

Annual Report 2022

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Guoco Tower and
Wallich Residence

About Us

GuocoLand Limited ("GuocoLand") is a public company listed on the Singapore Exchange Securities Trading Limited since 1978. Headquartered in Singapore, the principal business activities of GuocoLand and its subsidiaries ("the Group") are property development, property investment, property management and hotel operations.

The Group has established property operations in the geographical markets of Singapore, China and Malaysia, through a portfolio of quality integrated mixed-use developments as well as other premium residential, commercial, retail and hospitality developments. As a premier real estate group, GuocoLand is focused on achieving scalability, sustainability and growth in its core markets through its property development, investment and management businesses.

In recognition of its portfolio of quality, innovative developments and commitment to business excellence, the Group has been honoured with numerous awards and accolades both in Singapore and internationally.

The parent company of GuocoLand is Guoco Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. As at 30 June 2022, the Group has total assets of $12.3 billion and total equity attributable to ordinary equity holders of $4.3 billion.



TRANSFORMATIVE MIXED-USE DEVELOPMENTS

As a premier real estate group, GuocoLand's unique end-to-end capabilities in property development, investment and management allows us to create transformative mixed-use developments such as the upcoming Guoco Midtown in Singapore's Central Business District.

At the core of our developments are future-oriented Premium Grade A offices and luxury residences that focuses on liveability, flexibility and wellness, complemented by rich retail and lifestyle offerings, placemaking initiatives that engage the community, as well as a strong commitment to environmental, social and governance principles.





Above:
Retail spaces at Guoco Midtown, artist impression

Right:
Guoco Midtown, artist impression


GuocoLand
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Chairman's Statement



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of GuocoLand Limited ("GuocoLand") and its subsidiaries ("the Group") for the financial year ended 30 June 2022 ("the Year").

STRONG FINANCIAL PERFORMANCE

The Group recorded revenue of $965.5 million for the Year, an increase of 13% from $853.7 million a year ago. This was mainly due to the strong performance of the Group's two engines of growth – our property development and property investment businesses, which grew by 12% and 10%, respectively.

$965.5 m
Revenue

$392.7 m
Profit Attributable to Equity Holders

The Group's property development business continued to form a steady base for our revenue, mainly driven by the higher progressive recognition of sales from our luxury residential developments in Singapore, such as Meyer Mansion and Midtown Modern.

Meanwhile, our strategy to develop our property investment business is delivering positive results. Our portfolio of investment properties, comprising our flagship integrated mixed-use development Guoco Tower and the upcoming Guoco Midtown, recorded a fair value gain of $328.1 million[1] during the Year as compared to $71.5 million a year ago. The Group's gross profit from its property investment business grew by 11% to $94.4 million for the Year.

Consequently, the Group has more than doubled its profit attributable to equity holders to $392.7 million for the Year from $169.1 million a year ago.

As at 30 June 2022, the Group's financial position remained strong with total assets growing by 9% to $12.3 billion. Equity attributable to ordinary equity holders increased to $4.3 billion from $4.0 billion a year ago, mainly due to profit for the Year. Net asset value per share was $3.86 as at 30 June 2022, compared to $3.60 in the prior financial year.

This is testament to the success of the Group's strategy to diversify its profit sources through its property investment business in addition to its property development business.

[1] *Fair value gains on investment properties included a fair value of $79.3 million recognised in cost of sales for the transfer of Guoco Changfeng City's South Tower from development properties to investment properties.*

PRUDENT AND DISCIPLINED CAPITAL MANAGEMENT

As at 30 June 2022, the Group's net debt stands at $4.6 billion. The 10% increase in total loans and borrowings were largely related to the financing for the acquisition of the site of Lentor Modern, which saw a successful public launch on 17 September 2022, with 84% sold in the first weekend. The Group's net debt to equity ratio remains at approximately 1 time.

DIVIDEND

The Board has proposed a first and final one-tier tax exempt ordinary dividend of 6 cents per share for the Year, after considering various factors including the Group's financial performance, working capital requirements, future investment plans and the softer economic outlook. Subject to shareholders' approval at the Annual General Meeting scheduled for 14 October 2022 ("AGM"), the dividend will be paid to shareholders on 15 November 2022.

ENSURING SUSTAINABLE GROWTH

Even as the Group increases our presence in our key markets, particularly in Singapore, we will continue to embed environmental, social and governance criteria into our strategy and operations to ensure sustainable growth. We are committed to reduce our carbon footprint and have completed an extensive exercise to calculate our carbon inventory. We are pleased to share that we are disclosing our Scope 1, 2 and 3 carbon emissions for the first time in our Sustainability Report. With the goal of achieving a balanced triple bottom line of profit, people and the planet, we will continue to refine the Group's strategic roadmap towards decarbonisation.

OUTLOOK

The last two years have been challenging with the COVID-19 situation, but Singapore has emerged stronger and shown the world how resilient the nation is. This will instil confidence in Singapore's economy as well as our property market, notwithstanding the global challenges such as geopolitical tensions in Europe and in other parts of Asia.

Demand in Singapore's housing market is expected to be stable given the limited new launches in 2022 and the genuine demand among locals who are first-time buyers and HDB upgraders. However, headwinds are expected from rising interest rates, macroeconomic and geopolitical uncertainties. There may also be regulatory updates that may further impact the residential market.

Rents for Premium Grade A offices in Singapore's Central Business District have continued to strengthen on the back of limited new supply and the economic vibrancy of Singapore. However, rental growth may be tempered by economic uncertainties.

In China, overall demand remained weak in most cities despite gradual easing in property curbs and actions by authorities to boost demand. The pace of recovery for the Year was hindered by continual start-stop lockdowns in various cities. However, the government has signalled its resolve to ensure the property sector's stable and healthy development at the national level.

In Malaysia, residential property market could progressively regain sales momentum following the removal of more pandemic induced restrictions, the full reopening of borders and recovery in the labour market. While economic recovery is underway, its pace will be affected by the elevated prices of building materials, inflation and labour cost.

A NOTE OF APPRECIATION

I wish to thank my fellow Board members for their guidance and wise counsel to steer the Group through an ever-evolving business environment to achieving the strong results for the Year.

We would like to extend a warm welcome to Independent Non-Executive Director Mr Wee Lieng Seng who joined us on 29 October 2021. Lieng Seng is also Chairman of the Nominating Committee and Remuneration Committee, as well as a member of the Audit and Risk Committee. We are confident that the Group will continue to benefit from his contributions in the years ahead.

During the Year, two Independent Non-Executive Directors who had served with distinction and grace retired from the Board. Ms Lim Suat Jien retired from her role in May 2022, while Ms Jennie Chua Kheng Yeng retired from her role in August 2022. We thank them both for their invaluable guidance and contributions to GuocoLand over the last 9 years.

Having been appointed as Director and Chairman of the Board since November 2013, I shall be retiring by rotation at the AGM and will not be seeking re-election. It has been an honour to have served as Chair and alongside the many distinguished Directors, past and present. I have the utmost confidence in the Board as well as the management of GuocoLand, that they will continue to grow GuocoLand into a premier real estate group in Asia. I would like to wish the Group every success in the future.

Last but not least, on behalf of the Board, we would like to thank our shareholders, customers, and business associates, as well as the management and employees of GuocoLand for their continued support and trust in the Group.

MOSES LEE KIM POO
Chairman
20 September 2022

Financial Highlights

YEAR ENDED 30 JUNE	2018[1]	2019	2020	2021	**2022**
	$'000	$'000	$'000	$'000	**$'000**
STATEMENTS OF PROFIT OR LOSS					
Revenue by operating segments					
GuocoLand Singapore	1,018,367	716,542	756,027	617,782	**698,208**
GuocoLand China	5,807	3,721	3,399	12,555	**105,417**
GuocoLand Malaysia	56,427	114,530	123,864	205,487	**128,331**
GuocoLand Vietnam	2,552	19,178	-[2]	-	**-**
Others[3]	58,516	72,986	51,512	17,910	**33,558**
Total revenue	1,141,669	926,957	934,802[2]	853,734	**965,514**
Profit before tax	484,044	309,020	156,078[2]	239,875	**525,507**
Profit attributable to equity holders of the Company	413,207	255,674	114,069	169,106	**392,728**
Proposed dividends in respect of ordinary shares[4]	77,684	77,684	66,586	66,586	**66,586**
STATEMENTS OF FINANCIAL POSITION					
Property, plant and equipment and right-of-use assets	618,054	592,263	488,538	479,055	**459,407**
Investment properties	4,623,436	4,877,319	4,917,019	4,974,546	**5,931,715**
Associates and joint ventures	894,090	543,969	529,648	517,892	**554,406**
Inventories	2,858,134	2,982,227	3,922,646	3,550,906	**3,881,748**
Cash and cash equivalents	884,934	823,718	933,892	1,129,289	**1,084,925**
Other assets	541,870	211,953	346,812	663,894	**416,212**
Total assets	10,420,518	10,031,449	11,138,555	11,315,582	**12,328,413**
Equity attributable to ordinary equity holders of the Company	3,759,063	3,825,698	3,851,424	4,000,224	**4,283,813**
Perpetual securities	404,976	405,949	406,492	407,060	**407,656**
	4,164,039	4,231,647	4,257,916	4,407,284	**4,691,469**
Non-controlling interests	394,456	410,866	503,434	537,176	**620,780**
Loans and borrowings	4,923,804	4,489,796	5,265,249	5,112,233	**5,646,771**
Other liabilities	938,219	899,140	1,111,956	1,258,889	**1,369,393**
Total equity and liabilities	10,420,518	10,031,449	11,138,555	11,315,582	**12,328,413**
RATIOS					
Net asset value per share ($)	3.39	3.45	3.47	3.60	**3.86**
Basic earnings per share[5] (cents)	36.53	21.30	8.57	13.52	**33.68**
Dividend per ordinary share (cents)	7	7	6	6	**6**

(1) Comparatives for 2018 restated to take into account retrospective adjustments arising from the adoption of Singapore Financial Reporting Standards (International) in 2019.

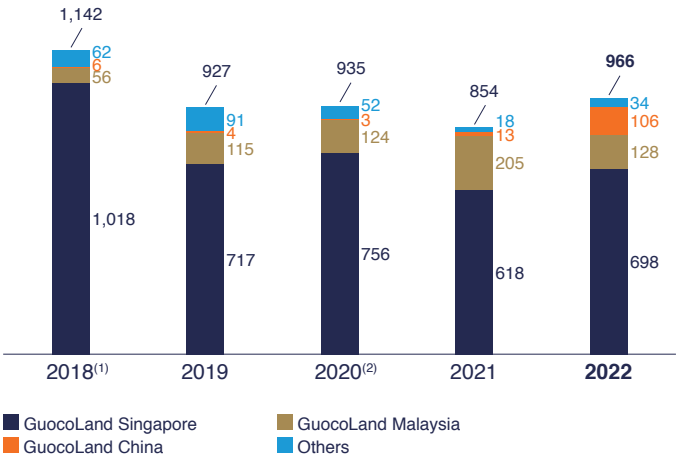
(2) The comparative information in 2020 has been re-represented due to discontinued operation of the GuocoLand Vietnam Segment in 2021.

(3) "Others" included hotel operations and investment in property development projects in the United Kingdom and Australia.

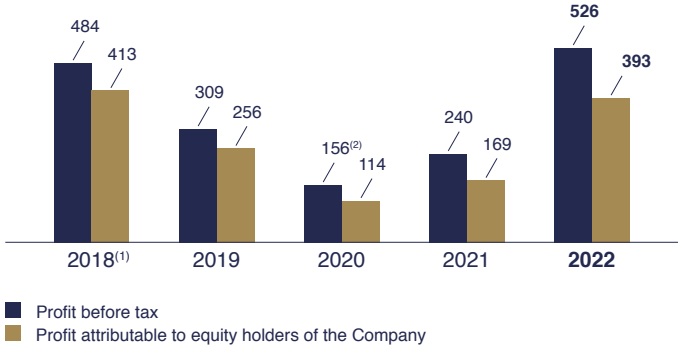
(4) The amount is derived after deducting dividends to be paid in respect of ordinary shares of the Company which were held by the Trust for Executive Share Scheme.

(5) The calculation was based on the profit attributable to equity holders of the Company less profit attributable to perpetual securities holders (if any), divided by the weighted average number of ordinary shares of the Company in issue, after adjusting for the shares held by the Trust during the year.

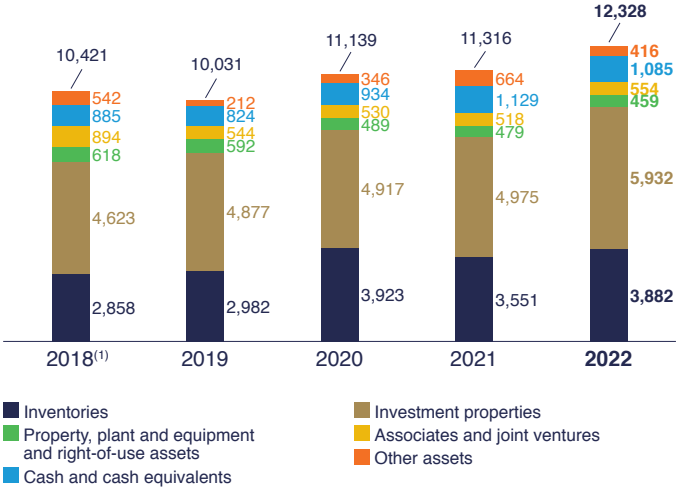
GROUP REVENUE ($ MILLION)



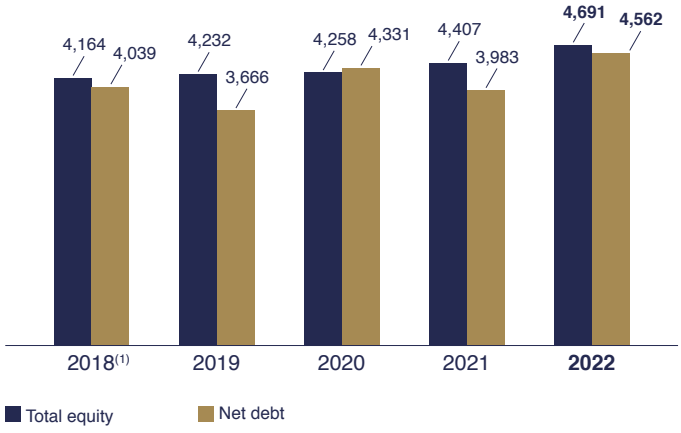
GROUP PROFIT ($ MILLION)



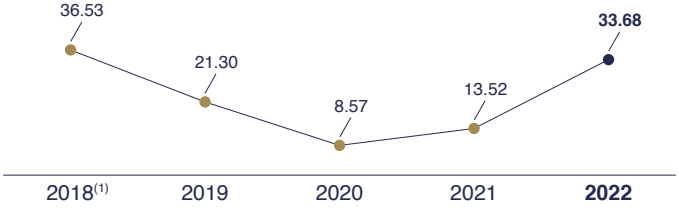
GROUP TOTAL ASSETS ($ MILLION)



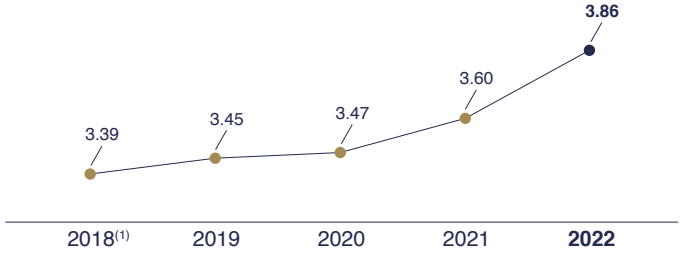
TOTAL EQUITY(6) AND NET DEBT(7) ($ MILLION)



BASIC EARNINGS PER SHARE(5) (CENTS)



NET ASSET VALUE PER SHARE ($)



(6) *Total equity is defined as equity attributable to ordinary equity holders of the Company and perpetual securities.*

(7) *Net debt is defined as loans and borrowings less cash and cash equivalents.*





PREMIUM RESIDENTIAL DEVELOPMENTS

With premium brand names such as Wallich Residence, Leedon Residence and Goodwood Residence, the GuocoLand brand is synonymous with quality, luxury homes that are designed with the users' perspectives in mind.

GuocoLand's 'Modern' series – Martin Modern, Midtown Modern and Lentor Modern – redefines modern luxury through the use of architecture that is timeless and classic, efficient and adaptable layouts that support living, working and entertaining at home, a strong focus on wellness through accessibility to nature and shared amenities to promote social activities.

Midtown Modern duplex, artist impression

Business Review



For the financial year ended 30 June 2022 (the "Year"), the Group's on-going strategy to diversify and grow our revenue streams through our property development and property investment businesses has delivered results. We also continued to strengthen our asset and property management capabilities.

MULTI-PLATFORM REAL ESTATE COMPANY

The GuocoLand brand today is known for its portfolio of prime, iconic mixed-use developments and premium homes. We will continue to be anchored by our strong Singapore operations, while remaining committed to the key Asian gateway markets of China and Malaysia.

We have also developed strong end-to-end capabilities, from the ability to spot land sites with great potential, to conceptualising, developing and managing large and complex projects,

marketing and managing the assets to create value. This allows us to capitalise on our strong track record and balance sheet to pursue a robust growth strategy to grow our property development and property investment business.

PREMIUM RESIDENTIAL BRANDING

We have built a strong premium brand over the years with our luxury residential developments such as Wallich Residence, Leedon Residence and Goodwood Residence.

In recent years, the Group's 'Modern' series has also redefined modern luxury lifestyle through the use of architecture that is timeless and classic, efficient and adaptable layouts that support living, working and entertaining at home. Our residential projects also promote wellness through accessibility to nature and providing shared amenities to promote social activities.

Two of our latest mixed-development projects – Midtown Modern and Lentor Modern – will provide home owners with an elevated level of convenience and connectivity by having retail shops and F&B outlets right below their homes and also by being directly integrated with an MRT station.

The healthy sales of our residential projects will progressively translate into earnings as their construction progresses. Singapore residential projects form the bulk of our pipeline, while the rest are made up by projects in China and Malaysia.

Guoco Tower



Business Review



GROWING RECURRENT INCOME

As at 30 June 2022, the value of our investment properties stands at $5.9 billion, accounting for 60% of the total asset value of our development properties and investment properties combined – worth $9.8 billion.

At Guoco Tower, our flagship integrated mixed-use development in Singapore, Premium Grade A offices and retail units continued to maintain high occupancy and record positive lease reversions even through the pandemic.

Guoco Midtown, the Group's upcoming large-scale integrated mixed-use development in Singapore's Central Business District ("CBD"), marked the topping out of its 30-storey office tower in late May 2022, and is targeting to be completed in phases from the fourth quarter of 2022. Upon completion, it will add another 709,000 square feet ("sq ft") to our Premium Grade A office portfolio in Singapore and further boost our recurrent income.

We have seen strong interest for Guoco Midtown's Premium Grade A office space, with 60% pre-commitment take up, including several deals in advanced stages of negotiation. Secured and prospective tenants include major multinational companies across a highly diversified group of industries, including technology, banking and finance, private equity, life sciences, trading, reinsurance, chemical, energy, maritime, consumer as well as professional services.

In time, we will also be able to scale our asset management business in tandem with our growing investment portfolio.











Above:
Wallich Residence

Top right:
Sofitel Singapore City Centre

Far left:
Guoco Tower Urban Park

Left:
Guoco Tower basement retail connected to MRT

ICONIC INTEGRATED MIXED-USE DEVELOPMENTS

Guoco Tower & Wallich Residence

Our flagship transit-oriented integrated development in the CBD continued to contribute significantly to our recurrent income for the Year. Comprising 890,000 sq ft of Premium Grade A office space, 100,000 sq ft of retail space, 181 exclusive apartments at Wallich Residence, a luxury hotel in Sofitel Singapore City Centre and a 150,000 sq ft Urban Park, Guoco Tower is Singapore's tallest building standing at a height of 290m. Guoco Tower is connected directly to the Tanjong Pagar MRT station – one of the busiest MRT stations in the CBD.

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

As at 30 June 2022, the occupancy for Guoco Tower's office and retail components (including pre-committed leases) stood at 100%.

Wallich Residence, which occupies the highest floors of Guoco Tower starting from 180m above mean sea level, is the epitome of ultra-luxury living in the city. Living in the integrated development, residents have access to a wide range of well-curated F&B and retail offerings, while enjoying the exclusivity that Wallich Residence offers. As at 30 June 2022, 85% of the 181 ultra-luxury apartments have been sold.

Sofitel Singapore City Centre is the only 5-star luxury hotel in Tanjong Pagar, and comes with 223 luxuriously-appointed rooms and suites. In the second half of the Year, it emerged from being a Stay Home Notice Dedicated Facility, and, with the re-opening of borders, has focused on the higher-yielding corporate travel segment. Staycations remained a crucial part of the business especially during weekends, and the hotel saw a record number of weddings held at its pillar-less ballroom, part of the hotel's 12,000 sq ft MICE facilities. As many countries have now eased travel restrictions, we are looking at a year of recovery for the hospitality and MICE industry in the new financial year.

Business Review

Guoco Midtown, Midtown Bay & Midtown Modern

Sprawled over 3.2 hectares ("ha") of land in prime CBD, Guoco Midtown is the Group's upcoming mega transit-oriented integrated development at the Beach Road-Bugis district. Set to transform the location into a new Midtown of Singapore, the development is anchored by a 30-storey Premium Grade A office tower with high quality specifications. Guoco Midtown also comprises a five-storey Network Hub building, three retail clusters, and two condominiums with distinctly different concepts – Midtown Bay and Midtown Modern. The entire mixed-development is seamlessly connected to the Bugis MRT interchange station, served by both the East-West Line and Downtown Line.

Guoco Midtown's office offers five dimensions of flexibility, which also demonstrates our forward thinking in creating products and services to serve tenants who are operating in a highly dynamic business environment. For instance, the 'Flex in Core' design of Guoco Midtown offers tenants unparalleled flexibility to design their office space as an activity-based workplace suited for hybrid work strategy, while our 'Core in Flex' leasing concept enables growing enterprises with a core office in the office tower to lease additional dedicated, fitted out swing spaces. Another dimension of office flexibility is 'Flex Connect', where tenants can tap on the Network Hub annexe building – a first-of-its-kind, purpose-built business and social club that offers additional service-upon-demand office spaces and meeting facilities.





Left and right: Guoco Midtown, artist impression



Business Review

In addition, Guoco Midtown's immersive work-live-play concept supports the physical and mental wellness of its occupants through a wide range of recreational, retail and garden spaces. There will be 30 thematic gardens and landscape areas that span more than 3.8ha incorporated across Guoco Midtown, Midtown Bay and Midtown Modern. The Guoco Midtown community will also stand to benefit from the placemaking efforts by GuocoLand.

Guoco Midtown is expected to be completed in phases and be accretive to revenue progressively from the fourth quarter of 2022 to 2023.

Midtown Bay

With an innovative business home concept, Midtown Bay will give new meaning to 'work from home' when completed in 2023. Midtown Bay owners who are also owners of small businesses will find it an ideal residence to run their home offices or family offices from, as they will have access to the facilities of Guoco Midtown's Network Hub. Midtown Bay comprises 1- and 2-bedroom units as well as 2- and 3-bedroom duplexes which provide buyers with greater flexibility. As at 30 June 2022, 38% of the 219 units have been sold.

Midtown Modern

With its unique 'nature in the city' concept focusing on wellness, efficient layouts and extensive amenities, Midtown Modern is a rare family-oriented residential development with full condominium facilities in the CBD. Besides 1- to 4-bedroom units, Midtown Modern features an exclusive collection of duplexes. Targeted for completion in 2024, Midtown Modern is jointly developed with Hong Leong Holdings Limited and Hong Realty (Private) Limited. As at 30 June 2022, 76% of its 558 units have been sold.



Midtown Bay, artist impression



Lentor Modern, artist impression

Lentor Modern

Lentor Modern is situated on a 1.7ha site surrounded by various parks and reservoirs in the vicinity. It comprises three 25-storey residential towers with 605 units above a mall with more than 96,000 sq ft of F&B and retail shops, a supermarket and a childcare centre. The development is directly integrated with Lentor MRT station on the Thomson-East Coast Line ("TEL"). The 2- to 4-bedroom units all come with an additional Flex Room. With Lentor Modern, GuocoLand will kickstart the rejuvenation and transformation of the new Lentor Hills estate.

PREMIUM RESIDENTIAL DEVELOPMENTS & INVESTMENT PROPERTY

Martin Modern

Martin Modern, the Group's luxury residence located in the lifestyle and residential enclave of Robertson Quay in prime District 9, received Temporary Occupation Permit ("TOP") in May 2021. As at 30 June 2022, 100% of its 450 units have been sold and handed over to home owners.

Meyer Mansion

The Group's freehold seafront development offers unblocked panoramic views of the sea and the prestigious Meyer Road landed homes estate where it is located in. Meyer Mansion is within walking distance to East Coast Park and a short 10-minute drive away from the city. Residents will enjoy greater connectivity when the upcoming Katong Park MRT station on the TEL is opened by the end of 2022. Meyer Mansion is on track for completion in 2024. As at 30 June 2022, 79% of Meyer Mansion's 200 units have been sold.

The Avenir

Located in the heart of prime District 9, The Avenir is a freehold luxury condominium jointly developed with Hong Leong Holdings Limited and Hong Realty (Private) Limited. The development is located near the upcoming Great World MRT Station on the TEL. The Avenir is scheduled for completion in 2024. As at 30 June 2022, 76% of its 376 units have been sold.

Lentor Hills Residences

Jointly developed with Intrepid Investments Pte. Ltd. (a wholly-owned subsidiary of Hong Leong Holdings Limited) and TID Residential Pte. Ltd. (joint venture between Hong Leong Holdings and Mitsui Fudosan), the up-coming Lentor Hills Residences will be a new 99-year leasehold residential development with 598 units at the new Lentor Hills estate, which is also located within minutes from the Lentor MRT station.

20 Collyer Quay

The Group's other investment property in Singapore which contributes to our recurring income is 20 Collyer Quay, a 24-storey prime office building in the heart of the CBD which has sheltered direct access to Raffles Place MRT interchange station. As at 30 June 2022, 20 Collyer Quay's occupancy rate was 92%.

Business Review

CHINA

INTEGRATED MIXED-USE DEVELOPMENTS

Guoco Changfeng City

Guoco Changfeng City, a large-scale mixed-use development strategically located on a prime site in the Changfeng precinct, Putuo District in Shanghai, has commenced partial operations for the office component, with the rest of the project scheduled for completion in phases in 2022. The development comprises two 18-storey Grade A office towers (North & South Tower), two low-rise office buildings, a cultural office building and basement retail.

The Group plans to retain South Tower and the basement retail as investment properties. As at 30 June 2022, the two low-rise office buildings have been sold and South Tower achieved 85% occupancy including pre-committed leases. The basement retail has also been fully leased.

Guoco Changfeng City is the first commercial project in Putuo District to achieve the highest rating of Platinum certifications for both Leadership in Energy and Environmental Design (LEED) and WELL Building Standard by the International WELL Building Institute.



Guoco Changfeng City

Chongqing Guocoland 18T

Situated in one of Chongqing's most iconic neighborhoods – Shibati (十八梯 or 18 Steps) and next to the Jiefangbei (Liberation Square) CBD, Chongqing GuocoLand 18T will set a new benchmark for luxury living in the city. The first two of four plots that is being developed now encompass five high-rise residential towers with more than 1,000 luxury apartments on top of a lifestyle mall based on 'high-street' concept. Apartments have splendid views overlooking the Yangtze River. The development is working towards being the first residential development in Asia to receive the highest level of Platinum certification for the WELL Building Standard. As at 30 June 2022, more than 230 units have been sold.

RESIDENTIAL DEVELOPMENTS

Chongqing Central Park Residential Project

The master plan has been approved for a new residential project in the Chongqing Liang Jiang New Area, located near Chongqing Central Park which is the third largest urban park in the world after New York's Central Park and London's Hyde Park. The 35-acre development, offering over 1,600 mid-rise apartments, is in one of the most sought after residential areas in Chongqing. The project is targeted to be launched in the second quarter of 2023.



Chongqing Guocoland 18T, artist impression

MALAYSIA

INTERGRATED MIXED-USE DEVELOPMENTS

Damansara City

The 8.5-acre freehold mixed-development is in the Damansara Heights area – one of the most prime and coveted distrcts in Kuala Lumpur. It comprises two Grade A office towers, namely Menara Guoco and Menara Hong Leong, a 200,000 sq ft food-and-lifestyle centric DC Mall, 370 luxury apartments of DC Residensi and the 312-room five-star Sofitel Kuala Lumpur Damansara. The hotel also includes five F&B outlets and over 15,000 sq ft of MICE facilities.

Emerald 9

Located in the prime Cheras 9th Mile, Emerald 9 is an integrated development comprising residences, offices, retail and green community spaces. The first phase is targeted to be completed in 2023. The freehold development is linked to the Taman Suntex MRT station and is eight stops away from Kuala Lumpur City Centre. As at 30 June 2022, 95% of the 816 serviced apartment units launched to-date have been sold.

Emerald 9's Phase 2 Tower D was successfully launched in June 2022. Tower D offers 536 units with built-ups from 675 sq ft to 1,300 sq ft, designed for young working adults and families wishing to upgrade.

Business Review



Emerald Hills, artist impression

RESIDENTIAL DEVELOPMENTS

Emerald Hills

Emerald Hills is an exclusive gated and guarded residential enclave in Alam Damai, Cheras, 18km from Kuala Lumpur City Centre. As at 30 June 2022, 88% of the 1,166 apartments and townhouses have been sold. The project will be completing in phases starting from the third quarter of 2022 till 2025.

Emerald Rawang

Emerald Rawang is a master-planned township development located on a 1,000-acre land within the fast-growing Rawang town in Selangor. The Group sold a total of 540 homes from various phases that were completed and still under construction during the Year. Following the success of the earlier phases, the Group plans to launch another phase of freehold double-storey terrace homes in the fourth quarter of 2022. The Group will also introduce a new waterfront town centre that includes a supermarket and other F&B and retail outlets.

Emerald Sepang

In Emerald Sepang, the Group has sold 171 units from various phases that were completed during and still under construction during the Year. The Group plans to develop a 4-acre commercial plot as the town centre.

OTHER HOTELS IN MALAYSIA

The Group owns two other hotels in Malaysia. Thistle Port Dickson Hotel is a beachfront resort with 251 rooms and suites, and MICE facilities in the Port Dickson Beach area popular with locals. Thistle Johor Bahru Hotel has 381 well-appointed rooms and suites, in close proximity to the city's business hub.

ROBUST SUSTAINABILITY FRAMEWORK

At GuocoLand, our business decisions are guided by a strong emphasis on environmental, social and governance ("ESG") principles. We believe that in paying attention to the needs of our stakeholders, we create long-term value for our shareholders. As a responsible corporate citizen, we will strive to reduce the Group's carbon footprint even as we continue to grow as one of Asia's premier real estate groups.

CHENG HSING YAO
Chief Executive Officer
20 September 2022

Awards & Accolades

In recognition of the Group's portfolio of quality, innovative developments and commitment to business excellence, GuocoLand has been honoured with numerous awards and accolades, including the title of Top Developer and seven development awards for Midtown Modern at the 5th EdgeProp Singapore Excellence Awards. GuocoLand also received seven awards, including the top honours of Best Developer for a second successive year, at the 11th Asia Property Awards (Singapore) 2021. In addition, Guoco Tower was named World Silver Winner in the Residential (High Rise) category at the 2022 FIABCI World Prix d'Excellence Awards.

SINGAPORE

GuocoLand

BCA Quality Excellence Awards 2021
- Quality Champion (GoldPlus), Developer

BCI Asia Awards 2021
- Top Ten Developers Award

11th Asia Property Awards (Singapore) 2021
- Best Developer
- Special Recognition in ESG
- Special Recognition in Sustainable Design and Construction

5th EdgeProp Singapore Excellence Awards 2021
- Top Developer

Real Estate Asia Awards 2021
- Developer of the Year, Singapore

Guoco Midtown

International Property Awards 2022 (Asia Pacific)
- Award winner, Mixed-Use Development Singapore

Real Estate Asia Awards 2021
- Mixed-Use Development of the Year, Singapore

Wallich Residence

FIABCI World Prix d'Excellence Awards 2022
- World Silver Winner of the Residential (High Rise) Category

Martin Modern

Real Estate Asia Awards 2021
- Luxury Residential Development of the Year, Singapore

Luxury Lifestyle Awards 2021
- Best Luxury Residential Development in Singapore

Midtown Bay

11th Asia Property Awards (Singapore) 2021
- Best WFH Development (inaugural winner)

Midtown Modern

11th Asia Property Awards (Singapore) 2021
- Best Luxury Condo Development
- Best Luxury Condo Architectural Design
- Best Luxury Condo Landscape Architectural Design

5th EdgeProp Singapore Excellence Awards 2021
- Top Development
- Mixed-Use Development Excellence
- People's Choice
- Layout Excellence
- Landscape Excellence
- Innovation Excellence
- Marketing Excellence

International Property Awards 2022 (Asia Pacific)
- Award winner, Residential Development Singapore
- Award winner, Landscape Architecture Singapore
- Best Development, Marketing Singapore

CHINA

Guoco Changfeng City - South Tower

Shanghai Construction Trade Association
- Shanghai Construction Project "Magnolia Award"

Chongqing GuocoLand 18T Mansion

The 18th Internet Popularity List by Fang.com
- 2021 Iconic Property in Chongqing

Comfort Living in China – Quality Month Event by www.cqn.com.cn
- 2021 Property Excellence in Quality and Value

2021 Chongqing Real Estate Iconic Brand by CRI Online (Chongqing)
- Chongqing Urban Construction Iconic Residence

MALAYSIA

GuocoLand Malaysia

BCI Asia Awards 2021
- Top Ten Developer Award

Emerald 9

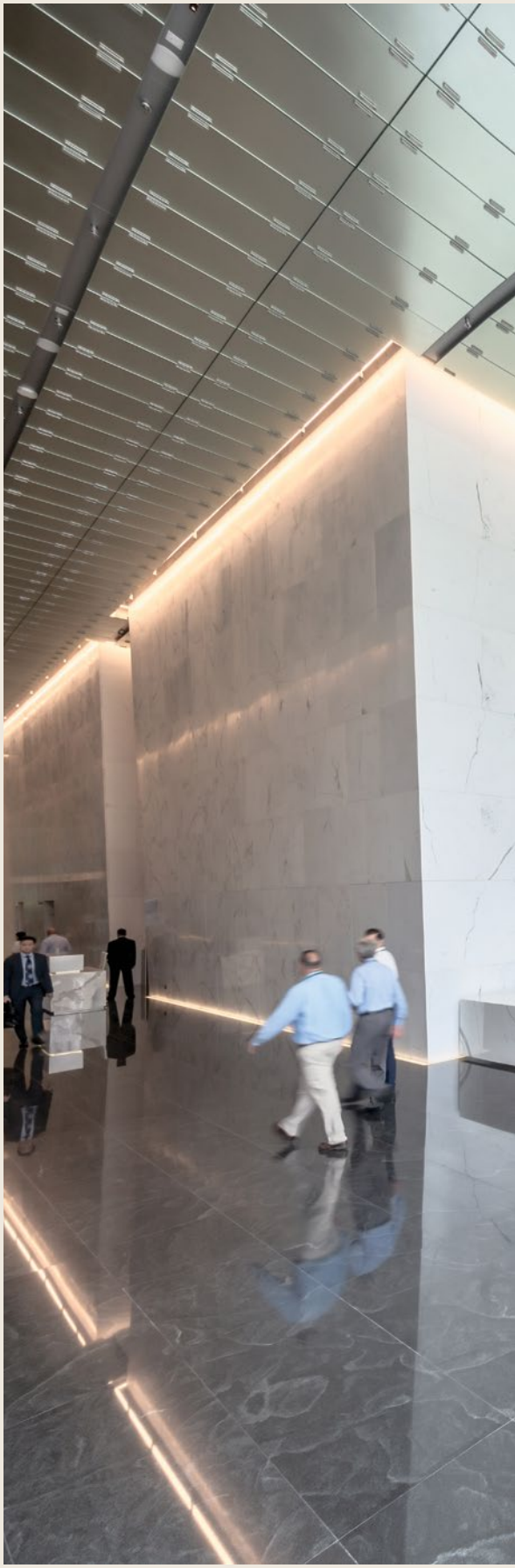
StarProperty Awards 2021
- The Skyline Award – Best High-Rise Residential Development (Excellence)
- The Proximity Award – Best Integrated Transit-Oriented Development (Honours)

QUALITY INVESTMENT PROPERTIES

With a strong foundation in our development business, the Group's strategy is to grow our investment business and raise the value of our portfolio of investment properties.

The Premium Grade A offices and retail units at our flagship integrated mixed-use development Guoco Tower in Singapore continued to maintain high occupancy and record positive lease reversions. When completed, Guoco Midtown will add to GuocoLand's portfolio of investment properties and further boost the Group's recurrent income. We will also build on our asset management business using our investment portfolio.





Above and right:
Guoco Tower office space and lobby


STOP

Board of Directors

MOSES LEE KIM POO, 71
Chairman
Independent Non-Executive Director

Mr Lee was appointed as Chairman of the Board and the Company on 1 November 2013, and was re-elected as Director at the Company's Annual General Meeting ("AGM") held on 24 October 2019. Mr Lee will be retiring by rotation at the Company's AGM to be held on 14 October 2022 and will not be seeking re-election at the said AGM.

Mr Lee is also the Chairman of Special Needs Trust Company Limited and Chairman of SG Enable Ltd. He had served as the Commissioner of Inland Revenue Authority of Singapore and Permanent Secretary in the Ministries of Labour, Community Development and Health. He was awarded the Public Administration Medal (Gold) in 1996.

Mr Lee holds a Bachelor of Engineering (Mech & Production) (Hons-Class I) from the University of Singapore and a Master in Public Administration from Harvard University, USA.

Present directorship(s) in other listed companies
- Nil

Past directorship(s) in listed companies held over the preceding 5 years
- M1 Limited (delisted from the Singapore Exchange Securities Trading Limited ("SGX-ST") in April 2019)

CHENG HSING YAO, 51
Chief Executive Officer
Non-Independent Executive Director

Mr Cheng was appointed as Chief Executive Officer of the Group and Executive Director to the Board on 1 July 2021 and was re-elected as Director at the Company's AGM held on 28 October 2021.

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

Mr Cheng is currently a Non-Independent Non-Executive Director of GLM REIT Management Sdn Berhad, an indirect subsidiary of the Company and the Manager of Tower Real Estate Investment Trust which is listed on Bursa Malaysia. He is a member of the National Parks Board, Singapore. Mr Cheng is a member of URA's International Panel of Experts, as well as its Design Advisory Committee and Heritage and Identity Partnership. He is also Co-chairman of the Central Procurers Panel at the Building and Construction Authority, Singapore.

Besides serving as an executive committee member of the Urban Land Institute Singapore, Mr Cheng is a member of the management board of the Institute of Real Estate and Urban Studies at the National University of Singapore. In addition, he was the Founding Chairman of Discover Tanjong Pagar – the Business Improvement District association for Tanjong Pagar. He is currently a Director of Discover Tanjong Pagar.

In January 2021, Mr Cheng was appointed by the President of the Republic of Singapore as a Nominated Member of Parliament.

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

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

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

QUEK LENG CHAN, 79
Non-Independent Non-Executive Director

Mr Quek was appointed to the Board on 19 December 1988, and was re-elected as Director at the Company's AGM held on 28 October 2021. He is a member of the Remuneration Committee.

Mr Quek is the Chairman of GuoLine Capital Assets Limited, the ultimate holding company of the Company. He is also the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad.

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

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

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

Past directorship(s) in listed companies held over the preceding 5 years
- Hong Leong Capital Berhad, listed on Bursa Malaysia
- GuocoLand (Malaysia) Berhad, listed on Bursa Malaysia

KWEK LENG HAI, 69
Non-Independent Non-Executive Director

Mr Kwek was appointed to the Board on 28 November 1988, and was re-elected as Director at the Company's AGM held on 23 October 2020. He is a member of the Nominating Committee. Mr Kwek is proposed for re-election at the Company's AGM to be held on 14 October 2022.

Mr Kwek is the Executive Chairman of Guoco Group Limited, listed on The Stock Exchange of Hong Kong Limited ("HKSE"). He was the President, CEO of Guoco Group Limited from 1995 to 1 September 2016. Mr Kwek is a Director of GuoLine Capital Assets Limited, the ultimate holding company of the Company. He is also a Director of GL Limited which was privatised and delisted from SGX-ST in June 2021.

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

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

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

SAW KOK WEI, 59
Independent Non-Executive Director

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

Since 1 October 2021, Mr Saw resumed as Chief Financial Officer of Jurong Port Pte Ltd ("Jurong Port") having served in this capacity from September 2013 to March 2019. Prior to his current appointment, Mr Saw was President, Business Units of Jurong Port from April 2019 to September 2021, and oversaw several functions including Finance, Admin, Enterprise Risk Management, Information Technology and Business Intelligence.

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

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

Present directorship(s) in other listed companies
- Nil

Past directorship(s) in listed companies held over the preceding 5 years
- Hong Leong Financial Group Berhad, listed on Bursa Malaysia

Board of Directors

CHEW SEONG AUN, 58
Non-Independent Non-Executive Director

Mr Chew was appointed to the Board on 8 January 2021 and was re-elected as Director at the Company's AGM held on 28 October 2021. He is a member of the Audit and Risk Committee.

Mr Chew is currently the Executive Director and Group Chief Financial Officer of Guoco Group Limited, listed on HKSE. He is also a Director of GL Limited which was privatised and delisted from SGX-ST in June 2021.

In 2006, he joined Hong Leong Financial Group Berhad ("HLFG"), listed on Bursa Malaysia, as Chief Financial Officer. From 2017 to 2021, he was the Chairman of the Board of Directors of Hong Leong Asset Management Berhad, a subsidiary of HLFG.

Mr Chew holds a Bachelor of Science (Eng) degree in Civil Engineering (Honours) from Imperial College, University of London and is a fellow member of the Institute of Chartered Accountants in England and Wales (ICAEW). He is also a member of the Asian Institute of Chartered Bankers in Malaysia. He has over 30 years of experience in finance and banking.

Present directorship(s) in other listed companies
- Guoco Group Limited, listed on HKSE
- Lam Soon (Hong Kong) Limited, listed on HKSE
- The Rank Group Plc, listed on London Stock Exchange

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

WEE LIENG SENG, 64
Independent Non-Executive Director

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

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

Mr Wee was a Managing Director, Global Risk Management at Bankers Trust (now part of Deutsche Bank) where he helped to build and run the bank's worldwide risk management group. He was instrumental in developing quantitative risk methodologies that are now part of global bank capital regulations. Prior to Bankers Trust, Mr Wee was a senior associate at Booz Allen in New York managing strategy engagements across industries. He started his career as a banker at Banque Paribas in Singapore and New York. Mr Wee has been an adjunct professor of risk management at Singapore Management University, Columbia University and Peking University. He was appointed Senior Fellow of The Wharton School. He co-authored the books, "What Every CEO Must Know About Risk" and "RAROC and Risk Management".

Mr Wee currently serves on the Management Advisory Board of NUS Business School and on the Investor Committee of Mapletree US Logistics Private Trust.

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

Present directorship(s) in other listed companies
- Nil

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

Key Senior Management

CHIEF EXECUTIVE OFFICER
CHENG HSING YAO

Please refer to profile on page 24.

GUOCOLAND SINGAPORE
CHENG HSING YAO
Country Head

Please refer to profile on page 24.

GROUP CHIEF FINANCIAL OFFICER
ANDREW CHEW

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

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

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

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

GUOCOLAND MALAYSIA
TAN WEE BEE
Country Head

Mr Tan is the Group Managing Director of GuocoLand Malaysia. He joined the Group in March 2021. Mr Tan brings over 25 years of experience as a senior business leader in the property development and construction industry; both in Singapore and Malaysia as well as internationally.

His career started with the Housing & Development Board of Singapore as a Structural Engineer, then as a Project Engineer at a construction company. In 1997, Mr Tan joined a real estate company and worked his way up to Executive Director. He assumed the role of Deputy Managing Director in 2015 and oversaw property development of all townships and projects in Malaysia and Singapore. Mr Tan was also responsible for the overseas expansion of the company's business.

Mr Tan holds a Bachelor of Engineering, Civil Engineering from National University of Singapore ("NUS"), a Master of Science, Civil Engineering from NUS, and a Master of Business Administration from State University of New York at Buffalo, USA.

GUOCOLAND CHINA
PETER LEE WAI MUN
Country Head

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

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

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

Sustainability Overview

GuocoLand publishes an annual sustainability report on its sustainability practices and performance for the period 1 July 2021 to 30 June 2022 ("FY2022"). The reporting period aligns with the Group's financial year.

The Sustainability Report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option, with reference to the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited Listing Manual (Rules 711A and 711B), and based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The GRI Standards cover a wide range of topics and are used by a vast majority of companies in Singapore and internationally, which facilitates benchmarking.

As part of our efforts to promote environmental conservation, no hard copies of the Sustainability Report have been printed. The Report and previous editions are available on our corporate website at www.guocoland.com.

Our subsidiary, GuocoLand (Malaysia) Berhad, which is separately listed on Bursa Malaysia Berhad, publishes its own separate sustainability report.

REPORT SCOPE

Singapore

Guoco Midtown & Midtown Bay, Guoco Tower, Meyer Mansion, Midtown Modern, Sofitel Singapore City Centre[1], 20 Collyer Quay

China

Guoco Changfeng City (Shanghai), Chongqing GuocoLand 18T

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

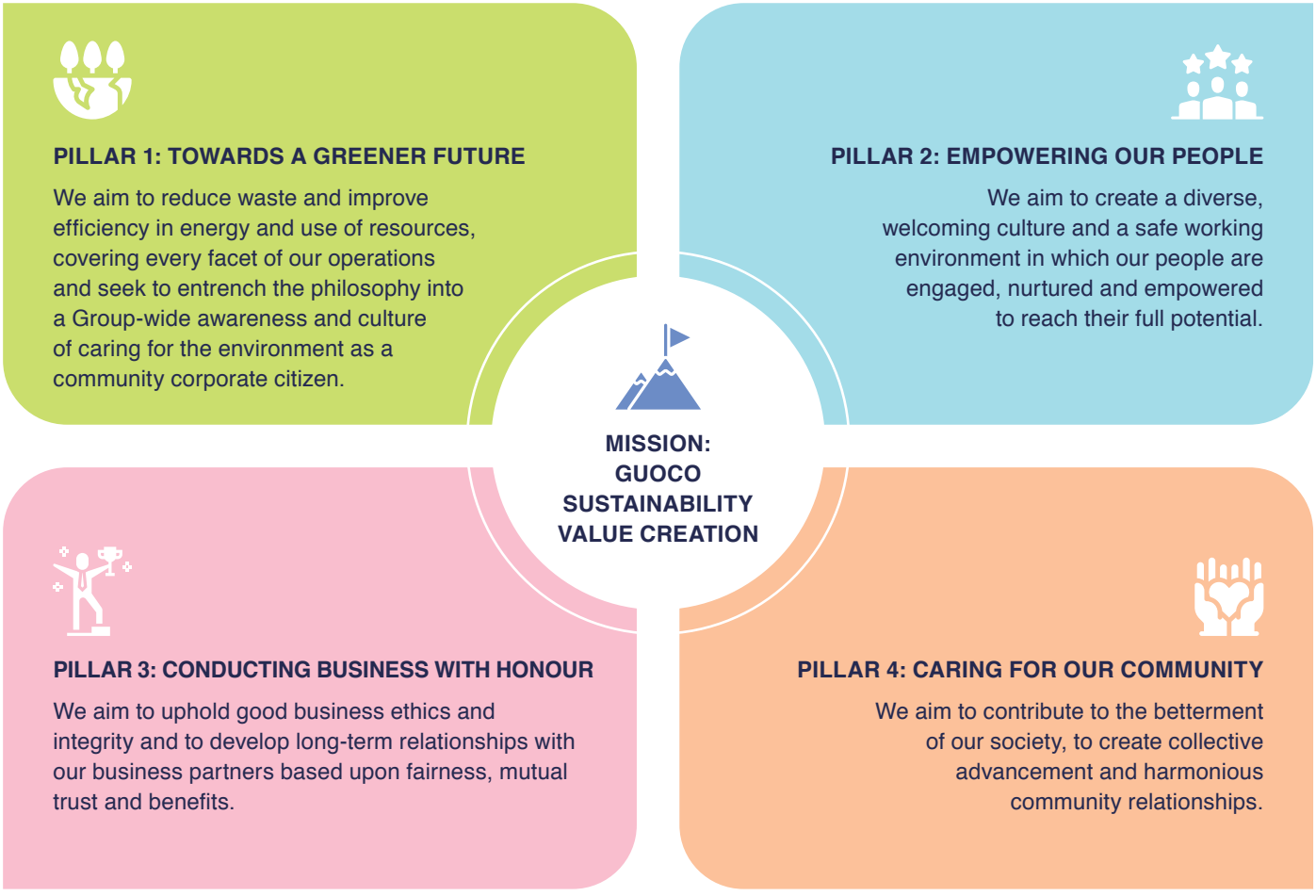
SUSTAINABILITY GOVERNANCE STRUCTURE



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING FRAMEWORK

Since FY2019, GuocoLand has adhered to an environmental, social, and governance ("ESG") reporting framework which provides a roadmap for employees to work towards the mission of the "Guoco Sustainability Value Creation" via four pillars.

1. Towards a Greener Future
2. Empowering our People
3. Conducting Business with Honour
4. Caring for our Community



STAKEHOLDER ENGAGEMENT

Key stakeholders are identified based on the impact of GuocoLand's businesses on them and their influence on our businesses. We engage our key stakeholders through various channels to understand their expectations and interests, and communicate our sustainability efforts. Engagement topics with tenants and employees also include environmental compliance and standards. Meaningful two-way communication provides us with insights to improve our business operations and adjust our business strategies where necessary.

Sustainability Overview

STAKEHOLDER	FREQUENCY	ENGAGEMENT PLATFORMS	KEY TOPICS RAISED	OUR RESPONSE
Customers – Tenants / Shoppers / Home Buyers	Throughout the year	- Tenant meetings - Customer service teams - Tenant annual survey - Email and phone channels - Tenant circulars and notices - Social media channels	- Lease terms and facilities management - Quality of product and timely delivery - Customer experience	Refer to Pillar 3 – Conducting Business with Honour in the Sustainability Report
Investors	Throughout the year	- Annual General Meeting - Investor meetings - Conferences - Singapore Exchange ("SGX") announcements and news releases on corporate website - Email and phone channels	- Long-term value creation - Strategy for growth - Transparency and timely information - Corporate governance practices	Refer to Chairman's Statement; Business Review; and Corporate Governance in the Annual Report; and Pillar 3 – Conducting Business with Honour in the Sustainability Report
Suppliers	Throughout the year	- On-site inspections - In-person meetings - Email and phone channels	- Occupational health and safety - Product quality, health and safety - Environmental compliance	Refer to Pillar 1 – Towards a Greener Future; Pillar 3 – Conducting Business with Honour; and Pillar 4 – Caring for Our Community in the Sustainability Report
Employees	Throughout the year	- Management meetings - Performance review discussions - Knowledge sharing sessions - Internal newsletters and e-communications	- Welfare - Health and well-being - Performance	Refer to Pillar 2 – Empowering Our People in the Sustainability Report
Regulators / Government	Throughout the year	- On-site inspections - In-person meetings - Email and phone channels - Regulatory filings	- Environmental compliance - Labour standard compliance - SGX listing requirements	Refer to Pillar 1 – Towards a Green Future; Pillar 3 – Conducting Business with Honour; and Pillar 4 – Caring for Our Community in the Sustainability Report

MATERIALITY

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

We added the material topics of water and waste for the Sustainability Report of FY2021. In FY2022, the Sustainability Committee and Management reviewed the key material topics and approved the addition of material topic of Emissions for this year's report.

MATERIAL TOPIC	GRI STANDARD REPORTED	IMPACT BOUNDARY
Energy Consumption	Energy (GRI 302) Water (GRI 303) Emissions (GRI 305)	Development projects and managed properties
Environmental	Waste (GRI 306) Environmental Compliance (GRI 307)	Development projects and managed properties
Human Capital Development & Relations	Employment (GRI 401) Training and Education (GRI 404)	Employees
Occupational Health & Safety	Occupational Health and Safety (GRI 403)	Employees Workers Tenants Visitors
Business Ethics & Anti-corruption	Anti-corruption (GRI 205) Customer Privacy (GRI 418)	All business operations
Product Quality, Health & Safety	Customer Health and Safety (GRI 416) Marketing and Labeling (GRI 417)	Development projects and managed properties

Sustainability Overview

SUPPORTING THE SINGAPORE GREEN PLAN 2030

GuocoLand is committed to supporting the Singapore Green Plan 2030 and contributing to the Green Plan's five key pillars:

CITY IN NATURE

- Adding 3.8ha of greenery to Singapore's CBD at Guoco Midtown
- Planting 100 trees as part of the Tanjong Pagar Business Improvement District



SUSTAINABLE LIVING

- Encouraging green citizenry by reducing energy and water consumption
- Promoting a car-lite lifestyle
- Developments integrated with mass public transport
- End-of-trip facilities and cycling paths available



ENERGY RESET

- Greening infrastructure and buildings
- Guoco Tower and Guoco Midtown are certified Green Mark Platinum
- Stepping up decarbonisation efforts through further studies of our assets
- Electric vehicle ("EV") chargers available at developments



GREEN ECONOMY

- Innovating with start-ups and enterprises on green tech
- Trial use of new management systems and robots in facilities



RESILIENT FUTURE

- Align with Government guidelines to adapt to sea-level rise and enhance flood resilience
- Signatory to the Embodied Carbon Pledge launched by the Singapore Green Building Council



Corporate Governance

GuocoLand Limited (the "Company") is committed to maintaining high standards of corporate governance as well as a strong and sound corporate culture to ensure the Company's long-term success and to enhance its shareholders' value. During the financial year ended 30 June 2022 ("FY2022"), the Company continued to be on the SGX Fast Track programme list which was launched by the Singapore Exchange Regulation to recognise the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record. The Company also supported the Corporate Governance Statement of Support organised by the Securities Investors Association Singapore (SIAS) to demonstrate its commitment towards excellence in corporate governance. The Company was ranked 35th among the 519 companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") that were being assessed in the Singapore Governance and Transparency Index 2021.

During the FY2022, the Company has adhered to the principles and provisions of the Code of Corporate Governance 2018 ("Code 2018") as presented in this report. The Company's own Code of Corporate Governance ("Company Code") comprising the terms of reference for the Board of Directors and its Committees is in line with the principles and provisions of Code 2018.

(A) BOARD MATTERS

Principle 1
The Board's Conduct of its Affairs

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

Its principal role and responsibilities include the following:

(a) providing entrepreneurial leadership, setting the overall business objectives, and policies for the Company and taking into account, sustainability and environmental issues, value creation and innovation;

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

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

(d) reviewing Management's performance;

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

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

Corporate Governance

Board Committees

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

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

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

Matters which require Board Approval

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

Directors Attendance and Participation in Board and Board Committee and General Meetings

Meetings of the Board and its Committees are scheduled one year ahead. The Board meets at least on a quarterly basis to review, *inter alia*, the Company's business and financial results. Additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circulating Resolutions. As provided in the Company's Constitution, Directors may convene Board meetings by teleconferencing or videoconferencing. During the FY2022, due to the coronavirus disease 2019 (COVID-19) pandemic, the Board and Board Committee meetings were held via teleconferencing and/or videoconferencing and/or in a hybrid manner with some Directors in physical attendance where feasible. The Company's Annual General Meeting ("AGM") held in 2021 was conducted via electronic means. The attendance of Directors at meetings of the Board and the Board Committees as well as the AGM is set out in the table below:

2021/2022 Meetings Attendance	Board	ARC	NC	RC	AGM
Total number of meetings held	**4**	**4**	**1**	**2**	**1**
Moses Lee Kim Poo	4	2	-	-	1
Cheng Hsing Yao (Appointed on 1 July 2021)	4	4	-	1	1
Quek Leng Chan	4	-	-	2	1
Kwek Leng Hai	4	-	1	-	1
Timothy Teo Lai Wah (Retired on 28 October 2021)	2	2	1	-	1
Abdullah Bin Tarmugi (Retired on 28 October 2021)	2	-	1	1	1
Lim Suat Jien (Retired on 14 May 2022)	4	4	-	-	1
Jennie Chua Kheng Yeng	4	-	-	2	1
Saw Kok Wei	4	4	-	-	1
Chew Seong Aun	4	-	-	-	1
Wee Lieng Seng (Appointed on 29 October 2021)	2	2	-	1	-

Induction and Training and Development of Directors

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

When a Director is appointed to a Board Committee, it is the Company's practice to highlight the relevant terms of reference to such Director and provide a copy of the related Guidebook for the Committee. New Directors will also be encouraged to attend the Listed Entity Director ("LED") programmes (where appropriate) conducted by the Singapore Institute of Directors ("SID"); and Director Financial Reporting Fundamentals co-organised by SID and the Institute of Singapore Chartered Accountants and supported by Accounting and Corporate Regulatory Authority ("ACRA"), where relevant. Newly appointed Director(s) with no prior experience as Director(s) of a listed company will undergo training in the roles and responsibilities of Director of a listed company as prescribed by the SGX-ST. During the FY2022, the Company had arranged for new Directors to attend the relevant LED programmes conducted by SID so as to enhance their skills and knowledge to execute their duties effectively. The new Independent Non-Executive Director, who is a member of the ARC, and Chairman of the NC and RC, was also briefed by senior management and the Internal Auditors of the Company to enable him to familiarise with the Company's business, financials, internal controls/risk management as well as understanding his roles and responsibilities as an Independent Director of the Company.

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

To facilitate each Director to develop his/her competencies to effectively discharge his/her duties, all Directors are updated regularly on key regulatory and accounting changes and risk management from time to time. Directors are also informed of training programmes and seminars organised by SID, SGX-ST and ACRA. Training programmes and seminars attended by Directors during the FY2022 included the following: SID Annual Corporate Governance Roundup 2021; Task Force for Climate-Related Financial Disclosures Workshop; LED 1: LED Essentials; LED 2: Board Dynamics; LED 3: Board Performance; LED 4: Stakeholder Engagement; LED 5: Audit Committee Essentials; LED 6: Board Risk Committee Essentials; LED 7: Nominating Committee Essentials and LED 8: Remuneration Committee Essentials. The NC has reviewed the training and professional development programmes attended by Directors and supported by the Company.

Access to Information

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

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

Separate and Independent Access

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

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

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

Corporate Governance

Principle 2
Board Composition and Guidance

Board Independence
On an annual basis, the NC determines the independence of Directors taking into consideration the circumstances as set out in Code 2018 and the SGX-ST Listing Manual, as well as whether there was any circumstance or relationship that might impact on a Director's independence or perception of independence. As at the end of FY2022, the Board consists of eight Directors. All the Directors had made declarations on their respective status of independence which were submitted to the NC for review. The NC had determined that Mr Moses Lee Kim Poo, Ms Jennie Chua Kheng Yeng, Mr Saw Kok Wei and Mr Wee Lieng Seng were independent. The Board had accepted the assessment of Directors' independence by the NC. Based on the NC's review of independence, the Board was satisfied that there was a strong and independent element on the Board with four out of eight Directors, constituting 50% of the Board, being independent.

Ms Jennie Chua Kheng Yeng had retired as a Director on 4 August 2022, having served on the Board for 9 years. Mr Moses Lee Kim Poo who will be due for retirement by rotation at the Company's forthcoming 46th AGM had notified that he will not seek re-election at the said AGM as he would have served on the Board for 9 years on 31 October 2022.

Board Size
The Board, having taken into account the review by the NC, considers its present size to be adequate to facilitate effective decision making for the current nature and scope of the Group's business operations.

Board Competencies
The NC conducted its annual review on the composition of the Board which comprises well-qualified Directors with diversified skills, experience, knowledge, and providing core competencies in the areas of accounting, risk management, financial, banking, legal, business management and industry experiences such as property development.

The Board considers its composition with a balanced mix of skills as appropriate for the existing needs and demands of the Group's businesses. The NC which is being tasked with the review of the succession and renewal plans for Board continuation, also took into account *inter alia* each Board member's tenure of directorship in the Company, in particular, the date on which each Independent Director would reach their respective 9-year tenures on the Board.

The Company recognises the importance and benefits of diversity on the Board as this would enhance the effectiveness of the Board in terms of varied perspectives, skills, industry discipline, business experience, gender, background and other distinguishing factors/qualities. Recognising that diversity on the Board is an essential element to support the attainment of the Company's strategic objectives and the Company's sustainable and balanced development, the Company has adopted a Board Diversity Policy. The Board Diversity Policy sets out the approach to achieve diversity on the Board and has included measurable objectives in the selection (including re-appointment) of candidates to be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service on the Board. While board diversity will be based on a range of diversified perspectives, the ultimate decision would take into consideration the merits of the selected candidates and the contributions the selected candidates could bring to the Board. The NC is responsible to review and monitor the implementation of the Board Diversity Policy.

Non-Executive Directors are encouraged to constructively challenge and help develop proposals on strategy. During the FY2022, Non-Executive Directors had met without the presence of Management.

Principle 3
Chairman and Chief Executive Officer

Separate Role of Chairman and Chief Executive Officer ("CEO")
The Board Chairman, Mr Moses Lee Kim Poo is an Independent Director. There is clear division of responsibilities in the respective roles and functions of the Chairman, Mr Lee and the CEO, Mr Cheng Hsing Yao. There is no familial relationship between Mr Lee and Mr Cheng.

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

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

Lead Independent Director
As the Chairman is independent from the Company's officers, related corporations and major shareholder(s); and the Directors and Management are accessible by the Company's shareholders, the appointment of a lead independent director is deemed to be not necessary.

Principle 4
Board Membership

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

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

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

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

(b) review and recommend to the Board all new Director appointments (including alternate Directors, if applicable) and re-election of Directors at AGM;

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

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

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

(f) review Board succession plans for Directors, in particular, the Chairman and the CEO.

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

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

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

The NC also took into consideration the Directors' number of listed company board representations and other principal commitments, and is satisfied that each Director is able to and has been adequately carrying out his/her duties as a Director of the Company. The Board has reviewed and is satisfied that the Directors' current directorships in other listed company boards and their other principal commitments did not affect their time commitment to the Board of the Company and has accordingly not made a determination of the maximum number of board representations a Director may hold.

Directorship/Chairmanship of Directors

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

Principle 5
Board Performance

Evaluation of Board Chairman, individual Directors and Board Committees

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

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

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

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

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

Evaluation of the Board as a whole

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

On the basis of the aforesaid evaluation, the NC is satisfied that for the FY2022, the Board and its Committees had been effective in the conduct of their respective duties and the Directors have each contributed to the effectiveness of the Board and its Committees (as applicable). The results of the NC's assessment had been communicated to and accepted by the Board.

(B) REMUNERATION MATTERS

Principle 6
Procedures For Developing Remuneration Policies

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

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

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

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

The RC may seek remuneration consultants' advice on remuneration matters for Directors as it deems appropriate. For the FY2022, the RC did not require the service of an external remuneration consultant.

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

Principle 7
Level and Mix of Remuneration

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

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

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

The performance-related remuneration scheme takes into consideration the balance between profit and risk, and is aligned with the long-term interest and risk framework of the Company. The scheme is symmetrical with risk outcomes and sensitive to the risk time horizon with rewards commensurate with the business performance as well as achievement of the individuals.

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

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

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

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

Principle 8
Disclosure on Remuneration

Directors and CEO
The breakdown of remuneration of Directors and CEO of the Company for the FY2022 is set out below:

Name of Directors	Fixed Salary (inclusive of Employer CPF) S$	Variable Bonus (inclusive of Employer CPF) S$	Director Fees S$	Other Benefits S$	Total S$
Moses Lee Kim Poo	-	-	110,000	45,399	155,399
Quek Leng Chan	-	-	-	-	-
Kwek Leng Hai	-	-	-	-	-
Timothy Teo Lai Wah (Retired on 28 October 2021)	-	-	44,383	-	44,383
Abdullah Bin Tarmugi (Retired on 28 October 2021)	-	-	32,219	-	32,219
Lim Suat Jien (Retired on 14 May 2022)	-	-	104,548	-	104,548
Jennie Chua Kheng Yeng	-	-	88,000	-	88,000
Saw Kok Wei	-	-	130,110	-	130,110
Chew Seong Aun	-	-	-	-	-
Wee Lieng Seng (Appointed on 29 October 2021)	-	-	92,630	-	92,630
		Total	**601,890**	**45,399**	**647,289**

CEO	%	%	%	%	%
S$1.75 million to S$2 million					
Cheng Hsing Yao (Appointed on 1 July 2021)	70.8	28.6	-	0.6	100

Having considered the provisions in the Code 2018 on the disclosure of remuneration of Directors and the CEO, the RC is of the view that it is appropriate to provide full disclosure of fees proposed to be paid to Directors for the FY2022 which aggregate to S$647,289 and will be tabled at the forthcoming 46th AGM under Agenda Item No. 3 for shareholders' approval.

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

Top Key Management Personnel

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

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

The remuneration package of the top five key management personnel (who are not Directors of the Company or the CEO), comprising mainly salaries and bonuses, aggregated to a total remuneration of S$2,838,853 for the FY2022. The number of key management personnel (who are not Directors of the Company or the CEO) under each remuneration bands of S$250,000 is set out below:

Total Remuneration in Bands of S$250,000	No. of Key Management Personnel (who are not Directors or the CEO)
S$1,000,001 to S$1,250,000	1
S$500,001 to S$750,000	1
S$250,001 to S$500,000	2
< S$250,000	1

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

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

There are no employees who are substantial shareholders of the Company, or are the immediate family members of any of the Directors or the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 for the FY2022.

(C) ACCOUNTABILITY AND AUDIT

Principle 9
Risk Management and Internal Controls

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

Key Risks

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

Corporate Governance

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

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

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

Having regard to the reviews carried out by the ARC, findings raised by the IA and external auditors and assurance from the Management and IA, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at 30 June 2022. During the FY2022, there were no material weaknesses being identified in the Group's internal controls or risk management systems.

Principle 10
Audit and Risk Committee

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

- Mr Saw Kok Wei, Chairman (Independent Non-Executive Director);
- Mr Wee Lieng Seng, Member (Independent Non-Executive Director); and
- Mr Chew Seong Aun, Member (Non-Independent Non-Executive Director).

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

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

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

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

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

In its review of the financial statements of the Group and the Company for the FY2022, the ARC has discussed with both the Management and the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The ARC reviewed, amongst other matters, the following key audit matters as reported by the external auditors for the FY2022. Detailed information on the key audit matters is set out in the Independent Auditors' Report.

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

Interested Person Transactions ("IPT")

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

Internal Audit

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

The IA also audits the operations of the Group to ensure regulatory compliances and adherence to Group policies and procedures. The scope of the IA's reviews is set out in the IA's annual work plan which is approved by the ARC. During the FY2022, the IA had carried out its function according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors (IIA).

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

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11
Shareholder Rights and Conduct of General Meetings

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

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

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

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

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

2021 AGM and 2022 AGM

Due to the COVID-19 pandemic, the Company held its 45th AGM ("2021 AGM") by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Order 2020"). Shareholders had participated in the 2021 AGM by observing and/or listening to the 2021 AGM proceedings via live audio-visual webcast or live audio only stream. They had also submitted questions relating to the agenda items as set out in the Notice of 2021 AGM in advance of the 2021 AGM, and the Company's responses to these substantial and relevant questions were provided and published on the SGX-ST website prior to the 2021 AGM. In compliance with regulatory restrictions imposed due to the COVID-19 pandemic, shareholders who wished to exercise their voting rights at the 2021 AGM had appointed the Chairman of the 2021 AGM as proxy to vote on their behalf. The results of the votes cast on the resolutions as well as the name of the independent scrutineer were announced via SGXNET after the 2021 AGM.

All Directors, including the Chairman of the Board, the CEO and the respective Chairmen of the ARC, NC and RC, senior management as well as the Company's external auditors, share registrar and independent scrutineer had attended the 2021 AGM. The Minutes of the 2021 AGM which made reference to the substantial and relevant comments or queries from shareholders relating to the agenda of the 2021 AGM and responses from the Board and Management were uploaded on SGXNET and the Company's website: http://www.guocoland.com.

Corporate Governance

As a precautionary measure due to the prevailing COVID-19 situation, the Company will be conducting its forthcoming 46th AGM ("2022 AGM") by electronic means pursuant to the Order 2020. Shareholders are invited to participate at the 2022 AGM by (a) observing and/or listening to the 2022 AGM proceedings via live audio-visual webcast or live audio only stream (b) submitting questions in advance of, or "live" at the 2022 AGM and (c) voting at the 2022 AGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the 2022 AGM) via electronic means or (ii) by appointing the Chairman of the 2022 AGM as proxy to vote on their behalf at the 2022 AGM. Details of the pre-registration, submission of questions and voting at the 2022 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released, together with the Notice of 2022 AGM, on the SGXNET and the Company's website.

Dividend

The Company has a Dividend Policy which aims to create long-term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements, and capturing future growth opportunities. The Dividend Policy provides for the Board to propose/declare the payment of dividend(s) after taking into account the current financial performance of the Company, the future financial requirements of the Company and any other factors as the Board may deem relevant. The Board will be proposing at the 2022 AGM, the declaration of a first and final tax exempt one-tier dividend of 6 cents per ordinary share in respect of the FY2022. The proposed dividend, when approved by shareholders at the AGM, shall be paid on 15 November 2022.

Principle 12
Engagement with Shareholders

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

Corporate Website

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

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

Investor Relations

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

A Corporate Communications & Investor Relations contact (contact@guocoland.com) is published on the Company's website to facilitate two-way communication with investors. During the FY2022, the Company's Corporate Communications & Investor Relations team attended to calls/email enquiries on the Group and had responded within 1 week.

Release of Financial Results

The Company reports its financial results on a half-yearly basis and will continue to comply with the continuing disclosure obligations under the SGX-ST Listing Manual to keep stakeholders informed of material developments relating to the Company and the Group. The Company had released its half-year financial results within 30 days of the half-year ended. Its full-year financial results were announced within 60 days of the FY2022. The Company's financial results are readily available on its website.

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

Release of Annual Report

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

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13
Engagement with Stakeholders

The Company's key stakeholders namely, its employees, investors, customers (tenants/shoppers/home buyers), regulators/government, and suppliers are listed in the Company's Sustainability Report ("SR"). The SR describes, *inter alia*, the Company's sustainability governance and practices in the Group's business operations and management of stakeholders' relationships. The Environmental, Social and Governance factors that are material to the Company and its stakeholders have been identified and are described in the Company's SR. The Company's SR for FY2022 and previous editions are available on the Company's corporate website: http://www.guocoland.com.

(F) DEALINGS IN SECURITIES

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

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

(G) CODE OF CONDUCT

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

Corporate Governance

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

(H) WHISTLE-BLOWING POLICY

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

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

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

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Directors' Statement

For the year ended 30 June 2022

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 2022.

In our opinion:

a. the financial statements set out on pages 62 to 155 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

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

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

DIRECTORS

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

Moses Lee Kim Poo, *Chairman*
Cheng Hsing Yao, *Group Managing Director & Chief Executive Officer* (Appointed on 1 July 2021)
Quek Leng Chan
Kwek Leng Hai
Saw Kok Wei
Chew Seong Aun
Wee Lieng Seng (Appointed on 29 October 2021)

DIRECTORS' INTERESTS

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

	Holdings in which Directors have a Direct Interest		Holdings in which Directors are Deemed to have an Interest	
	As at 1 July 2021	As at 30 June 2022	As at 1 July 2021	As at 30 June 2022
Company		Ordinary Shares		
Quek Leng Chan	13,333,333	13,333,333	838,295,438	836,896,038
Kwek Leng Hai	35,290,914	35,290,914	-	-
		Medium-Term Notes*		
Moses Lee Kim Poo	750,000	1,250,000	-	-
Intermediate Holding Company				
Guoco Group Limited		Ordinary Shares		
Quek Leng Chan	1,056,325	1,056,325	240,951,792	240,951,792
Kwek Leng Hai	3,800,775	3,800,775	-	-
Ultimate Holding Company				
GuoLine Capital Assets Limited		Ordinary Shares		
Quek Leng Chan	15,754,200	15,754,200	-	-
Kwek Leng Hai	841,000	841,000	-	-
Subsidiary				
GuocoLand (Malaysia) Berhad		Ordinary Shares		
Quek Leng Chan	19,506,780	19,506,780	455,574,796	477,304,296
Kwek Leng Hai	226,800	226,800	-	-

* Please refer to Note 17 to the Financial Statements.

Directors' Statement

For the year ended 30 June 2022

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which Directors have a Direct Interest		Holdings in which Directors are Deemed to have an Interest	
	Number of Ordinary Shares/Preference Shares/ Ordinary Shares issued or to be issued			
	As at 1 July 2021	As at 30 June 2022	As at 1 July 2021	As at 30 June 2022
Interests of Quek Leng Chan in related corporations				
TPC Commercial Pte. Ltd.	-	-	389,600,000	389,600,000
TPC Hotel Pte. Ltd.	-	-	70,400,000	70,400,000
Wallich Residence Pte. Ltd.	-	-	24,000,000	24,000,000
GLL Chongqing 18 Steps Pte. Ltd.	-	-	198,657,372	210,450,201
Guoco Midtown Pte. Ltd.	-	-	184,000,000	184,000,000
Midtown Bay Pte. Ltd.	-	-	32,000,000	32,000,000
Midtown Modern Pte. Ltd.	-	-	69,180,000	69,180,000
Guoco Midtown II Pte. Ltd.	-	-	3,000,000	3,000,000
Shanghai Xinhaojia Property Development Co., Ltd	-	-	1,000,000[1]	1,000,000[1]
Shanghai Xinhaozhong Holding Co., Ltd	-	-	490,000[1]	-[2]
JB Parade Sdn Bhd	-	-	28,000,000	28,000,000
	-	-	97,390,000[3]	97,390,000[3]
Lam Soon (Hong Kong) Limited	-	-	140,008,659	140,008,659
Guoman Hotel & Resort Holdings Sdn Bhd	-	-	229,207,500	100,000
GLM Emerald Industrial Park (Jasin) Sdn Bhd	-	-	34,408,000	34,408,000
	-	-	6,460,000[4]	6,460,000[4]
The Rank Group Plc	285,207	285,207	263,127,914	263,194,433
Interests of Kwek Leng Hai in related corporations				
Lam Soon (Hong Kong) Limited	2,300,000	2,300,000	-	-
The Rank Group Plc	1,026,209	1,026,209	-	-

Legend

(1) Capital contribution in RMB.

(2) Disposed during the year.

(3) Cumulative Redeemable Preference Shares.

(4) Redeemable Preference Shares.

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

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

DIRECTORS' INTERESTS (CONT'D)

Except as disclosed, there were no changes in any of the above-mentioned Directors' interests in the Company between the end of the financial year and 21 July 2022.

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

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

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

SHARE SCHEME(S)

The GuocoLand Limited Executive Share Scheme

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

(b) During the financial year, the ESS 2018 was administered by the Remuneration Committee comprising Mr Wee Lieng Seng (Chairman), Mr Quek Leng Chan and Ms Jennie Chua Kheng Yeng who were non-participants.

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

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

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

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

Directors' Statement
For the year ended 30 June 2022

SHARE SCHEME(S) (CONT'D)

(ii) Maximum Entitlement

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

(iii) Grant of Options

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

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

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

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

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

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

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

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

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

(f) In relation to the Company's subsidiary, GuocoLand (Malaysia) Berhad, there were no new options granted during the financial year. There is no outstanding share option as at 30 June 2022. Please refer to Note 27 to the Financial Statements for the relevant details.

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

AUDIT AND RISK COMMITTEE

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

- Saw Kok Wei, *Chairman* (Independent Non-Executive Director)
- Wee Lieng Seng (Independent Non-Executive Director)
- Chew Seong Aun (Non-Independent Non-Executive Director)

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

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

- the audit plans of the internal and external auditors, their audit reports, the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system and the assistance provided by the Company's management to the internal and external auditors;

- the draft announcements of financial performance and financial statements of the Group and the Company prior to their submission to the Board of Directors of the Company for approval;

- the interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual);

- the Whistle-Blowing Policy of the Company;

- the Group Risk Register; and

- the draft sustainability report prior to submission to the Board of Directors of the Company for approval.

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

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

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

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

The details of the functions carried out by the ARC are set out under "Corporate Governance" in the Company's Annual Report 2022.

Directors' Statement

For the year ended 30 June 2022

AUDITORS

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

On behalf of the Board of Directors

MOSES LEE KIM POO
Director

CHENG HSING YAO
Director

Singapore
8 September 2022

Independent Auditors' Report

Members of the Company
GuocoLand Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of GuocoLand Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2022, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 62 to 155.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Independent Auditors' Report

Members of the Company
GuocoLand Limited

Valuation of investment properties ($5.9 billion)
(Refer to Note 5 to the financial statements)

Risk

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

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

The independent valuation reports have highlighted estimation uncertainty arising from the COVID-19 pandemic, the Russia/Ukraine conflict and rising interest rates. Consequently, a higher degree of caution should be exercised when relying on the valuations. The valuations are based on the information available as at the date of valuations. Values may change significantly and unexpectedly over a short period of time.

Our response

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

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

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

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

Our findings

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

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and the key assumptions used are within the range of available market data for comparable properties, taking into consideration relevant market conditions. We found the disclosures in the financial statements to be appropriate in their description of the inherent judgement, estimation and uncertainties involved.

Valuation of development properties ($3.9 billion)
(Refer to Note 9 to the financial statements)

Risk

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

The determination of the estimated NRV is largely dependent on the forecast selling price for the property. The uncertain economic outlook and market sentiments and the disruption in the supply chain might exert downward pressure on property prices and increase construction costs to complete. There is therefore a risk that the carrying value of development properties exceeds future selling price, resulting in losses when the properties are eventually sold.

Our response

We assessed the reasonableness of the forecast selling prices by considering recent transacted sales prices of the same project and for comparable properties as well as market research reports. We also performed sensitivity analysis for selling price decline and construction cost escalation to assess the risk of unforeseen losses.

Our findings

In making its estimates of the forecast selling prices, which is used in determining the NRV, the Group takes into account the macroeconomic and real estate price trend for the markets in which the properties are located. We found the Group's forecast selling prices to be within the range of observable selling prices in the market.

Other information

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

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

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

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

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

Independent Auditors' Report

Members of the Company
GuocoLand Limited

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditors' report is Lee Sze Yeng.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 September 2022

Statements of Financial Position

As at 30 June 2022

	Note	Group 30 June 2022 $'000	Group 30 June 2021 $'000	Company 30 June 2022 $'000	Company 30 June 2021 $'000
Non-current assets					
Property, plant and equipment and right-of-use assets	4	**459,407**	479,055	**-**	-
Investment properties	5	**5,931,715**	4,974,546	**-**	-
Subsidiaries	6	**-**	-	**2,136,772**	2,083,461
Associates and joint ventures	7	**554,406**	517,892	**-**	-
Deferred tax assets	8	**27,376**	36,143	**-**	-
		6,972,904	6,007,636	**2,136,772**	2,083,461
Current assets					
Inventories	9	**3,881,748**	3,550,906	**-**	-
Contract assets	20	**233,740**	498,422	**-**	-
Trade and other receivables, including derivatives	10	**155,096**	108,473	**2**	5
Cash and cash equivalents	12	**1,084,925**	1,129,289	**84**	126
Assets of disposal group and assets held for sale	13	**-**	20,856	**-**	-
		5,355,509	5,307,946	**86**	131
Total assets		**12,328,413**	11,315,582	**2,136,858**	2,083,592
Equity					
Share capital	14	**1,926,053**	1,926,053	**1,926,053**	1,926,053
Reserves	15	**2,357,760**	2,074,171	**207,661**	155,529
Equity attributable to ordinary equity holders of the Company		**4,283,813**	4,000,224	**2,133,714**	2,081,582
Perpetual securities	16	**407,656**	407,060	**-**	-
Non-controlling interests	6	**620,780**	537,176	**-**	-
Total equity		**5,312,249**	4,944,460	**2,133,714**	2,081,582
Non-current liabilities					
Other payables, including derivatives	19	**689,239**	729,168	**1,996**	1,001
Loans and borrowings	17	**3,889,779**	4,164,867	**-**	-
Deferred tax liabilities	8	**32,699**	34,632	**-**	-
		4,611,717	4,928,667	**1,996**	1,001
Current liabilities					
Trade and other payables, including derivatives	18	**451,610**	371,076	**1,148**	1,009
Contract liabilities	20	**169,619**	97,472	**-**	-
Loans and borrowings	17	**1,756,992**	947,366	**-**	-
Current tax liabilities		**26,226**	24,011	**-**	-
Liabilities of disposal group held for sale	13	**-**	2,530	**-**	-
		2,404,447	1,442,455	**1,148**	1,009
Total liabilities		**7,016,164**	6,371,122	**3,144**	2,010
Total equity and liabilities		**12,328,413**	11,315,582	**2,136,858**	2,083,592

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

Consolidated Statement of Profit or Loss

For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Continuing operations			
Revenue	20	**965,514**	853,734
Cost of sales (including fair value gain on transfer from development properties to investment properties)	24	**(599,850)**	(585,291)
Gross profit		**365,664**	268,443
Other income	21	**354,596**	138,936
Administrative expenses		**(78,727)**	(75,063)
Other expenses	22	**(14,396)**	(9,475)
Finance costs	23	**(93,977)**	(95,670)
Share of (loss)/profit of associates and joint ventures (net of tax)	7	**(7,653)**	12,704
Profit before tax	24	**525,507**	239,875
Tax expense	25	**(57,349)**	(37,762)
Profit from continuing operations		**468,158**	202,113
Discontinued operation			
Profit/(Loss) from discontinued operation (net of tax)	34	**14,301**	(2,585)
Profit for the year		**482,459**	199,528
Profit attributable to:			
Equity holders of the Company		**392,728**	169,106
Non-controlling interests		**89,731**	30,422
Profit for the year		**482,459**	199,528
Earnings per share (cents)	26		
Basic / Diluted		**33.68**	13.52

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

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2022

	2022 $'000	2021 $'000
Profit for the year	**482,459**	199,528
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:-		
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**(46,334)**	88,296
Translation differences of subsidiaries reclassified to profit or loss upon disposal	**(1,331)**	(815)
Effective portion of changes in fair value of cash flow hedges	**39**	(5,097)
Effective portion of changes in fair value of net investment hedges	**3,593**	(15,031)
Net change in fair value of cash flow hedges reclassified to profit or loss	**15,734**	13,491
Total other comprehensive income for the year, net of tax	**(28,299)**	80,844
Total comprehensive income for the year, net of tax	**454,160**	280,372
Attributable to:		
Equity holders of the Company	**369,171**	240,824
Non-controlling interests	**84,989**	39,548
Total comprehensive income for the year, net of tax	**454,160**	280,372

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

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

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Attributable to ordinary equity holders of the Company						
	Share Capital $'000	Other Reserves $'000	Accumulated Profits $'000	Total Ordinary Equity $'000	Perpetual Securities $'000	Non-Controlling Interests $'000	Total Equity $'000
At 1 July 2020	1,926,053	(222,016)	2,147,387	3,851,424	406,492	503,434	4,761,350
Total comprehensive income for the year							
Profit for the year	-	-	169,106	169,106	-	30,422	199,528
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:-							
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	79,170	-	79,170	-	9,126	88,296
Translation differences of subsidiaries reclassified to profit or loss upon disposal	-	(815)	-	(815)	-	-	(815)
Effective portion of changes in fair value of cash flow hedges	-	(5,097)	-	(5,097)	-	-	(5,097)
Effective portion of changes in fair value of net investment hedges	-	(15,031)	-	(15,031)	-	-	(15,031)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	13,491	-	13,491	-	-	13,491
Total other comprehensive income, net of tax	-	71,718	-	71,718	-	9,126	80,844
Total comprehensive income for the year, net of tax	-	71,718	169,106	240,824	-	39,548	280,372
Transactions with equity holders, recorded directly in equity							
Contributions by and distributions to equity holders							
Accrued distribution for perpetual securities	-	-	(19,019)	(19,019)	19,019	-	-
Distribution payment for perpetual securities	-	-	-	-	(18,451)	-	(18,451)
Write-back of share-based payments	-	(6,419)	-	(6,419)	-	-	(6,419)
Dividends (note 28)	-	-	(66,586)	(66,586)	-	(17,682)	(84,268)
Capitalisation of shareholder's loan from non-controlling interests (note 6)	-	-	-	-	-	25,376	25,376
Capital reduction of a subsidiary with non-controlling interests (note 6)	-	-	-	-	-	(15,500)	(15,500)
Capital contributions from non-controlling interests of a subsidiary	-	-	-	-	-	2,000	2,000
Total contributions by and distributions to equity holders	-	(6,419)	(85,605)	(92,024)	568	(5,806)	(97,262)
Total transactions with equity holders	-	(6,419)	(85,605)	(92,024)	568	(5,806)	(97,262)
At 30 June 2021	1,926,053	(156,717)	2,230,888	4,000,224	407,060	537,176	4,944,460

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit for the year		**482,459**	199,528
Adjustments for:-			
Allowance for foreseeable loss on development properties		**-**	1,382
Reversal of allowance for credit loss on trade and other receivables		**(692)**	(134)
Depreciation of property, plant and equipment and right-of-use assets	4	**15,344**	15,730
Finance costs		**93,977**	95,670
Gain on disposal of discontinued operation, net of tax	34	**(14,301)**	-
Gain on disposal of interests in subsidiaries	30	**(4)**	(1,411)
Gain on disposal of investment properties		**-**	(295)
Gain on disposal of property, plant and equipment		**-**	(14)
Interest income		**(18,840)**	(17,191)
Net fair value gain on derivative financial instruments		**(67,161)**	(34,594)
Net fair value gain from investment properties	5	**(248,833)**	(71,521)
Share of loss/(profit) of associates and joint ventures (net of tax)		**7,653**	(12,704)
Write off of property, plant and equipment		**955**	842
Write-back of share-based payments		**-**	(6,419)
Fair value gain on transfer from development properties to investment properties	5	**(79,276)**	-
Unrealised exchange (gain)/loss		**(7,812)**	6,535
Tax expense		**57,349**	37,246
		220,818	212,650
Changes in:-			
Inventories		**(569,045)**	26,272
Contract assets		**292,081**	(2,266)
Trade and other receivables		**4,897**	104,630
Trade and other payables		**(12,862)**	46,275
Contract liabilities		**72,863**	81,199
Balances with holding companies and related corporations		**(4,605)**	10,508
Cash generated from operating activities		**4,147**	479,268
Tax paid		**(32,903)**	(91,111)
Net cash (used in)/from operating activities		**(28,756)**	388,157
Cash flows from investing activities			
Investment in equity-accounted investee		**(1,200)**	-
Additions to investment properties		**(289,801)**	(45,211)
Additions to property, plant and equipment		**(925)**	(3,276)
Advances to associates and joint ventures		**(80,996)**	(340)
Dividends received from associates and joint ventures		**14,915**	18,526
Increase in share capital of subsidiaries with non-controlling interests		**-**	2,000
Interest received		**12,784**	13,288
Proceeds from disposal of discontinued operation	34	**21,888**	-
Proceeds from disposal of interests in subsidiaries	30	**1,226**	596
Capital reduction of a joint venture	7	**-**	32,462
Proceeds from disposal of investment properties	5, 13	**-**	195,224
Proceeds from disposal of property, plant and equipment		**72**	114
Net cash (used in)/from investing activities		**(322,037)**	213,383

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from financing activities			
Capital reduction of a subsidiary with non-controlling interests		**-**	(15,500)
Dividends paid	28	**(66,586)**	(66,586)
Dividends paid to non-controlling interests	6	**(1,385)**	(17,682)
Distribution payment for perpetual securities		**(18,400)**	(18,451)
(Increase)/decrease in fixed deposits pledged		**(1,912)**	5,335
Interest paid		**(138,540)**	(146,503)
Payment for lease liabilities		**(1,157)**	(729)
Proceeds from loans and borrowings		**2,223,877**	988,775
Repayment of loans from non-controlling interests		**(11,150)**	(18,275)
Repayment of loans and borrowings		**(1,676,273)**	(1,133,329)
Net cash from/(used in) financing activities		**308,474**	(422,945)
Net (decrease)/increase in cash and cash equivalents		**(42,319)**	178,595
Cash and cash equivalents at beginning of the year		**1,123,177**	922,693
Exchange differences on translation of balances held in foreign currencies		**(4,452)**	21,889
Cash and cash equivalents at end of the year	12	**1,076,406**	1,123,177

Significant non-cash transaction:

In 2021, a subsidiary capitalised shareholder loan from non-controlling interests of $25.4 million through the issuance of shares by the subsidiary to the non-controlling interests.

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

Notes to the Financial Statements

For the year ended 30 June 2022

The financial statements were authorised for issue by the Board of Directors on 8 September 2022.

1. DOMICILE AND ACTIVITIES

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

The financial statements of the Group as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and joint ventures.

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

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

The immediate holding company is GuocoLand Assets Pte. Ltd., incorporated in the Republic of Singapore. The intermediate holding company is Guoco Group Limited, incorporated in Bermuda. The ultimate holding company is GuoLine Capital Assets Limited, incorporated in Jersey Channel Islands.

2. BASIS OF PREPARATION

a. Statement of Compliance

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

b. Basis of Measurement

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

c. Functional and Presentation Currency

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

d. Use of Estimates and Judgements

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

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

Notes to the Financial Statements

For the year ended 30 June 2022

2. BASIS OF PREPARATION (CONT'D)

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

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

Note 5 – determination of fair value of investment properties
Note 7 – impairment assessment of investment in associates and joint ventures
Note 9 – estimation of the percentage of completion relating to revenue and costs recognised on development properties and allowance for foreseeable losses on development properties

e. Measurement of Fair Values

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

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

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

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

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

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

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

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

Note 5 – Investment properties
Note 31 – Financial instruments

2. BASIS OF PREPARATION (CONT'D)

f. New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 July 2021: -

- *COVID-19-Related Rent Concessions (Amendments to SFRS(I) 16)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)*

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

Specific policies applicable from 1 January 2021 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in FRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met: -

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

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

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

Finally, the Phase 2 amendments provide a series of temporary exceptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permit the hedge relationship to be continued without interruption. The Group applies the following reliefs as and when uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument: -

– the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
– when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

Notes to the Financial Statements

For the year ended 30 June 2022

2. BASIS OF PREPARATION (CONT'D)

f. New standards and amendments (cont'd)

Where uncertainty persists in the timing or amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, the Group continues to apply the existing accounting policies disclosed in note 3e(v). See also note 31 for related disclosures about risks, financial assets and financial liabilities indexed to Interbank Offered Rates (IBOR) and hedge accounting.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of Consolidation

(i) Business combinations

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(i) Business combinations (cont'd)

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

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

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

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

(ii) Subsidiaries

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

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

(iii) Acquisitions from entities under common control

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

Notes to the Financial Statements

For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(iv) Loss of control

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

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

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

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

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

(vi) Joint operations

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

(vii) Transactions eliminated on consolidation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Basis of Consolidation (cont'd)

(ix) Trust for Executive Share Scheme

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

b. Foreign Currency

(i) Foreign currency transactions

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

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

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

(ii) Foreign operations

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Foreign Currency (cont'd)

(ii) Foreign operations (cont'd)

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

(iii) Hedge of a net investment in foreign operation

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

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

c. Property, Plant and Equipment

(i) Recognition and measurement

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

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

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

d. Investment Property

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d. Investment Property (cont'd)

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

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

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

e. Financial Instruments

(i) Non-derivative financial assets

Classification and measurement

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

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

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

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

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

At initial recognition

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

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

At subsequent measurement

(i) Financial assets at amortised cost

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

(ii) Financial assets at FVOCI

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

(iii) Financial assets at FVTPL

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

(ii) Non-derivative financial liabilities

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

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

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

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

(iii) Share capital

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

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

(iv) Perpetual securities

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

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

(v) Derivative financial instruments and hedge accounting

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

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

Cash flow hedges

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

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

Where the hedged forecast transaction subsequently results in the recognition of a non-financial item, such as inventory, the amounts recognised as OCI is included in the initial cost of the non-financial item.

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

Fair value hedges

The firm commitment of contracts entered into with various customers denominated in foreign currencies are designated as the hedged item. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk arising from these contracts. Under the Group's policy, the critical terms of the forward exchange contracts must align with the hedged items. The Group designates the spot component of forward contracts as the hedging instrument. The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the spot of the currency forwards designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised in profit or loss and presented separately in "other operating income or expenses".

Net investment hedge

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

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

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in the profit or loss.

Notes to the Financial Statements
For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

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

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in the profit or loss.

Hedges directly affected by interest rate benchmark reform

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e. Financial Instruments (cont'd)

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f. Inventories

(i) Development properties for sale

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

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

(ii) Others

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

g. Non-Current Assets Held for Sale

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

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

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

h. Impairment

(i) Non-derivative financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment (cont'd)

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

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

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

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

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

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

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

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

(ii) Non-financial assets

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment (cont'd)

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

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

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

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

i. Employee Benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

(iii) Share-based payments transactions

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j. Provisions

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

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

k. Income Recognition

(i) Sale of development properties

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

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

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

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k. Income Recognition (cont'd)

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

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

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

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

(ii) Hotel income

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

(iii) Rental income

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

(iv) Management fee income

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

(v) Dividends

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

(vi) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

l. Leases

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Leases (cont'd)

As a lessee

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l. Leases (cont'd)

As a lessee (cont'd)

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

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

Short-term leases and leases of low-value assets

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

As a lessor

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

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

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

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

m. Government Grants

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n. Finance Costs

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

o. Tax

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

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

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

Deferred tax is not recognised for: -

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o. Tax (cont'd)

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

p. Discontinued Operations

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

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

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

q. Earnings Per Share

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

r. Segment Reporting

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

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets, liabilities and expenses relating to the Group's corporate office and treasury operations.

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

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

	Freehold land $'000	Freehold land and buildings $'000	Leasehold land and buildings $'000	Furniture, fittings and other equipment $'000	Motor vehicles $'000	Right-of-use assets $'000	Total $'000
Group							
Cost							
At 1 July 2020	740	140,435	369,904	46,582	2,825	-	560,486
Additions	-	-	427	2,982	-	4,545	7,954
Disposals	-	-	-	(547)	(28)	-	(575)
Disposal of a subsidiary	-	-	(3,618)	(720)	(65)	-	(4,403)
Written off	-	-	(70)	(1,865)	-	-	(1,935)
Transfer to assets held for sale	-	-	-	(237)	-	-	(237)
Translation differences	(4)	(733)	(97)	48	13	(25)	(798)
At 30 June 2021	736	139,702	366,546	46,243	2,745	4,520	560,492
At 1 July 2021	**736**	**139,702**	**366,546**	**46,243**	**2,745**	**4,520**	**560,492**
Additions	**-**	**25**	**(468)**	**1,868**	**9**	**4**	**1,438**
Disposals	**-**	**-**	**-**	**(236)**	**(2)**	**-**	**(238)**
Written off	**-**	**-**	**-**	**(1,611)**	**-**	**-**	**(1,611)**
Translation differences	**(21)**	**(3,924)**	**(1,086)**	**(941)**	**(24)**	**(127)**	**(6,123)**
At 30 June 2022	**715**	**135,803**	**364,992**	**45,323**	**2,728**	**4,397**	**553,958**
Accumulated Depreciation							
At 1 July 2020	-	13,897	26,314	27,018	2,526	-	69,755
Depreciation charge for the year	-	4,100	6,029	4,504	136	961	15,730
Disposals	-	-	-	(460)	(15)	-	(475)
Disposal of a subsidiary	-	-	(1,357)	(720)	(65)	-	(2,142)
Written off	-	-	(7)	(1,086)	-	-	(1,093)
Transfer to assets held for sale	-	-	-	(234)	-	-	(234)
Translation differences	-	(99)	(25)	15	10	(5)	(104)
At 30 June 2021	-	17,898	30,954	29,037	2,592	956	81,437
At 1 July 2021	**-**	**17,898**	**30,954**	**29,037**	**2,592**	**956**	**81,437**
Depreciation charge for the year	**-**	**2,532**	**5,265**	**6,286**	**128**	**1,133**	**15,344**
Disposals	**-**	**-**	**-**	**(162)**	**(2)**	**-**	**(164)**
Written off	**-**	**-**	**-**	**(656)**	**-**	**-**	**(656)**
Translation differences	**-**	**(555)**	**(343)**	**(439)**	**(23)**	**(50)**	**(1,410)**
At 30 June 2022	**-**	**19,875**	**35,876**	**34,066**	**2,695**	**2,039**	**94,551**
Accumulated Impairment Losses							
At 1 July 2020	-	-	2,193	-	-	-	2,193
Disposals of a subsidiary	-	-	(2,261)	-	-	-	(2,261)
Translation differences	-	-	68	-	-	-	68
At 30 June 2021	-	-	-	-	-	-	-
Carrying Amounts							
At 1 July 2020	740	126,538	341,397	19,564	299	-	488,538
At 30 June 2021	736	121,804	335,592	17,206	153	3,564	479,055
At 30 June 2022	**715**	**115,928**	**329,116**	**11,257**	**33**	**2,358**	**459,407**

Notes to the Financial Statements
For the year ended 30 June 2022

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

a. The Group's property, plant and equipment with a carrying amount of $447.9 million (2021: $461.8 million) have been mortgaged to secure loan facilities granted to the Group (note 17).

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

	2022 $'000	2021 $'000
Administrative expenses	**15,344**	15,730

5. INVESTMENT PROPERTIES

		Group	
		30 June 2022	30 June 2021
	Note	$'000	$'000
At 1 July		**4,974,546**	4,917,019
Additions		**356,125**	100,189
Reclassification from development properties	d	**361,899**	-
Changes in fair values recognised in other income	21	**248,833**	71,521
Translation differences recognised in other comprehensive income		**(9,688)**	1,700
Disposals		**-**	(115,883)
At 30 June		**5,931,715**	4,974,546
Comprising:-			
Completed investment properties		**3,630,793**	3,157,446
Investment properties under development		**2,300,922**	1,817,100
		5,931,715	4,974,546

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

a. The Group's investment properties with a carrying value of $5,375.0 million (2021: $4,450.4 million) have been mortgaged to secure loan facilities granted to the Group (note 17).

b. During the financial year, interest expense capitalised as cost of investment properties amounted to $51.1 million (2021: $45.3 million) (note 23) and is included in additions.

c. In 2021, the Group disposed a cultural building in Shanghai for a net consideration of approximately $115.9 million and recorded a gain on disposal of $0.3 million.

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

5. INVESTMENT PROPERTIES (CONT'D)

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

	Group	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Operating lease under SFRS(I) 16	**134,948**	109,194
Within 1 year	**107,161**	84,649
Between 1 to 2 years	**77,406**	42,099
Between 2 to 3 years	**54,295**	18,079
Between 3 to 4 years	**37,158**	12,352
Between 4 to 5 years	**12,736**	10,541
After 5 years	**423,704**	276,914

f. Fair value hierarchy

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

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

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

	2022	**2021**
Valuer	**Valuation Date**	**Valuation Date**
CBRE	**June 2022**	June 2021
Savills	**June 2022**	June 2021
Cheston International	**June 2022**	April 2021

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

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

Notes to the Financial Statements

For the year ended 30 June 2022

5. INVESTMENT PROPERTIES (CONT'D)

f. Fair value hierarchy (cont'd)

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

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

5. INVESTMENT PROPERTIES (CONT'D)

g. Valuation techniques and significant unobservable inputs

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

Type of investment properties	Valuation Method	Key unobservable inputs			Inter-relationship between key unobservable inputs and fair value measurement
		Singapore	China	Malaysia	
Commercial properties	• Direct comparison method	• Sales prices of $2,850 to $3,151 (2021: $2,700 to $2,999) per square feet (psf)	• Sales prices of $898 psf (2021: Not applicable)	• Sales prices of $337 (2021: $345) psf	The estimated fair value increases when sales price and gross development value increases and capitalisation rate decreases
	• Income capitalisation method	• Capitalisation rate of 3.3% to 4.5% (2021: 3.4% to 4.5%)	• Capitalisation rate of 3.8% (2021: Not applicable)	• Capitalisation rate of 5.5% to 6.0% (2021: 5.5% to 6.0%)	
Commercial properties under development	• Residual land method	• Gross development value of $3,000 to $3,800 (2021: $2,975 to $3,800) psf	• Gross development value of $122 psf (2021: Not applicable)		
Reversionary interest in freehold land and commercial properties	• Direct comparison method	• Sales prices of $201 to $857 (2021: $182 to $768) psf			
	• Residual land method	• Gross development value of $3,220 (2021: $3,060) psf			

The valuation reports for 30 June 2022 have highlighted estimation uncertainty arising from the COVID-19 pandemic, Russian/Ukraine conflict and rising interest rates (2021: COVID-19 pandemic) and that a higher degree of caution is to be exercised when relying on valuation. The valuations were based on information available as at 30 June 2022 and 30 June 2021. Values may change significantly and unexpectedly over a short period of time.

Notes to the Financial Statements

For the year ended 30 June 2022

6. SUBSIDIARIES

		Note	Company 30 June 2022 $'000	Company 30 June 2021 $'000
a.	Unquoted shares, at cost		**786,614**	787,614
	Less: Impairment loss		**(93,903)**	(93,903)
			692,711	693,711
	Amounts due from subsidiaries		**1,476,519**	1,423,335
	Less: Credit loss allowance		**(32,458)**	(33,585)
			1,444,061	1,389,750
			2,136,772	2,083,461
	Non-current amounts due to subsidiaries	19	**(1,996)**	(1,001)

The amounts due from/to subsidiaries are unsecured, interest-free and not expected to be repaid in the next 12 months from 30 June 2022.

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

The investments in and amounts due from these subsidiaries were written down to their respective recoverable amounts, determined using the net asset values of the subsidiaries. The net asset values, which take into consideration the fair values of the underlying properties held by the subsidiaries, approximate the fair values of the subsidiaries. The fair values were categorised as Level 3 fair value measurements. Costs of disposal were assessed as insignificant. Based on the assessment, no impairment is required on investment in subsidiaries (2021: $80.4 million) for the financial year ended 30 June 2022.

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

6. SUBSIDIARIES (CONT'D)

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

		Country of incorporation/ Principal place of business	Ownership interest/ Voting rights held by the Group	
			30 June 2022 %	30 June 2021 %
(i)	**Directly held by the Company**			
	GLL IHT Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand (Singapore) Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand (China) Limited	Bermuda	**100.00**	100.00
	GuoSon Assets China Limited	Hong Kong	**100.00**	100.00
	GLL Chongqing 18 Steps Pte. Ltd.	Singapore	**75.00**	75.00
	GLL (Malaysia) Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand Vietnam (S) Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand Hotels Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand Management Pte. Ltd.	Singapore	**100.00**	100.00
(ii)	**Directly and indirectly held by GuocoLand (Singapore) Pte. Ltd.**			
	TPC Commercial Pte. Ltd.	Singapore	**80.00**	80.00
	GLL Land Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand Property Maintenance Services Pte. Ltd.	Singapore	**100.00**	100.00
	GuocoLand Property Management Pte. Ltd.	Singapore	**100.00**	100.00
	Wallich Residence Pte. Ltd.	Singapore	**80.00**	80.00
	Martin Modern Pte. Ltd.	Singapore	**100.00**	100.00
	Midtown Bay Pte. Ltd.	Singapore	**70.00**	70.00
	Guoco Midtown Pte. Ltd.	Singapore	**70.00**	70.00
	Meyer Mansion Pte. Ltd.	Singapore	**100.00**	100.00
	Midtown Modern Pte. Ltd.	Singapore	**60.00**	60.00
	Guoco Midtown II Pte. Ltd.	Singapore	**60.00**	60.00
	Lentor Modern Pte. Ltd.	Singapore	**100.00**	-
	Lentor Central Pte. Ltd.	Singapore	**100.00**	-
(iii)	**Directly and indirectly held by GuoSon Assets China Limited**			
	GuoSon Changfeng China Limited	Hong Kong	**100.00**	100.00
	§ GuoSon Investment Company Limited	The People's Republic of China	**100.00**	100.00
	Shanghai Xinhaolong Property Development Co., Ltd	The People's Republic of China	**100.00**	100.00

Notes to the Financial Statements
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6. SUBSIDIARIES (CONT'D)

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

	Country of incorporation/ Principal place of business	Ownership interest/ Voting rights held by the Group	
		30 June 2022 %	30 June 2021 %
(iv) Directly held by GLL Chongqing 18 Steps Pte. Ltd.			
Chongqing Yuzhong Xinhaojun Real Estate Development Co., Ltd	The People's Republic of China	**75.00**	75.00
Chongqing Xinhaoren Real Estate Development Co., Ltd	The People's Republic of China	**75.00**	75.00
(v) Directly and indirectly held by GLL (Malaysia) Pte. Ltd.			
@ GLM Emerald Industrial Park (Jasin) Sdn Bhd	Malaysia	**46.24**	46.24
@ Damansara City Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Hotel Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Parking Sdn Bhd	Malaysia	**68.00**	68.00
@ DC Town Square Sdn Bhd	Malaysia	**68.00**	68.00
@ GuocoLand (Malaysia) Berhad	Malaysia	**68.00**	68.00
▲ GLM Oval Sdn Bhd	Malaysia	**68.00**	68.00
▲ Titan Debut Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM Emerald Hills (Cheras) Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM Emerald Square (Cheras) Sdn Bhd	Malaysia	**68.00**	68.00
▲ GLM Property Services Sdn Bhd	Malaysia	**68.00**	68.00
@ GLM IHM Sdn Bhd	Malaysia	**68.00**	68.00
GLL EWI (HK) Limited	Hong Kong	**100.00**	100.00
(vi) Indirectly held by GuocoLand Vietnam (S) Pte. Ltd.			
# GuocoLand Binh Duong Property Co., Ltd	Vietnam	**-**	100.00
(vii) Directly held by GuocoLand Hotels Pte. Ltd.			
TPC Hotel Pte. Ltd.	Singapore	**80.00**	80.00
^ JB Parade Sdn Bhd	Malaysia	**70.00**	70.00
▲ PD Resort Sdn Bhd	Malaysia	**100.00**	100.00

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

@ Audited by Ernst & Young, Malaysia.
▲ Audited by Ling Kam Hoong & Co.
Audited by RSM Vietnam Auditing & Consulting Company Limited.
^ Audited by Grant Thornton Malaysia PLT.
§ Audited by Beijing ShouLv Certified Public Accountants.

6. SUBSIDIARIES (CONT'D)

c. Non-controlling interests in subsidiaries

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

	Ownership interest held by NCI	
	30 June 2022	30 June 2021
	%	%
TPC Commercial Pte. Ltd.	**20.00**	20.00
Guoco Midtown Pte. Ltd.	**30.00**	30.00
GuocoLand (Malaysia) Berhad Group	**32.00**	32.00

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

	TPC Commercial Pte. Ltd.		Guoco Midtown Pte. Ltd. (note 29c)		GuocoLand (Malaysia) Berhad Group		Other individually immaterial subsidiaries		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-current assets	**2,678,010**	2,546,031	**2,031,940**	1,764,100	**301,743**	309,113				
Current assets	**91,621**	94,644	**30,170**	21,368	**437,044**	462,773				
Non-current liabilities	**(589,598)**	(1,525,553)	**(1,658,942)**	(1,549,852)	**(158,990)**	(209,774)				
Current liabilities	**(972,519)**	(89,358)	**(36,158)**	(20,441)	**(162,492)**	(137,832)				
Net assets	**1,207,514**	1,025,764	**367,010**	215,175	**417,305**	424,280				
Net assets attributable to NCI	**241,493**	205,143	**110,103**	64,553	**140,247**	159,172	**128,937**	108,308	**620,780**	537,176
Revenue	**100,210**	91,720	**520**	-	**139,556**	212,233				
Profit	**181,750**	76,326	**151,835**	41,998	**9,026**	24,333				
Other comprehensive income	**-**	-	**-**	-	**(12,992)**	(2,843)				
Total comprehensive income	**181,750**	76,326	**151,835**	41,998	**(3,966)**	21,490				
Profit attributable to NCI	**36,350**	15,265	**45,551**	12,599	**3,732**	20,833				
Other comprehensive income attributable to NCI	**-**	-	**-**	-	**(4,158)**	(910)				
Total comprehensive income attributable to NCI	**36,350**	15,265	**45,551**	12,599	**(426)**	19,923	**3,514**	(8,239)	**84,989**	39,548
Cash flows from operating activities	**70,008**	78,172	**13,239**	8,454	**1,494**	97,709				
Cash flows from/(used in) investing activities	**14**	(338)	**(99,744)**	(40,591)	**36,126**	79,739				
Cash flows (used in)/from financing activities	**(76,035)**	(83,391)	**93,838**	35,233	**(31,191)**	(150,992)				
Net (decrease)/increase in cash and cash equivalents	**(6,013)**	(5,557)	**7,333**	3,096	**6,429**	26,456				
Dividends paid to NCI during the year	**-**	-	**-**	-	**1,385**	17,682				

In 2021, a non-wholly owned subsidiary capitalised its shareholder's loan of $25.4 million from non-controlling interests. Additionally, pursuant to a capital reduction of a subsidiary, $15.5 million was paid to non-controlling interests.

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For the year ended 30 June 2022

7. ASSOCIATES AND JOINT VENTURES

	Group	
	30 June 2022 $'000	**30 June 2021 $'000**
Investments in associates		
- quoted	**35,560**	36,548
- unquoted	**35,542**	35,238
Investments in joint ventures		
- quoted	**190,342**	240,531
- unquoted	**47,737**	48,820
Amounts due from joint ventures	**245,225**	156,755
	554,406	517,892

During the year, the Group received dividends of $14.9 million (2021: $18.5 million) from its investments in associates and joint ventures.

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

Name of Associates/ Joint Ventures	**Principal activities**	**Country of incorporation/ Principal place of business**	**Ownership interest/ Voting rights held by the Group**	
			30 June 2022 %	**30 June 2021 %**
Associates				
*§ Tower Real Estate Investment Trust ("Tower REIT")	Investment in real estate and real estate related assets	Malaysia	**14.73**	14.73
@ GLM Emerald (Sepang) Sdn Bhd ("Emerald Sepang")	Property development and operation of an oil palm estate	Malaysia	**32.20**	32.20
Joint Ventures				
* EcoWorld International Berhad ("EWI")	Property development	Malaysia/ United Kingdom & Australia	**27.00**	27.00
▲ Carmel Development Pte. Ltd. ("Carmel")	Property development	Singapore	**40.00**	40.00
▲ Lentor Hills Development Pte. Ltd. ("Lentor Hills")	Property development	Singapore	**30.00**	-

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

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

At the reporting date, the associates and joint ventures do not have any contingent liabilities. The Group has not recognised losses totalling $21.2 million (2021: $23.3 million) in relation to its interests in joint ventures, because the Group has no obligation in respect of these losses.

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

Associates

	Tower REIT		**Emerald Sepang**		**Total**	
Percentage of interest	**21.66%***		**45.00%#**			
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets	**259,698**	266,900	**64,703**	70,031		
Current assets	**783**	1,091	**14,452**	14,257		
Non-current liabilities	**(89,983)**	(92,934)	**(3,213)**	(8,971)		
Current liabilities	**(6,322)**	(6,320)	**(3,925)**	(4,177)		
Net assets	**164,176**	168,737	**72,017**	71,140		
Group's share of net assets	**35,560**	36,548	**32,408**	32,013		
Goodwill	**-**	-	**3,134**	3,225		
Group's carrying amount	**35,560**	36,548	**35,542**	35,238	**71,102**	71,786
Revenue	**10,484**	7,093	**4,249**	1,205		
Profit/(Loss) from continuing operations	**2,312**	(2,041)	**3,153**	(307)		
Other comprehensive income	**(4,748)**	(880)	**(2,477)**	(488)		
Total comprehensive income	**(2,436)**	(2,921)	**676**	(795)		
Group's interest in net assets of investee at beginning of year	**36,548**	37,623	**35,238**	35,596	**71,786**	73,219
Group's share of profit/(loss)	**501**	(442)	**1,419**	(138)	**1,920**	(580)
Group's share of other comprehensive income	**(1,028)**	(191)	**(1,115)**	(220)	**(2,143)**	(411)
Share of other comprehensive income attributable to the Group	**(527)**	(633)	**304**	(358)	**(223)**	(991)
Dividends received during the year	**(461)**	(442)	**-**	-	**(461)**	(442)
Carrying amount of interest in investee at end of the year	**35,560**	36,548	**35,542**	35,238	**71,102**	71,786

* The Group has a 68.00% (2021: 68.00%) equity interest in a subsidiary, GuocoLand (Malaysia) Berhad, which in turn holds a 21.66% (2021: 21.66%) equity interest in Tower REIT. The Group's effective equity interest in Tower REIT is 14.73% (2021: 14.73%).

Emerald Sepang is 40.00% (2021: 40.00%) and 5.00% (2021: 5.00%) owned by GuocoLand (Malaysia) Berhad and a wholly owned subsidiary of the Group respectively. The Group's effective equity interest in Emerald Sepang is 32.20% (2021: 32.20%).

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For the year ended 30 June 2022

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

Associates (cont'd)

None of the Group's associates are publicly listed entities except for Tower REIT, which is listed on the Malaysia Stock Exchange. Based on its closing price per unit of RM0.45 (2021: RM0.59) (Level 1 in the fair value hierarchy) at the reporting date, the fair value of the Group's investment in Tower REIT was $8.5 million (2021: $11.5 million). The Group undertook an impairment assessment of its investment in Tower REIT and estimated its recoverable amount, taking into consideration the fair value of the underlying properties held by Tower REIT. Based on the assessment, the recoverable amount of the investment approximates its carrying amount.

Joint Ventures

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

Carmel is an unlisted joint venture in which the Group has joint control via a shareholders' agreement with two other shareholders and 40.00% ownership interest. Carmel was incorporated by the Group and its related corporation and is based in Singapore, principally engaged in property development. The entity is structured as a separate vehicle and the Group has residual interest in its net assets. Accordingly, the Group has classified its interest in this entity as a joint venture, which is equity accounted. The Group has advanced shareholder's loan to Carmel for the development (note 29f) and the shareholder's loan bears interest of 3.2% (2021: 3.2%) per annum and is repayable at the discretion of the Board of Carmel. The amounts are subordinated to external bank loans of Carmel.

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

At the reporting date, the Group's share of the commitment in respect of capital expenditure contracted but not provided for in the financial statements by the joint ventures relating to development properties was $56.8 million (2021: $65.7 million).

None of the Group's joint ventures are publicly listed entities except for EWI, which is listed on the Malaysia Stock Exchange. Based on its closing price per share of RM0.34 (2021: RM0.62) (Level 1 in the fair value hierarchy) at the reporting date, the fair value of the Group's investment in EWI was $68.4 million (2021: $130.4 million). The Group undertook an impairment assessment of its investment in EWI and estimated its recoverable amount, taking into consideration the expected profits from the sold properties and the expected selling prices of the remaining properties held by EWI through its investees. Based on the assessment, no impairment loss was recognised for the financial years ended 30 June 2022 and 30 June 2021.

7. ASSOCIATES AND JOINT VENTURES (CONT'D)

Joint Ventures (cont'd)

	EWI		Carmel		Lentor Hills	Other immaterial joint ventures		Total	
Percentage of interest	**27.00%**		**40.00%**		**30.00%**				
	2022	**2021**	**2022**	**2021**	**2022**	**2022**	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets	**503,685**	384,912	**12,110**	10,679	**-**				
Current assets	**392,336**	844,574	**904,660**	1,019,111	**660,191**				
Non-current liabilities	**(22,886)**	(224,803)	**(959,897)**	(1,084,854)	**(659,053)**				
Current liabilities	**(191,179)**	(136,301)	**(9,570)**	(3,354)	**(1,417)**				
Non-controlling interest	**(786)**	(1,327)	**-**	-	**-**				
Net assets	**681,170**	867,055	**(52,697)**	(58,418)	**(279)**				
Cash and cash equivalents	**96,181**	212,513	**109,735**	35,562	**8,912**				
Non-current financial liabilities (excluding trade and other payables and provision)	**(22,886)**	(224,803)	**(959,897)**	(1,085,854)	**(659,053)**				
Current financial liabilities (excluding trade and other payables and provision)	**(182,950)**	(118,953)	**(1,845)**	(2,153)	**(268)**				
Group's share of net assets	**183,916**	234,105	**-**	-	**-**				
Goodwill	**53,426**	53,426	**-**	-	**-**				
Shareholder's loan	**-**	-	**176,759**	156,755	**68,466**				
Impairment loss	**(47,000)**	(47,000)	**-**	-	**-**				
Group's carrying amount	**190,342**	240,531	**176,759**	156,755	**68,466**	**47,737**	48,820	**483,304**	446,106
Revenue	**51,072**	353,398	**198,336**	40,678	**-**				
Depreciation	**(514)**	(852)	**-**	-	**-**				
Interest income	**1,649**	4,058	**185**	9	**-**				
Interest expense	**(16,469)**	(16,993)	**(24,587)**	(26,460)	**(4,145)**				
Income tax (expense)/credit	**520**	(19,096)	**-**	-	**-**				
(Loss)/Profit for the year	**(50,937)**	35,211	**5,720**	(23,089)	**(4,000)**				
Other comprehensive income	**(96,355)**	70,200	**-**	-	**-**				
Total comprehensive income	**(147,292)**	105,411	**5,720**	(23,089)	**(4,000)**				
Group's share of profit for the year	**(13,753)**	9,507	**-**	-	**(1,200)**	**5,380**	3,777	**(9,573)**	13,284
Group's share of other comprehensive income	**(26,016)**	18,954	**-**	-	**-**	**(2,429)**	1,107	**(28,445)**	20,061
Group's share of total comprehensive income	**(39,769)**	28,461	**-**	-	**(1,200)**	**2,951**	4,884	**(38,018)**	33,345
Group's interest in net assets of investee at beginning of year	**240,531**	214,164	**156,755**	149,877	**-**	**48,820**	92,388	**446,106**	456,429
Addition during the year	**-**	-	**20,004**	6,878	**69,666**	**-**	-	**89,670**	6,878
Capital reduction during the year	**-**	-	**-**	-	**-**	**-**	(32,462)	**-**	(32,462)
Dividends received during the year	**(10,420)**	(2,094)	**-**	-	**-**	**(4,034)**	(15,990)	**(14,454)**	(18,084)
Total comprehensive income attributable to the Group	**(39,769)**	28,461	**-**	-	**(1,200)**	**2,951**	4,884	**(38,018)**	33,345
Carrying amount of interest in investee at end of the year	**190,342**	240,531	**176,759**	156,755	**68,466**	**47,737**	48,820	**483,304**	446,106

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8. DEFERRED TAX

a. Deferred Tax Assets and Liabilities

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

Group	At 1 July $'000	Recognised in profit or loss $'000	Translation differences $'000	At 30 June $'000
2022				
Deferred tax liabilities				
Property, plant and equipment	**3,790**	**-**	**(32)**	**3,758**
Investment properties	**1,500**	**20,154**	**(440)**	**21,214**
Development properties	**27,578**	**(1,469)**	**(61)**	**26,048**
Investment in joint ventures	**1,764**	**(187)**	**(16)**	**1,561**
Deferred tax liabilities	**34,632**	**18,498**	**(549)**	**52,581**
Set off of tax	**-**	**(20,282)**	**400**	**(19,882)**
Net Deferred tax liabilities	**34,632**	**(1,784)**	**(149)**	**32,699**
Deferred tax assets				
Unutilised tax losses	**7,203**	**(1,498)**	**25**	**5,730**
Development properties	**28,022**	**13,187**	**(423)**	**40,786**
Loans and borrowings	**918**	**(176)**	**-**	**742**
Deferred tax assets	**36,143**	**11,513**	**(398)**	**47,258**
Set off of tax	**-**	**(20,282)**	**400**	**(19,882)**
Net Deferred tax assets	**36,143**	**(8,769)**	**2**	**27,376**
2021				
Deferred tax liabilities				
Property, plant and equipment	3,393	404	(7)	3,790
Investment properties	14,572	(13,398)	326	1,500
Development properties	27,798	(211)	(9)	27,578
Investment in joint ventures	2,398	(743)	109	1,764
Deferred tax liabilities	48,161	(13,948)	419	34,632
Set off of tax	(10,644)	10,974	(330)	-
Net Deferred tax liabilities	37,517	(2,974)	89	34,632
Deferred tax assets				
Unutilised tax losses	3,701	3,426	76	7,203
Development properties	29,886	(2,490)	626	28,022
Share options	589	(589)	-	-
Loans and borrowings	718	200	-	918
Deferred tax assets	34,894	547	702	36,143
Set off of tax	(10,644)	10,974	(330)	-
Net Deferred tax assets	24,250	11,521	372	36,143

8. DEFERRED TAX (CONT'D)

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

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

As at 30 June 2022, the temporary differences relating to the undistributed profits of subsidiaries amounted to $199.5 million (2021: $108.8 million). Deferred tax liabilities of $19.9 million (2021: $10.9 million) have not been recognised in respect of the tax that would be payable on the distribution of these accumulated profits as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that the profits will not be distributed in the foreseeable future.

b. Unrecognised Deferred Tax Assets

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

	Group	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Deductible temporary differences	**72**	142
Tax losses	**226,935**	227,417
Unutilised capital allowances	**159,391**	160,568
	386,398	388,127

The tax losses with expiry dates are as follows: -

	Group	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Expiry date:-		
After 1 year but less than 5 years	**91,447**	81,497

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

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9. INVENTORIES

	Group	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Development properties	**3,880,728**	3,550,167
Consumable stocks	**1,020**	739
	3,881,748	3,550,906

Development properties

During the financial year, cost of development properties included in cost of sales in profit or loss amounted to $570.6 million (2021: $492.0 million).

		Group	
		30 June 2022	**30 June 2021**
		$'000	**$'000**
a.	Properties under development, for which revenue is to be recognised over time	**2,186,427**	1,660,554
	Properties under development, for which revenue is to be recognised at a point in time	**1,250,244**	1,448,676
		3,436,671	3,109,230
b.	Completed development properties	**407,873**	417,470
c.	Contract costs	**36,184**	23,467
	Total development properties	**3,880,728**	3,550,167

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

		Group	
		30 June 2022	**30 June 2021**
	Note	**$'000**	**$'000**
Interest expense	23	**32,515**	30,498

Certain development properties with a carrying amount of $2,808.5 million (2021: $2,206.1 million) are under legal mortgages with banks (note 17).

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

9. INVENTORIES (CONT'D)

Development properties (cont'd)

Contract costs mainly relates to commission fees paid to property agents for securing sale contracts for the Group's development properties. During the year $26.2 million (2021: $21.4 million) of commission fees paid were capitalised as contract costs. Capitalised commission fees are amortised when the related revenue is recognised. During the year, $13.5 million (2021: $9.5 million) was amortised. There was no impairment loss in relation to such costs.

The Group recognises an allowance for foreseeable losses on development properties taking into consideration the selling prices of comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions may, however, change which may affect the future selling prices of the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods. During the financial year, no allowance for foreseeable losses (2021: $1.4 million) has been made in respect of the Group's development properties.

10. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Note	$'000	$'000	$'000	$'000
Current					
Trade receivables	a	**111,708**	63,784	**-**	-
Other receivables, deposits and prepayments	b	**42,470**	43,604	**2**	5
Amount due from:-	c				
Joint ventures		**390**	696	**-**	-
Associate		**122**	-	**-**	-
Related corporations		**406**	389	**-**	-
		155,096	108,473	**2**	5

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

	Group	
	30 June 2022	30 June 2021
	$'000	$'000
GuocoLand Singapore	**82,059**	54,306
GuocoLand China	**11,862**	746
GuocoLand Malaysia	**16,135**	8,200
Others	**1,652**	532
	111,708	63,784

Notes to the Financial Statements
For the year ended 30 June 2022

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

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

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

	Gross 30 June 2022 $'000	Credit loss allowance 30 June 2022 $'000	Gross 30 June 2021 $'000	Credit loss allowance 30 June 2021 $'000
Group				
Not past due	**106,592**	**-**	55,672	-
Past due 1 – 30 days	**2,024**	**-**	1,722	-
Past due 31 – 90 days	**1,996**	**-**	744	-
Past due more than 90 days	**1,755**	**(659)**	7,021	(1,375)
	112,367	**(659)**	65,159	(1,375)

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

b. Other Receivables, Deposits and Prepayments

		Group		Company	
	Note	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Current					
Deposits		**4,424**	4,901	**-**	-
Interest receivable		**201**	55	**-**	-
Prepayments		**22,741**	28,420	**2**	5
Tax recoverable		**953**	843	**-**	-
Derivative assets	11	**9,104**	-	**-**	-
Other receivables		**5,700**	10,057	**-**	-
Credit loss allowance for doubtful receivables		**(653)**	(672)	**-**	-
		5,047	9,385	**-**	-
		42,470	43,604	**2**	5

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

11. DERIVATIVE ASSETS AND LIABILITIES

		Group	
		30 June 2022	30 June 2021
	Note	$'000	$'000
Derivative assets			
Current			
Interest rate swaps	10b	**9,104**	-
Derivative liabilities			
Non-current			
Interest rate swaps		**-**	57,458
	19	**-**	57,458
Current			
Cross currency interest rate swaps		**-**	9,640
Forward exchange contracts		**26**	625
	19	**26**	10,265

As at the reporting date, the Group had entered into interest rate swaps, cross currency interest rate swaps and forward exchange contracts with a notional amount of $1,601.0 million (2021: $1,601.0 million), Nil (2021: $216.7 million) and $4.2 million (2021: $125.7 million) respectively to hedge the Group's interest rate and foreign exchange exposure.

During the year, a designated cross currency interest rate swap with notional amount of $142.7 million as a cash flow hedge against interest rate exposures has expired. Accordingly, there was no fair value gain/loss of the cross currency interest rate swap as at reporting date (2021: fair value loss of $3.6 million).

During the year, certain designated cross currency interest rate swaps with notional amount of $74.0 million as a net investment hedge against fluctuations in foreign currency risks has expired. Accordingly, there was no fair value gain/loss of these cross currency interest rate swaps as at reporting date (2021: fair value loss of $6.0 million).

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

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11. DERIVATIVE ASSETS AND LIABILITIES (CONT'D)

Master netting or similar arrangements

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

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

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

	Gross amounts of recognised financial instruments	**Gross amounts of recognised financial instruments offset in the statement of financial position**	**Net amounts of financial instruments presented in the statement of financial position**	**Related financial instruments that are offset**	**Net amount**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
30 June 2022					
Financial assets					
Interest rate swaps	**9,104**	**-**	**9,104**	**-**	**9,104**
Financial liabilities					
Forward exchange contracts	**26**	**-**	**26**	**-**	**26**
30 June 2021					
Financial liabilities					
Interest rate swaps	57,458	-	57,458	-	57,458
Cross currency interest rate swaps	9,640	-	9,640	-	9,640
Forward exchange contracts	625	-	625	-	625
	67,723	-	67,723	-	67,723

12. CASH AND CASH EQUIVALENTS

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Note	$'000	$'000	$'000	$'000
Short-term deposits with banks		**680,989**	706,690	**-**	-
Cash and bank balances		**403,936**	422,599	**84**	126
Cash and cash equivalents		**1,084,925**	1,129,289	**84**	126
Bank overdrafts	17	**(777)**	(283)		
Cash collaterals	d	**(7,742)**	(5,829)		
Cash and cash equivalents in the statement of cash flows		**1,076,406**	1,123,177		

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

a. Amounts held under the Singapore Housing Developers (Project Account) Rules (the "Rules") totalling $236.7 million (2021: $214.8 million), the use of which is subject to restrictions imposed by the Rules;

b. Amounts held under the China Housing Developers Restricted Funds Agreement totalling $91.2 million (2021: $125.5 million), the use of which is subject to restrictions imposed by the above-mentioned Agreement.

c. Amounts held in Malaysia pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 totalling $3.2 million (2021: $3.9 million), the use of which is restricted from other operations; and

d. Cash collaterals comprised deposits of $7.7 million (2021: $5.8 million) pledged with financial institutions in Singapore for bank loans.

13. ASSETS OF DISPOSAL GROUP AND ASSETS HELD FOR SALE

In October 2020, the Group entered into an agreement to dispose of its two subsidiaries in Vietnam for a consideration of USD 28 million ($36.8 million). Upon completion of this transaction, the Group will not have any business operations in Vietnam. Accordingly, the GuocoLand Vietnam segment operation results have been presented as discontinued operation while its assets and liabilities were reclassified to assets and liabilities of disposal group held for sale in 2021 (note 34).

In March 2020, DC Offices Sdn Bhd, a Malaysian subsidiary, entered into a conditional agreement to dispose an office building known as Menara Guoco to MTrustee Berhad, the trustee of Tower Retail Estate Investment Trust ("Tower REIT"), which is an associate of the Group, for a consideration of approximately $78.9 million (RM242.1 million). Accordingly, the asset was reclassified from investment properties (note 5) to assets held for sale as at 30 June 2020 and stated at its fair value of $78.9 million. The transaction was completed at the end of August 2020.

The fair value measurement for the property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used by the valuers, First Pacific Valuers.

Notes to the Financial Statements
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13. ASSETS OF DISPOSAL GROUP AND ASSETS HELD FOR SALE (CONT'D)

Valuation method	Key unobservable inputs
Income capitalisation method	Capitalisation rate of 5.5% to 5.8%

14. SHARE CAPITAL

	Company	
	2022	2021
	No. of shares	No. of shares
Issued and fully paid ordinary shares, with no par value		
At 1 July and 30 June	**1,183,373,276**	1,183,373,276

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

b. As at 30 June 2022, the Trust for GuocoLand Limited Executives Share Scheme 2018 (the "ESS") held an aggregate of 73.6 million (2021: 73.6 million) shares in the Company (note 15a) which had been acquired from the market for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESS (note 27a).

Capital Management

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

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

	Group	
	30 June 2022	30 June 2021
	$'000	$'000
Total loans and borrowings	**5,646,771**	5,112,233
Cash and cash equivalents	**(1,084,925)**	(1,129,289)
Net debt	**4,561,846**	3,982,944
Total equity	**4,691,469**	4,407,284
Net debt to equity ratio	**0.97**	0.90

14. SHARE CAPITAL (CONT'D)

Capital Management (cont'd)

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

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

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

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

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

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

15. RESERVES

		Group		Company	
		30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Reserve for own shares	a	**(157,034)**	(157,034)	**(157,034)**	(157,034)
Capital reserve	b	**(4,923)**	(4,923)	**(5,013)**	(5,013)
Translation reserve	c	**(18,088)**	9,179	**-**	-
Hedging reserve	d	**(76)**	(3,786)	**-**	-
Revaluation reserve	e	**8,341**	8,341	**-**	-
Share option reserve	f	**-**	-	**-**	-
Merger reserve	g	**(8,494)**	(8,494)	**-**	-
Other reserves		**(180,274)**	(156,717)	**(162,047)**	(162,047)
Accumulated profits		**2,538,034**	2,230,888	**369,708**	317,576
		2,357,760	2,074,171	**207,661**	155,529

Notes to the Financial Statements

For the year ended 30 June 2022

15. RESERVES (CONT'D)

The movement of other reserves is as follows: -

	Reserve for own shares	Capital reserve	Translation reserve	Hedging reserve	Revaluation reserve	Merger reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
At 1 July 2021	**(157,034)**	**(4,923)**	**9,179**	**(3,786)**	**8,341**	**(8,494)**	**(156,717)**
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:-							
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	**-**	**-**	**(41,659)**	**-**	**-**	**-**	**(41,659)**
Translation differences of subsidiaries reclassified to profit or loss upon disposal	**-**	**-**	**(1,264)**	**-**	**-**	**-**	**(1,264)**
Effective portion of changes in fair value of cash flow hedges	**-**	**-**	**-**	**39**	**-**	**-**	**39**
Effective portion of changes in fair value of net investment hedges	**-**	**-**	**3,593**	**-**	**-**	**-**	**3,593**
Net change in fair value of cash flow hedges reclassified to profit or loss	**-**	**-**	**12,063**	**3,671**	**-**	**-**	**15,734**
Total other comprehensive income, net of tax	**-**	**-**	**(27,267)**	**3,710**	**-**	**-**	**(23,557)**
At 30 June 2022	**(157,034)**	**(4,923)**	**(18,088)**	**(76)**	**8,341**	**(8,494)**	**(180,274)**

15. RESERVES (CONT'D)

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

	Reserve for own shares $'000	Capital reserve $'000	Translation reserve $'000	Hedging reserve $'000	Revaluation reserve $'000	Share option reserve $'000	Merger reserve $'000	Total $'000
Group								
At 1 July 2020	(157,034)	(4,923)	(67,636)	1,311	8,341	6,419	(8,494)	(222,016)
Other comprehensive income								
Items that are or may be reclassified subsequently to profit or loss:-								
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	-	79,170	-	-	-	-	79,170
Translation differences of subsidiaries reclassified to profit or loss upon disposal	-	-	(815)	-	-	-	-	(815)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(5,097)	-	-	-	(5,097)
Effective portion of changes in fair value of net investment hedges	-	-	(15,031)	-	-	-	-	(15,031)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	13,491	-	-	-	-	13,491
Total other comprehensive income, net of tax	-	-	76,815	(5,097)	-	-	-	71,718
Transactions with equity holders, recorded directly in equity								
Contributions by and distributions to equity holders								
Write-back of share-based payments	-	-	-	-	-	(6,419)	-	(6,419)
Total contributions by and distributions to equity holders	-	-	-	-	-	(6,419)	-	(6,419)
Total transactions with equity holders	-	-	-	-	-	(6,419)	-	(6,419)
At 30 June 2021	(157,034)	(4,923)	9,179	(3,786)	8,341	-	(8,494)	(156,717)

Notes to the Financial Statements
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15. RESERVES (CONT'D)

a. Reserve for Own Shares

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

b. Capital Reserve

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

c. Translation Reserve

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

d. Hedging Reserve

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

e. Revaluation Reserve

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

f. Share Option Reserve

This comprises the cumulative value of employee services received for the issue of share options.

g. Merger Reserve

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

16. PERPETUAL SECURITIES

In 2018, GLL IHT Pte. Ltd. (“issuer”), a wholly owned subsidiary of the Group, issued subordinated perpetual securities (the “Perpetual Securities”), guaranteed by the Company, with an aggregate principal amount of $400 million. Transaction costs incurred amounting to $2.8 million were recognised in equity as a deduction from the proceeds.

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

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

16. PERPETUAL SECURITIES (CONT'D)

As at 30 June 2022, distribution payment of $8.0 million (2021: $8.0 million) was accrued for the relevant period relating to the semi-annual period 23 January 2022 to 30 June 2022 (2021: 23 January 2021 to 30 June 2021) as the Group had not elected to defer the payment.

Total distribution payment for the year amount to $18.4 million (2021: $18.5 million).

17. LOANS AND BORROWINGS

		Group	
		30 June 2022	30 June 2021
	Note	$'000	$'000
Non-current Liabilities			
Secured bank loans		**3,131,312**	3,710,597
Unsecured bank loans		**260,155**	85,113
Unsecured medium-term notes		**498,312**	369,157
		3,889,779	4,164,867
Current Liabilities			
Secured bank overdrafts	12	**777**	283
Secured bank loans		**1,291,547**	184,810
Unsecured bank loans		**294,721**	408,145
Unsecured medium-term notes		**169,947**	354,128
		1,756,992	947,366
Total loans and borrowings		**5,646,771**	5,112,233

Maturity of loans and borrowings: -

	Group	
	30 June 2022	30 June 2021
	$'000	$'000
Within 1 year	**1,756,992**	947,366
After 1 year but within 5 years	**3,821,563**	4,164,867
After 5 years	**68,216**	-
Total loans and borrowings	**5,646,771**	5,112,233

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17. LOANS AND BORROWINGS (CONT'D)

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

		Group	
		30 June 2022	30 June 2021
	Note	$'000	$'000
Property, plant and equipment	4	**447,926**	461,778
Investment properties	5	**5,375,038**	4,450,438
Development properties	9	**2,808,544**	2,206,074
		8,631,508	7,118,290

At the reporting date, the Group's loans from banks bore interest ranging from 1.9% to 5.1% (2021: 1.0% to 4.8%) per annum.

Medium-Term Notes

The unsecured fixed rate medium-term notes are issued by GLL IHT Pte Ltd ("IHT") with a tenor of between 1 to 5 years (2021: 1 to 5 years). The interest rates at the reporting date ranged from 3.3% to 3.9% (2021: 3.4% to 4.1%) per annum.

During the year, IHT redeemed medium-term notes with an aggregate principal amount of $357.0 million (2021: $125.0 million).

The medium-term notes are guaranteed by the Company.

17. LOANS AND BORROWINGS (CONT'D)

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

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

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17. LOANS AND BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Liabilities					Derivatives (assets)/ liabilities held to hedge long-term borrowings		
	Bank overdrafts $'000	Other loans and borrowings $'000	Interest payable $'000	Amounts due to non-controlling interests $'000	Lease Liabilities $'000	Cross currency interest rate swap used for hedging - assets $'000	Interest rate swap and cross currency interest rate swaps used for hedging - liabilities $'000	Total $'000
At 1 July 2020	35	5,265,214	26,765	616,597	-	(2,464)	93,439	5,999,586
Changes from financing cash flows								
Proceeds from borrowings	-	988,775	-	-	-	-	-	988,775
Repayment of borrowings	-	(1,133,329)	-	-	-	-	-	(1,133,329)
Repayment of loans from non-controlling interests	-	-	-	(18,275)	-	-	-	(18,275)
Interest paid	-	-	(146,319)	-	(184)	-	-	(146,503)
Payment for lease liabilities	-	-	-	-	(729)	-	-	(729)
Total changes from financing cash flows	-	(144,554)	(146,319)	(18,275)	(913)	-	-	(310,061)
The effect of changes in foreign exchange rates	-	1,565	-	8,833	-	-	-	10,398
Change in fair value	-	-	-	-	-	-	(35,219)	(35,219)
Other changes								
Liability-related								
Change in bank overdraft	249	-	-	-	-	-	-	249
Capitalised borrowing costs	-	1,297	61,802	12,660	-	-	-	75,759
Capitalisation of shareholder's loan from non-controlling interests	-	(25,376)	-	-	-	-	-	(25,376)
New leases	-	-	-	-	4,545	-	-	4,545
Interest expense	-	3,891	81,359	10,236	184	-	-	95,670
Total liability-related other changes	249	(20,188)	143,161	22,896	4,729	-	-	150,847
Total equity-related other changes	(1)	9,913	(8,040)	-	(120)	2,464	8,878	13,094
At 30 June 2021	283	5,111,950	15,567	630,051	3,696	-	67,098	5,828,645

18. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

		Group		Company	
	Note	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Trade payables and accrued operating expenses		**295,901**	185,489	**1,148**	1,009
Amounts due to:-					
Associates		**43**	44	**-**	-
Related corporations		**7,535**	12,217	**-**	-
Non-controlling interests		**-**	254	**-**	-
Other payables	19	**148,131**	173,072	**-**	-
		451,610	371,076	**1,148**	1,009

Trade payables and accrued operating expenses included $5.4 million of accrued management fees to related corporations (2021: $5.1 million).

The amounts due to associates, related corporations and non-controlling interests are non-trade, unsecured and repayable on demand. As at 30 June 2022, $6.0 million (2021: $11.0 million) of amount due to a related corporation is interest bearing at 4.2% (2021: 4.2%) per annum.

19. OTHER PAYABLES, INCLUDING DERIVATIVES

		Group		Company	
	Note	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
Non-current					
Amounts due to non-controlling interests	29c,d,e	**641,100**	630,051	**-**	-
Rental deposits		**46,271**	38,478	**-**	-
Amounts due to subsidiaries	6	**-**	-	**1,996**	1,001
Derivatives liabilities	11	**-**	57,458	**-**	-
Lease liabilities	19a	**1,868**	3,181	**-**	-
		689,239	729,168	**1,996**	1,001
Current					
Deposits received		**23,416**	70,667	**-**	-
Interest payable		**19,666**	15,567	**-**	-
Rental deposits		**4,663**	513	**-**	-
Real estate tax payable		**68,433**	46,433	**-**	-
Employee benefits payable		**8,220**	8,370	**-**	-
Derivative liabilities	11	**26**	10,265	**-**	-
Lease liabilities	19a	**682**	515	**-**	-
Others		**23,025**	20,742	**-**	-
		148,131	173,072	**-**	-

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

The amounts due to non-controlling interests are unsecured, bear interest ranging from 3.2% to 4.1% (2021: 3.2% to 5.0%) per annum and are repayable at the discretion of the Boards of the borrowing subsidiaries. The amounts are subordinated to external bank loans.

Real estate tax payable relates mainly to land appreciation taxes payable on the divestment assets in Shanghai.

a. The Group leases some of its office premises. The leases typically run for a period of 2 to 7 years (2021:1 to 6 years) with interest rates at the reporting date ranged from 3.7% to 5.2% per annum (2021:4.0% to 5.2% per annum).

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

Right-of-use assets

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

Amounts recognised in profit or loss

	Group	
	2022	**2021**
	$'000	**$'000**
Interest on lease liabilities	**92**	184

Amounts recognised in statement of cash flows

	Group	
	2022	**2021**
	$'000	**$'000**
Total cash outflow for leases	**1,249**	913

Maturity of lease liabilities: -

	Group	
	2022	**2021**
	$'000	**$'000**
Within 1 year	**682**	515
Between 1 to 2 years	**673**	707
Between 2 to 3 years	**659**	697
Between 3 to 4 years	**536**	643
Between 4 to 5 years	**-**	606
More than 5 years	**-**	528
	2,550	3,696

20. REVENUE

	Group	
	2022	**2021**
	$'000	**$'000**
Revenue recognised at a point in time:-		
Sale of development properties	**355,686**	259,883
Revenue recognised over time:-		
Sale of development properties	**447,691**	456,873
Hotel operations	**33,464**	17,867
Rental and related income from investment properties	**126,066**	114,673
Management fee income from:-		
Related corporations	**214**	162
Third parties	**2,393**	4,276
	965,514	853,734

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

	Group	
	2022	**2021**
	$'000	**$'000**
Revenue recognised at a point in time:-		
Sale of development properties		
Singapore	**243,470**	146,854
China	**98,130**	7,940
Malaysia	**14,086**	105,089
	355,686	259,883
Revenue recognised over time:-		
Sale of development properties		
Singapore	**340,277**	365,034
Malaysia	**107,414**	91,839
	447,691	456,873
Hotel operations		
Singapore	**17,355**	9,524
Malaysia	**16,109**	8,343
	33,464	17,867
Rental and related income from investment properties		
Singapore	**114,340**	105,776
China	**7,288**	4,614
Malaysia	**4,438**	4,283
	126,066	114,673

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20. REVENUE (CONT'D)

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

		Group	
		30 June 2022	30 June 2021
	Note	$'000	$'000
Contract assets	a	**233,740**	498,422
Contract liabilities	b	**(169,619)**	(97,472)
		64,121	400,950

a. Contract assets

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

The changes in contract assets are due to the differences between the agreed payment schedule and progress of the construction work. Of the contract assets of $498.4 million as at 30 June 2021, an amount of $444.4 million was related to a development project in Singapore where Temporary Occupation Permit was obtained during the year.

b. Contract liabilities

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

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

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

Group	**Contract assets**		**Contract liabilities**	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Revenue recognised that was included in the contract liability balance at the beginning of the year	**-**	-	**13,554**	20,173
Increases due to cash received, excluding amounts recognised as revenue during the year	**-**	-	**(85,701)**	(97,472)
Contract asset reclassified to trade receivables	**(291,214)**	(7,316)	**-**	-
Changes in measurement of progress	**26,532**	464,983	**-**	-

20. REVENUE (CONT'D)

Transaction price allocated to the remaining performance obligations

As at 30 June 2022, the amount allocated to the sale of development properties is $1,331.9 million (2021: $1,002.1 million). This will be recognised as revenue by reference to surveys of work performed, which is expected to complete over the next three years.

21. OTHER INCOME

		Group	
		2022	2021
	Note	$'000	$'000
Fair value gain on investment properties	5	**248,833**	71,521
Fair value gain on derivative financial instrument		**67,161**	34,594
Gain on disposal of property, plant and equipment		**-**	14
Gain on disposal of investment properties		**-**	295
Gain on disposal of interests in subsidiaries	30	**4**	1,411
Income from forfeiture of deposit		**7,979**	5,568
Interest income from fixed deposits with banks		**12,902**	11,928
Interest income from joint ventures	29f,g	**5,938**	4,878
Rental income		**1,589**	1,747
Others		**10,190**	6,980
		354,596	138,936

22. OTHER EXPENSES

	Group	
	2022	2021
	$'000	$'000
Net foreign exchange loss	**10,789**	4,680
Write-off of property, plant and equipment	**955**	842
Others	**2,652**	3,953
	14,396	9,475

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23. FINANCE COSTS

	Note	Group 2022 $'000	2021 $'000
Interest expense:-			
Financial institutions		**123,132**	110,907
Medium-term notes		**31,529**	37,626
Non-controlling interests	29c,d,e	**22,888**	22,896
		177,549	171,429
Less: Interest expense capitalised in:-			
Investment properties	5	**(51,057)**	(45,261)
Development properties	9	**(32,515)**	(30,498)
		(83,572)	(75,759)
		93,977	95,670

24. PROFIT BEFORE TAX

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

	Note	Group 2022 $'000	2021 $'000
Cost of sales		**(679,126)**	(585,291)
Fair value gain on transfer from development properties to investment properties	5d	**79,276**	-
		(599,850)	(585,291)
Allowance for foreseeable losses on development properties		**-**	1,382
Reversal of allowance for credit loss on trade and other receivables		**(692)**	(134)
Depreciation of property, plant and equipment and rights-of-use assets	4	**15,344**	15,730
Direct operating expenses of investment properties		**30,935**	29,298
Operating lease expenses		**407**	506
Management fees paid and payable to related corporations	29b	**9,649**	5,091
Auditors' remuneration:-			
Auditors of the Company		**682**	557
Other auditors		**443**	430
		1,125	987
Non-audit fees:-			
Auditors of the Company		**50**	-
Other auditors		**8**	18
		58	18
Staff costs:-			
Wages, salaries and benefits		**45,970**	50,008
Contributions to defined contribution plans		**4,413**	4,523
Write-back of share-based payments	27a	**-**	(6,419)
Liability for short-term accumulating compensated absences		**(229)**	146
Government grants		**(632)**	(3,489)
		49,522	44,769

Government grants represent the grant provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme.

Notes to the Financial Statements
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24. PROFIT BEFORE TAX (CONT'D)

b. Key Management Personnel Remuneration

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

	Group	
	2022	**2021**
	$'000	**$'000**
Wages, salaries and benefits	**4,690**	6,473
Contributions to defined contribution plans	**102**	127
Write-back of share-based payments	**-**	(6,419)
	4,792	181
Directors' fees	**602**	621

25. TAX EXPENSE

	Group	
	2022	**2021**
	$'000	**$'000**
Current tax		
Current year	**50,393**	68,017
Over provision in respect of prior years	**(189)**	(19,693)
	50,204	48,324
Foreign withholding tax	**160**	3,933
	50,364	52,257
Deferred tax		
Movements in temporary differences	**6,985**	(14,495)
Tax expense on continuing operations	**57,349**	37,762
A reconciliation of the effective tax rate is as follows:-		
Profit before tax from continuing operations	**525,507**	239,875
Less: Share of loss/(profit) of associates and joint ventures	**7,653**	(12,704)
Profit before share of profit/loss of associates, joint ventures and tax	**533,160**	227,171
Tax calculated using the Singapore tax rate of 17% (2021: 17%)	**90,637**	38,619
Effect of different tax rates in foreign jurisdictions	**6,622**	3,002
Effect of unrecognised tax losses and other deductible temporary differences	**1,695**	398
Expenses not deductible for tax purpose	**12,190**	20,062
Foreign withholding tax	**160**	3,933
Land appreciation tax	**6,712**	15,765
Income not subject to tax	**(59,798)**	(19,694)
Over provision in respect of prior years	**(189)**	(19,693)
Effect of taxable distributions from associate	**111**	106
Others	**(791)**	(4,736)
	57,349	37,762

25. TAX EXPENSE (CONT'D)

Tax expense on continuing operations excludes tax expense from discontinued operation of $3.6 million (2021: tax credit of $0.5 million), which has been included in profit/(loss) from discontinued operation (net of tax) in the statement of profit or loss (note 34).

In 2021, the over provision of current tax in respect of prior years' arose from the revision of land appreciation tax rate to align with the progress of a project in Shanghai. A different land appreciation tax rate from the prior year was applied in the tax computation as the profit margin for the overall project changed.

26. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

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

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

	Group	
	2022	**2021**
	$'000	**$'000**
Profit attributable to equity holders of the Company	**392,728**	169,106
Less: Profit attributable to perpetual securities holders	**(18,996)**	(19,019)
Profit attributable to ordinary equity holders of the Company	**373,732**	150,087
	'000	'000
Issued ordinary shares at 30 June	**1,183,373**	1,183,373
Effect of own shares held by the Trust	**(73,605)**	(73,605)
Weighted average number of ordinary shares used in the computation of basic EPS	**1,109,768**	1,109,768

For the year ended 30 June 2022 and 2021, diluted EPS was the same as the basic EPS as there were no dilutive potential ordinary shares in issue.

27. EMPLOYEE BENEFITS

a. Company

GuocoLand Limited Executive Share Scheme

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

(ii) During the financial year, the ESS 2018 shall be administered by the Remuneration Committee comprising Mr Wee Lieng Seng (Chairman), Mr Quek Leng Chan and Ms Jennie Chua Kheng Yeng who are non-participants.

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27. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

GuocoLand Limited Executive Share Scheme (cont'd)

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

Since the commencement of the ESS 2018, no grant has been made. Accordingly, there were no new Shares issued by virtue of the exercise of options and there were no unissued Shares under options at the end of the financial year. In 2021, 37,900,000 options had lapsed and there was a write back of share based payments of $6.4 million.

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

1. Eligibility

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

2. Maximum Entitlement

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

3. Grant of Options

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

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

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

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

27. EMPLOYEE BENEFITS (CONT'D)

a. Company (cont'd)

GuocoLand Limited Executive Share Scheme (cont'd)

(iv) Other information regarding the ESS 2018 is as follows: - (cont'd)

3. Grant of Options (cont'd)

(c) Eligible Executives 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.

4. Grant of Shares ("Grant Offer")

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

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

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

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

Shares held by Trust

In October 2004, the Company established a Trust in respect of the Executive Share Scheme ("ESS"). Pursuant to a trust deed between the Company and the Trust, the Trust had acquired Shares from the market for the purpose of satisfying options granted or to be granted to participants under the ESS. Subject to financial performance and other targets being met by these participants, Shares held under the Trust may be transferred to them upon exercise of their share options.

As at 30 June 2022, the Trust held an aggregate of 73.6 million (2021: 73.6 million) Shares. For accounting purposes, the assets and liabilities of the Trust are recognised as assets and liabilities of the Company and Shares held by the Trust are accounted for as treasury shares of the Company.

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

GLM Executive Share Scheme

(i) The GLM Executive Share Option Scheme ("GLM ESOS") was implemented on 21 March 2012 and shall be in force for a period of 10 years.

The Executive Share Grant Scheme ("ESGS") was implemented on 28 February 2014.

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27. EMPLOYEE BENEFITS (CONT'D)

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

GLM Executive Share Scheme (cont'd)

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

The GLM ESS expired on 20 March 2022.

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

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

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

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

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

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

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

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

The GLM ESS Trust did not acquire any ordinary shares of GLM during the financial years ended 30 June 2022 and 30 June 2021.

No option or shares in GLM have been granted under the GLM ESS during the financial years ended 30 June 2022 and 30 June 2021.

27. EMPLOYEE BENEFITS (CONT'D)

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

GLM Executive Share Scheme (cont'd)

(ii) On 22 August 2011, GLM has established a Value Creation Incentive Plan ("VCIP") for selected key executives of the GLM Group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options will be satisfied through the transfer of existing GLM shares held by the GLM ESS Trust.

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

During the financial year, no share option was granted and 3,000,000 share options (2021: 15,000,000 share options) lapsed pursuant to the GLM's VCIP. There is no outstanding option (2021: 3,000,000) as at reporting date.

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

28. DIVIDENDS

	2022	2021
	$'000	$'000
Paid by the Company to ordinary equity holders of the Company		
Final one-tier ordinary dividend paid of 6 cents (2021: 6 cents) per ordinary share in respect of the previous financial year*	**66,586**	66,586
Paid by subsidiaries to non-controlling interests	**1,385**	17,682

After the reporting date, the Directors proposed a one-tier final dividend of 6 cents (2021: one-tier final dividend of 6 cents) per ordinary share amounting to $66.6 million (2021: $66.6 million). The dividends have not been provided for.

* Dividend payments in respect of 73.6 million (2021: 73.6 million) ordinary shares of the Company which were held by the Trust for the ESS were eliminated.

29. RELATED PARTY TRANSACTIONS

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

a. Rental income of $2.0 million was received for the financial year ended 30 June 2022 (2021: $2.2 million) and will continue to be receivable by the Group pursuant to lease agreements entered into with companies in which two of the directors have an interest.

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29. RELATED PARTY TRANSACTIONS (CONT'D)

b. In 2021, the Group signed a renewal of the Management Agreement with a related corporation, GuoLine Group Management Company Pte. Ltd. ("GGMC"), a wholly owned subsidiary of GuoLine Capital Assets Limited, which is the ultimate holding company of the Company, in relation to the provision of services to the Group for a further period of 3 years up to 30 June 2023. The said Management Agreement was entered into, on the same terms and conditions as the previous agreement signed with the Company's intermediate holding company, Guoco Group Limited, which had expired on 30 June 2020. In accordance with the Management Agreement, the payment of the annual fee to GGMC will be based on the equivalent of 3% of the profit before tax of the Company's subsidiaries. The aggregate fees payable by the Group in each financial year to GGMC shall in any event not exceed 2% of the audited consolidated net tangible assets of the Company for the relevant financial year. In addition, GGMC also provides human resource, corporate secretarial and legal services to certain entities of the Group for an annual fee. Two directors of the Company are directors of GGMC (note 24).

c. The Group has entered into shareholders' agreements with its immediate holding company, GuocoLand Assets Pte. Ltd., for the acquisition and development of a commercial site in Singapore through its subsidiaries, Guoco Midtown Pte. Ltd. and Midtown Bay Pte. Ltd. As at 30 June 2022, $112.1 million (2021: $66.7 million) of non-controlling interests and $189.5 million (2021: $165.4 million) of amount due to non-controlling interests were in relation to contributions by the immediate holding company for its equity interests in the projects. During the year, $5.6 million (2021: $4.9 million) of interest payable was accrued in the amount due to non-controlling interests.

d. The Group has entered into shareholder's agreement with a related corporation, Hong Leong Holdings (China) Pte. Ltd., for the acquisition and development of four land parcels situated within Yuzhong and Yubei districts of Chongqing, the People's Republic of China through its subsidiary, GLL Chongqing 18 Steps Pte. Ltd. As at 30 June 2022, $57.6 million (2021: $59.3 million) of non-controlling interests and $180.3 million (2021: $172.7 million) of amount due to non-controlling interests were in relation to contributions by the related corporation for its equity interests in the projects. During the year, $8.3 million (2021: $8.4 million) of interest payable was accrued in the amount due to non-controlling interests.

e. The Group has entered into shareholder's agreement with related corporations, Intrepid Investments Pte. Ltd and Hong Realty Pte. Ltd, for the acquisition and development of a residential site in Singapore through its subsidiaries, Midtown Modern Pte. Ltd. and Guoco Midtown II Pte. Ltd. As at 30 June 2022, $38.5 million (2021: $38.1 million) of non-controlling interests and $98.6 million (2021: $95.1 million) of amount due to non-controlling interests were in relation to contributions by the related corporations for its equity interests in the projects. During the year, $3.1 million (2021: $2.9 million) of interest payable was accrued in the amount due to non-controlling interests.

f. The Group has entered into shareholder's agreement with related corporations, Intrepid Investments Pte. Ltd. and Hong Realty Pte. Ltd., for the acquisition and development of a residential site in Singapore through its joint venture, Carmel Development Pte. Ltd. ("Carmel"). As at 30 June 2022, $176.8 million (2021: $156.8 million) of shareholder's loan was injected into Carmel by the Group for its equity interest in the project (note 7). During the year, $5.2 million (2021: $4.9 million) of interest receivable was accrued in the amount due from joint venture.

g. During the year, the Group has entered into shareholder's agreement with related corporations, Intrepid Investments Pte. Ltd. and TID Residential Pte. Ltd., for the acquisition and development of a residential site in Singapore through its joint venture, Lentor Hills Development Pte. Ltd. ("Lentor Hills"). As at 30 June 2022, $68.5 million of shareholder's loan was injected into Lentor Hills by the Group for its equity interest in the project (note 7). During the year, $0.7 million of interest receivable was accrued in the amount due from joint venture.

30. CHANGES IN INTERESTS IN SUBSIDIARIES

Disposal of interests in a subsidiary

During the year, the Group disposed its investment in a subsidiary, Shanghai Xinhaozhong Holding Co., Ltd. for a consideration of $1.6 million (RMB7.4 million) and liquidated a subsidiary.

The cash flows and net assets relating to subsidiaries disposed/liquidated are summarised as follows: -

	2022
	$'000
Net assets disposed	**3,119**
Realisation of translation reserve	**(1,571)**
Gain on disposal of subsidiaries	**4**
Sale consideration	**1,552**
Cash balances of subsidiary disposed	**(326)**
Net sales consideration received	**1,226**

In 2021, the Group disposed its investment in a subsidiary, Beijing Jiang Sheng Property Development Co., Ltd. for a consideration of $0.6 million (RMB3.0 million).

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

	2021
	$'000
Net assets disposed	-
Realisation of translation reserve	(815)
Disposal costs	18
Gain on disposal of a subsidiary	1,411
Sale consideration	614
Disposal costs paid	(18)
Net sales consideration received	596

31. FINANCIAL INSTRUMENTS

a. Financial Risk Management Objectives and Policies

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

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31. FINANCIAL INSTRUMENTS (CONT'D)

a. Financial Risk Management Objectives and Policies (cont'd)

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

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

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

b. Market Risk

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

(i) Foreign Currency Risk

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

The Company does not have significant exposure to foreign currency risk.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency and exposure arising from intercompany balances which are considered to be in the nature of interests in subsidiaries and derivatives entered into as net investment hedge (note 11) are excluded.

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

	Chinese Renminbi $'000	Hong Kong Dollar $'000	Malaysian Ringgit $'000
Group			
30 June 2022			
Cash and cash equivalents	**1,233**	**-**	**196**
Other payables	**(181,787)**	**(55)**	**(14)**
Loans and borrowings	**(302,208)**	**-**	**-**
Net exposure in the statement of financial position	**(482,762)**	**(55)**	**182**
Forward exchange contracts	**(4,178)**	**-**	**-**
Total exposure	**(486,940)**	**(55)**	**182**
30 June 2021			
Other receivables	4,542	-	-
Cash and cash equivalents	79,848	-	13,235
Other payables	(173,691)	(817)	(13)
Loans and borrowings	(85,183)	(69,280)	-
Net exposure in the statement of financial position	(174,484)	(70,097)	13,222
Cross currency interest rate swaps	(142,669)	-	-
Forward exchange contracts	(125,739)	-	-
Total exposure	(442,892)	(70,097)	13,222

Sensitivity Analysis

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

Functional Currencies	Foreign Currencies	Rate of Increase in Foreign Currencies	Profit Before Tax $'000
Group			
2022			
SGD	**RMB**	**2.87%**	**(13,975)**
SGD	**HKD**	**2.83%**	**(2)**
SGD	**MYR**	**0.44%**	**1**
2021			
SGD	RMB	0.60%	(2,657)
SGD	HKD	2.73%	(1,914)
SGD	MYR	0.13%	17

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

Notes to the Financial Statements

For the year ended 30 June 2022

31. 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. The management of interest rate risk is reported and reviewed by on a monthly basis. To obtain the most favourable overall finance cost, the Group may use interest rate swaps to hedge its interest rate exposure. Apart from cash and cash equivalents, the Group has no other significant interest-bearing assets.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition. For further details, see 'Managing interest rate benchmark reform and associated risks' below.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of a major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group treasury function monitors and manages the Group's transition to alternative rates. The Treasury Department evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The Treasury Department reports and provides periodic reports to management of interest rate risk and risks arising from IBOR reform and collaborates with other business functions as needed.

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

Managing interest rate benchmark reform and associated risks (cont'd)

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SIBOR or SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. The Group expects to negotiate the inclusion of new fall-back clauses with its derivative counterparties. No derivative instruments have been modified as at 30 June 2022.

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 30 June 2022. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SIBOR and SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's SIBOR and SOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. The Group applies to the amendments to SFRS(I) 9 issued in December 2020 (Phase 1) to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SIBOR or SOR using available quoted market rates for SIBOR-based and SOR instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SIBOR-based and SOR instruments of the same turnaround similar maturities and has measure of the cumulative change in the present value of hedged cash flows attributable to changes in SIBOR and SOR on a similar basis.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 30 June 2022. The amounts of financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

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For the year ended 30 June 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

Total amounts of unreformed contracts, including those with an appropriate fallback clause (cont'd)

	SOR	
	Total amount of unreformed contracts	Amount with appropriate fallback clause
	$'000	$'000
Group		
30 June 2022		
Financial liabilities		
Unsecured bank loans	**147,370**	**4,700**
Secured bank loans	**3,015,097**	**-**
Derivatives		
Interest rate swaps	**1,601,000**	**-**

The Group's exposure to Singapore-dollar SOR designated in hedging relationships is $1,601.0 million at 30 June 2022, representing the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated secured bank loan liabilities maturing in calendar year 2023.

31. FINANCIAL INSTRUMENTS (CONT'D)

b. Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

Exposure to interest rate risk

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

	Group	
	Nominal amount	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
Fixed rate instruments		
Financial assets	**680,989**	706,690
Financial liabilities	**(1,577,903)**	(1,450,534)
Interest rate swaps	**(1,601,000)**	(1,601,000)
	(2,497,914)	(2,344,844)
Variable rate instruments		
Financial liabilities	**(4,724,227)**	(4,312,494)
Interest rate swaps	**1,601,000**	1,601,000
	(3,123,227)	(2,711,494)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

An increase in the interest rates of 19 basis points for SGD (2021: 2 basis points) at the reporting date would decrease the Group's profit before income tax by $5.9 million (2021: $0.7 million). The impact on the Group's profit is estimated as an annualised impact on interest expense or income of such a change in interest rates. There is no impact on the other components of equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests. A decrease in the interest rates would have an equal but opposite effect.

Notes to the Financial Statements
For the year ended 30 June 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

c. Credit Risk

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

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

Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers under each business.

Trade and other receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group generally considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due and writes off the financial asset when the Group assesses that the debtor fails to make contractual payments. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

(i) The movements in credit loss allowance on trade and other receivables of the Group are as follows: -

	Trade receivables	**Other receivables**	**Total**
	$'000	**$'000**	**$'000**
Group			
At 1 July 2021	**1,375**	**672**	**2,047**
Allowance during the year	**3**	**-**	**3**
Reversal of allowance during the year	**(695)**	**-**	**(695)**
Translation differences	**(24)**	**(19)**	**(43)**
At 30 June 2022	**659**	**653**	**1,312**
At 1 July 2020	1,516	676	2,192
Allowance during the year	55	-	55
Reversal of allowance during the year	(189)	-	(189)
Translation differences	(7)	(4)	(11)
At 30 June 2021	1,375	672	2,047

31. FINANCIAL INSTRUMENTS (CONT'D)

c. Credit Risk (cont'd)

(ii) The movements in credit loss allowance on amounts due from subsidiaries of the Company are as follows: -

	Company	
	30 June 2022	**30 June 2021**
	$'000	**$'000**
At 1 July	**33,585**	33,585
Reversal of allowance during the year	**(1,127)**	-
At 30 June	**32,458**	33,585

No aging analysis of contract assets and other receivables are presented as the majority of outstanding balances as at 30 June 2022 are current. The Group assesses that no credit loss allowance on other receivables is required.

The Company's credit risk exposure to trade and other receivables is immaterial.

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

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

Cash is placed with regulated financial institutions. Cash and cash equivalents are subject to immaterial credit loss.

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. The maximum exposure of the Company in respect of the intra-group financial guarantees is set out in note 33b. At reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

d. Liquidity Risk

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

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

The Group has contractual commitments to incur capital expenditure on its investment properties and development properties (note 32).

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For the year ended 30 June 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk (cont'd)

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

			Cash flows		
	Carrying amount	Contractual cash flows	Within 1 year	Between 1 and 5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
30 June 2022					
Non-derivative financial liabilities					
Trade and other payables*	**(499,723)**	**(499,977)**	**(254,549)**	**(245,255)**	**(173)**
Loans and borrowings	**(5,646,771)**	**(6,006,891)**	**(1,918,915)**	**(4,009,362)**	**(78,614)**
	(6,146,494)	**(6,506,868)**	**(2,173,464)**	**(4,254,617)**	**(78,787)**
Derivative financial liabilities					
Forward exchange contracts	**(26)**	**(26)**	**(26)**	**-**	**-**
	(26)	**(26)**	**(26)**	**-**	**-**
	(6,146,520)	**(6,506,894)**	**(2,173,490)**	**(4,254,617)**	**(78,787)**
30 June 2021					
Non-derivative financial liabilities					
Trade and other payables*	(402,470)	(403,228)	(279,651)	(122,575)	(1,002)
Loans and borrowings	(5,112,233)	(5,340,121)	(1,033,230)	(4,306,891)	-
	(5,514,703)	(5,743,349)	(1,312,881)	(4,429,466)	(1,002)
Derivative financial liabilities					
Interest rate swaps	(57,458)	(67,197)	(29,360)	(37,837)	-
Cross currency interest rate swaps	(9,640)	(10,376)	(10,376)	-	-
Forward exchange contracts	(625)	(625)	(625)	-	-
	(67,723)	(78,198)	(40,361)	(37,837)	-
	(5,582,426)	(5,821,547)	(1,353,242)	(4,467,303)	(1,002)

* Excludes derivatives and amounts due to non-controlling interests.

31. FINANCIAL INSTRUMENTS (CONT'D)

d. Liquidity Risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Cash flows within 1 year $'000
Company			
30 June 2022			
Non-derivative financial liabilities			
Trade and other payables*	**(1,148)**	**(1,148)**	**(1,148)**
30 June 2021			
Non-derivative financial liabilities			
Trade and other payables*	(1,009)	(1,009)	(1,009)

* Excludes amounts due to subsidiaries.

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

The maturity analysis shows the contractual undiscounted cash flows of the financial liabilities of the Group and the Company on the basis of their earliest possible contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement e.g. forward exchange contracts. Net-settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the Group's floating rate loans. Except for these financial liabilities and the cash flows arising from the derivatives, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to impact profit or loss and the fair value of the related hedging instrument.

			← Cash flows →		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group					
2021					
Derivative financial instruments					
Cross currency interest rate swaps	(3,671)	(3,731)	(3,731)	-	-

Notes to the Financial Statements
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31. FINANCIAL INSTRUMENTS (CONT'D)

e. Accounting Classifications and Fair Values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The carrying amounts of the Company's assets and liabilities approximate its fair value.

	Carrying amount				Fair value			
	Fair value through profit or loss	At amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
30 June 2022								
Financial assets measured at fair value								
Derivative financial assets	**9,104**	**-**	**-**	**9,104**	**-**	**9,104**	**-**	**9,104**
	9,104	**-**	**-**	**9,104**				
Financial assets not measured at fair value								
Trade and other receivables[#]	**-**	**123,251**	**-**	**123,251**				
Cash and cash equivalents	**-**	**1,084,925**	**-**	**1,084,925**				
	-	**1,208,176**	**-**	**1,208,176**				
Financial liabilities measured at fair value								
Derivative financial liabilities	**26**	**-**	**-**	**26**	**-**	**26**	**-**	**26**
	26	**-**	**-**	**26**				
Financial liabilities not measured at fair value								
Loans and borrowings	**-**	**-**	**5,646,771**	**5,646,771**	**-**	**5,622,585**	**-**	**5,622,585**
Trade and other payables*	**-**	**-**	**1,140,823**	**1,140,823**				
	-	**-**	**6,787,594**	**6,787,594**				

[#] Excludes prepayments and derivatives.

* Excludes derivatives.

31. FINANCIAL INSTRUMENTS (CONT'D)

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

	Carrying amount				Fair value			
	Fair value through profit or loss	At amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
30 June 2021								
Financial assets not measured at fair value								
Trade and other receivables[#]	-	80,053	-	80,053				
Cash and cash equivalents	-	1,129,289	-	1,129,289				
	-	1,209,342	-	1,209,342				
Financial liabilities measured at fair value								
Derivative financial liabilities	67,723	-	-	67,723	-	67,723	-	67,723
	67,723	-	-	67,723				
Financial liabilities not measured at fair value								
Loans and borrowings	-	-	5,112,233	5,112,233	-	5,123,287	-	5,123,287
Trade and other payables*	-	-	1,032,521	1,032,521				
	-	-	6,144,754	6,144,754				

[#] Excludes prepayments.

* Excludes derivatives.

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values.

Financial instruments measured at fair value

Type	Valuation technique
Group	
Forward exchange contracts, cross currency interest rate swaps and interest rate swaps	*Market comparison technique*: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Financial instruments not measured at fair value

Type	Valuation technique
Group	
Loans and borrowings	*Discounted cash flow method*: The valuation model considers the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

Notes to the Financial Statements
For the year ended 30 June 2022

31. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Transfers between Level

There were no transfers between levels during the financial year.

32. COMMITMENTS

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

	Group	
	2022	**2021**
	$'000	**$'000**
Capital expenditure contracted but not provided for in the financial statements:-		
- investment properties	**214,687**	248,355
- development properties	**767,844**	865,088
	982,531	1,113,443

33. CONTINGENT LIABILITIES

a. On 20 August 2015, the Group, through its subsidiary, GuocoLand (China) Limited ("GLC"), entered into a Master Transaction Agreement (the "Agreement") to dispose of all the equity, contractual and loan interest of GLC in or relating to the Dongzhimen project in Beijing ("DZM Project"). The Agreement provides that the buyer will indemnify GLC, its affiliates and representatives from and against all actions, losses and liabilities to which any of these parties is or may become subject to arising out of or related to the DZM Project in accordance with the terms and conditions therein.

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

	Company	
	2022	**2021**
	$'000	**$'000**
Within 1 year	**420,969**	736,280
Between 1 and 5 years	**760,739**	455,183
	1,181,708	1,191,463

Refer to note 16 and 17 for the guarantees in respect of the Perpetual Securities and medium term notes. The Company has also provided undertaking for financial support to certain subsidiaries to enable them to meet their obligations.

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

34. OPERATING SEGMENTS

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

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

b. GuocoLand China – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in China.

c. GuocoLand Malaysia – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in Malaysia.

d. GuocoLand Vietnam – development of residential, commercial and integrated properties in Vietnam. The Group has completed the disposal of the subsidiaries in Vietnam during the year.

e. Others – include GuocoLand Hotels which is in the management and operation of hotels in Singapore and Malaysia, and EcoWorld International Berhad, which is in the investment in property development projects in United Kingdom and Australia.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after income tax, as included in the internal management reports that are reviewed by the CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Non-current assets are based on the geographical location of the assets.

Discontinued operation

In October 2020, the Group entered into an agreement to dispose of its two subsidiaries in Vietnam for a consideration of USD 28 million ($36.8 million). Upon completion of this transaction, the Group will not have any business operations in Vietnam. Accordingly, the GuocoLand Vietnam segment operation results have been presented as discontinued operation while its assets and liabilities were reclassified to assets and liabilities of disposal group held for sale in 2021. The disposal was completed in July 2021 with a gain on disposal of $14.3 million.

	2022 $'000	2021 $'000
Results of discontinued operation		
Expenses	**-**	(3,101)
Tax credit	**-**	516
Loss from discontinued operation, net of tax	**-**	(2,585)
Net gain on disposal of discontinued operation	**17,904**	-
Tax on gain on disposal of discontinued operation	**(3,603)**	-
Profit/(loss) from discontinued operation, net of tax	**14,301**	(2,585)
Earnings per share (cents)		
Basic / Diluted	**1.29**	(0.23)

Notes to the Financial Statements
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34. OPERATING SEGMENTS (CONT'D)

Discontinued operation (cont'd)

The profit from discontinued operation of $14.3 million (2021: loss of $2.6 million) is attributable entirely to the equity holders of the Company. Of the profit from continuing operations of $468.2 million (2021: $202.1 million), an amount of $378.4 million (2021: $171.7 million) is attributable to the equity holders of the Company.

	2022	2021
	$'000	$'000
Cash flows from/(used in) discontinued operation		
Net cash used in operating activities	**-**	(194)
Net cash from investing activities	**21,888**	-
Net cash flows for the year	**21,888**	(194)

	2022
	$'000
Effect of disposal of the financial position of the Group	
Property, plant and equipment	**3**
Inventories	**6,930**
Trade and other receivables	**2,877**
Cash and cash equivalents	**11,046**
Trade and other payables	**(2,530)**
Net assets disposed	**18,326**
Realisation of translation reserve	**307**
Disposal costs	**223**
Gain on disposal of discontinued operation	**17,904**
Sale consideration	**36,760**
Cash balances of discontinued operation	**(11,046)**
Disposal costs paid	**(223)**
Tax paid	**(3,603)**
Net sales consideration	**21,888**

34. OPERATING SEGMENTS (CONT'D)

	Continuing Operations							Discontinued Operation	
	GuocoLand Singapore	GuocoLand China	GuocoLand Malaysia	Others	Sub-Total	Unallocated	Sub-Total	GuocoLand Vietnam	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2022									
Revenue									
External revenue	**698,208**	**105,417**	**128,331**	**33,464**	**965,420**	**94**	**965,514**	**-**	**965,514**
Results									
Segment profit/ (loss) before tax	**496,939**	**112,145**	**22,387**	**(3,712)**	**627,759**	**(19,462)**	**608,297**	**17,904**	**626,201**
Share of (loss)/profit of associates and joint ventures (net of tax)	**(1,200)**	**148**	**7,152**	**(13,753)**	**(7,653)**	**-**	**(7,653)**	**-**	**(7,653)**
Interest income	**609**	**11,183**	**654**	**85**	**12,531**	**6,309**	**18,840**	**-**	**18,840**
Finance costs	**(48,393)**	**-**	**(6,652)**	**(7,864)**	**(62,909)**	**(31,068)**	**(93,977)**	**-**	**(93,977)**
Profit/(Loss) before tax	**447,955**	**123,476**	**23,541**	**(25,244)**	**569,728**	**(44,221)**	**525,507**	**17,904**	**543,411**
Tax (expense)/ credit	**(13,175)**	**(36,695)**	**(7,199)**	**1,463**	**(55,606)**	**(1,743)**	**(57,349)**	**(3,603)**	**(60,952)**
Profit/(Loss) for the year	**434,780**	**86,781**	**16,342**	**(23,781)**	**514,122**	**(45,964)**	**468,158**	**14,301**	**482,459**
Segment assets	**8,551,042**	**2,401,558**	**645,107**	**676,904**	**12,274,611**	**53,802**	**12,328,413**	**-**	**12,328,413**
Segment liabilities	**4,278,740**	**1,038,987**	**234,772**	**271,740**	**5,824,239**	**1,191,925**	**7,016,164**	**-**	**7,016,164**
Other segment items:-									
Associates and joint ventures	**245,224**	**4,863**	**113,977**	**190,342**	**554,406**	**-**	**554,406**	**-**	**554,406**
Depreciation	**(405)**	**(705)**	**(1,829)**	**(12,028)**	**(14,967)**	**(377)**	**(15,344)**	**-**	**(15,344)**
Fair value gain/ (loss) on investment properties	**253,819**	**(5,923)**	**(463)**	**-**	**247,433**	**1,400**	**248,833**	**-**	**248,833**
Capital expenditure	**346,901**	**8,606**	**1,611**	**432**	**357,550**	**13**	**357,563**	**-**	**357,563**

Notes to the Financial Statements

For the year ended 30 June 2022

34. OPERATING SEGMENTS (CONT'D)

	Continuing Operations							Discontinued Operation	
	GuocoLand Singapore	GuocoLand China	GuocoLand Malaysia	Others	Sub-Total	Unallocated	Sub-Total	GuocoLand Vietnam	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2021									
Revenue									
External revenue	617,782	12,555	205,487	17,867	853,691	43	853,734	-	853,734
Results									
Segment profit/ (loss) before tax	280,283	(28,204)	69,051	(10,523)	310,607	(4,572)	306,035	(3,486)	302,549
Share of profit of associates and joint ventures (net of tax)	-	687	2,510	9,507	12,704	-	12,704	-	12,704
Interest income	332	9,732	1,370	94	11,528	5,278	16,806	385	17,191
Finance costs	(47,649)	-	(7,403)	(7,806)	(62,858)	(32,812)	(95,670)	-	(95,670)
Profit/(Loss) before tax	232,966	(17,785)	65,528	(8,728)	271,981	(32,106)	239,875	(3,101)	236,774
Tax (expense)/ credit	(10,156)	(2,878)	(20,291)	(414)	(33,739)	(4,023)	(37,762)	516	(37,246)
Profit/(Loss) for the year	222,810	(20,663)	45,237	(9,142)	238,242	(36,129)	202,113	(2,585)	199,528
Segment assets	7,689,031	2,002,384	672,247	737,885	11,101,547	193,179	11,294,726	20,856	11,315,582
Segment liabilities	3,887,791	723,369	236,660	273,987	5,121,807	1,246,785	6,368,592	2,530	6,371,122
Other segment items:-									
Associates and joint ventures	156,755	8,656	111,949	240,532	517,892	-	517,892	-	517,892
Depreciation	(628)	(384)	(2,410)	(11,610)	(15,032)	(698)	(15,730)	-	(15,730)
Fair value gain on investment properties	70,821	-	-	-	70,821	700	71,521	-	71,521
Capital expenditure	100,290	1,634	478	1,636	104,038	194	104,232	-	104,232

34. OPERATING SEGMENTS (CONT'D)

Geographical information

	External Revenue $'000	Non-current Assets[#] $'000
2022		
Singapore	**715,658**	**6,037,477**
China	**105,417**	**364,012**
Malaysia	**144,439**	**353,697**
Others	**-**	**190,342**
	965,514	**6,945,528**
2021		
Singapore	627,349	5,356,097
China	12,555	11,152
Malaysia	213,830	363,713
Others	-	240,531
	853,734	5,971,493

[#] Excludes deferred tax assets.

Major customers

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

35. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *SFRS(I) 17 Insurance Contracts* and amendments to *SFRS(I) 17 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to SFRS(I) 16)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, plant and equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendments to SFRS(I) 37)
- *Annual Improvements to SFRS(I)s 2018-2020*
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)

Other Information

MAJOR PROPERTIES

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

Singapore	Tenure	Stage of Completion	Expected Date of Completion	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Integrated Developments						
Guoco Tower Comprises a 37-Storey Office Block, 6-Storey of Retail & F&B Space, 181 Residential Units (Wallich Residence) and a Luxury Hotel (Sofitel Singapore City Centre) Located at 1/3/5/7/9 Wallich Street	99-Year Lease With Effect From 21.02.2011	N/A	Completed	15,023	157,738	80.00
Guoco Midtown Comprises a 30-Storey Office Tower, Network Hub, Retail and Community Spaces, and 219 Residential Units (Midtown Bay) Located at Beach Road	99-Year Lease With Effect From 02.01.2018	Structural, Architectural & M&E Works	In phases from 4th Quarter 2022 to 3rd Quarter 2023	22,202	90,029	70.00
Midtown Modern Comprises Retail Units and 2 Blocks of Residential Units and Community Spaces Located at Tan Quee Lan Street	99-Year Lease With Effect From 10.12.2019	Structural, Architectural & M&E Works	2nd Quarter 2024	11,531	48,430	60.00
Lentor Modern Comprises 3 Blocks of Residential Units and Community Spaces, Early Childhood Development Centre, Retail and F&B Space Located at Lentor Central	99-Year Lease With Effect From 26.10.2021	Piling Works	2nd Quarter 2026	17,280	60,480	100.00
Commercial Properties						
20 Collyer Quay 24-Storey Office Block^ Located at Singapore 049319	999-Year Lease With Effect From 05.11.1862	N/A	Completed	2,273	23,248	100.00
Reversionary Interests in Freehold Land Located at Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	#	N/A	Completed	1,405	15,738	100.00
Residential						
Meyer Mansion Located at Meyer Road	Freehold	Structural, Architectural & M&E Works	4th Quarter 2024	7,920	22,175	100.00

MAJOR PROPERTIES (CONT'D)

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

The People's Republic of China	Tenure	Stage of Completion	Expected Date of Completion	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Integrated Developments						
Guoco Changfeng City Comprises two 18-Storey Office Towers, two Low-Rise Office Buildings, a Cultural Office Building and a Basement Retail Located in Putuo District, Shanghai	50-Year Land Use Rights With Effect From 11.12.2005	Office Towers: N/A	Completed	143,845	146,831	100.00
		Basement Retail: Works In Progress	4th Quarter 2022			
Chongqing GuocoLand 18T Mansion Comprises Residential Units and Commercial Units Located in Yuzhong District, Chongqing	Residential: 50-Year Land Use Rights Till 29.06.2069	Plot 1 to 3: Works In Progress	In phases from 2nd Quarter 2023 to 4th Quarter 2024	39,669	256,845	75.00
	Commercial: 40-Year Land Use Rights Till 29.06.2059	Plot 4: Planning	*	9,292	84,235	75.00
Residential						
Chongqing Central Park Comprises Residential Units Located in Liangjiang District, Chongqing	50-Year Land Use Rights Till 2070	Plot 1 & 2: Planning	*	75,137	84,570	75.00
		Plot 3 & 4: Works In Progress	In phases from 4th Quarter 2024 to 3rd Quarter 2025	66,821	113,030	75.00

Other Information

MAJOR PROPERTIES (CONT'D)

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

Malaysia	Tenure	Stage of Completion	Expected Date of Completion	Site Area (sq m)	Gross Floor Area (sq m)	Group's Effective Interest (%)
Integrated Developments						
Damansara City Comprises 2 Condominium Blocks (DC Residensi), a Mall (DC Mall) and a Hotel (Sofitel Kuala Lumpur Damansara) Located at Lot 58303 Bukit Damansara, Kuala Lumpur	Freehold	N/A	Completed	32,450	197,814	68.00
Emerald 9 Comprises Serviced Apartments, Offices and Retail Located at Lot 809 and 810, Cheras Batu 8 ¼ and 8 ½, Jalan Cheras, Daerah Hulu Langat, Selangor	Freehold	Plot 1: Works In Progress Plot 2: Planning	2nd Quarter 2023 *	41,010	287,235	68.00
Commercial Properties						
PJ Corporate Park Located at Lot 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling Selangor	Leasehold Till 12.12.2107	Planning	*	12,974	38,053	68.00
Residential						
Emerald Hills Located at Lot 7585 to 7589, 7597 to 7600,103882 and PT 15231, Mukim Petaling Wilayah Persekutuan, Kuala Lumpur	Freehold	Phase 1: N/A Phase 2: Works In Progress	Completed 1st Quarter 2025	137,229 54,429	132,915 113,065	68.00 68.00
Oval Kuala Lumpur Located at Seksyen 63, Bandar & Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Freehold	N/A	Completed	7,136	19,172	68.00
Others						
Vacant Agriculture Land Located at Mukim of Jasin, Melaka Darul Amin	Freehold	Planning	*	7,474,840	7,474,840	46.24

N/A: Not applicable.

^ The Group disposed of its interests in a 50-year lease (with effect from 29 January 1985) in 7 office units and a 99-year lease (with effect from 1 March 1985) in 3 office units to third parties. Accordingly, the Group recognised its reversionary interests in these office units.

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

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

Shareholding Statistics

As at 31 August 2022

SHARE CAPITAL

Number of Issued Shares	:	1,183,373,276
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings*	:	Nil

* "Subsidary Holdings" is defined in the SGX-ST Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	242	3.96	5,342	0.00
100 - 1,000	814	13.33	610,118	0.05
1,001 - 10,000	3,750	61.43	17,987,144	1.52
10,001 - 1,000,000	1,277	20.92	52,238,812	4.42
1,000,001 and above	22	0.36	1,112,531,860	94.01
Total	**6,105**	**100.00**	**1,183,373,276**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	GUOCOLAND ASSETS PTE. LTD.	791,017,434	66.84
2.	RAFFLES NOMINEES (PTE) LIMITED	114,139,170	9.65
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	36,260,657	3.06
4.	KWEK LENG HAI	35,290,914	2.98
5.	CITIGROUP GM SINGAPORE SECURITIES PTE. LTD.	26,682,258	2.25
6.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	23,061,532	1.95
7.	KGI SECURITIES (SINGAPORE) PTE. LTD.	20,199,290	1.71
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	16,281,443	1.38
9.	DBS NOMINEES PTE LTD	15,601,578	1.32
10.	UOB KAY HIAN PTE LTD	4,337,164	0.37
11.	LIM AND TAN SECURITIES PTE LTD	4,271,233	0.36
12.	MAYBANK SECURITIES PTE. LTD.	3,660,456	0.31
13.	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,260,946	0.28
14.	OCBC SECURITIES PRIVATE LTD	3,007,029	0.25
15.	PHILLIP SECURITIES PTE LTD	2,838,143	0.24
16.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,834,500	0.24
17.	SOON LI HENG CIVIL ENGINEERING PTE LTD	2,000,000	0.17
18.	OCBC NOMINEES SINGAPORE PTE LTD	1,894,903	0.16
19.	LEE YUEN SHIH	1,779,000	0.15
20.	TAN KAH BOH ROBERT@ TAN KAH BOO	1,550,000	0.13
	Total	**1,109,967,650**	**93.80**

SHAREHOLDING IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 31 August 2022, approximately 18.94% of the total number of issued ordinary shares of the Company was held by the public. Accordingly, Rule 723 of the SGX-ST Listing Manual has been complied with.

SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 AUGUST 2022

Substantial Shareholders		Direct Interest No. of Shares	Deemed Interest No. of Shares
1.	GuocoLand Assets Pte. Ltd.	790,507,734	-
2.	Fairbury Pte. Ltd.[1]	73,604,933	-
3.	Guoco Group Limited	-	790,507,734[2]
4.	GuoLine Overseas Limited	-	790,507,734[2]
5.	GuoLine Capital Assets Limited	-	822,969,052[3]
6.	Hong Leong Investment Holdings Pte. Ltd.	-	824,368,452[3]
7.	Quek Leng Chan	13,333,333	836,896,038[4]

[1] Trust established in respect of the Company's share scheme for its executives.

[2] Deemed interest arising through GuocoLand Assets Pte. Ltd. by virtue of the operation of Section 7 of the Companies Act 1967.

[3] Deemed interest arising through GuocoLand Assets Pte. Ltd. and a company in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act 1967.

[4] Deemed interest arising through GuocoLand Assets Pte. Ltd. and 2 companies in which the substantial shareholder has interest by virtue of the operation of Section 7 of the Companies Act 1967.

INTERESTED PERSON TRANSACTIONS

The Audit and Risk Committee reviewed interested person transactions entered into by the Group during the financial year ended 30 June 2022. The aggregate value of interested person transactions entered into during the financial year is as follows: -

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than $100,000)
Hong Leong Group Malaysia	Associate of Controlling Shareholder	$813,000	N/A[3]
Guoco Group	Controlling Shareholder - intermediate holding company listed on The Stock Exchange of Hong Kong Limited	$66,947,000[1]	N/A[3]
GuoLine Capital Assets Limited	Controlling Shareholder - ultimate holding company	$9,768,000	N/A[3]
Singapore Hong Leong Group	Associate of Controlling Shareholder	$156,202,000[2]	N/A[3]

[1] Include a sum of $61.7 million being the aggregate value of joint venture with GuocoLand Assets Pte. Ltd. which falls within the exemption stipulated under SGX-ST Listing Manual Rule 916.

[2] Include a sum of $143.4 million being the aggregate value of joint ventures with Hong Leong Holdings (China) Pte. Ltd., Intrepid Investments Pte. Ltd., Hong Realty (Private) Limited and TID Residential Pte. Ltd. which falls within the exemption stipulated under SGX-ST Listing Manual Rule 916.

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

Corporate Information

BOARD OF DIRECTORS

MOSES LEE KIM POO
Chairman

CHENG HSING YAO
Chief Executive Officer

QUEK LENG CHAN

KWEK LENG HAI

SAW KOK WEI

CHEW SEONG AUN

WEE LIENG SENG

AUDIT AND RISK COMMITTEE

SAW KOK WEI
Chairman

WEE LIENG SENG

CHEW SEONG AUN

NOMINATING COMMITTEE

WEE LIENG SENG
Chairman

KWEK LENG HAI

SAW KOK WEI

REMUNERATION COMMITTEE

WEE LIENG SENG
Chairman

QUEK LENG CHAN

SAW KOK WEI

GROUP COMPANY SECRETARY

MARY GOH SWON PING

REGISTERED OFFICE

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Singapore 078881
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INVESTOR RELATIONS

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http://www.guocoland.com

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
Partner-in-charge: Lee Sze Yeng
(since FY ended June 2018)
Auditor's Registration No.: 01037

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

DATE OF INCORPORATION

31 March 1976

DATE OF CONVERSION TO A PUBLIC COMPANY

30 September 1978

GuocoLand Limited

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