocoLand (Singapore) Pte. Ltd. and its subsidiaries:-	Singapore	100	100
▪FCC Net Pte Ltd	Singapore	100	-
First Bedok Land Pte Ltd	Singapore	100	100
First Capital Holdings Pte Ltd	Singapore	100	100
▪First Changi Development Pte Ltd	Singapore	100	-
▪GLL Land Pte. Ltd.	Singapore	100	-
GLL Ventures Pte. Ltd.	Singapore	100	100
Goodwood Residence Development Pte. Ltd.	Singapore	100	100
▪GuocoLand Property Management Pte. Ltd.	Singapore	100	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

6. INTERESTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2008 %	2007 %
Hedover Holdings Pte Ltd	Singapore	100	100
▪MyHome Online Pte Ltd	Singapore	100	-
Perfect Eagle Pte. Ltd.	Singapore	100	100
Rivaldo Investments Pte Ltd	Singapore	100	100
Sophia Residence Development Pte. Ltd.	Singapore	100	100
Winterhall Pte Ltd	Singapore	100	100
GuocoLand China (S) Pte. Ltd.	Singapore	100	100
GuocoLand Management Pte. Ltd.	Singapore	100	100
▪GuocoLand Property Management Pte. Ltd.	Singapore	-	100
GuocoLand Retail Management Pte. Ltd.	Singapore	100	100
GuocoLand Vietnam (S) Pte. Ltd. and its subsidiary:-	Singapore	100	100
*GuocoLand Binh Duong Property Co., Ltd	Vietnam	100	100
^Harbour View Development Pte Ltd	Singapore	100	100
Leonie Land Pte Ltd	Singapore	100	100
^Melville Park Development Pte Ltd	Singapore	80	80
Pemberton Limited and its subsidiary:-	Singapore	100	100
Century Square Development Ltd	Singapore	100	100
Sanctuary Land Pte Ltd	Singapore	90	90
^Tanamera Development Pte Ltd	Singapore	100	100

+ Liquidated during the financial year ended 30 June 2008.
# Not required to be audited by law of country of incorporation.
* Audited by other member firms of KPMG International.
@ Audited by Ernst & Young, Malaysia.
▲ Audited by Ling Kam Hoong & Co.
∞ Audited by SyCip Gorres Velayo & Co.
^ In members' voluntary liquidation.
▪ The Company's investments in these subsidiaries were transferred to GuocoLand (Singapore) Pte. Ltd., a subsidiary of the Company.

The rest of the subsidiaries are audited by KPMG Singapore.

7. INTERESTS IN ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Investments in associates	35,036	243,156	3,684	3,684
Investments in jointly-controlled entities	143,359	145,852	-	-
	178,395	389,008	3,684	3,684
Amounts due from associates	11,138	49,107	11,053	11,996
Less : Amounts due within 1 year shown under trade and other receivables (see Note 14)	(2)	(2)	-	-
Allowance for doubtful receivables	-	-	(6,900)	(6,900)
	11,136	49,105	4,153	5,096
Amounts due from jointly-controlled entities	3,332	5,654	-	-
Less : Amounts due within 1 year shown as trade and other receivables (see Note 14)	(3,332)	(5,654)	-	-
	-	-	-	-
	189,531	438,113	7,837	8,780

The amounts due from associates are unsecured and interest-free, and form part of the Company's net investments in associates. The amounts due from associates comprise a foreign currency loan amounting to $7.4 million (2007 : $8.4 million) which forms part of the Company's net investment in an associate. In accordance with FRS 21 *(revised)*, the exchange differences arising from the loan are recognised in the Company's income statement and reclassified to equity in the Group's consolidated financial statements.

The market value of quoted equity shares in associates as at 30 June 2008 is $28.4 million.

Included in the Group's share of profit of associates for the financial year ended 30 June 2008 is a negative goodwill of $10.6 million arising from the acquisition of an associate.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

7. INTERESTS IN ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES (CONT'D)

The details of the associates and jointly-controlled entities are as follows:-

Name of Associates/ Jointly-Controlled Entities	Country of Incorporation	Effective Equity Interest held by the Group	
		2008 %	2007 %
Associates			
*Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("CJDH")	The People's Republic of China	^	45
♦Crawforn Pte Ltd	Singapore	40	40
♦First Capital Property Ventures Pte Ltd	Singapore	35	35
∞Luck Hock Venture Holdings, Inc.	Philippines	31.02	31.02
♦Razgrad Pte Ltd	Singapore	40	40
♦Stockton Investments Pte Ltd	Singapore	38.27	38.27
#Tiara Investment Holdings Limited and its subsidiary:-	Mauritius	40	40
**Purearth Infrastructure Limited	India	20.26	20.26
*Tower Real Estate Investment Trust ("Tower REIT") (see Note 9)	Malaysia	13.56	-
Jointly-Controlled Entities			
@Bedford Damansara Heights Development Sdn Bhd and its subsidiaries:-	Malaysia	33.96	33.96
@Promakmur Development Sdn Bhd	Malaysia	33.96	33.96
▲Kota Selatan Indah Sdn Bhd	Malaysia	33.96	33.96
@Continental Estates Sdn Bhd	Malaysia	33.96	33.96
@Positive Properties Sdn Bhd	Malaysia	33.96	33.96
@Vintage Heights Sdn Bhd	Malaysia	32.17	32.17

* Audited by other member firms of KPMG International.
^ During the financial year ended June 2008, the Group increased its investment in CJDH from 45% to 90% (see Note 6).
♦ Audited by KPMG Singapore.
@ Audited by Ernst & Young, Malaysia.
∞ Audited by SyCip Gorres Velayo & Co.
Audited by Sui Chong Ng Fuk Chong.
▲ Audited by Ling Kam Hoong & Co.
** Audited by M/s S.R. Bathliboi & Associates.

7. INTERESTS IN ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES (CONT'D)

The financial information of the associates (without adjusting for the Group's share of its interests) and the Group's share of its interests in the jointly-controlled entities are as follows:-

	Associates		Jointly-Controlled Entities	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Assets and liabilities				
Non-current assets			6,817	2,653
Current assets			203,176	213,746
Total assets	299,166	1,051,626	209,993	216,399
Current liabilities			(41,781)	(28,598)
Non-current liabilities			(24,853)	(41,949)
Total liabilities	(106,383)	(788,612)	(66,634)	(70,547)
Results				
Revenue	9,904	93,101	28,876	15,357
Expenses			(22,092)	(12,549)
Profit after income tax and minority interests	3,518	30,034	6,784	2,808

8. AMOUNTS DUE FROM MINORITY SHAREHOLDERS OF SUBSIDIARIES

The amounts due from minority shareholders of subsidiaries form part of their net investments in these subsidiaries. The amounts are unsecured and interest-free, and settlement is neither planned nor likely to occur in the foreseeable future.

9. INVESTMENT SECURITIES

Available-for-sale Securities

	Group	
	2008 $'000	2007 $'000
Quoted equity securities, at market value	2,504	31,766
Unquoted equity securities, at cost	-	21
Less : Impairment loss	-	(6)
	-	15
	2,504	31,781

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

GuocoLand (Malaysia) Berhad, a 67.92% subsidiary of the Company, increased its investment in Tower Real Estate Investment Trust ("Tower REIT") from 15.00% as at 30 June 2007 to 19.97% as at 30 June 2008. Tower REIT is accordingly accounted for as an associate (see Note 7).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

10. DEFERRED TAX

a. Deferred Tax Assets and Liabilities

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

	Property, plant and equipment $'000	Investment properties $'000	Development properties $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Deferred tax liabilities						
Group						
At 1 July 2006	947	3,100	1,046	-	45	5,138
(Credited)/Debited to income statement	(7)	-	2,376	-	-	2,369
Disposal of subsidiary	(21)	-	-	-	-	(21)
Reclassification from interest in jointly-controlled entities	-	-	172	-	-	172
Exchange differences on translation	21	-	(35)	-	-	(14)
At 30 June 2007	940	3,100	3,559	-	45	7,644
(Credited)/Debited to income statement	(9)	(126)	1,653	-	-	1,518
Recognised in equity	-	-	-	-	13,170	13,170
Exchange differences on translation	(53)	(6)	(164)	-	-	(223)
At 30 June 2008	878	2,968	5,048	-	13,215	22,109
Deferred tax assets						
Group						
At 1 July 2006	-	-	-	365	-	365
Acquisition of subsidiary	-	-	-	178	-	178
Exchange differences on translation	-	-	-	8	-	8
At 30 June 2007	-	-	-	551	-	551
Debited to income statement	-	-	-	(33)	-	(33)
Exchange differences on translation	-	-	-	(33)	-	(33)
At 30 June 2008	-	-	-	485	-	485

10. DEFERRED TAX (CONT'D)

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

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the balance sheet as follows:-

	Group	
	2008	2007
	$'000	$'000
Deferred tax liabilities	22,109	7,644
Deferred tax assets	(485)	(551)

b. Unrecognised Deferred Tax Assets

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

	Group	
	2008	2007
	$'000	$'000
Deductible temporary differences	(6,668)	46,354
Unutilised tax losses/capital allowances	217,921	225,136
	211,253	271,490
Deferred tax assets	38,116	49,088

Deferred tax assets have not been recognised in respect of these items because it is not certain as to when the Group can utilise the benefits therefrom.

As at 30 June 2008, the Group has unutilised tax losses and capital allowances which are available for set-off against future profits subject to tax conditions prevailing in the respective countries of the subsidiaries and agreement by the respective tax authorities.

11. INVENTORIES

		Group	
		2008	2007
	Note	$'000	$'000
Saleable merchandise		224	246
Operating supplies		222	303
		446	549
Development properties	12	4,460,632	1,554,465
Construction work-in-progress	13	584	835
		4,461,216	1,555,300
		4,461,662	1,555,849

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

12. DEVELOPMENT PROPERTIES

	Note	Group 2008 $'000	Group 2007 $'000
Properties in the course of development		4,424,086	1,501,953
Properties held for sale		36,546	52,512
	11	4,460,632	1,554,465

a. Properties in the course of development

Costs		4,993,165	1,921,916
Allowance for foreseeable losses		(3,128)	(6,750)
Attributable profit		134,733	27,374
Progress instalments received and receivable		(700,684)	(510,606)
		4,424,086	1,431,934
Comprising:-			
Properties in the course of development*		4,424,086	1,501,953
Excess of progress billings over work-in-progress	22	-	(70,019)
		4,424,086	1,431,934
The following were capitalised as cost of development properties during the financial year:-			
Interest expense		50,843	28,851
Interest income		(841)	(1,313)
Depreciation of property, plant and equipment		56	25

* Properties in the course of development for the financial year ended 30 June 2008 include The Oval, a project being developed by a third party.

b. Properties held for sale

Properties held for sale	36,546	57,737
Allowance for foreseeable losses	-	(5,225)
	36,546	52,512

Certain development properties with a book value of $2,748.3 million (2007 : $891.2 million) are under legal mortgages with banks (see Note 20).

12. DEVELOPMENT PROPERTIES (CONT'D)

If the Group had adopted the completion of construction method, the effects on the financial statements for the financial year ended 30 June 2008 would have been as follows:-

	Increase/(Decrease)	
	2008	2007
	$'000	$'000
Unappropriated profits as at 1 July	(74,792)	(57,538)
Revenue	(567,356)	(100,022)
Profit for the year	(77,990)	(17,254)
Properties in the course of development as at 1 July	(16,731)	(81,784)
Properties in the course of development as at 30 June	(180,015)	(16,731)
Excess of progress billings over work-in-progress as at 1 July	71,520	-
Excess of progress billings over work-in-progress as at 30 June	-	71,520

The details of the development properties are as follows:-

Properties in the course of development:-

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
Singapore						
Paterson Residence Situated at Paterson Road	Residential	Architectural & external works in progress	7/2008	7,774	16,327	100
The View @ Meyer Situated at Meyer Road	Residential	Superstructure & architectural works in progress	2/2009	3,352	7,039	100
The Stellar Situated at West Coast Road	Residential	Architectural & external works in progress	11/2008	13,245	18,543	100
The Quartz Situated at Sengkang Central	Residential	Architectural works in progress	3/2009	21,985	65,956	100
Goodwood Residence Situated at Bukit Timah Road	Residential	Piling works in progress	12/2012	24,845	39,752	100
Sophia Residence Situated at 32 Adis Road	Residential	Planning	*	15,435	32,413	100

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

12. DEVELOPMENT PROPERTIES (CONT'D)

Properties in the course of development (cont'd):-

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
Singapore (cont'd)						
Palm Beach Garden Situated at Elliot Walk	Residential	Planning	*	11,882	16,635	100
Leedon Heights Situated at Leedon Heights	Residential	Planning	*	48,525	77,640	100
Toho Garden Situated at Yio Chu Kang Road	Residential	Planning	*	8,072	11,300	100
Malaysia						
Site situated at Lot 322 Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	47,307	20,624	67.92
Emerald 1B Situated at Mukim of Rawang, Districts of Gombak and Ulu Selangor, Selangor Darul Ehsan	Residential	Site clearance and earthworks in progress	*	189,877	101,002	67.92
Residence One and Commerce One Situated at Old Klang Road, Mukim of Petaling Jaya, Kuala Lumpur	Residential	Construction works in progress	12/2009	4,047	38,074	67.92
Bukit Rahman Putra Situated at Mukim of Sg. Buloh, Selangor Darul Ehsan						
- Ph 6, CL7 & CL8	Residential	Various stages of completion	3/2008 to 3/2010	141,923	114,794	67.92
- Ph 5B, Ph 8D, CL5 & CL11	Residential	Planning	*	17,442	N/A	67.92

12. DEVELOPMENT PROPERTIES (CONT'D)

Properties in the course of development (cont'd):-

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
Malaysia (cont'd)						
Site situated at Lot 3059, Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	30,351	N/A	67.92
Damansara City Situated at Damansara Town Centre, Kuala Lumpur	Commercial	Earthworks and piling works in progress	*	34,438	203,332	67.92
Site situated at Geran No. 20438, Lot 36, Bandar Batu Ferringhi, Pulau Pinang	Residential	Planning	*	18,538	N/A	67.92
The Nest Situated at Seksyen 9, Tempat Sungai Kantan, Kajang, Daerah Hulu Langat, Selangor Darul Ehsan	Residential	Planning	*	35,369	16,274	67.92
Site situated within Taman Mutiara Barat, Off Jalan Cheras, Kuala Lumpur	Residential	Planning	*	65,275	44,594	67.92
Site situated at Changkat Kia Peng, Lot 241 Seksyen 63 Bandar Kuala Lumpur	Residential	Planning	*	3,030	26,142	67.92
The Oval Situated at Jalan Binjai, Kuala Lumpur	Residential	Construction works in progress	5/2009	N/A	54,474	67.92
The People's Republic of China						
West End Point Situated in Xicheng District, Beijing	Residential/ Commercial	TOP obtained in 8/2008	N/A	36,501	140,326	99.04

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

12. DEVELOPMENT PROPERTIES (CONT'D)

Properties in the course of development (cont'd):-

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
The People's Republic of China (cont'd)						
Hillview Regency Situated in Xuanwu District, Nanjing	Residential/ Commercial	Planning	*	296,002	484,676	99
Ascot Park Situated in Qixia District, Nanjing	Residential	Structural works completed	12/2009	89,709	240,712	94.93
	Commercial	Planning	*			
Changfeng Project Situated in Putuo District, Shanghai	SOHO/ Commercial	Phase 1 – Construction works in progress	8/2009 to 6/2010	143,845	492,412	100
		Phase 2 – Piling in progress	8/2010			
Four Seasons Park Situated in Nankai District, Tianjin	Residential/ Office	Planning	*	25,866	203,000	100
Dongzhimen Project Situated in Dong Cheng District, Beijing	Residential/ Commercial	Construction in progress	12/2009 to 4/2010	106,000	590,800	90
Vietnam						
The Canary Situated in Thuan An District, Binh Duong Province	Residential/ Commercial	Phase 1 – Piling works completed	11/2009	175,553	285,000	100
		Phases 2 to 4 – Planning	*			

* Not applicable as these developments have not commenced construction or have not been launched yet.
N/A : Not applicable.

12. DEVELOPMENT PROPERTIES (CONT'D)

Properties held for sale:-

Property	Intended Use	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
Singapore				
Le Crescendo Situated at Paya Lebar Road	Residential	12,323	26,182	100
Malaysia				
3 Kia Peng Situated at No. 3 Jalan Kia Peng 50450 Kuala Lumpur	Commercial	13,442	77,299	77.54
Sri Sentosa Situated at Jalan Taman Sri Sentosa 58000 Kuala Lumpur	Residential	14,717	40,000	67.92
Mutiara Kompleks Situated at 3 1/2 Jalan Ipoh 51200 Kuala Lumpur	Office	732	732	67.92
Bukit Rahman Putra Situated at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	9,339	43,550	67.92
Notting Hill Situated at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	3,108	10,065	67.92
The People's Republic of China				
Central Park Situated at Luwan District, Shanghai	Residential	14,841	73,050	98

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

13. CONSTRUCTION WORK-IN-PROGRESS

	Note	Group 2008 $'000	Group 2007 $'000
Cost and attributable profits		30,232	26,615
Progress billings		(29,903)	(26,139)
		329	476
Comprising:-			
Construction work-in-progress	11	584	835
Excess of progress billings over work-in-progress	22	(255)	(359)
		329	476

14. TRADE AND OTHER RECEIVABLES

	Note	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Trade receivables		32,360	162,385	-	-
Allowance for doubtful receivables		(84)	(70)	-	-
	15	32,276	162,315	-	-
Accrued receivables#		-	12,687	-	-
Other receivables, deposits and prepayments		36,080	140,231	747	2,768
Allowance for doubtful receivables*		(2,118)	(2,314)	-	-
	16	33,962	137,917	747	2,768
Amounts due from:-					
Intermediate holding company		-	2	-	-
Associates	7	2	2	-	-
Jointly-controlled entities	7	3,332	5,654	-	-
Related corporations		399	106	-	-
Minority shareholders of subsidiaries		7,547	7,661	-	-
Related parties		4	4	-	-
		77,522	326,348	747	2,768

The amounts due from intermediate holding company, associates, jointly-controlled entities, related corporations, minority shareholders of subsidiaries and related parties are unsecured and interest-free. In the previous financial year ended 30 June 2007, the amounts due from jointly-controlled entities consisted of $3.7 million interest-free loans and $2.0 million interest-bearing loans. The weighted average effective interest rate for interest-bearing loans was 4.78% per annum and the interest rate repriced every three months.

In accordance with the Group's accounting policy, income is recognised on the progress of the construction works. Upon receipt of Certificate of Statutory Completion, the balance of the sales consideration to be billed is included as accrued receivables.

* Included in allowance for doubtful receivables was a writeback of allowance of $55,000 (2007: allowance of $50,000) during the financial year.

15. TRADE RECEIVABLES

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

	Group	
	2008	2007
	$'000	$'000
Property development	30,342	160,413
Property investment	294	14
Hotel operations	1,537	1,802
Others	103	86
	32,276	162,315

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

	Gross 2008 $'000	Allowance for doubtful receivables 2008 $'000	Gross 2007 $'000	Allowance for doubtful receivables 2007 $'000
Group				
Not past due	17,710	-	77,791	-
Past due 1 – 30 days	2,804	(13)	15,964	-
Past due 31 – 90 days	5,344	-	32,750	-
More than 90 days	6,502	(71)	35,880	(70)
	32,360	(84)	162,385	(70)

Based on historical default rates, the Group believes that no allowance for doubtful debts is necessary in respect of trade receivables not past due.

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15. TRADE RECEIVABLES (CONT'D)

The change in allowance for doubtful debts in respect of trade receivables during the financial year is as follows:-

	Group	
	2008	2007
	$'000	$'000
At 1 July	70	56
Allowance made during the year	28	11
Allowance written off	(7)	-
Exchange differences on translation	(7)	3
At 30 June	84	70

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Deposits	2,751	5,094	-	-
Prepayments	2,922	4,013	689	1,749
Tax recoverables	4,437	9,239	-	-
Interest receivables	209	647	58	209
Mark-to-market gain on derivative financial instruments	-	810	-	810
Land acquisitions				
- Deposits	-	84,320	-	-
- Related expenses incurred	-	28,013	-	-
Advance to contractors	7,992	3,782	-	-
Others	15,651	1,999	-	-
	33,962	137,917	747	2,768

17. CASH AND CASH EQUIVALENTS

	Note	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Short-term deposits with banks					
- S$ balances		291,393	779,702	237,577	433,232
- US$ balances		69,166	47	5,707	-
- RMB balances		84,356	146,468	-	-
- MYR balances		44,815	12,565	39,123	-
- VND balances		4,370	-	-	-
		494,100	938,782	282,407	433,232
Cash and bank balances		160,361	153,782	310	5,400
		654,461	1,092,564	282,717	438,632
Bank overdrafts	20	-	(520)	-	-
Cash collaterals		(2,613)	-	-	-
Cash and cash equivalents in the statement of cash flows		651,848	1,092,044	282,717	438,632

Included in the Group's cash and bank balances and short-term deposits with banks are:-

a. Amounts held under the Housing Developers (Project Account) Rules ("Rules") totalling $55.8 million (2007 : $48.2 million), the use of which is subject to restrictions imposed by the above-mentioned Rules;

b. Amounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 totalling $2.3 million (2007 : $4.5 million), the use of which is restricted from other operations; and

c. Cash collaterals of $2.6 million was deposited with a bank as security for loan facilities.

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

	Group 2008 %	Group 2007 %	Company 2008 %	Company 2007 %
Short-term deposits with banks				
- S$ balances	0.41 to 1.13	0.60 to 2.35	0.45 to 1.13	0.60 to 2.35
- US$ balances	2.45 to 2.76	5.20	2.45 to 2.59	-
- RMB balances	1.71 to 3.33	1.62 to 2.07	-	-
- MYR balances	2.95 to 3.50	3.20 to 3.43	3.50	-
- VND balances	14.75 to 16.50	-	-	-

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

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For the year ended 30 June 2008

18. SHARE CAPITAL

	Company	
	2008	2007
Ordinary Shares	**No. of shares**	**No. of shares**
Issued and fully paid ordinary shares		
At 1 July	665,647,468	665,647,468
Issue of 221,882,489 ordinary shares	221,882,489	-
At 30 June	887,529,957	665,647,468

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. On 30 July 2007, the Company issued 221,882,489 new ordinary shares of the Company ("Rights Shares") at an issue price of $2.50 for each Rights Share, on the basis of one Rights Share for every three existing ordinary shares in the capital of the Company. Net proceeds of approximately $555 million were received. As at 30 June 2008, approximately $371 million of the net proceeds had been utilised for the following purposes:-

(i) approximately $229 million to fund the Group's acquisitions in Singapore;

(ii) approximately $10 million to fund the acquisition and working capital requirements of the Group's project in Vietnam; and

(iii) approximately $132 million to fund the Group's acquisition and working capital requirements of its various projects in China.

The remaining net proceeds of approximately $184 million is expected to be utilised for the general working capital of the Group and to fund its land acquisitions.

c. As at 30 June 2008, the Trust for GuocoLand Limited Executives' Share Option Scheme (the "ESOS") held an aggregate of 68,577,550 (2007 : 55,488,000) of shares in the Company which had been acquired from the market for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESOS. During the financial year, 5,406,450 (2007 : 2,000,000) shares in the Company were transferred to participants upon exercise of their share options pursuant to the ESOS (see Note 30).

Capital Management

The Company'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 Board of Directors monitors the return on capital, which the Group defines as profit attributable to equity holders of the Company divided by shareholders' equity and the level of dividends to ordinary shareholders.

The Board 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.

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

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

19. RESERVES

	Note	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Reserve for own shares	(a)	(143,230)	(104,487)	(143,230)	(104,487)
Share option reserve	(b)	7,884	3,874	7,884	3,874
Capital reserve	(c)	63,149	64,996	63,066	64,913
Exchange translation reserve	(d)	(66,805)	(26,673)	-	-
Revaluation reserve	(e)	8,341	8,341	-	-
Mark-to-market reserve	(f)	(735)	3,648	-	-
Unappropriated profits		712,924	616,600	263,894	107,587
		581,528	566,299	191,614	71,887

a. Reserve for Own Shares

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

b. Share Option Reserve

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

c. Capital Reserve

This comprises mainly allocated value of the warrants issued with debt securities and the value of the options granted to bondholders to convert their convertible bonds into ordinary shares of the Company.

d. Exchange Translation Reserve

This comprises:-

i. foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates whose functional currencies are different from the functional currency of the Company.

ii. the exchange differences on monetary items which form part of the Group's net investment in the foreign subsidiaries and associates.

e. Revaluation Reserve

This comprises the increase in fair value of property, plant and equipment and development properties from previously held interests in associates.

f. Mark-to-market Reserve

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

20. INTEREST BEARING LOANS AND BORROWINGS

	Note	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Non-Current Liabilities					
Long-term bank loans					
- secured		1,266,108	468,334	-	-
- unsecured		99,251	464,005	95,091	459,570
Convertible bonds (unsecured)	21	646,975	624,529	646,975	624,529
Medium-term notes (unsecured)		115,000	375,000	115,000	375,000
		2,127,334	1,931,868	857,066	1,459,099
Current Liabilities					
Bank overdrafts	17				
- secured		-	508	-	-
- unsecured		-	12	-	-
Short-term bank loans (unsecured)		81,409	-	-	-
Current portion of long-term bank loans					
- secured		251,804	38,900	-	-
- unsecured		312,444	35,000	312,444	35,000
Current portion of medium-term notes (unsecured)		260,000	-	260,000	-
		905,657	74,420	572,444	35,000
Total loans and borrowings		3,032,991	2,006,288	1,429,510	1,494,099

Maturity of loans and borrowings:-

	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Within 1 year	905,657	74,420	572,444	35,000
After 1 year but within 5 years	2,125,878	1,929,429	857,066	1,459,099
After 5 years	1,456	2,439	-	-
Total borrowings	3,032,991	2,006,288	1,429,510	1,494,099

20. INTEREST BEARING LOANS AND BORROWINGS (CONT'D)

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

	Note	Group 2008 $'000	2007 $'000
Property, plant and equipment	3	105,284	91,068
Investment properties	5	15,390	16,410
Development properties	12	2,748,331	891,232
		2,869,005	998,710

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

	Effective Interest Rate %	Floating Interest Rate $'000	Fixed Interest Rate Maturing Within 1 Year $'000	1 to 5 Years $'000	Total $'000
Group					
2008					
Secured					
- S$ floating rate loans	1.43 to 2.77	1,256,615	-	-	1,256,615
- MYR floating rate loans	4.29 to 6.50	200,858	-	-	200,858
- RMB floating rate loan	8.51	60,439	-	-	60,439
Unsecured					
- S$ floating rate note	2.01	30,000	-	-	30,000
- US$ floating rate loans	3.15 to 3.65	434,704	-	-	434,704
- MYR floating rate loans	4.21 to 4.54	58,400	-	-	58,400
- S$ fixed rate notes	3.45 to 4.42	-	230,000	115,000	345,000
- S$ fixed rate convertible bonds	3.27	-	-	646,975	646,975
		2,041,016	230,000	761,975	3,032,991
2007					
Secured					
- S$ floating rate loans	3.16 to 4.44	467,097	-	-	467,097
- MYR floating rate loans	4.22 to 5.21	40,137	-	-	40,137
- MYR bank overdraft	7.50	508	-	-	508
Unsecured					
- S$ floating rate note	3.25	30,000	-	-	30,000
- US$ floating rate loans	5.85 to 6.08	459,570	-	-	459,570
- MYR floating rate loan	4.80	4,435	-	-	4,435
- S$ fixed rate loan	3.23	-	35,000	-	35,000
- S$ fixed rate notes	3.45 to 4.42	-	-	345,000	345,000
- S$ fixed rate convertible bonds	3.25	-	-	624,529	624,529
- MYR bank overdrafts	7.75	12	-	-	12
		1,001,759	35,000	969,529	2,006,288

NOTES TO THE FINANCIAL STATEMENTS
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20. INTEREST BEARING LOANS AND BORROWINGS (CONT'D)

	Effective Interest Rate %	Floating Interest Rate $'000	Fixed Interest Rate Maturing Within 1 Year $'000	1 to 5 Years $'000	Total $'000
Company					
2008					
Unsecured					
- S$ floating rate note	2.01	30,000	-	-	30,000
- US$ floating rate loans	3.38 to 3.65	407,535	-	-	407,535
- S$ fixed rate notes	3.45 to 4.42	-	230,000	115,000	345,000
- S$ fixed rate convertible bonds	3.27	-	-	646,975	646,975
		437,535	230,000	761,975	1,429,510
2007					
Unsecured					
- S$ floating rate note	3.25	30,000	-	-	30,000
- US$ floating rate loans	5.85 to 6.08	459,570	-	-	459,570
- S$ fixed rate loan	3.23	-	35,000	-	35,000
- S$ fixed rate notes	3.45 to 4.42	-	-	345,000	345,000
- S$ fixed rate convertible bonds	3.25	-	-	624,529	624,529
		489,570	35,000	969,529	1,494,099

21. CONVERTIBLE BONDS (UNSECURED)

	Note	Group and Company 2008 $'000	2007 $'000
Proceeds from issue of convertible bonds		690,000	690,000
Transaction costs		(5,005)	(5,005)
Net proceeds		684,995	684,995
Equity portion of convertible bonds		(63,825)	(63,825)
Accreted interests	26	14,680	1,294
Amortisation of bond discount	26	9,974	1,915
Amortisation of transaction costs capitalised		1,151	150
		646,975	624,529

On 7 May 2007, the Company issued $690 million in principal amount of convertible bonds (the "Bonds") comprising $345 million in principal amount of unsecured Tranche 1 Convertible Bonds ("Tranche 1 Bonds") and $345 million in principal amount of unsecured Tranche 2 Convertible Bonds ("Tranche 2 Bonds"). The Bonds are due on 7 May 2012 (the "Maturity Date").

21. CONVERTIBLE BONDS (UNSECURED) (CONT'D)

The Bonds are convertible by the holders thereof (the "Bondholders") into new ordinary shares in the capital of the Company ("Shares") at any time on or after 6 July 2007 and up to the close of business (at the place where the certificate evidencing such Bonds is deposited for conversion) on 27 April 2012 or if such Bonds shall have been called for redemption by the Company before 27 April 2012, then up to the close of business (at the place aforesaid) on a date no later than seven business days prior to the date fixed for redemption thereof. The conversion price of the Bonds was adjusted from the initial conversion price of $6.216 per Share to $5.507 per Share with effect from 30 July 2007 following the issue of 221,882,489 new Shares on that day pursuant to a renounceable rights issue undertaken by the Company (see Note 18).

At any time on or after 7 May 2009 and prior to the date falling 7 business days prior to the Maturity Date of the Bonds, the Bonds may be redeemed in whole at the option of the Company if the volume weighted average price of the Shares for each of 10 consecutive trading days was at least 120% of the principal amount of the Bonds plus interest equal to the applicable early redemption interest amount divided by the conversion ratio.

On 7 May 2010, in respect of the Tranche 1 Bonds only, the Company may at the option of any Bondholder, redeem all or some of that Bondholder's Tranche 1 Bonds, at their principal amount plus interest equal to the applicable early redemption interest amount.

Unless previously redeemed, converted, or purchased and cancelled, the Tranche 1 Bonds shall be redeemed on the Maturity Date at its principal amount plus interest of 0.6% p.a. on a semi-annual basis of its principal amount and the Tranche 2 Bonds shall be redeemed on the Maturity Date at its principal amount plus interest of 1.9% p.a. on a semi-annual basis of its principal amount.

As at 30 June 2008, all the net proceeds from the Bond issue had been utilised to fund the Group's acquisitions in Singapore and China, and for its working capital requirements of various projects.

22. TRADE AND OTHER PAYABLES

		Group		Company	
		2008	2007	2008	2007
	Note	$'000	$'000	$'000	$'000
Trade payables and accrued operating expenses		148,158	92,781	546	1,149
Excess of progress billings over work-in-progress					
- Development properties	12	-	70,019	-	-
- Construction work-in-progress	13	255	359	-	-
Amounts due to:-					
Intermediate holding company		5,777	8,732	5,777	8,732
Associate		47	51	-	-
Jointly-controlled entities		1,481	1,538	-	-
Related corporations		1,320	643	-	-
Minority shareholders of subsidiaries		1,196	14,134	-	-
Other payables	23	613,650	138,201	7,608	9,189
		771,884	326,458	13,931	19,070

The amounts due to holding companies, associate, jointly-controlled entities, related corporations and minority shareholders of subsidiaries are unsecured and interest-free.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

23. OTHER PAYABLES

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Rental deposits	3,990	5,608	-	-
Deposits received	5,049	1,839	-	-
Interest payable	9,360	12,454	5,203	9,140
Mark-to-market loss on derivative financial instruments	2,444	49	2,383	49
Real estate tax payable	52,668	49,007	-	-
Land cost payable	-	51,305	-	-
Balance purchase consideration due to vendors (see Note 33)	522,065	-	-	-
Others	18,074	17,939	22	-
	613,650	138,201	7,608	9,189

24. REVENUE

	Group	
	2008 $'000	2007 $'000
Revenue from sale of development properties	608,741	645,293
Revenue from hotel operations	19,598	23,874
Revenue from construction operations	6,715	7,280
Gross rental from investment properties	23,228	17,606
Dividend income from equity securities	1,811	4,330
Interest income from fixed deposits with banks	8,802	987
Management fee income from -		
Immediate holding company	3	1
Related corporations	27	28
Related parties	-	5
Others	1,952	3,029
Others	16	46
	670,893	702,479

25. OTHER INCOME

	Group	
	2008	2007
	$'000	$'000
Gain on disposal of available-for-sale securities	-	19,325
Gain on disposal of property, plant and equipment	148	296
Gain on revaluation of investment properties	88,060	116,520
Gain on disposal of interest in subsidiary	-	16,901
Gain on disposal of interest in jointly-controlled entities	-	627
Gain on unwinding of equity swap	-	10,258
Interest income from -		
Fixed deposits with banks	8,417	11,179
Others	573	527
Mark-to-market gain on derivative financial instruments	-	761
Net exchange gain	27,988	12,732
Others	5,590	5,582
	130,776	194,708

26. FINANCE COSTS

		Group	
		2008	2007
	Note	$'000	$'000
Interest paid and payable:-			
Financial institutions		68,836	55,560
Convertible bonds			
- Interest expense	21	13,386	1,294
- Amortisation of bond discount	21	8,059	1,915
		21,445	3,209
Others		-	2,461
		90,281	61,230
Less : Interest capitalised as cost of development properties	12	(50,843)	(28,851)
		39,438	32,379

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27. PROFIT BEFORE INCOME TAX

		Group	
		2008	2007
		$'000	$'000
a.	The following items have been included in arriving at profit before income tax:-		
	Depreciation of property, plant and equipment	3,731	3,138
	Direct operating expenses of investment properties	9,805	10,799
	Goodwill written off	1,064	-
	Loss/(Gain) on disposal of available-for-sale securities	225	(19,325)
	Mark-to-market loss/(gain) on derivative financial instruments	2,416	(761)
	Management fees paid and payable to:-		
	- intermediate holding company	5,955	8,852
	- related corporation	504	-
	Non-audit fees paid to Auditors of the Company	8	18
	Operating lease expenses	3,351	1,817
	Property, plant and equipment written off	85	-
	Writeback of allowance for foreseeable losses on development properties	(8,375)	(61,889)
	(Writeback of allowance)/Allowance for doubtful receivables	(27)	61
	Staff costs -		
	Wages and salaries	28,010	24,020
	Contributions to defined contribution plans	1,789	1,574
	Value of employee services received for issue of share options	4,010	2,689
	Reversal of liability for short-term accumulating compensated absences	(7)	(31)
		33,802	28,252

27. PROFIT BEFORE INCOME TAX (CONT'D)

b. Key Management Personnel

The key management personnel compensation is as follows:-

	Group	
	2008	2007
	$'000	$'000
Short-term employee benefits	5,789	4,143
Equity compensation benefits	3,883	2,626
	9,672	6,769

c. The remuneration of directors of the Company under each remuneration band is as follows:-

	Group	
	2008	2007
Remuneration of:-		
$500,000 and above	1	1
$250,000 to $499,999	1	1
$249,999 and below	5	5
	7	7

d. The remuneration of key executives who are not directors of the Company under each remuneration band is as follows:-

	Group	
	2008	2007
Remuneration of:-		
$500,000 and above	2	-
$250,000 to $499,999	6	6
$249,999 and below	-	-
	8	6

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

28. INCOME TAX EXPENSE

	Group	
	2008 $'000	2007 $'000
Current tax		
Current year	27,277	15,921
Under/(Over)provision in respect of previous financial years	317	(5,394)
	27,594	10,527
Deferred tax		
Movements in temporary differences	1,628	2,369
Overprovision in respect of previous financial years	(77)	-
	1,551	2,369
	29,145	12,896
A reconciliation of the effective tax rate is as follows:-		
Profit before income tax	194,426	302,237
Less: Share of results of associates and jointly-controlled entities	(18,329)	(15,916)
Profit before share of results of associates, jointly-controlled entities and income tax	176,097	286,321
Income tax calculated using the Singapore tax rate of 18%	31,697	51,538
Deferred tax benefit not recognised	(26)	(2,545)
Effect of different tax rates in foreign jurisdiction	4,668	9,977
Effect of change in tax rate	-	2,125
Non-chargeable income	(43,183)	(37,006)
Non deductible expenses	23,438	7,920
Utilisation of previously unrecognised deferred tax assets	(10,647)	(22,171)
Tax effect of losses not allowed to be set off against future taxable profits	20,715	7,505
Under/(Over)provision in respect of previous financial years	240	(5,394)
Foreign withholding tax	2,213	-
Others	30	947
	29,145	12,896

29. EARNINGS PER SHARE AND FULLY DILUTED EARNINGS PER SHARE

Earnings per share ("EPS") is calculated based on the Group's profit of $161,840,000 (2007 : $281,892,000) and on the weighted average number of 802,475,531 (2007 : 610,802,930) ordinary shares of the Company, in issue after adjusting for the shares acquired by the Trust during the financial year.

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

	Group	
	2008	**2007**
	$'000	**$'000**
Group's profit used in the computation of EPS	161,840	281,892
Add : Profit impact of assumed conversion	21,445	3,209
Adjusted Group's profit used in the computation of fully diluted EPS	183,285	285,101
Weighted average number of ordinary shares used in the computation of EPS	802,476	610,803
Assumed exercise of share options	20,670	15,717
Assumed conversion of convertible bonds	124,190	17,066
Adjusted weighted average number of ordinary shares used in the computation of fully diluted EPS	947,336	643,586

30. EMPLOYEE BENEFITS

a. The GuocoLand Limited ("GLL") Executives' Share Option Scheme (the "ESOS") was approved by shareholders of the Company at an Extraordinary General Meeting held on 31 December 1998. The ESOS was further approved by the shareholders of Guoco Group Limited ("GGL"), a company listed on The Stock Exchange of Hong Kong Limited ("HKSE") and the intermediate holding company of the Company, at an Extraordinary General Meeting held on 1 February 1999.

b. In October 2004, shareholders of the Company and GGL approved the proposed amendments to the rules of the ESOS (the "Rules") to *inter alia* alter the structure of the ESOS to allow the grant of options to be satisfied over newly issued ordinary shares of the Company (the "Shares") or the transfer of existing Shares, or a combination of both new Shares and existing Shares, as well as to align the Rules with the requirements under Chapter 17 of the HKSE Listing Rules.

c. The ESOS is administered by a Committee of Directors (the "ESOS Committee") comprising Mr Sat Pal Khattar and Mr Quek Leng Chan who were not participants in the ESOS during the financial year.

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30. EMPLOYEE BENEFITS (CONT'D)

d. The following options were granted to selected key executives of the Company ("Participants") in respect of an aggregate of 42,250,000 Shares:-

Date of Grant	Participants	No. of Shares comprised in Options	Exercise Price per Share	Note
1 November 2004	Selected key executives of GLL	12,500,000	S$1.19	1
30 May 2005	Selected key executive of GLL	6,000,000	S$1.32	2
19 January 2007	Selected key executives of GLL	23,750,000	S$2.65	3

e. In connection with a variation in the issued share capital of the Company arising from the Company's Rights Issue 2007, the number of Shares comprised in the Options and the exercise price per Share were adjusted as follows:-

Date of Grant	Participants	Adjusted No. of Shares comprised in Options	Adjusted Exercise Price per Share	Note
1 November 2004	Selected key executives of GLL	14,227,500	S$1.045	1
30 May 2005	Selected key executive of GLL	4,552,800 (excluding 2,000,000 which had been exercised)	S$1.159	2
19 January 2007	Selected key executives of GLL	27,032,250	S$2.328	3

f. During the financial year, 5,406,450 options were exercised and 569,100 options were cancelled arising from the resignation of a Participant. However, no options were granted. Further, no Shares were issued pursuant to the ESOS.

30. EMPLOYEE BENEFITS (CONT'D)

g. The status relating to Options under the ESOS including the number of adjusted Options following the close of the Company's Rights Issue 2007 as at the end of the financial year were as follows:-

Name of Participants	Options Granted during Financial Year under Review	Aggregate Options Granted since Commencement of ESOS to End of Financial Year under Review	Aggregate Adjusted Options Exercised/ Lapsed since Commencement of ESOS to End of Financial Year under Review	Aggregate Adjusted Options Outstanding as at End of Financial Year under Review
(i) Executive Director				
Quek Chee Hoon	-	2,000,000	(2,000,000) (lapsed)	-
	-	7,398,300 [1*]	(3,699,150) * (exercised)	3,699,150*
	-	11,382,000 [3*]	-	11,382,000*
(ii) Directors of Subsidiaries				
Violet Lee Hui Min	-	3,414,600 [1*]	-	3,414,600*
	-	2,000,000 [2]	(2,000,000) (exercised)	-
	-	4,552,800 [2*]	-	4,552,800*
	-	6,829,200 [3*]	-	6,829,200*
Trina Loh nee Ng Soh Yong	-	250,000	(250,000) (lapsed)	-
	-	1,138,200 [1*]	(569,100) * (exercised)	569,100*
	-	3,414,600 [3*]	-	3,414,600*
Jerry Lee Yang Chiang	-	500,000	(500,000) (lapsed)	-
	-	1,138,200 [1*]	(569,100) * (exercised)	569,100*
	-	2,276,400 [3*]	-	2,276,400*
Dawn Pamela Lum nee Lim Siew Fah	-	500,000	(500,000) (lapsed)	-
	-	1,138,200 [1*]	(569,100) * (exercised)	569,100*
	-	2,276,400 [3*]	-	2,276,400*
(iii) Other Executives	-	2,130,000	(2,130,000) (lapsed)	-
	-	853,650 [3*]	(569,100) * (lapsed)	284,550*
Total	**-**	**53,192,550**	**(13,355,550) (exercised/lapsed)**	**39,837,000***

* Adjustments had been made to the number of Options granted to Participants and the exercise price of the Options, following the close of the Company's Rights Issue 2007.

30. EMPLOYEE BENEFITS (CONT'D)

The movement in the Options during the financial year are as follows:-

	2008	2007
At 1 July	40,250,000	18,500,000
Granted	-	23,750,000
Additional Options granted arising from the Company's Rights Issue 2007	5,562,550	-
Exercised	(5,406,450)	(2,000,000)
Lapsed	(569,100)	-
At 30 June	39,837,000	40,250,000

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

(i) The exercise price per Share is the average of the closing prices of the Shares on Singapore Exchange Securities Trading Limited for each of the last five market days immediately prior to the date of grant of the Option.

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

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

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

j. None of the Options which were offered since the commencement of the ESOS was granted at a discount.

Note:-

1. The exercise price was determined based on the average closing price for the five days preceding 1 November 2004. The closing market price per Share on 29 October 2004 (the trading date immediately before the date of grant) was S$1.20. Following the close of the Company's Rights Issue 2007, adjustments were made to the number of outstanding Options. The exercise price was also adjusted to S$1.045. Pursuant to certain financial and performance targets met by the Participants during the performance period for the financial years 2004/05 to 2006/07, the Participants were notified by the ESOS Committee in August 2007 of the vesting of a total of 14,227,550 Options. The Participants were given an exercise period of up to 2 years from the date of vesting to exercise the vested Options in accordance with the terms of their grant. During the financial year 2007/08, a first tranche of 5,406,450 Shares were exercised under the terms of the grant. The Participants now have a balance of 8,821,050 vested Options available for exercise.

2. The exercise price was determined based on the average closing price for the five days preceding 30 May 2005. The closing market price per Share on 27 May 2005 (the trading date immediately before the date of grant) was S$1.34. Following the close of the Company's Rights Issue 2007, adjustments were made to the number of outstanding Options. The exercise price was also adjusted to S$1.159. Under the terms of the grant, a first tranche of 2,000,000 Shares was exercised during the financial year 2006/07. Pursuant to certain financial and performance targets met by the Participant during the financial years 2005/06 to 2006/07, the Participant was notified by the ESOS Committee in August 2007 and November 2007 of the vesting of the remaining 4,552,800 Options in accordance with the terms of the grant. The Participant was given an exercise period of up to 2 years from the date of vesting to exercise the vested options in accordance with the terms of the grant.

30. EMPLOYEE BENEFITS (CONT'D)

Note (cont'd):-

3. The exercise price was determined based on the average closing price for the five days preceding 19 January 2007. The closing market price per Share on 18 January 2007 (the trading date immediately before the date of grant) was S$2.75. Following the close of the Company's Rights Issue 2007, adjustments were made to the number of outstanding Options, as well as the exercise price to S$2.328. Subject to certain financial and performance targets being met by the Participants during the performance periods for the financial years 2005/06 to 2007/08 and 2008/09 to 2010/11, the Participants may at the end of each performance period be notified by the ESOS Committee of the vesting of the Options and the number of Shares comprised in the vested Options. Thereafter, the Participants shall have a phased period of between 6 to 30 months to exercise the vested Options in accordance with the terms of the grant.

Fair Value of Options

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility is based on 1-year historical volatility.

Date of grant of options	**1 November 2004**	**30 May 2005**	**19 January 2007**
Fair value of share options and assumptions			
Fair value at measurement date	$0.10 to $0.11	$0.09 to $0.10	$0.47 to $0.73
Share price	$1.22	$1.34	$2.78
Exercise price	$1.19	$1.32	$2.65
Adjusted exercise price	$1.045	$1.159	$2.328
Expected volatility	21.4%	18.8%	29.5%
Expected option life	3.2 years to 4.2 years	1.5 years to 3.6 years	1.8 years to 6.8 years
Expected dividend yield	6.6%	6.0%	2.9%
Risk-free interest rate	1.8% to 2.2%	2.1% to 2.3%	3.0% to 3.1%

The fair values of the share options are not affected by the revised number of options and adjusted exercise price arising from the Company's Rights Issue 2007.

Shares held by Trust

In October 2004, the Company established a Trust in respect of the ESOS. Pursuant to a trust deed between the Company and the Trust, the Trust had acquired Shares from the market for the purpose of satisfying options granted or to be granted to participants under the ESOS. Subject to financial, performance and other targets being met by these participants, Shares held under the Trust may be transferred to them upon exercise of their share options. As at 30 June 2008, the Company had granted a loan amounting to $133.9 million (2007 : $103.8 million) to the Trust and the Trust held an aggregate of 68,577,550 (2007 : 55,488,000) Shares, including:-

- The Trust's entitlement to 18,496,000 Rights Shares under the Company's Rights Issue 2007; and
- The transfer of 5,406,450 (2007 : 2,000,000) Shares to participants following the exercise of their respective options.

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31. DIVIDENDS

	Group and Company	
	2008	2007
	$'000	$'000
Final one-tier ordinary dividend paid of 8 cents (2007 : 8 cents) per ordinary share in respect of the previous financial year*	65,516	48,813

After the balance sheet date, the Directors proposed a final one-tier dividend of 8 cents (2007 : 8 cents) per ordinary share amounting to a net dividend of $65,516,193 (2007 : $65,516,193). The dividends have not been provided for.

* Dividend payments in respect of 68,577,550 (2007 : 55,488,000) ordinary shares of the Company which were held by the Trust for Executives' Share Option Scheme were eliminated on consolidation.

32. RELATED PARTY TRANSACTIONS

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

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

a. Rental income of $1,941,000 (2007 : $1,647,000) was received for the financial year ended 30 June 2008 and will continue to be receivable by an investment holding subsidiary of the Group pursuant to lease agreements entered into by this subsidiary with companies in which one of the directors has an interest.

b. On 6 June 2003, the Company signed a Management Agreement with Guoco Group Limited ("GGL") in respect of the provision of services by GGL to the Company, its subsidiaries and associates ("GLL Group"). The consideration for the provision of the services is HK$50,000 per month ("Monthly Fee") plus an annual fee equal to 3% of the annual consolidated profits before tax of the GLL Group for each financial year ("Annual Fee"). The aggregate of the Monthly Fee and Annual Fee payable by GLL in each financial year shall not exceed 2% of the audited consolidated net tangible assets of the GLL Group for the relevant financial year. No Annual Fee is payable in the event the GLL Group incurs an audited consolidated loss before tax in any financial year. Three directors of the Company are directors and shareholders of GGL.

33. NOTES TO THE STATEMENT OF CASH FLOWS

a. Acquisition of Subsidiaries

Financial year ended 30 June 2008

(i) On 29 October 2007, GuocoLand (Malaysia) Berhad, an indirect subsidiary of the Company, acquired a 100% interest in Titan Debut Sdn Bhd ("Titan") for a cash consideration of RM71 million.

(ii) GuocoLand (China) Limited, a wholly owned subsidiary of the Company, completed its acquisition of a 90% interest in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited in November 2007. An aggregate of Rmb3.22 billion of the purchase consideration of Rmb5.8 billion has been paid to the vendors, of which Rmb1.2 billion had been paid in the financial year ended 30 June 2007. The balance Rmb2.58 billion (S$511.3 million) has been withheld pending resolution of disputes described in Note 36.

From the dates of acquisition to 30 June 2008, the above-mentioned acquisitions contributed a net loss of $4.2 million to the Group's results for the financial year ended 30 June 2008. If the acquisitions had occurred on 1 July 2007, the Group's net profit for the financial year ended 30 June 2008 would have decreased by $0.8 million. The above-mentioned acquisitions had no impact on the Group's turnover for the financial year ended 30 June 2008.

The effect of acquisitions of subsidiaries is set out below:-

	Recognised values 2008 $'000
Property, plant and equipment	204
Inventories	963,445
Trade and other receivables	256
Cash and cash equivalents	16,292
Trade and other payables	(637,877)
Bank loans	(47,038)
Minority interests	(987)
Net identifiable assets and liabilities	294,295
Previously accounted for as interests in associates	(221,624)
Purchase consideration paid, satisfied in cash	72,671
Cash and cash equivalents acquired	(16,292)
Amount yet to be paid	(11,249)
Net cash outflow	45,130

NOTES TO THE FINANCIAL STATEMENTS
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33. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

a. Acquisition of Subsidiaries (cont'd)

Financial year ended 30 June 2007

On 31 January 2007, the Group acquired a 100% interest in Sabna Development Sdn Bhd subsequent to the disposal of a 50% equity interest in Putrajaya Properties Sdn Bhd, a jointly-controlled entity. On 13 April 2007, the Group acquired a 100% interest in Hainan Jinghao Asset Ltd. The total purchase consideration paid amounted to $117.2 million.

From the dates of acquisitions to 30 June 2007, the above-mentioned acquisitions contributed a net profit of $0.2 million to the Group's results for the financial year. If the acquisitions had occurred on 1 July 2006, the Group's revenue for the financial year ended 30 June 2007 would have increased by $1.8 million and net profit would have increased by $1.1 million.

The effect of acquisitions of subsidiaries is set out below:-

	Recognised values 2007 $'000
Property, plant and equipment	1
Interest in associate	100,281
Deferred tax assets	178
Inventories	6,263
Trade and other receivables	3,824
Cash and cash equivalents	26,384
Trade and other payables	(2,640)
Deferred tax liabilities	(172)
Net identifiable assets and liabilities	134,119
Previously accounted for as interest in jointly-controlled entity	(16,938)
Purchase consideration paid, satisfied in cash	117,181
Cash and cash equivalents acquired	(26,384)
Net cash outflow	90,797

33. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

b. Disposal of Subsidiaries

On 11 May 2007, the Group disposed Guoman (Hanoi) Limited and HLL-Guoco Vietnam Co. Limited, its indirect subsidiaries, at a cash consideration of US$14.1 million (equivalent to $21.0 million).

The effect of disposal of subsidiaries is set out below:-

	Recognised values 2007 $'000
Property, plant and equipment	7,195
Inventories	110
Trade and other receivables	1,081
Cash and cash equivalents	61
Trade and other payables	(2,270)
Deferred tax liabilities	(21)
Net identifiable assets and liabilities	6,156
Gain on disposal of subsidiary	16,901
Realisation of reserves	(2,097)
Sale consideration received, satisfied in cash	20,960
Cash and cash equivalents disposed	(61)
Net cash inflow	20,899

34. FINANCIAL INSTRUMENTS

a. Financial Risk Management Objectives and Policies

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

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

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

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

34. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk

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

(i) **Foreign Currency Risk**

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

The Group's policy is to minimise adverse effects on the financial performance of the Group as a result of volatility in foreign exchange rates. The Group generally hedges its foreign exchange exposure using forward exchange contracts with external parties. The contracts used in its hedging program have terms of 12 months or less. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The fair value loss of the forward exchange contracts as at 30 June 2008 was $1,908,000 (2007: fair value gain of $790,000).

The Group's and Company's exposures to foreign currencies at balance sheet date are as follows:-

	Singapore Dollar $'000	US Dollar $'000	Malaysia Ringgit $'000	Chinese Renminbi $'000
Group				
2008				
Trade and other receivables	-	11	4	-
Cash and cash equivalents	68	69,407	39,153	-
Loans and borrowings	-	(434,704)	-	-
Trade and other payables	(6)	(2,888)	(10)	(1,982)
	62	(368,174)	39,147	(1,982)
Forward exchange contracts	-	434,704	-	-
Currency exposure	62	66,530	39,147	(1,982)

34. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

	Singapore Dollar $'000	US Dollar $'000	Malaysia Ringgit $'000	Chinese Renminbi $'000
Group				
2007				
Cash and cash equivalents	33	9,706	81	-
Loans and borrowings	-	(459,570)	-	-
Trade and other payables	(34)	(6,454)	-	(2)
	(1)	(456,318)	81	(2)
Forward exchange contracts	-	44,425	-	-
Currency exposure	(1)	(411,893)	81	(2)

	US Dollar $'000	Malaysia Ringgit $'000
Company		
2008		
Trade and other receivables	2	4
Cash and cash equivalents	5,722	39,123
Loans and borrowings	(407,535)	-
Trade and other payables	(2,637)	-
	(404,448)	39,127
Forward exchange contracts	407,535	-
Currency exposure	3,087	39,127
2007		
Cash and cash equivalents	173	-
Loans and borrowings	(459,570)	-
Trade and other payables	(6,434)	-
	(465,831)	-
Forward exchange contracts	44,425	-
Currency exposure	(421,406)	-

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34. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Sensitivity Analysis

A strengthening of the following foreign currencies against the functional currencies at the reporting date would increase or decrease the income statement 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 minority interests.

			Profit/(Loss) Before Tax	
Functional Currencies	**Foreign Currencies**	**Rate of Increase in Foreign Currencies**	**Group $'000**	**Company $'000**
2008				
SGD	USD	1.18%	355	(36)
SGD	MYR	3.95%	1,547	(1,546)
RMB	USD	1.74%	633	-
VND	USD	4.81%	7	-
USD	SGD	1.18%	1	-
USD	RMB	1.74%	(34)	-
2007				
SGD	USD	1.18%	(4,973)	(4,973)
SGD	MYR	3.95%	3	-
RMB	USD	1.74%	159	-
VND	USD	4.81%	15	-

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

34. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) **Interest Rate Risk**

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

The net fair value of interest rate swaps as at 30 June 2008 was a loss of $536,000 (2007 : $29,000).

Sensitivity Analysis

An increase in the interest rates from 25 to 169 basis points at the reporting date for the Group's various currencies comprising mainly Singapore dollars, United States dollars, Chinese Renminbi, Malaysian Ringgit and Vietnamese Dong would decrease the Group's profit before tax by $7,915,000 (2007 : increase by $4,474,000) and the Company's profit before tax by $2,995,000 (2007 : increase by $3,026,000). 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 minority interests. A decrease in the interest rates would have an equal but opposite effect.

(iii) **Price Risk**

The Group has available-for-sale investment securities listed in Malaysia.

Sensitivity Analysis

An 8% increase in the equity prices at the reporting date would increase the mark-to-market reserves by $200,000 (2007 : $2,541,000). An 8% decrease in the equity prices would have equal and opposite effect. This analysis assumes that all other variables remain constant.

c. Credit Risk

The Group's exposure to credit risk is minimal as customers fund their purchases of residential housing units with mortgaged home loans from independent financial institutions.

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

NOTES TO THE FINANCIAL STATEMENTS
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34. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk

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 following are the expected contractual undiscounted cash flows/(outflows) of financial liabilities, including interest payments and excluding the impact of netting agreements:-

			Cash flows		
	Carrying amount $'000	Contractual Cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Group					
2008					
Non-derivative financial liabilities					
Bank loans and borrowings	3,032,991	(3,282,844)	(965,809)	(2,315,514)	(1,521)
Trade and other payables*	769,185	(769,185)	(757,021)	(12,049)	(115)
Derivative financial liabilities					
Interest rate swaps					
- assets	-	-	-	-	-
- liabilities	536	(4,119)	(1,916)	(2,203)	-
Forward exchange contracts					
- assets	(433,632)	434,704	434,704	-	-
- liabilities	435,540	(435,233)	(435,233)	-	-
	3,804,620	(4,056,677)	(1,725,275)	(2,329,766)	(1,636)
2007					
Non-derivative financial liabilities					
Bank loans and borrowings	2,006,288	(2,256,713)	(135,099)	(2,119,000)	(2,614)
Trade and other payables*	256,031	(256,031)	(237,505)	(18,526)	-
Derivative financial liabilities					
Interest rate swaps					
- assets	(20)	(1,022)	(309)	(713)	-
- liabilities	49	(572)	(170)	(402)	-
Forward exchange contracts					
- assets	(44,347)	44,425	44,425	-	-
- liabilities	43,557	(43,535)	(43,535)	-	-
	2,261,558	(2,513,448)	(372,193)	(2,138,641)	(2,614)

34. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk (cont'd)

	Carrying amount $'000	Contractual Cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 1 to 5 years $'000	Cash flows: More than 5 years $'000
Company					
2008					
Non-derivative financial liabilities					
Bank loans and borrowings	1,429,510	(1,550,079)	(596,487)	(953,592)	-
Trade and other payables*	11,548	(11,548)	(11,548)	-	-
Derivative financial liabilities					
Interest rate swaps					
- assets	-	-	-	-	-
- liabilities	536	(4,119)	(1,916)	(2,203)	-
Forward exchange contracts					
- assets	(406,534)	407,535	407,535	-	-
- liabilities	408,381	(408,094)	(408,094)	-	-
	1,443,441	(1,566,305)	(610,510)	(955,795)	-
2007					
Non-derivative financial liabilities					
Bank loans and borrowings	1,494,099	(1,696,841)	(77,836)	(1,619,005)	-
Trade and other payables*	19,021	(19,021)	(19,021)	-	-
Derivative financial liabilities					
Interest rate swaps					
- assets	(20)	(1,022)	(309)	(713)	-
- liabilities	49	(572)	(170)	(402)	-
Forward exchange contracts					
- assets	(44,347)	44,425	44,425	-	-
- liabilities	43,557	(43,535)	(43,535)	-	-
	1,512,359	(1,716,566)	(96,446)	(1,620,120)	-

* *Excludes excess of progress billings over work-in-progress and derivative financial liabilities.*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

34. FINANCIAL INSTRUMENTS (CONT'D)

e. Fair Values

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

	Carrying Amount 2008 $'000	Fair Value 2008 $'000	Carrying Amount 2007 $'000	Fair Value 2007 $'000
Group				
Financial Liabilities (see Note 20)				
Secured				
- S$ floating rate loans	1,256,615	1,262,929	467,097	470,795
- MYR floating rate loans	200,858	201,832	40,137	40,344
- MYR bank overdraft	-	-	508	509
- RMB floating rate loan	60,439	61,077	-	-
Unsecured				
- S$ fixed rate convertible bonds	646,975	547,687	624,529	624,105
- S$ floating rate note	30,000	30,139	30,000	30,222
- S$ fixed rate loan	-	-	35,000	35,086
- S$ fixed rate notes	345,000	348,899	345,000	346,980
- US$ floating rate loans	434,704	437,698	459,570	465,904
- MYR floating rate loans	58,400	58,575	4,435	4,494
- MYR bank overdrafts	-	-	12	12
	3,032,991	2,948,836	2,006,288	2,018,451
Unrecognised gain/(loss)		84,155		(12,163)
Company				
Financial Liabilities (see Note 20)				
Unsecured				
- S$ fixed rate convertible bonds	646,975	547,687	624,529	624,105
- S$ floating rate note	30,000	30,139	30,000	30,222
- S$ fixed rate loan	-	-	35,000	35,086
- S$ fixed rate notes	345,000	348,899	345,000	346,980
- US$ floating rate loans	407,535	410,280	459,570	465,904
	1,429,510	1,337,005	1,494,099	1,502,297
Unrecognised gain/(loss)		92,505		(8,198)

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

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values due to the relatively short-term maturity of these financial assets and liabilities.

35. COMMITMENTS

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

	Group	
	2008	2007
	$'000	$'000
Within 1 year	2,946	2,596
After 1 year but within 5 years	2,466	3,033
	5,412	5,629

b. The Group leases out its investment properties (see Note 5). The non-cancellable operating lease rentals are receivable as follows:-

	Group	
	2008	2007
	$'000	$'000
Within 1 year	17,227	11,322
After 1 year but within 5 years	16,168	11,720
	33,395	23,042

c. The commitment in respect of purchase of land by the Group was $3,935,000 (2007: $1,035,430,000).

d. As at the balance sheet date, the notional principal values of derivative financial instruments are as follows:-

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Interest rate swaps	150,000	150,000	150,000	150,000
Forward foreign exchange contracts	434,704	44,425	407,535	44,425
	584,704	194,425	557,535	194,425

The maturity dates of these financial instruments are as follows:-

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Within 1 year	434,704	44,425	407,535	44,425
From 1 to 5 years	150,000	150,000	150,000	150,000
	584,704	194,425	557,535	194,425

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

36. CONTINGENT LIABILITIES (UNSECURED)

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

In November 2007, the Group's wholly-owned subsidiary, GuocoLand (China) Limited ("GLC"), completed its acquisition of a 100% interest in Hainan Jing Hao Asset Limited ("Hainan Co"), which in turn held a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("CJDH"), the company undertaking the Dongzhimen project in Beijing ("DZM Project"). Todate, an aggregate of Rmb3.22 billion of the purchase consideration of Rmb5.8 billion has been paid to the vendors of the DZM Project, Beijing Beida Jade Bird Company Limited ("BBJB") and its related corporations (collectively, the "vendors"). The balance Rmb2.58 billion has been withheld pending resolution of disputes described hereunder, which had been disclosed by the Company previously.

(1) Alleged claims by Shenzhen Development Bank ("SDB") and Agricultural Bank of China ("ABC")

(a) SDB

SDB claims that a loan of Rmb1.5 billion was granted by SDB to certain borrowers. Amongst the security obtained by SDB is a guarantee by Beijing Dong Hua Guang Chang Zhi Ye Co Ltd ("Zhiye"), a related corporation of BBJB. An earlier suit filed by SDB against Zhiye and CJDH in The People's High Court of Beijing ("Beijing Court") was dismissed in December 2007. SDB has initiated another suit directly against CJDH for the recovery of its loan under the Zhiye guarantee ("second SDB suit"). In addition, SDB has filed an appeal against Zhiye and CJDH in respect of the dismissal of the earlier SDB suit ("SDB appeal").

An interim application was made by SDB to the Beijing Court to restrict dealing in the assets of CJDH in the aggregate sum of their claims.

Based on the information available to GLC, CJDH is neither a guarantor nor borrower of the alleged loans of Rmb1.5 billion granted by SDB to borrowers who are third parties apparently unrelated to CJDH. GLC has been advised by its PRC lawyers that the SDB appeal and second SDB suit both have no merits.

Pending hearing of the SDB appeal and the second SDB suit, SDB and BBJB have purportedly entered into a settlement agreement in May 2008 for CJDH to pay Rmb1 billion of the alleged loan to SDB. GLC has been advised by its PRC lawyers that the settlement agreement is void and unenforceable.

(b) ABC

ABC had claimed that CJDH and its immediate holding company, Hainan Co, are guarantors of a loan of Rmb2 billion owing to ABC by Zhiye. ABC has commenced legal proceedings against Zhiye, CJDH and Hainan Co. BBJB is also a defendant in the ABC proceedings.

ABC has made an interim application to the Beijing Court to restrict dealing in the assets of Zhiye, CJDH and BBJB in the aggregate sum of their claims.

PRC lawyers of GLC are of the view that if CJDH is liable for the loan or any part thereof, GLC is entitled to set off any payment towards the loan against the balance purchase consideration still not paid by GLC.

GLC's PRC lawyers have also advised that the interim applications by SDB and ABC only restrict dealing in the assets of CJDH pending final resolution of the SDB and ABC actions. The interim applications will be expunged once the PRC courts dismiss the SDB and ABC actions.

A hearing in respect of ABC's claims was held by the Beijing Court in May 2008 and judgment is pending.

36. CONTINGENT LIABILITIES (UNSECURED) (CONT'D)

(2) Hainan Co

In April 2008, the Company had disclosed that GLC had received a notice issued by the Hainan Trade Bureau purporting to revert registration in Hainan Co to its original shareholders being two of the vendors of the DZM Project, allegedly on the grounds that GLC has not paid the requisite consideration for the transfer of Hainan Co to GLC.

GLC has challenged the basis for this notice as the full consideration for the transfer of Hainan Co to GLC, has been paid to the vendors. The Group has taken legal advice on these matters and will strongly defend and protect its 90% interest in the DZM Project. GLC has taken various legal actions which are pending hearing and adjudication before the PRC courts.

37. ACCOUNTING ESTIMATES AND JUDGEMENT

a. Key sources of estimation uncertainty

The Group recognises revenue from the sale of properties under development based on the stage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2n(i). Significant assumption is required in determining the stage of completion, the extent of the cost incurred and the estimated total cost. In making the assumption, the Group evaluates by relying on past experience and the work of specialists. Revenue from the sale of properties under development is disclosed in Note 24.

The Group has exposure to income taxes. Significant assumption is required in determining the tax liabilities. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax in the period in which such determination is made. The carrying amount of taxation and deferred taxation is disclosed in the balance sheet.

b. Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations and matters disclosed in Note 36.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

38. SEGMENT REPORTING

a. Business Segments

The Group comprises the following main business segments:-

Property development	:	Development of residential and commercial properties.
Property investment	:	Holding properties for rental income.
Hotel operations	:	Management and operation of hotels.
Equity investment	:	Investment in shares of other corporate entities.
Other operations	:	Holding investments in subsidiaries, associates and jointly-controlled entities, provision of management services, operation of oil palm estates and investments in property funds.

b. Geographical Segments

The Group operates principally in Singapore, China and Malaysia.

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

38. SEGMENT REPORTING (CONT'D)

Business Segments

	Property Development $'000	Property Investment $'000	Hotel Operations $'000	Equity Investment $'000	Other Operations $'000	Eliminations $'000	Total $'000
Revenue and Expenses 2008							
Total revenue from external customers	615,730	23,228	19,598	-	12,337	-	670,893
Inter-segment revenue	3,736	880	-	-	115,349	(119,965)	-
Total revenue	619,466	24,108	19,598	-	127,686	(119,965)	670,893
Segment results	90,882	100,395	2,105	-	110,014	(125,290)	178,106
Unallocated income							42,590
Unallocated expenses							(5,161)
Finance costs							(39,438)
Share of profit (net of tax)							
- associates	673	-	(3)	-	10,875	-	11,545
- jointly-controlled entities	884	251	-	-	5,649	-	6,784
Income tax expense							(29,145)
Profit for the year							165,281
Revenue and Expenses 2007							
Total revenue from external customers	652,813	17,625	23,896	3,500	4,645	-	702,479
Inter-segment revenue	1,424	891	-	-	74,178	(76,493)	-
Total revenue	654,237	18,516	23,896	3,500	78,823	(76,493)	702,479
Segment results	147,603	124,012	18,530	33,072	91,915	(106,721)	308,411
Unallocated income							13,204
Unallocated expenses							(2,915)
Finance costs							(32,379)
Share of profit (net of tax)							
- associates	13,116	-	(8)	-	-	-	13,108
- jointly-controlled entities	882	(4)	-	-	1,930	-	2,808
Income tax expense							(12,896)
Profit for the year							289,341

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2008

38. SEGMENT REPORTING (CONT'D)

Business Segments (cont'd)

	Property Development $'000	Property Investment $'000	Hotel Operations $'000	Other Operations $'000	Total $'000
Assets and Liabilities 2008					
Segment assets	4,918,821	451,103	74,488	9,492	5,453,904
Interests in associates and jointly-controlled entities	63,752	5,061	298	123,754	192,865
Unallocated assets					346,205
Total assets					5,992,974
Segment liabilities	2,764,994	6,842	4,048	63,888	2,839,772
Unallocated liabilities					
- Bank loans and borrowings					756,515
- Tax					59,568
- Others					208,588
Total liabilities					3,864,443
Other Segment Information					
Capital expenditure	21,297	-	1,327	1,207	23,831
Depreciation	565	52	2,159	955	3,731
Other non-cash expenses	85	-	-	-	85
Assets and Liabilities 2007					
Segment assets	2,283,692	365,195	81,347	44,030	2,774,264
Interests in associates and jointly-controlled entities	351,895	5,158	321	86,395	443,769
Unallocated assets					742,925
Total assets					3,960,958
Segment liabilities	1,253,000	5,228	5,351	12,994	1,276,573
Unallocated liabilities					
- Bank loans and borrowings					1,001,608
- Tax					56,997
- Others					54,565
Total liabilities					2,389,743
Other Segment Information					
Capital expenditure	7,100	-	1,489	1,952	10,541
Depreciation	387	7	1,993	751	3,138

38. SEGMENT REPORTING (CONT'D)

Geographical Segments

	Total Revenue from External Customers	
	2008	2007
	$'000	$'000
Singapore	394,900	425,234
The People's Republic of China	224,137	212,980
Malaysia	51,856	59,164
Other Regions	-	5,101
	670,893	702,479

	Segment Assets		Capital Expenditure	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Singapore	2,661,357	1,429,389	744	1,634
The People's Republic of China	2,297,691	1,290,128	485	323
Malaysia	660,773	481,355	21,490	8,565
Other Regions	26,948	17,161	1,112	19
	5,646,769	3,218,033	23,831	10,541

39. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:-

- FRS 1 (revised 2008) *Presentation of Financial Statements*
- FRS 23 (revised 2007) *Borrowing Costs*
- FRS 108 *Operating Segments*
- INT FRS 112 *Service Concession Arrangements*
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 114 *The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

FRS 1 (revised 2008) will become effective for the Group's financial statements for the year ending 30 June 2010. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Group's financial position or results.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

39. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

FRS 23 (revised 2007) will become effective for the Group's financial statements for the year ending 30 June 2010. FRS 23 removes the option to expense borrowing costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

FRS 108 will become effective for the Group's financial statements for the year ending 30 June 2010. Currently the Group presents segment information in respect of its business and geographical segments (see Note 38). FRS 108, which replaces FRS 14 *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Other than the change in disclosures relating to FRS 108, the initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

SHAREHOLDING STATISTICS

As at 8 September 2008

ISSUED AND FULLY PAID-UP CAPITAL	:	887,529,957 ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE

Size of Shareholdings	No. of Shareholders	No. of Ordinary Shares	% of Ordinary Shares
1 – 999	376	119,099	0.01
1,000 – 10,000	2,679	9,369,790	1.06
10,001 – 1,000,000	455	22,251,710	2.51
1,000,001 & Above	12	855,789,358	96.42
TOTAL	3,522	887,529,957	100.00

TWENTY LARGEST SHAREHOLDERS registered with The Central Depository (Pte) Limited

Name of Shareholders	No. of Ordinary Shares	% of Ordinary Shares
GUOCOLAND ASSETS PTE LTD	576,519,320	64.96
HSBC (SINGAPORE) NOMINEES PTE LTD	78,646,424	8.86
UOB KAY HIAN PTE LTD	73,462,482	8.28
KWEK LENG HAI	26,468,186	2.98
HL BANK NOMINEES (S) PTE LTD	20,632,816	2.32
ING NOMINEES (S'PORE) PTE LTD	20,324,555	2.29
CITIBANK NOMINEES S'PORE PTE LTD	18,495,893	2.08
DBSN SERVICES PTE LTD	14,417,240	1.62
UNITED OVERSEAS BANK NOMINEES PTE LTD	11,349,842	1.28
DBS NOMINEES PTE LTD	10,809,133	1.22
MORGAN STANLEY ASIA (S'PORE) SECURITIES PTE LTD	2,558,836	0.29
RAFFLES NOMINEES PTE LTD	2,104,631	0.24
OCBC NOMINEES SINGAPORE PTE LTD	985,537	0.11
MERRILL LYNCH (S'PORE) PTE LTD	870,395	0.10
ANG JWEE HERNG	869,000	0.10
KIM ENG SECURITIES PTE LTD	759,570	0.09
BNP PARIBAS NOMINEES S'PORE PTE LTD	724,498	0.08
LUM DAWN PAMELA NEE LIM SIEW FAH	659,533	0.07
DB NOMINEES (S) PTE LTD	618,777	0.07
LIM & TAN SECURITIES PTE LTD	598,779	0.07
TOTAL	861,875,447	97.11

SHAREHOLDING IN THE HANDS OF THE PUBLIC AS AT 8 SEPTEMBER 2008

The percentage of shareholding in the hands of the public was approximately 11.89% of the total number of the issued and fully paid-up ordinary shares of the Company.

The Company has complied with Rule 723 of the SGX-ST Listing Manual which requires that at least 10% of the total number of issued shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

SHAREHOLDING STATISTICS

As at 8 September 2008

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 8 SEPTEMBER 2008

	Substantial Shareholders	Direct Interest No. of Shares	Deemed Interest No. of Shares
1.	GuocoLand Assets Pte. Ltd.	576,519,320	-
2.	Fairbury Pte Ltd#	66,870,250	-
3.	ABN AMRO Bank N.V., London Branch	58,727,985	-
4.	Guoco Group Limited		* 576,519,320
5.	GuoLine Overseas Limited		** 576,519,320
6.	GuoLine Capital Assets Limited		** 576,519,320
7.	Hong Leong Company (Malaysia) Berhad		** 576,519,320
8.	HL Holdings Sdn Bhd		** 576,519,320
9.	Hong Leong Investment Holdings Pte Ltd		** 576,519,320
10.	Quek Leng Chan	20,062,965	** 576,519,320
11.	ABN AMRO Holding N.V.		*** 58,727,985
12.	RFS Holdings B.V.		*** 58,727,985
13.	The Royal Bank of Scotland Group Plc		*** 58,727,985

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

** deemed interest arising through Guoco Group Limited by virtue of the operation of Section 7 of the Companies Act, Cap 50.

*** deemed interest arising from acquisition of ABN AMRO Holding N.V., the holding company for ABN AMRO Bank N.V. by RFS Holdings B.V. The Royal Bank of Scotland Group Plc holds 38.84% of RFS Holdings B.V.

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

INTERESTED PERSON TRANSACTIONS

In addition to the transactions set out in Notes 24, 27 and 32 to the Accounts, the aggregate value of Interested Person Transactions (excluding transactions less than S$100,000) entered into during the financial year is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Hong Leong Group Malaysia	S$7,813,633	N.A.

GuocoLand Limited

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of GuocoLand Limited will be held at 80 Raffles Place #25-01 UOB Plaza 1, Singapore 048624 on Friday, 17 October 2008 at 11.00 am for the following purposes:-

AS ORDINARY BUSINESS

1. To lay before the Meeting the Directors' Report and Audited Accounts of the Company for the financial year ended 30 June 2008.

2. To declare a First and Final Tax-Exempt Dividend of 8 cents per ordinary share for the financial year ended 30 June 2008. **Resolution 1**

3. To approve Directors' fees of $411,000 for the financial year ended 30 June 2008. **Resolution 2**

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

   Mr Kwek Leng Hai; and **Resolution 3**

   Mr Reggie Thein. **Resolution 4**

   (Mr Reggie Thein will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and member of the Remuneration Committee. Mr Thein is considered as an Independent Director by the Nominating Committee.)

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

AS SPECIAL BUSINESS

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

6.1 Authority to Issue Shares

(a) "That pending the adoption of the proposed GuocoLand Limited Executives' Share Option Scheme 2008 (which will come into effect on the date on which such scheme is approved by the shareholders of the Company in a general meeting or the date on which it is approved by the shareholders of Guoco Group Limited in a general meeting, whichever is the later), approval be and is hereby given to the Directors to offer and grant options under the GuocoLand Limited Executives' Share Option Scheme (the "Scheme") and to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the Scheme, provided that the aggregate number of shares to be issued pursuant to the resolution when added to the number of shares issued and issuable in respect of all options granted under the Scheme shall not exceed five per cent (5%) of the issued share capital of the Company for the time being subject to a maximum of ten percent (10%) of the issued share capital of the Company as at 29 October 2004." **Resolution 6(a)**

(b) "That pursuant to Section 161 of the Companies Act, Cap. 50, approval be and is hereby given to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per cent (10%) of the issued share capital of the Company for the time being." **Resolution 6(b)**

NOTICE OF ANNUAL GENERAL MEETING

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

Note to item 4:
In relation to the retirement of Directors by rotation at the 32nd Annual General Meeting, Mr Lum Choong Wah is also due to retire by rotation, but has given notice to the Company that he does not wish to be re-elected to office thereat.
Mr Lum will accordingly, relinquish his appointments as a member of the Audit Committee and Nomination Committee.

By Order of the Board

Dawn Pamela Lum
Group Company Secretary

30 September 2008
Singapore

Notes:
A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote instead of him/her. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 20 Collyer Quay #20-01 Tung Centre, Singapore 049319 not less than 48 hours before the time set for holding the Meeting.

Notes to Special Business:
Resolution 6(a) is to empower the Directors to issue shares pursuant to the GuocoLand Limited Executives' Share Option Scheme (the "Scheme") which was first approved at the Extraordinary General Meeting of the Company held on 31 December 1998. On 29 October 2004, Shareholders of the Company approved various amendments to the Scheme which were set out in a Circular to Shareholders dated 6 October 2004. The Company proposes to adopt the GuocoLand Limited Executives' Share Option Scheme 2008 ("New Scheme") in place of the existing Scheme. The existing Scheme will be terminated upon the adoption of the New Scheme.

Resolution 6(b) is to empower the Directors to issue shares in the Company up to an amount not exceeding ten per cent (10%) of the issued share capital of the Company for the time being. This approval will expire at the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting of the Company is required to be held, whichever is earlier. The Directors would only issue shares under the resolution where they consider it appropriate and in the interests of the Company to do so.

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GuocoLand Limited

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

PROXY FORM -
ANNUAL GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy shares of GuocoLand Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the AGM as OBSERVERS have to submit their requests through their respective CPF Approved Nominees so that their CPF Approved Nominees may register with the Company Secretary of GuocoLand Limited.

*I/We _____

of _____

being a *member/members of GuocoLand Limited, hereby appoint

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

*and/or

or, failing *him/her, the Chairman of the 32nd Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be held on Friday, 17 October 2008 at 11.00 am and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific indication as to voting is given, the *proxy/proxies may vote or abstain from voting at *his/her discretion, as *he/she will on any other matter arising at the AGM. If no person is named in the space above, the Chairman of the Meeting shall be *my/our *proxy/proxies to vote, for or against the Resolutions to be proposed at the AGM, as indicated below, for *me/us and on *my/our behalf at the AGM and at any adjournment thereof.

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

AS ORDINARY BUSINESS			
No.	**Resolutions**	**For**	**Against**
1	To declare a First and Final Tax-Exempt Dividend		
2	To approve Directors' fees		
3	To re-elect Mr Kwek Leng Hai as a Director		
4	To re-elect Mr Reggie Thein as a Director		
5	To re-appoint Messrs KPMG as auditors of the Company and to authorise the Directors to fix their remuneration		
AS SPECIAL BUSINESS			
No.	**Resolutions**	**For**	**Against**
6(a)	To authorise the Directors to grant options and issue shares under the GuocoLand Limited Executives' Share Option Scheme		
6(b)	To authorise the Directors to issue shares in the Company		

Signed this _____day of _____ 2008.

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

_____

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

* delete as appropriate

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AFFIX
STAMP
HERE

Company Secretary
GuocoLand Limited
20 Collyer Quay #20-01
Tung Centre
Singapore 049319

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NOTES TO PROXY FORM

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares in the capital of the Company registered in your name(s).

2. A member entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 20 Collyer Quay #20-01 Tung Centre, Singapore 049319 not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

4. Where a member appoints two proxies, the percentage of the shareholding represented by each such appointee should be specified. If no percentage is specified, the first named appointee shall be deemed to represent 100% of the shareholding and any second named appointee shall be deemed to be an alternate to the first named.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50. A copy of the said resolution, certified as true by an authorised officer of the Corporation, shall be affixed to the instrument of proxy.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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