



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

**ANNUAL
REPORT
2010**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Reggie Thein, *Chairman*
Goh Yong Hong
Timothy Teo Lai Wah

NOMINATING COMMITTEE

Sat Pal Khattar, *Chairman*
Kwek Leng Hai
Timothy Teo Lai Wah

REMUNERATION COMMITTEE

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

GROUP COMPANY SECRETARY

Dawn Pamela Lum

REGISTERED OFFICE

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

WEBSITE

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

AUDITORS

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

REGISTRAR

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

PRINCIPAL BANKERS

Affin Bank Berhad
Agricultural Bank of China Limited
Bank of Communications Co., Ltd
Bank of Shanghai Co., Ltd
China Merchants Bank Co., Ltd
CIMB Bank Berhad
Citibank N.A.
DBS Bank Ltd
EON Bank Berhad
Industrial and Commercial Bank of China Limited
Kuwait Finance House (Malaysia) Berhad
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Hongkong and Shanghai Banking Corporation Limited
The Islamic Bank of Asia Limited
United Overseas Bank Limited

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

DATE OF INCORPORATION

31 March 1976

DATE OF CONVERSION TO A PUBLIC COMPANY

30 September 1978



CHAIRMAN'S STATEMENT



MR SAT PAL KHATTAR,
CHAIRMAN,
GUOCOLAND LIMITED

Economists in early 2009 believed that global recovery would be slow and uneven. However by the second half of 2009, Asia led the global revival and the world economy began to recover rapidly from the global financial crisis. Positive signs of global stabilisation have been emerging. There has been a general upturn in business confidence. A recovery in stock markets, improved employment and firmer housing markets suggests a positive outlook. A double-dip seems unlikely for the moment but concerns remain.

In Singapore, the economy expanded by 4% in Q4 2009, improving from the 0.6% growth in the previous quarter. As the economy emerged from the recession, the private home market also made a dramatic recovery, fueling demand and an increase in values. More than 14,400 units were sold in 2009, which is about 3.5 times the number in 2008. Private home prices climbed 1.8% in 2009. Sales continued to revive as overall private home prices increased by 5.6% and 5.3% in

1Q 2010 and 2Q 2010, respectively. By the end of June 2010, global uncertainties including the crisis in the euro zone and fears of a China property bubble, appeared to dampen the pace. Amidst weakening overall sentiments and a more cautious scenario, the Singapore private residential market saw a cooling of new home sales in Q2 2010.

I am pleased to inform shareholders that the Group had a good year. It achieved a turnover of \$732.8 million for the financial year ended 30 June 2010, as compared to \$513.0 million in 2009. The Group managed to reflect net profit after tax of \$134.3 million – a significant turnaround from the net loss of \$70.2 million in the previous financial year. The strong performance was largely contributed by the sales of units in China and Singapore, namely *Ascot Park*, *West End Point*, *Changfeng SoHo* and *Goodwood Residence*. As at 30 June 2010, shareholders' funds rose to \$2.01 billion from \$1.94 billion as at 30 June 2009. Earnings per share rose from a loss of 8.55 cents to a profit of 16.18 cents. Net asset value per share increased from \$2.37 to \$2.42. Net gearing as at 30 June 2010 was 0.97 times.

DIVIDENDS

The Group has always believed in rewarding shareholders for their loyalty and confidence in the Group. The Board is recommending for approval by shareholders an increased first and final dividend of 8 cents per share for the financial year ended 30 June 2010. This amount is tax-free. It compares favourably with the 5 cents per share we paid last year. Following the approval of shareholders at the Company's Annual General Meeting scheduled for 15 October 2010, the Company will pay out the dividends on 8 November 2010.

BUSINESS REVIEW

The Group continues to work on its strategic plans to grow our property business in the countries where we operate. We will be selling more developed units in Singapore, China and Malaysia. We continue to look for additional land for future developments.

Singapore

In 3Q 2009, we released for sale 2 freehold development projects, namely, the 272-unit *Sophia Residence* and the 119-unit *Elliot at the East Coast*. Both were well-received and todate, *Sophia Residence*, a recipient of the prestigious Building Construction Authority (BCA) Green Mark Platinum Award, is almost fully sold. Strong sales of about 92% have also been achieved todate for *Elliot at the East Coast*. This project won the BCA Green Mark Gold Award in December 2009. Both prestigious awards underline the quality of our developments.

In March 2010, the Group soft launched *Goodwood Residence*, an exclusive 210-unit development in the vicinity of Goodwood Hill. We are pleased that *Goodwood Residence* with its eco-friendly features won the BCA Green Mark Platinum Award in 2007. The project is now about 60% sold. The Group's latest development project, the 103-unit *The Waterline* at Poh Huat Road West was released for sale in mid-June 2010 and currently about 23 units of the 39 soft-launched units have been sold. We will consider launching *Leedon Residence*, a 433-unit development during the current year. We will also seek new opportunities to increase our landbank at sensible prices.

China

On the back of the central government's 2-year 4 trillion *yuan* fiscal stimulus programme, China rebounded swiftly from the downturn. In 2009, the economy expanded by 8.7%, surpassing the official target of 8% for the full year. The world's second largest economy then grew 11.1% during the first half of 2010. The stimulus in spending and bank lending helped to increase property sales and house prices by an average 12.4% in May 2010, from a 12.8% increase a month earlier. Concerned with growing inflation and the threat of a property asset bubble, China introduced a slew of monetary initiatives to curb runaway prices and control speculative buying, even as it pushed for more affordable housing for its rapidly urbanising population.

The Group first ventured into selected key Chinese cities in 1994, and China continues to remain an important



core market for the Group. The Group has in its property portfolio, about 1.8 million square metres of Gross Floor Area (GFA) in Beijing, Shanghai, Nanjing and Tianjin. Approximately 500,000 square metres is the *Guoson Centre* in Shanghai Changfeng and 600,000 square metres in the *Guoson Centre* in Beijing Dongzhimen in the Dong Cheng District. These two commercial properties have garnered the prestigious Asia Pacific International Property Awards in association with Bloomberg Television 2010 – namely, the “Best Mixed Use Development Asia Pacific” and the “Best Mixed Use Development China”. As exciting iconic developments in central locations in two of the fastest growing cities in the world, these sizable projects when completed, will attract shoppers, commuters, residents and tourists, augmenting commercial and retail vibrancy in the two important areas in Shanghai and Beijing.

During the year, we made progress in *Guoson Centre*, an integrated project comprising retail, office, SoHo (small-office, home-office) and serviced apartments in the Shanghai Changfeng Ecological Business District. In December 2009, we obtained the completion certificates for the SoHo units. We have to date achieved successful sales of about 80% of these units. The 5-star *Guoman Hotel Shanghai* was opened for business in July 2010. The Guoman brand is associated with deluxe properties and exceptional service standards, and the hotel's opening is its first outside of the UK market, where more than 30 hotels are managed under the Guoman brand. A lettable retail area of about 27,000 square metres under the Guoson Mall brand is targeted to commence operations in the second half of 2010.

In Beijing, construction work on *Guoson Centre*, is also in progress. The transportation hub is already operational, offering commuters easy access throughout the city and the only direct light railway links from the city to the Beijing Capital International Airport. When fully completed, *Guoson Centre* will comprise residential and office units, a hotel, and sizeable retail areas in what will clearly be an iconic integrated development in Beijing. In Nanjing, we are pleased that the Group has fully sold *Ascot Park*, a 1,112 residential development

close to a scenic golf course. During the year, the Group successfully launched its second phase of the development comprising 518 units.

In Tianjin, the Group soft launched part of its first residential project, *Seasons Park* in the Laochengxiang area in the Nankai District in June 2010. This initial launch of 120 units is fully sold. Comprising in all 1,176 units, the development has about 210,000 square metres of GFA.

Malaysia

Following a better than expected 4.5% economic growth in Q4 2009, largely as a result of the government's stimulus measures to boost the economy, Malaysia's economy contracted by only 1.7% in 2009. Mirroring similar recoveries across Asia, the country's economy surged 9.5% in the first half of 2010 compared to minus 5.1% in the first half of last year. This was fuelled by exports as well as domestic demand. Driven by the buoyant recovery, Malaysia's real estate sector is expected to benefit from improved market and consumer sentiments.

The Group has its presence in Malaysia via GuocoLand (Malaysia) Berhad (GLM), its 64.98% subsidiary which is listed on Bursa Malaysia. As a major developer of residential and commercial properties, GLM has a portfolio of prime projects including *Damansara CITY* in Damansara Heights, *Commerce One* at Old Klang Road, *Emerald Rawang* and *The Cirrus* in Cheras. GLM has also commenced operations of the renovated and former *Guoman Resort* in Port Dickson and the *Hyatt Regency* in Johor Bahru as the rebranded *Thistle Port Dickson Resort* and *Thistle Johor Bahru*, respectively.

GLM is the Manager of a listed REIT called the Tower Real Estate Investment Trust (Tower REIT) which was established in 2006. Tower REIT has quality commercial real estate comprising *Menara HLA*, *Menara ING* and *HP Towers*. The total lettable area in the 3 buildings is approximately 84,000 square metres.

Vietnam

Despite the global crisis, Vietnam's economy grew at a

rate of 5.3% in 2009. Following an expansion of 6.2% in the first half of 2010, the economy is expected to expand by 6.5% for the full year. Demand for real estate is on the rise, underpinned by increasing per capita and a rapidly emergent middle-class in a country of nearly 90 million people.

During the year, the Group completed Phase 1 of *Homez @ The Canary*, a 237-unit residential development in Binh Duong province, just outside Ho Chi Minh. To date, about 97% of Phase 1 has been sold. Phase 2 comprises 190 residential units, of which 60 units were soft-launched in May 2010. The Group also leased part of the development, *The Canary*, to Singapore International School run by KinderWorld, which opened for operations in August 2009.

LOOKING AT THE YEAR AHEAD

Following a sharp increase in output in the manufacturing sector and a strong economic growth of 18.1% in the first half of 2010, Singapore's official 2010 growth forecast for the year has been revised to 13%–15%. Improvements in the world economy have also prompted the International Monetary Fund in July 2010 to adjust its global growth forecast to 4.6%, from 4.2% in April 2010. Whilst the global recovery prospects appear rosy, sentiment in some of the major economies appear to soften. Indicators point to a possible slowdown worldwide, as growth is expected to moderate business confidence and volatility in global financial markets and asset price inflation in Asia lends to a cautious outlook for the future. Governments in the countries in which we operate may also from time to time announce or implement measures to cool possible property bubbles to maintain a stable and sustainable property market.

Looking ahead, the Group is mindful of these concerns. It is cautiously optimistic however that demand for affordable housing can keep up with the pace of steady economic growth. In keeping with this objective, the Group will continue to build quality developments and increase its landbank in its core operating markets.

To position ourselves for future growth, the Group will focus on strengthening its balance sheet. We will seek to reduce our gearing. Towards this end, the Company has in August 2010 announced a Rights Issue of 295.8 million shares. This will raise gross proceeds of about \$532.5 million. The Rights Issue exercise is expected to be completed in early December 2010.

ACKNOWLEDGEMENTS

Mr Goh Yong Hong who has served as a non-executive independent director of the Company since February 1999 has informed the Board that he will not be offering himself for reappointment at the coming Annual General Meeting. On behalf of the Group, we would like to thank him for his contributions over the past years and wish him well in his future endeavours.

Once again, I would also like to extend my grateful thanks to my fellow directors for their invaluable input, counsel and guidance to the Management team during this past year. On behalf of the Board, I also wish to express my appreciation to both Management and the more than 1,000 staff of the Group for their hard work and dedication, as well as to our customers, our bankers and our business associates for their continuing support and confidence in the Group.

SAT PAL KHATTAR

2 September 2010



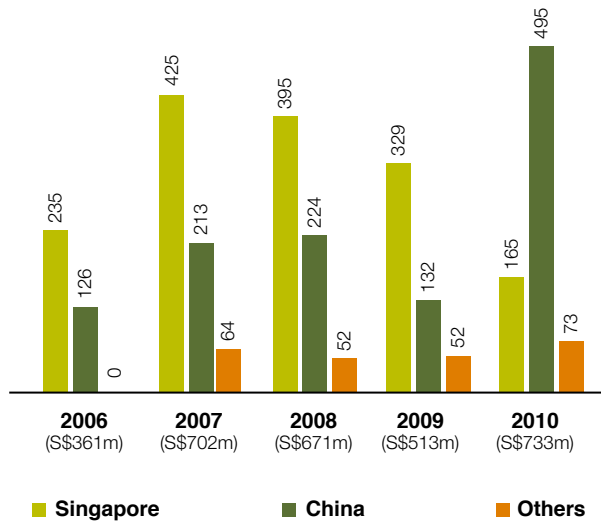
FINANCIAL HIGHLIGHTS

Year ended 30 June	2010 S\$'000	2009 S\$'000	2008 S\$'000	2007 S\$'000	2006 S\$'000
Income Statements					
Revenue by business segments					
Property development	694,288	478,554	615,730	652,813	345,940
Property investment	18,251	19,178	23,228	17,625	11,544
Hotel operations	17,001	10,162	19,598	23,896	-
Other operations	3,222	5,118	12,337	8,145	3,843
Total Revenue	732,762	513,012	670,893	702,479	361,327
Profit/(Loss) before income tax	180,525	(62,478)	194,426	302,237	164,757
Profit/(Loss) attributable to Owners of the Company	134,306	(70,203)	161,840	281,892	155,630
Proposed dividends (ordinary) ¹	66,586	41,446	65,744	65,516	48,813
Balance Sheets					
Property, plant and equipment	236,222	159,678	141,304	130,065	127,161
Investment properties	427,545	367,678	449,086	363,976	246,224
Interests in associates and jointly-controlled entities	194,377	187,528	189,531	438,113	190,462
Inventories	3,946,237	4,397,094	4,461,662	1,555,849	1,288,334
Cash and cash equivalents	656,432	581,796	654,461	1,092,564	542,876
Other assets	254,031	166,251	96,930	380,391	305,773
Total Assets	5,714,844	5,860,025	5,992,974	3,960,958	2,700,830
Share capital	1,394,047	1,394,047	1,394,047	839,716	839,716
Reserves	619,226	549,635	581,528	566,299	284,949
Equity attributable to Owners of the Company	2,013,273	1,943,682	1,975,575	1,406,015	1,124,665
Non-controlling interests	126,944	120,818	152,956	165,200	153,356
Total equity	2,140,217	2,064,500	2,128,531	1,571,215	1,278,021
Loans and borrowings	2,614,992	2,886,532	3,032,991	2,006,288	1,157,533
Other liabilities	959,635	908,993	831,452	383,455	265,276
Total liabilities	3,574,627	3,795,525	3,864,443	2,389,743	1,422,809
Total Equity and Liabilities	5,714,844	5,860,025	5,992,974	3,960,958	2,700,830
Ratios					
Net tangible assets per share (S\$)	2.42	2.37	2.41	2.30	1.82
Net asset value per share (S\$)	2.42	2.37	2.41	2.30	1.83
Basic earnings per share (cents)	16.18	(8.55)	20.17	46.15	24.43
Gross ordinary dividend per share (cents)	8	5	8	8	8

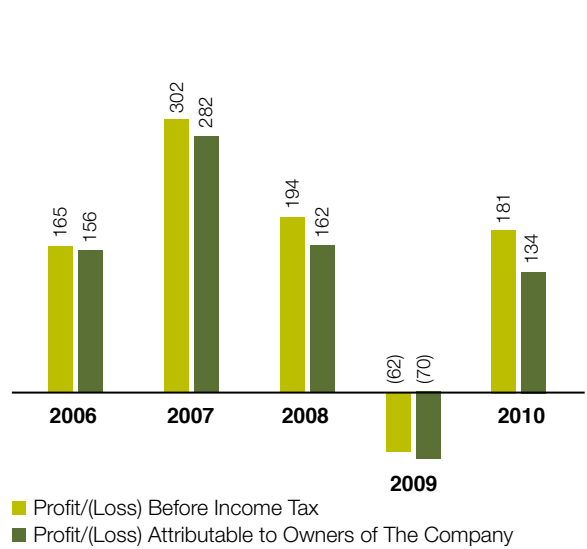
Note:-

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

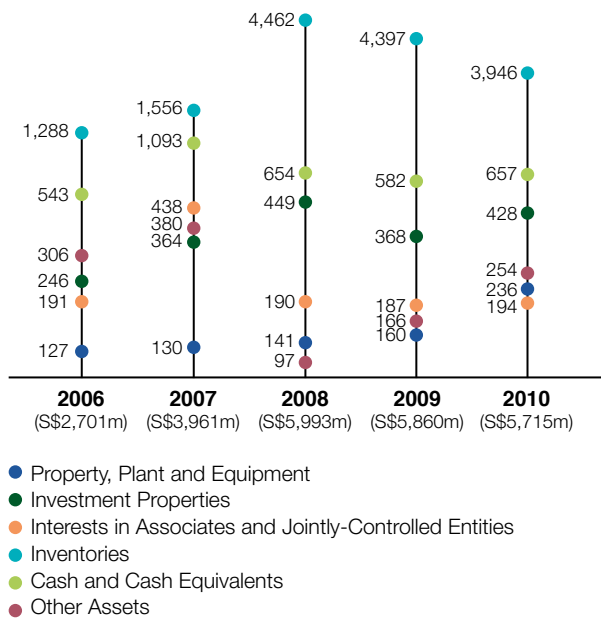
GROUP REVENUE (\$\$ MILLION)



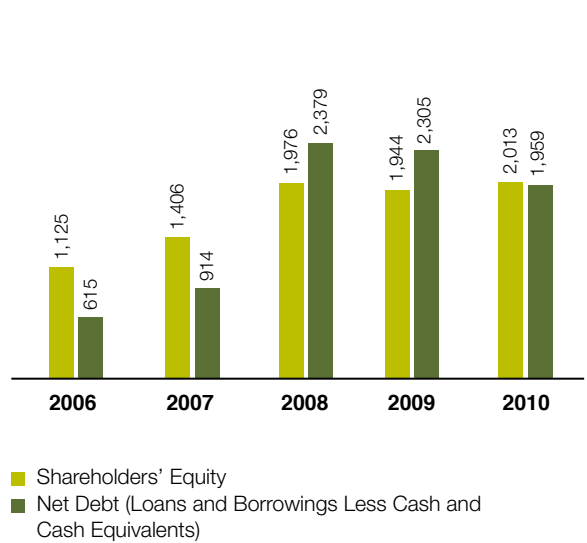
GROUP PERFORMANCE (\$\$ MILLION)



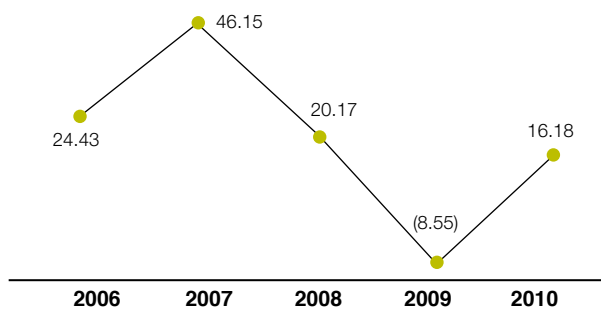
GROUP TOTAL ASSETS (\$\$ MILLION)



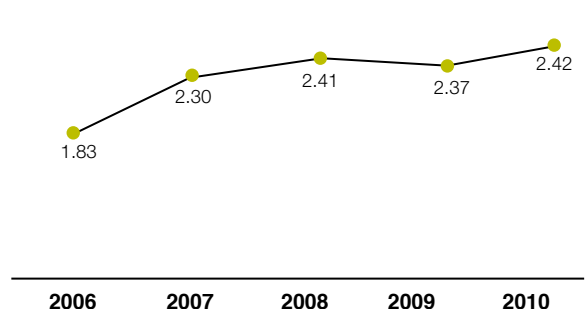
SHAREHOLDERS' EQUITY AND NET DEBT (\$\$ MILLION)



BASIC EARNINGS PER SHARE (CENTS)



NET ASSET VALUE PER SHARE (\$\$)





CORPORATE GOVERNANCE

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

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

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

(A) BOARD MATTERS

Board's Conduct Of Its Affairs Principle 1

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

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

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

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

Board Composition And Balance Principle 2

Currently, the Board comprises seven well-qualified members who are business leaders and professionals with financial,

banking and legal backgrounds. The Board considers its present size to be appropriate after taking into account the current nature and scope of the Group's operations. Profiles of the Directors are set out on pages 13 and 14. The majority of the Directors are non-executive and are considered independent by the Nominating Committee. The Nominating Committee determines annually the independence of Directors.

Board Committees

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

- 1. Executive Committee:** The Executive Committee is entrusted with the conduct of the Company's business and affairs, in line with the overall strategy set by the Board. The members of the Executive Committee are Messrs Quek Leng Chan (who is the Chairman), Quek Chee Hoon (who is the Group President and Chief Executive Officer ["CEO"]) and Kwek Leng Hai, and certain key senior Management personnel. During the last financial year, the Executive Committee held six meetings.
- 2. Audit Committee:** The members of the Audit Committee comprise Messrs Reggie Thein (who is the Chairman), Goh Yong Hong and Timothy Teo, all of whom are non-executive Directors and are considered independent. As part of the Company's corporate governance practices, the CEO participates at all Audit Committee meetings. The Audit Committee held four meetings during the last financial year.
- 3. Executives' Share Option Scheme ("ESOS") Committee:** The ESOS Committee assists the Board in administering the ESOS. The ESOS Committee comprises Mr Sat Pal Khattar, a non-executive Director and Mr Quek Leng Chan, an executive Director.
- 4. Nominating Committee:** This committee comprises three non-executive Directors, two of whom are considered to be independent. Mr Sat Pal Khattar chairs the Nominating Committee and the other members are Messrs Kwek Leng Hai and Timothy Teo. This committee which meets at least annually, held two meetings in the last financial year.
- 5. Remuneration Committee:** This committee comprises two non-executive independent Directors (Mr Sat Pal Khattar who is the Chairman and Mr Reggie Thein, member) and an executive non-independent director, Mr Quek Leng Chan. The Board is of the view that the inclusion of an executive director in the Remuneration Committee is appropriate and in the best interests of the Company and its subsidiaries. The Remuneration Committee which meets at least annually, held two meetings in the last financial year.

Chairman And Chief Executive Officer Principle 3

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

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

Board Membership Principle 4

The Nominating Committee reviews and recommends all new Board appointments and also the re-nomination and re-appointment of Directors to the Board. As prescribed by the Company's Articles of Association and recommended by the Code, one-third of the Directors for the time being are required to retire from office and are subject to re-election by shareholders at the Company's Annual General Meeting ("AGM"). All Directors also retire from office and are subject to re-election at least once in every three years. Directors of or over 70 years of age are required to be re-appointed every year at the AGM under Section 153(6) of the Companies Act.

Board Performance Principle 5

On an annual basis, the Nominating Committee assesses the effectiveness and performance of the Board as a whole and the contributions of each Director. The assessment takes into account the performance of the Company, attendance and contributions of Directors at meetings of the Board and Board Committees and Directors' participation in the affairs of the Company, including a review of matters such as the independence of Directors, their individual skills and experience as well as overall Board size and composition. The results of the Nominating Committee's assessment for the financial year ended 30 June 2010 had been communicated to and accepted by the Board.

Access To Information Principle 6

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

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

(B) REMUNERATION MATTERS

Principles 7, 8 & 9

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

Non-executive Directors do not receive any salary. However, non-executive Directors receive directors' fees that are based on corporate and individual responsibilities and which are in line with industry norm. The fees for the Directors for the last financial year amounted in the aggregate to S\$377,000 and are subject to the approval of shareholders.

The breakdown (in percentage terms) of the remuneration of the Directors of the Company is disclosed in Note 28c to the Financial Statement. The remuneration package comprising mainly salaries and bonuses, for the top eight key executives who are not Directors of the Company, is disclosed in bands of S\$250,000 so as to maintain confidentiality of staff remuneration matters. This information is contained in Note 28d to the Financial Statement.

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



(C) ACCOUNTABILITY AND AUDIT

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

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

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

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

The Company has put in place a whistle-blowing policy, which sets out procedures and rules for employees to raise responsibly, in confidence, concerns about possible improprieties for investigation.

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

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

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

(D) COMMUNICATION WITH SHAREHOLDERS

Principles 14 & 15

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

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

Dealings In Securities

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



BOARD OF DIRECTORS

MR SAT PAL KHATTAR, *aged 67*

was appointed to the Board in 1988, and was last re-elected to the Board at the Company's Annual General Meeting in October 2009. He has been the Chairman of the Group since 1990. Mr Khattar is the Chairman of the Nominating Committee and Remuneration Committee which were established in September 2002. Mr Khattar is also a Director of other listed companies such as GuocoLeisure Limited, Haw Par Corporation Limited in Singapore and Guoco Group Limited in Hong Kong, Gateway Distriparks Ltd and India InfoLine Ltd in India. Mr Khattar holds a LLM degree and a LLB (Hons) degree from the University of Singapore.

Mr Khattar chaired the Board, Nominating Committee and Remuneration Committee meetings of the Company held during the financial year ended 30 June 2010.

MR QUEK CHEE HOON, *aged 57*

was appointed to the Board in 1998, and was last re-elected to the Board at the Company's Annual General Meeting in October 2009. He is the Group President and Chief Executive Officer of the Group. Mr Quek has 33 years' extensive experience in various investment, corporate and management activities, including property related activities and businesses. Mr Quek holds a Bachelor of Accountancy degree from the University of Singapore.

Mr Quek attended all the Board and Executive Committee meetings of the Company held during the financial year ended 30 June 2010. He also participated at all the Audit Committee meetings, held during the financial year ended 30 June 2010 in his capacity as the Group President and Chief Executive Officer of the Company.

MR QUEK LENG CHAN, *aged 67*

was appointed to the Board in 1988, and is proposed for re-election at the Company's Annual General Meeting to be held on 15 October 2010. He is the Chairman of the Executive Committee and a member of the Remuneration Committee. Mr Quek is the Chairman and Chief Executive Officer of Hong Leong Company (Malaysia) Berhad ("HLCM") and he sits on the Boards of the major public listed companies of HLCM. He is also the Executive Chairman of Guoco Group Limited, the Company's intermediate holding company in Hong Kong. Mr Quek qualified as a Barrister-at-Law from Middle Temple, United Kingdom and has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

Mr Quek attended all the Board, Executive Committee and Remuneration Committee meetings of the Company held during the financial year ended 30 June 2010.

MR KWEK LENG HAI, *aged 57*

was appointed to the Board in 1988, and was last re-elected to the Board at the Company's Annual General Meeting in October 2008. He is a member of the Nominating Committee. Mr Kwek is the President, CEO of Guoco Group Limited in Hong Kong. His directorships in other public listed companies include Hong Leong Bank Berhad, GuocoLeisure Limited and Lam Soon (Hong Kong) Limited. He is also a director of Bank of Chengdu Co., Ltd. Mr Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales and has extensive experience in financial services, manufacturing and property investment.

Mr Kwek attended all the Board, Executive Committee and Nominating Committee meetings of the Company held during the financial year ended 30 June 2010.



MR GOH YONG HONG, aged 71

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

Mr Goh attended all the Board and Audit Committee meetings of the Company held during the financial year ended 30 June 2010.

Mr Goh is stepping down as Director at the Company's Annual General Meeting on 15 October 2010.

MR REGGIE THEIN, aged 69

was appointed to the Board in July 2002, and is proposed for re-election at the Company's Annual General Meeting to be held on 15 October 2010. He is Chairman of the Audit Committee and a member of the Remuneration Committee. He is also a Director of United Overseas Bank Limited, a Board member and Chairman of the Audit Committee of several listed companies in Singapore, among them Haw Par Corporation Limited, GuocoLeisure Limited, MobileOne Ltd, Keppel Telecommunications & Transportation Limited, MFS Technology Ltd, FJ Benjamin Holdings Ltd and Otto Marine Limited.

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

Mr Thein attended all the Board and Remuneration Committee meetings and chaired all the Audit Committee meetings of the Company held during the financial year ended 30 June 2010.

MR TIMOTHY TEO LAI WAH, aged 58

was appointed to the Board in November 2008, and was last re-elected to the Board at the Company's Annual General Meeting in October 2009. He is a member of the Audit Committee and Nominating Committee. Mr Teo is also a Director in two other listed companies in Singapore, and serves on the boards of National Library Board and St Luke's Elder Care Ltd.

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

Mr Teo attended all the Board, Audit Committee and Nominating Committee meetings of the Company held during the financial year ended 30 June 2010.



MANAGEMENT TEAM

COUNTRY HEADS

MRS TRINA LOH

Singapore Country Head

Mrs Trina Loh is the Managing Director of GuocoLand (Singapore) Pte. Ltd. She joined the Group in 1999. Mrs Loh has 28 years of experience in various aspects of the real estate business, particularly in Singapore, United Kingdom and New Zealand. She is a member of the Singapore Institute of Surveyors and Valuers and an associate of the New Zealand Institute of Valuers. Mrs Loh was a Colombo Plan Scholar and holds a Bachelor of Property Administration degree from the University of Auckland, New Zealand.

MS VIOLET LEE

China Country Head

Ms Violet Lee is the Group Managing Director of GuocoLand (China) Limited. She joined the Group in 2000. Ms Lee has 26 years of working experience, spanning business development, marketing and management of various projects, including real estate related projects in China. Ms Lee holds a Bachelor of Accountancy degree from the National University of Singapore.

MR YEOW WAI SIAW

Malaysia Country Head

Mr Yeow Wai Siaw is the Managing Director of GuocoLand (Malaysia) Berhad. He joined the Group in June 2010. Mr Yeow has more than 20 years of working experience and has held key positions in listed companies in Malaysia in the manufacturing and building industry. During his past career, he has also served as a management consultant in McKinsey & Company. He holds a MBA in Finance from the University of Hull, United Kingdom, a Mini-MBA from INSEAD and a Bachelor of Industrial Engineering from the University Technology of Malaysia.

MR LAWRENCE PEH

Vietnam Country Head

Mr Lawrence Peh is the General Manager, Vietnam. He joined the Group in August 2007. Mr Peh has 23 years of experience and has held key positions in various companies in the property and real estate industry. He holds a Diploma in Building Construction (Merit Award) from the Singapore Polytechnic, a Bachelor of Science (First Class Honours) in Construction and Management degree from the University of Reading, UK and a Master of Business Administration degree from the Murdoch University, Western Australia, under the Australian Equity & Merit Scholarship.

CORPORATE OFFICE

MR TAN TECK HUAT

Chief Financial Officer

Mr Tan Teck Huat is the Chief Financial Officer. He joined the Group in October 2008. Mr Tan has 23 years of working experience in major listed companies and has held various positions in corporate development and communications, corporate finance, corporate treasury and accounting. Mr Tan holds a Master of Arts and a Bachelor of Arts in Economics (Second Upper) from the University of Cambridge.

MRS DAWN PAMELA LUM

Group Company Secretary

Mrs Dawn Pamela Lum is the General Manager, Corporate Affairs and concurrently, the Group Company Secretary of the Group. She has been with the Group since 1987. Mrs Lum has a total of 34 years of working experience and has assumed key roles in the corporate and management functions of the Company. Mrs Lum holds a Bachelor of Law (Hons) degree from the University of Singapore. She was admitted to the Rolls of the Supreme Court of Singapore as an advocate and solicitor in 1977.

SINGAPORE

QUALITY ■ ECO-FRIENDLY ■ EXCELLENCE

An acclaimed developer of eco-friendly homes, GuocoLand has garnered various coveted BCA Green Mark Awards for Goodwood Residence, Sophia Residence, The Waterline, Elliot at the East Coast and The Quartz.

GOODWOOD RESIDENCE





PROPERTY DEVELOPMENTS IN SINGAPORE



SHOWFLAT AT GOODWOOD RESIDENCE



GOODWOOD RESIDENCE

Goodwood Residence is located in the Orchard-Scotts area, just minutes away from Singapore's prime shopping and entertainment district. This freehold development will be on a prime 2.5 hectare site which shares a 150-metre boundary with Goodwood Hill. Dotted with colonial Black and White Bungalows, the expansive Goodwood Hill offers 20 hectares of greenery.

Conceptualised by award winning consultants, WOHA Architects Pte Ltd and landscape specialist ICN Design International Pte. Ltd., Goodwood Residence is distinguished by the availability of cabana-type units with extended living space that blends in with the green surrounds, an exclusive living experience of being perched among the trees.

For its eco-friendly efforts, Goodwood Residence has won the prestigious Building and Construction Authority (BCA) Green Mark Platinum Award and is now recognised as the most exclusive green address in Singapore.



SHOWFLAT AT SOPHIA RESIDENCE



SOPHIA RESIDENCE

Situated along Sophia Road in District 9, an address coveted for its prime location amid Singapore's Art and Cultural District, Sophia Residence will be the only full facilities high rise condominium within the Mount Sophia residential enclave.

The 15,435 square metre site will have 3 blocks of 14 storeys and 2 blocks of 8 storeys which offer 272 freehold units that range from 1 and 2 bedroom units to the more spacious 3 and 4 bedroom units. Selected premier 4 bedroom units are designed with "Dual-Key" Concept, where units can be rented out separately as a studio and 3-bedroom apartment.

Sophia Residence is merely a five-minute stroll from Dhoby Ghaut MRT Hub which serves the North-South, North-East and Circle Lines. The newly created foot access to Orchard Road and the Dhoby Ghaut MRT Hub gives quick accessibility to the Central Business District, Raffles Place and the business nucleus at Marina Bay. The island's top museums, prestigious art schools, luxury malls and stellar dining establishments are also nearby.

This condominium has won the prestigious BCA Green Mark Platinum Award for its innovative eco-friendly features and outstanding designs, including a unique roof garden measuring over 200 metres.



PROPERTY DEVELOPMENTS IN SINGAPORE



SHOWFLAT AT ELLIOT AT THE EAST COAST



ELLIOT AT THE EAST COAST

Nestled in one of Singapore's most desirable residential enclaves in the east coast, this modern low-rise condominium embodies a tropical seaside lifestyle. With sun-lit atoll water features, a palm-lined broadwalk and the East Coast beach just a short stroll away, Elliot at the East Coast represents the epitome of urban resort living with unsurpassed style.

Designed by DP Architects Pte Ltd, the architecture of Elliot at the East Coast is streamlined to exude an air of elegance and grace. The 11,882 square metre freehold condominium comprises 119 units featuring a mix of 1, 2, 3 and 4 bedroom units with comprehensive facilities. Premier units come with the luxury of private pools or private lift access.

Established schools such as Victoria School, Victoria Junior College and Tao Nan School are in the neighbourhood and the nearby East Coast Parkway Expressway allows convenient access to Changi Airport.



SHOWFLAT AT THE WATERLINE

THE WATERLINE

THE WATERLINE

The contemporary and modern freehold condominium will be developed on a 8,072 square metre site. Located in a tranquil established residential estate locale off Yio Chu Kang Road, The Waterline will offer 103 exclusive units with private pools for special ground floor units, direct lift access to the roof garden of penthouses and a green corner for home owners who enjoy gardening as a hobby.

The Waterline is within close proximity to Nex, the upcoming 24-hour retail and entertainment mall. It will also be served by the Serangoon transportation hub, a bustling cluster encompassing an air-conditioned bus interchange and a MRT station integrated with both the North East and Circle MRT lines.

Reputable educational institutions such as Rosyth School, Montfort Secondary School, Serangoon Junior College, Lycee Francais de Singapour (French International School) and The Australian International School Singapore are also nearby.



PROPERTY DEVELOPMENTS IN SINGAPORE



THE VIEW @ MEYER

The View @
MEYER

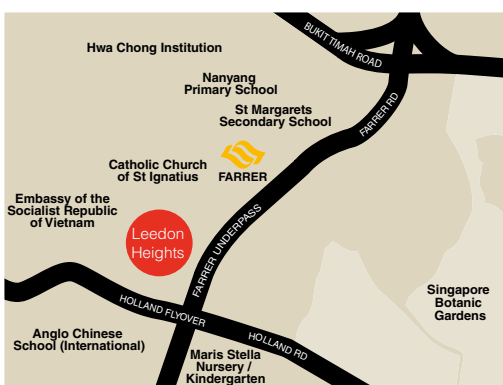
THE VIEW @ MEYER

The View @ Meyer offers spacious seafront homes in a traditionally popular residential neighbourhood in the East Coast. It sits on a 3,352 square metre freehold site and each of its 45 units is accessible only via private lifts.

This boutique development is close to a wide variety of lifestyle and entertainment options, given its proximity to the Esplanade - Theatres on the Bay, the Marina Bay Sands integrated resort and Gardens by the Bay.



LEEDON PARK GOOD CLASS BUNGALOW AREA



LEEDON HEIGHTS SITE

Located next to the prestigious Leedon Park Good Class Bungalow area, the 48,525 square metre site will be developed into one of the largest freehold residential developments in prime District 10.

The vibrant shopping, dining and lifestyle locales of Holland Village, Dempsey Hill and Orchard Road are easily accessible while the Singapore Botanic Gardens is just a stone's throw away.

Reputable educational institutions in the vicinity include Nanyang Primary School, Raffles Girls' Primary School, Henry Park Primary School, Anglo Chinese School, Saint Margaret's Secondary School, Hwa Chong Institution and National Junior College.

Multi award-winning architect SCDA Architects Pte Ltd whose expertise is in condominium, hotel and resort design, has been appointed for this development.



RECOGNITION & EXPERTISE



INVESTMENT PROPERTY

AWARD WINNING PROJECTS

GuocoLand Singapore is recognised for its efforts in developing eco-friendly award-winning projects. To date, the awards garnered include -

- The Gardens At Bishan, BCA Construction Excellence Merit Award 2006
- The Quartz, BCA Green Mark Certified Award 2006
- Goodwood Residence, BCA Green Mark Platinum Award 2007
- Leonie Studio, BCA Best Buildable Design Award 2007
- Le Crescendo, BCA Construction Excellence Merit Award 2008
- Sophia Residence, BCA Green Mark Platinum Award 2009
- Elliot at the East Coast, BCA Green Mark Gold Award 2009
- The Waterline, BCA Green Mark Gold Award 2010
- The Stellar, BCA Construction Excellence Merit Award 2010

PROPERTY RELATED SERVICES

The Group's subsidiary, GuocoLand Property Management Pte. Ltd., which has more than 21 years of experience in property-related services, continues to provide its strong in-house experience and competence to the Group's projects. The Group owns www.myhome.com.sg, an internet portal that provides new home buyers with updates on the construction progress of their units. The portal also serves as a convenient one stop facility booking system for existing home owners.

TUNG CENTRE

Tung Centre is the Group's 24-storey flagship office building. Excellently located in Singapore's Central Business District, it is within walking distance of the Raffles Place MRT station and directly opposite the Marina Bay area. Tung Centre is about 99% leased and provides prime office space to its prominent corporate tenants including BNP Paribas, Commerzbank AG, Munich Management Pte. Ltd. and HL Bank.



TUNG CENTRE

Green Building Council
Green Star

TUNG CENTRE

Bank



Guoson Centre
國盛中心

CHINA

SCALE ■ SOLID ■ COMMITMENT

In China, GuocoLand has embedded operations in the major cities of Beijing, Shanghai, Nanjing and Tianjin. Its property portfolio comprises residential developments and signature large-scale integrated developments in prime locations. In 2010, both Guoson Centre integrated developments in Beijing and Shanghai won the prestigious Asia Pacific International Property Awards in association with Bloomberg Television 2010 – namely, the “Best Mixed Use Development Asia Pacific” and the “Best Mixed Use Development China”.

GUOSON CENTRE • BEIJING • DONGZHIMEN



PROPERTY DEVELOPMENTS IN CHINA



ARTIST'S IMPRESSION OF GUOSON CENTRE • BEIJING • DONGZHIMEN



GUOSON CENTRE • BEIJING • DONGZHIMEN

Spread over an immense site of 106,000 square metres in Beijing's Dongzhimen area, Guoson Centre will when fully completed, be an iconic integrated development, comprising the 167,000 square metre retail Guoson Mall, Grade A Office Towers, the 5-star, 443-room British style Guoman Hotel Beijing and the 188-unit luxurious apartment blocks – "Guoson Residences". This flagship development of GuocoLand in China will boast one of the largest retail complex in this district and the 40,000 square metre Guoson Green will be one of the largest rooftop gardens in a commercial project. Its twin office towers of 170 metres will also be amongst the tallest buildings in Beijing's Dongzhimen area. With its superb location at downtown Beijing where many state-owned large enterprises are based, Guoson Centre will offer excellent business opportunities and investment potential.

Guoson Centre integrates a transportation hub with subway lines and a bus interchange which is in operation. An airport express train also offers connectivity and easy access to reach Beijing Capital International Airport in 16 minutes.



ARTIST'S IMPRESSION OF GUOSON CENTRE • SHANGHAI • CHANGFENG



GUOSON CENTRE • SHANGHAI • CHANGFENG

The award winning Guoson Centre integrated development is being developed on a 143,845 square metre site adjacent to Changfeng Park in the Putuo District within the Changfeng Ecological Business District. The development will include the 107,573 square metre Guoson Mall, Grade A Office Towers, 354 SoHo (Small office, Home office) units, 347 serviced apartments - "Guoman Residence" and a 5-star, 442-room British style Guoman Hotel Shanghai. Guoson Mall will provide a unique retail shopping experience "shopping in the park" concept with a strong retail mix, including new high-end retail store concepts as well as international boutique brands.

Guoson Centre is well-positioned at the crossroads of the Zhongshan Park, Gubei and Hongqiao commercial districts. Hongqiao integrated transportation hub is just 10 minutes drive away. The hub connects Shanghai and other cities by express railways and it only takes 38 minutes to Hangzhou, 1 hour to Nanjing and 5 hours to Beijing. In its vicinity is also the Shanghai International Sourcing Promotion Centre with facilities including an international convention hall, which will play a key role for Shanghai to becoming an international exhibition centre, thus bringing more business opportunities to the area.



PROPERTY DEVELOPMENTS IN CHINA



WEST END POINT, BEIJING



WEST END POINT, BEIJING

West End Point is situated on a 36,501 square metre site and comprises 810 residential units and 37 retail shops. Inspired by the Chinese traditional “Hutong” and courtyard living sensibilities, the low-density development boasts a unique ‘submerged’ clubhouse and sunken courtyard garden. West End Point is located in the city centre, where land is scarce for residential living. Special efforts have been made to preserve venerable trees grown on the site.

The development is a mere 10 minute drive from historical landmarks such as Tiananmen Square and the Forbidden City. Situated within the West Second Ring Road, West End Point faces the Political Consultative Conference Assembly Hall. The posh district surrounding West End Point also includes the high-end Seasons Place Shopping Centre and three international five-star hotels. West End Point was awarded the Beijing Construction Great Wall Cup Silver Medal Award, in 2008.



SHOWFLAT AT ASCOT PARK, NANJING



ASCOT PARK, NANJING

Ascot Park is an exotic Balinese-themed development located on an expansive 89,709 square metre site east of the picturesque Purple Mountains. Comprising 1,112 apartments distributed over 13 blocks which also includes a retail component, this development boasts a man-made lake and a clubhouse inspired by the “mountain villa” of world famous American architect Frank Lloyd Wright.

In the vicinity, there is an international golf club, a proposed race course and the Xianlin College and University Town which includes many established universities. An integrated transportation hub is located 300 metres to the north of this development. This will house a long-distance bus interchange, subway, urban bus and railway. The subway lines 2 and 4 intersect here at the hub. Line 2 is already functional, taking just 18 minutes to Xinjiekou, the most popular commercial hub of the city. The project is also located close to Huning Expressway.



PROPERTY DEVELOPMENTS IN CHINA



ARTIST'S IMPRESSION OF HILLVIEW REGENCY, NANJING

HILLVIEW REGENCY, NANJING

Nestled at the foothills of Purple Mountains in the Xuanwu District, Hillview Regency caters to high and mid-tier residential home buyers. Sitting on a sizeable 296,002 square metre site, this development comprises residential apartments, SoHo units and retail space. There are many institutions of higher education and of research and development in the vicinity of Hillview Regency, which is easily accessible via Huning Expressway and Ninghang Road.



ARTIST'S IMPRESSION OF SEASONS PARK, TIANJIN

SEASONS PARK, TIANJIN

This is the Group's first residential development in Tianjin. With a population of close to 11 million, it is one of the largest commercial, financial and industrial hubs in northern China, just half an hour's train ride from Beijing. Located in Laochengxiang, a cultural, commercial and historic hub in the Nankai District, Seasons Park comprises seven blocks of 1,176 units and occupies a 22,034 square metre site in the inner ring road of Tianjin. There are extensive transport networks and all the facilities needed for a cosmopolitan lifestyle, including a supermarket, shopping centre, department store, in addition to restaurants and hotels.

In June 2010, all 120 units launched were sold out within a week.

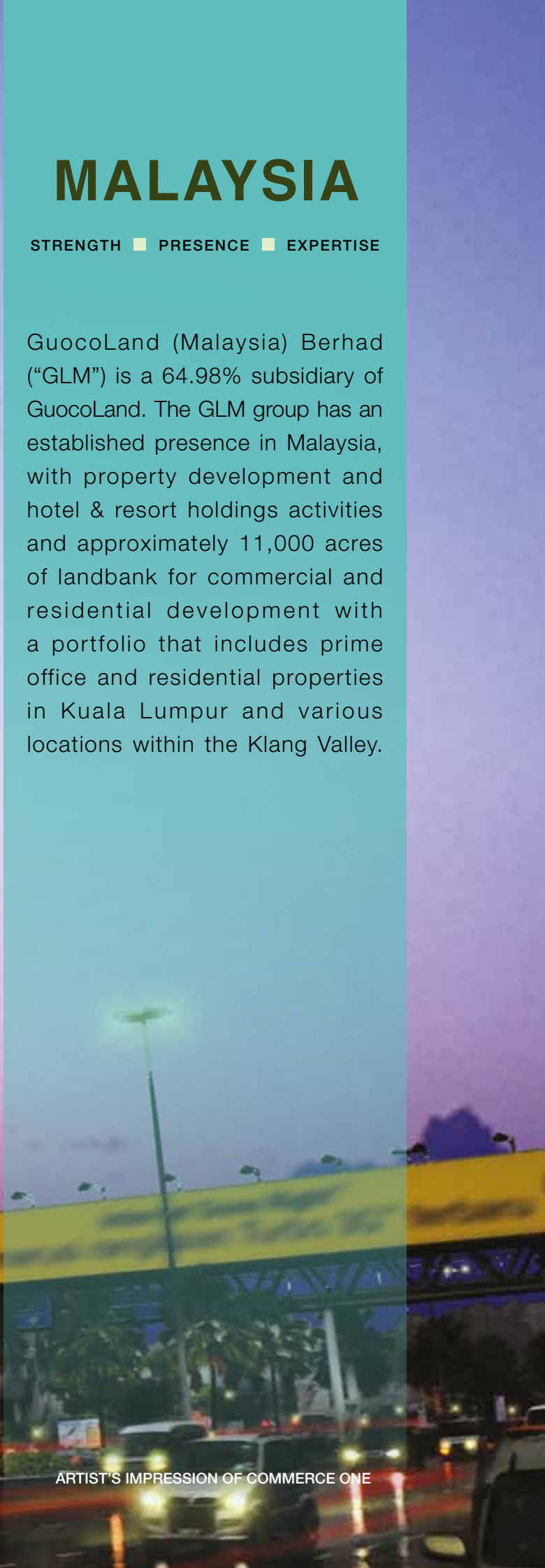




MALAYSIA

STRENGTH ■ PRESENCE ■ EXPERTISE

GuocoLand (Malaysia) Berhad (“GLM”) is a 64.98% subsidiary of GuocoLand. The GLM group has an established presence in Malaysia, with property development and hotel & resort holdings activities and approximately 11,000 acres of landbank for commercial and residential development with a portfolio that includes prime office and residential properties in Kuala Lumpur and various locations within the Klang Valley.



ARTIST'S IMPRESSION OF COMMERCE ONE



PROPERTY DEVELOPMENTS IN MALAYSIA



ARTIST'S IMPRESSION OF DAMANSARA CITY, DAMANSARA HEIGHTS

DAMANSARA CITY

DAMANSARA CITY, DAMANSARA HEIGHTS

Damansara CITY sits on an 8.5-acre freehold site in the commercial and residential hub of Damansara Heights and is bounded by the equally upmarket areas of Bangsar and Bukit Kiara. It also enjoys easy access into the city centre via the Sprint Expressway. This flagship development of GLM consists of various components including residential, office and retail. Damansara CITY's value proposition is reflected by its integrated, self-sustaining concept as well as its prime location.



ARTIST'S IMPRESSION OF COMMERCE ONE, OLD KLANG ROAD

COMMERCE ONE

COMMERCE ONE, OLD KLANG ROAD

Commerce One is a vibrant commercial destination comprising one block of 5-storey shop offices and a single block of office suites, complete with facilities including a business centre, meeting rooms, gymnasium, lifestyle F&B outlets, as well as a 7-storey carpark. The attraction of Commerce One lies on its superior location offering exceptionally high visibility along the main arterial Old Klang Road. Commerce One is connected to the major highways of Kuala Lumpur – Federal Highway, New Pantai Expressway (NPE), KL Shah Alam (KESAS) Expressway and Lebuhraya Damansara-Puchong (LDP) Highway – all combining to offer businesses unparalleled connectivity. To date, the 5-storey shop office has been fully sold, with almost an equal number of buyers being both end-users as well as investors. The 22-storey tower of office suites will be launched this year.



PROPERTY DEVELOPMENTS IN MALAYSIA



SHOWHOUSE AT THE CIRRUS, CHERAS

THE **Cirrus** CHERAS

THE CIRRUS, CHERAS

The Cirrus is located on a 16.1-acre site in Cheras on the outskirts of Kuala Lumpur city. The designer bungalows which aim to create a seamless living environment will have generous floor space from over 427 square metres to 604 square metres. Built on elevated land in a matured residential neighbourhood, The Cirrus is close to shopping amenities, educational facilities and is well-served by major highways to Kuala Lumpur. Six of the completed seven bungalow units have been sold. Plans to launch the next phase comprising semi-detached units and bungalows are currently in progress.



ARTIST'S IMPRESSION OF EBONY PARKHOMES AT EMERALD RAWANG

emerald

RAWANG

EMERALD, RAWANG

Nestled on the undulating green foothills of Rawang, Selangor, Emerald Rawang is a 1,000-acre masterplanned residential development, comprising link, cluster, semi-detached and bungalows, most of which sit within gated and guarded precincts. Surrounded by gentle rolling hills which form a beautiful backdrop to the surroundings, Emerald is easily accessible to the city and its nearby suburbs.

A key feature of Emerald is its Ronald Fream-designed 9-hole golf course, while shops, a school and a hypermarket will complement the township when fully developed.



PROPERTY DEVELOPMENTS IN MALAYSIA



MENARA HLA



TOWER REIT

Tower Real Estate Investment Trust ("Tower REIT") was listed on the Main Market of Bursa Malaysia Securities Berhad in April 2006. Tower REIT is managed by GLM REIT Management Sdn Bhd, a wholly-owned subsidiary of GLM. GLM has an approximately 21.7% interest in Tower REIT. As at 30 June 2010, Tower REIT's investment portfolio comprises three prime commercial buildings located in prime, strategic locations in Kuala Lumpur, namely Menara HLA, HP Towers and Menara ING.

MENARA HLA

Menara HLA is a 32-storey office tower with a 4-level basement car park located opposite KLCC in the heart of Kuala Lumpur's Golden Triangle. It has approximately 36,866 square metres of leasable area and is currently occupied by a variety of national, regional and local tenants. Anchor tenants include Padibernas National Berhad and Aker Kvearner Engineering SEA Sdn Bhd. Occupancy as at 30 June 2010 was 91%.



HP TOWERS



MENARA ING

HP TOWERS

HP Towers comprises two blocks of 9 storeys and 21 storeys, 3 levels of connecting podium and 4 levels of basement car park. Located in the commercial area of Bukit Damansara, it has a leasable area of approximately 32,521 square metres. Major tenants include Hewlett-Packard (M) Sdn Bhd and Valuecap Sdn Bhd. It has an occupancy rate of 85% as at 30 June 2010.

MENARA ING

Menara ING is a 20-storey office tower with an annexed three and a half-storey office block and two split-level basement car parks. It is situated along Jalan Raja Chulan which is an established office address within the Golden Triangle area. As at 30 June 2010, Tower REIT owns 78.3% of Menara ING which is equivalent to approximately 14,065 square metres and 100% of the carpark bays. All the floor areas owned by Tower REIT are 100% leased out to the ING Insurance Bhd group of companies.



VIETNAM

FORESIGHT ■ STRATEGY ■ ACTION

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

THE CANARY



PROPERTY DEVELOPMENTS IN VIETNAM



HOMEZ @ THE CANARY, BINH DUONG PROVINCE



THE CANARY, BINH DUONG PROVINCE

Offering an integrated Work-Live-Play environment, The Canary integrated development promises a new lifestyle experience for residents of Binh Duong Province, one of Vietnam's leading provinces in terms of socio-economic development and per capita income. The Canary sits on a 17.5 hectare site which is just 30 minutes from Ho Chi Minh City. It comprises 1,200 residential apartments to be developed over 4 phases, a good-class international hotel, retail mall, educational facilities and a sports complex all interconnected. Located at the gateway of the Vietnam Singapore Industrial Park (VSIP) and directly across the 27-hole Song Be golf course, The Canary is well served by Highway 13 which runs parallel to the site.

Homez @ The Canary, phase 1 of the residential component comprising 237 condominium units has been completed and handed over. Amenities such as the Singapore International School has been in operation since August 2009. The final design of the retail mall with a gross floor area of some 82,000 square metres is being finalised. Development for Phase 2 commenced in the second quarter of 2010.



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Directors' Report

For the year ended 30 June 2010

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 2010.

DIRECTORS

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

Sat Pal Khattar
Quek Chee Hoon
Quek Leng Chan
Kwek Leng Hai
Goh Yong Hong
Reggie Thein
Timothy Teo

DIRECTORS' INTERESTS

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

	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
	As at 1 July 2009	As at 30 June 2010	As at 1 July 2009	As at 30 June 2010
The Company				
			Fully Paid Ordinary Shares	
Sat Pal Khattar	-	-	13,856,482	13,856,482
Quek Chee Hoon	12,849,449	16,548,599	-	-
Quek Leng Chan	20,062,965	10,000,000	579,024,320	613,133,274
Kwek Leng Hai	26,468,186	26,468,186	-	-
Timothy Teo	50,000	25,000	-	-
			Options to subscribe for Ordinary Shares*	
Quek Chee Hoon	15,081,150	11,382,000	-	-
			Convertible Bonds**	
Quek Leng Chan	-	-	115,500,000	46,600,000

* Please refer to Note 1 under "Share Options".

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



Directors' Report

For the year ended 30 June 2010

DIRECTORS' INTERESTS (cont'd)

	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest		
	As at	As at	As at	As at	
	1 July 2009	30 June 2010	1 July 2009	30 June 2010	
Intermediate Holding Company					
Guoco Group Limited					
	Ordinary Shares of US\$0.50 each fully paid				
Sat Pal Khattar	-	-	691,125	691,125	
Quek Leng Chan	1,656,325	1,056,325	239,225,391	239,825,391	
Kwek Leng Hai	3,800,775	3,800,775	-	-	
Ultimate Holding Company					
Hong Leong Company (Malaysia) Berhad					
	Ordinary Shares of RM1.00 each fully paid				
Quek Leng Chan	390,000	390,000	13,019,100	13,019,100	
Kwek Leng Hai	420,500	420,500	-	-	
Subsidiary					
GuocoLand (Malaysia) Berhad					
	Ordinary Shares of RM0.50 each fully paid				
Sat Pal Khattar	152,700	152,700	-	-	
Quek Chee Hoon	-	-	1,000,000	1,000,000	
Quek Leng Chan	19,506,780	19,506,780	456,555,616	456,555,616	
Kwek Leng Hai	226,800	226,800	-	-	
	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest		
Nominal Value per share	Ordinary shares/shares issued or to be issued or acquired arising from the exercise of options/convertible bonds				
	As at	As at	As at	As at	
	1 July 2009	30 June 2010	1 July 2009	30 June 2010	
Interests of Quek Leng Chan in Related Corporations					
Hong Leong Fund Management Sdn Bhd	RM1.00	-	-	1,400,000	2,000,000 ⁺
Hong Leong Financial Group Berhad	RM1.00	4,989,600	4,989,600	824,437,300	824,437,300
HLG Capital Berhad	RM1.00	-	-	92,590,545	195,263,227
Hong Leong Bank Berhad	RM1.00	-	-	965,745,100	967,739,600
Hong Leong Tokio Marine Takaful Berhad	RM1.00	-	-	65,000,000	65,000,000
Hong Leong Industries Berhad	RM0.50	-	-	194,663,037	197,519,837



Directors' Report

For the year ended 30 June 2010

DIRECTORS' INTERESTS (cont'd)

	Nominal Value per share	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
		Ordinary shares/shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
		As at 1 July 2009	As at 30 June 2010	As at 1 July 2009	As at 30 June 2010
Interests of Quek Leng Chan in Related Corporations (cont'd)					
Hong Leong Yamaha Motor Sdn Bhd	RM1.00	-	-	17,352,872	17,352,872
Guocera Tile Industries (Meru) Sdn Bhd	RM1.00	-	-	19,600,000	19,600,000
Hong Leong Maruken Sdn Bhd (In members' voluntary liquidation)	RM1.00	-	-	1,750,000	1,750,000
Guocera Tile Industries (Labuan) Sdn Bhd	RM1.00	-	-	6,545,001	6,545,001
Varinet Sdn Bhd (In members' voluntary liquidation)	RM1.00	-	-	10,560,627	10,560,627
RZA Logistics Sdn Bhd	RM1.00	-	-	7,934,247	7,934,247
Malaysian Pacific Industries Berhad	RM0.50	-	-	127,683,309	133,601,009
Carter Realty Sdn Bhd	RM1.00	-	-	7	7
Carsem (M) Sdn Bhd	RM1.00	-	-	84,000,000	84,000,000
	RM100.00	-	-	22,400	22,400
				(Redeemable Preference Shares)	(Redeemable Preference Shares)
Hume Industries (Malaysia) Berhad	RM1.00	2,000,000	-	121,881,628	182,942,871 ⁺
Narra Industries Berhad	RM1.00	8,150,200	8,150,200	38,314,000	38,314,000



Directors' Report

For the year ended 30 June 2010

DIRECTORS' INTERESTS (cont'd)

	Nominal Value per share	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
		Ordinary shares/shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
		As at 1 July 2009	As at 30 June 2010	As at 1 July 2009	As at 30 June 2010
Interests of Quek Leng Chan in Related Corporations (cont'd)					
First Garden Development Pte Ltd	∞	-	-	63,000,000	63,000,000
Sanctuary Land Pte Ltd	∞	-	-	90,000	90,000
Beijing Minghua Property Development Co., Ltd (In members' voluntary liquidation)	^	-	-	150,000,000	150,000,000
Shanghai Xinhaozhong Property Development Co., Ltd	#	-	-	19,600,000	19,600,000
Beijing Jiang Sheng Property Development Co., Ltd	^	-	-	247,600,000	250,000,000 ⁺
Nanjing Xinhaoning Property Development Co., Ltd	#	-	-	11,800,800	11,800,800
Nanjing Xinhaoxuan Property Development Co., Ltd	#	-	-	11,800,800	11,800,800
Nanjing Mahui Property Development Co., Ltd	^	-	-	271,499,800	271,499,800
Beijing Cheng Jian Dong Hua Real Estate Development Company Limited	^	-	-	50,000,000	50,000,000



Directors' Report

For the year ended 30 June 2010

DIRECTORS' INTERESTS (cont'd)

	Nominal Value per share	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
		Ordinary shares/shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
		As at 1 July 2009	As at 30 June 2010	As at 1 July 2009	As at 30 June 2010
Interests of Quek Leng Chan in Related Corporations (cont'd)					
Lam Soon (Hong Kong) Limited	HK\$1.00	-	-	140,008,659	140,008,659
Kwok Wah Hong Flour Company Limited	HK\$100.00	-	-	9,800	9,800
M.C. Packaging Offshore Limited	HK\$0.01	-	-	812,695	812,695
Guangzhou Lam Soon Food Products Limited	Ω	-	-	6,570,000	6,570,000
Guoman Hotel & Resort Holdings Sdn Bhd	RM1.00	-	-	277,000,000	277,000,000
JB Parade Sdn Bhd	RM1.00 RM0.01	- -	- -	28,000,000 68,594,000 (Redeemable Preference Shares)	28,000,000 68,594,000 (Redeemable Preference Shares)
GuocoLeisure Limited	US\$0.20	735,000	735,000	767,669,211	896,230,434
Bondway Properties Limited (In member's voluntary liquidation)	GBP1.00 GBP1.00	- -	- -	1,134,215 (Ordinary- Voting Shares) 10,332 (Ordinary-Non Voting Shares)	1,134,215 (Ordinary- Voting Shares) 10,332 (Ordinary-Non Voting Shares)



Directors' Report

For the year ended 30 June 2010

DIRECTORS' INTERESTS (cont'd)

	Nominal Value per share	Shareholdings in which Directors have a Direct Interest		Shareholdings in which Directors are Deemed to have an Interest	
		Ordinary shares/shares issued or to be issued or acquired arising from the exercise of options/convertible bonds			
		As at 1 July 2009	As at 30 June 2010	As at 1 July 2009	As at 30 June 2010
Interests of Kwek Leng Hai in Related Corporations					
Hong Leong Bank Berhad	RM1.00	3,955,700	3,955,700	-	-
Lam Soon (Hong Kong) Limited	HK\$1.00	2,300,000	2,300,000	-	-
Hong Leong Industries Berhad	RM0.50	189,812	189,812	-	-
Hong Leong Financial Group Berhad	RM1.00	2,316,800	2,316,800	-	-
HLG Capital Berhad	RM1.00	500,000	1,000,000	-	-
Interests of Sat Pal Khattar in Related Corporations					
Hong Leong Bank Berhad	RM1.00	294,000	294,000	-	-
Hong Leong Industries Berhad	RM0.50	198,580	198,580	348,500	348,500
Malaysian Pacific Industries Berhad	RM0.50	210,000	210,000	-	-
Hume Industries (Malaysia) Berhad	RM1.00	200,000	-	-	-

+ Became a wholly-owned subsidiary during the financial year.

∞ Concept of par value was abolished with effect from 30 January 2006 pursuant to the Singapore Companies (Amendment) Act, 2005.

^ Capital contribution in RMB.

Capital contribution in US\$.

Ω Capital contribution in HK\$.

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



Directors' Report

For the year ended 30 June 2010

DIRECTORS' INTERESTS (cont'd)

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

There were no changes in any of the above-mentioned directors' interests in the Company and its related corporations between the end of the financial year and 21 July 2010.

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

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

Except as disclosed in this report and in Notes 24, 28, 31 and 33 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

SHARE OPTIONS

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

- a. The ESOS was approved by shareholders of the Company on 17 October 2008 and further approved by shareholders of Guoco Group Limited (an intermediate holding company of the Company) on 21 November 2008 ("ESOS 2008"), to replace the Company's former ESOS ("ESOS 2004"), which was due to expire in December 2008. The terms of the ESOS 2008 are substantially similar to those of the ESOS 2004. The termination of the ESOS 2004 does not affect outstanding options which had been granted and accepted thereunder.
- b. Under the ESOS 2008, options may be granted over newly issued and/or existing issued ordinary shares of the Company ("Shares"). The ESOS 2008 is administered by a Committee of Directors ("ESOS Committee") comprising Mr Sat Pal Khattar and Mr Quek Leng Chan who are non-participants.
- c. The following options (including options adjusted pursuant to the Company's Rights Issue 2007) have been granted to selected key executives of the Company ("Participants"):-

Date of Grant	Participants	No. of Shares comprised in options	Exercise price per Share	Note
ESOS 2004				
1 November 2004	Selected key executives	14,227,500	S\$1.045	
30 May 2005	Selected key executive	2,000,000 4,552,800	S\$1.32 S\$1.159	
19 January 2007	Selected key executives	27,032,250	S\$2.328	1
ESOS 2008				
28 September 2009	Selected key executives	12,250,000	S\$2.29	2



Directors' Report

For the year ended 30 June 2010

SHARE OPTIONS (cont'd)

- d. During the financial year, 12,250,000 options were granted. Participants exercised an aggregate of 10,528,350 options, whilst 2,000,000 options lapsed, following the resignation of a Participant. No new Shares were issued pursuant to the exercise of the options.
- e. The aggregate number of options (including options adjusted pursuant to the Company's Rights Issue 2007) granted to Participants since the commencement of the ESOS to the end of the financial year is as follows:-

Participants	Aggregate options granted since the commencement of the ESOS to end of financial year	Aggregate options exercised since the commencement of the ESOS to end of financial year	Aggregate options lapsed since the commencement of the ESOS to end of financial year	Aggregate options outstanding as at end of financial year
Executive Director				
Quek Chee Hoon	9,398,300	(7,398,300)	(2,000,000)	-
	11,382,000 ¹	-	-	11,382,000
Directors of Subsidiaries				
Violet Lee	9,967,400	(9,967,400)	-	-
	6,829,200 ¹	-	-	6,829,200
Trina Loh	1,388,200	(1,138,200)	(250,000)	-
	3,414,600 ¹	-	-	3,414,600
	1,000,000 ²	-	-	1,000,000
Dawn Pamela Lum	1,638,200	(1,138,200)	(500,000)	-
	2,276,400 ¹	-	-	2,276,400
Tan Teck Huat	2,000,000 ²	-	-	2,000,000
Other Executives				
	3,768,200	(1,138,200)	(2,630,000)	-
	3,130,050 ¹	-	(2,845,500)	284,550
	9,250,000 ²	-	(2,000,000)	7,250,000
Total	65,442,550	(20,780,300)	(10,225,500)	34,436,750

Note:-

- The exercise price of S\$2.65 (which was adjusted to S\$2.328 following the close of the Company's Rights Issue 2007) was based on the average closing price for the five days preceding 19 January 2007. The closing market price per Share on 18 January 2007 (the trading date immediately before the date of grant) was S\$2.75. Subject to certain financial and performance targets being met by the Participants during the financial years 2005/06 to 2010/11, the Participants have a phased period of up to 30 months from the date of vesting to exercise the vested options in accordance with the terms of the grant.
- The exercise price of S\$2.29 was based on the 5-day weighted average market price immediately prior to 28 September 2009 (the date of grant). The weighted average market price on the date of grant was S\$2.28 per Share. Subject to certain performance targets being met by the Participants for the financial years 2009/10 to 2011/12, the vested options may be exercisable and valid up to 30 months from the date of vesting in accordance with the terms of the grant.



Directors' Report

For the year ended 30 June 2010

SHARE OPTIONS (cont'd)

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

- (i) In relation to ESOS 2004, the exercise price per Share is the average of the closing prices of the Shares on Singapore Exchange Securities Trading Limited for each of the last five market days immediately prior to the date of grant of the option.

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

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

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

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

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

AUDIT COMMITTEE

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

Reggie Thein, Chairman
Goh Yong Hong
Timothy Teo

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

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

The Audit Committee also reviewed the following:-

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

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



Directors' Report

For the year ended 30 June 2010

AUDIT COMMITTEE (cont'd)

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

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

On behalf of the Board of Directors

SAT PAL KHATTAR

Director

QUEK CHEE HOON

Director

Singapore

27 August 2010



Statement by Directors

For the year ended 30 June 2010

In our opinion:-

- a. the financial statements set out on pages 58 to 132 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2010 and of the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- b. at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors

SAT PAL KHATTAR

Director

QUEK CHEE HOON

Director

Singapore

27 August 2010



Independent Auditors' Report

Members of the Company
GuocoLand Limited

We have audited the financial statements of GuocoLand Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2010, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 58 to 132.

Management's responsibility for the financial statements

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

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2010 and the results, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

*Public Accountants and
Certified Public Accountants*

Singapore
27 August 2010



Balance Sheets

As at 30 June 2010

	Note	Group		Company	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-Current Assets					
Property, Plant and Equipment	4	236,222	159,678	-	-
Investment Properties	5	427,545	367,678	-	-
Interests in Subsidiaries	6	-	-	2,429,910	2,739,797
Interests in Associates and Jointly-Controlled Entities	7	194,377	187,528	8,634	7,094
Amounts due from Non-Controlling Interests	8	1,939	1,992	-	-
Investment Securities	9	2,155	2,219	-	-
Deferred Tax Assets	10	8,970	487	-	-
		871,208	719,582	2,438,544	2,746,891
Current Assets					
Inventories	11	3,946,237	4,397,094	-	-
Trade and Other Receivables	14	240,967	161,553	493	30,368
Cash and Cash Equivalents	17	656,432	581,796	458	65,772
		4,843,636	5,140,443	951	96,140
Total Assets		5,714,844	5,860,025	2,439,495	2,843,031
Equity attributable to Owners of the Company					
Share Capital	18	1,394,047	1,394,047	1,394,047	1,394,047
Reserves	19	619,226	549,635	183,890	116,179
		2,013,273	1,943,682	1,577,937	1,510,226
Non-Controlling Interests		126,944	120,818	-	-
Total Equity		2,140,217	2,064,500	1,577,937	1,510,226
Non-Current Liabilities					
Amounts due to Subsidiaries	6	-	-	131,065	149,955
Interest Bearing Loans and Borrowings	20	1,428,753	1,955,183	359,704	445,780
Deferred Tax Liabilities	10	42,563	35,434	-	-
		1,471,316	1,990,617	490,769	595,735
Current Liabilities					
Trade and Other Payables	22	856,258	830,838	2,536	8,005
Interest Bearing Loans and Borrowings	20	1,186,239	931,349	354,908	721,657
Current Tax Payable		60,814	42,721	13,345	7,408
		2,103,311	1,804,908	370,789	737,070
Total Liabilities		3,574,627	3,795,525	861,558	1,332,805
Total Equity and Liabilities		5,714,844	5,860,025	2,439,495	2,843,031

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



Income Statement

For the year ended 30 June 2010

		Group	
	Note	2010 \$'000	2009 \$'000
Revenue	24	732,762	513,012
Cost of sales		(487,393)	(399,542)
Gross profit		245,369	113,470
Other income	25	31,670	15,370
Administrative expenses		(51,309)	(39,109)
Other expenses	26	(17,796)	(118,798)
Finance costs	27	(31,618)	(37,826)
Share of profit/(loss) (net of income tax)			
- associates		2,212	7,086
- jointly-controlled entities		1,997	(2,671)
Profit/(Loss) before income tax	28	180,525	(62,478)
Income tax expense	29	(41,314)	(16,355)
Profit/(Loss) for the year		139,211	(78,833)
Attributable to:			
Owners of the Company		134,306	(70,203)
Non-controlling interests		4,905	(8,630)
Profit/(Loss) for the year		139,211	(78,833)
Earnings per ordinary share (cents)	30		
Basic		16.18	(8.55)
Diluted		16.18	(8.55)

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



Statement of Comprehensive Income

For the year ended 30 June 2010

	Group	
	2010	2009
	\$'000	\$'000
Profit/(Loss) for the year	139,211	(78,833)
Other comprehensive income:		
Translation differences relating to financial statements of foreign subsidiaries and associates	7,275	7,882
Exchange differences on monetary items forming part of net investments in foreign subsidiaries and associates	(40,087)	90,907
Change in fair value of available-for-sale securities	(171)	(258)
Other comprehensive (expense)/income for the year, net of income tax	(32,983)	98,531
Total comprehensive income for the year	106,228	19,698
Attributable to:		
Owners of the Company	97,393	28,652
Non-controlling interests	8,835	(8,954)
Total comprehensive income for the year	106,228	19,698

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



Statement of Changes in Equity

For the year ended 30 June 2010

Group	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
At 1 July 2009	1,394,047	(27,342)	576,977	1,943,682	120,818	2,064,500
Profit for the year	-	-	134,306	134,306	4,905	139,211
Other comprehensive income/ (expense)						
Translation differences relating to financial statements of foreign subsidiaries and associates	-	3,295	-	3,295	3,980	7,275
Exchange differences on monetary items forming part of net investments in foreign subsidiaries and associates	-	(40,092)	-	(40,092)	5	(40,087)
Change in fair value of available-for- sale securities	-	(116)	-	(116)	(55)	(171)
Total other comprehensive income/ (expense), net of income tax	-	(36,913)	-	(36,913)	3,930	(32,983)
Total comprehensive income/ (expense) for the year, net of income tax	-	(36,913)	134,306	97,393	8,835	106,228
Transactions with owners, recorded directly in equity						
Transfer of shares to employees upon exercise of share options	-	15,372	-	15,372	-	15,372
Value of employee services received for issue of share options	-	3,350	-	3,350	-	3,350
Excess of purchase cost over consideration received from employees upon exercise of share options	-	(3,851)	-	(3,851)	-	(3,851)
Redemption of convertible bonds	-	(29,050)	29,050	-	-	-
Dividends (Note 32)	-	-	(41,446)	(41,446)	-	(41,446)
Dividends paid to non-controlling interests	-	-	-	-	(1,342)	(1,342)
Acquisition of additional interest in a subsidiary	-	-	(1,227)	(1,227)	(1,367)	(2,594)
Total transactions with owners	-	(14,179)	(13,623)	(27,802)	(2,709)	(30,511)
At 30 June 2010	1,394,047	(78,434)	697,660	2,013,273	126,944	2,140,217

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



Statement of Changes in Equity

For the year ended 30 June 2010

Group	Share Capital \$'000	Other Reserves \$'000	Accumulated Profits \$'000	Total \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
At 1 July 2008	1,394,047	(131,396)	712,924	1,975,575	152,956	2,128,531
Loss for the year	-	-	(70,203)	(70,203)	(8,630)	(78,833)
Other comprehensive income/ (expense)						
Translation differences relating to financial statements of foreign subsidiaries and associates	-	8,128	-	8,128	(246)	7,882
Exchange differences on monetary items forming part of net investments in foreign subsidiaries and associates	-	90,902	-	90,902	5	90,907
Change in fair value of available-for-sale securities	-	(175)	-	(175)	(83)	(258)
Total other comprehensive income/ (expense), net of income tax	-	98,855	-	98,855	(324)	98,531
Total comprehensive income/ (expense) for the year, net of income tax	-	98,855	(70,203)	28,652	(8,954)	19,698
Transactions with owners, recorded directly in equity						
Transfer of shares to employees upon exercise of share options	-	3,946	-	3,946	-	3,946
Value of employee services received for issue of share options	-	2,223	-	2,223	-	2,223
Excess of purchase cost over consideration received from employees upon exercise of share options	-	(972)	-	(972)	-	(972)
Dividends (Note 32)	-	-	(65,744)	(65,744)	-	(65,744)
Dividends paid to non-controlling interests	-	-	-	-	(1,385)	(1,385)
Acquisition of additional interest in a subsidiary	-	2	-	2	(217)	(215)
Liquidation of a subsidiary	-	-	-	-	(14,592)	(14,592)
Share capital reduction of subsidiaries	-	-	-	-	(6,990)	(6,990)
Total transactions with owners	-	5,199	(65,744)	(60,545)	(23,184)	(83,729)
At 30 June 2009	1,394,047	(27,342)	576,977	1,943,682	120,818	2,064,500

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



Statement of Cash Flow

For the year ended 30 June 2010

	Group	
	2010	2009
Note	\$'000	\$'000
Operating activities		
Profit/(Loss) before income tax	180,525	(62,478)
Adjustments for:-		
Amortisation of transaction costs of convertible bonds	1,190	1,718
Depreciation of property, plant and equipment	5,431	4,449
Gain on disposal of property, plant and equipment	(10)	(172)
Gain on disposal and liquidation of subsidiaries and jointly-controlled entities	(12,093)	-
(Gain)/Loss on revaluation of investment properties	(100)	80,900
Share of profit of associates and jointly-controlled entities (net of income tax)	(4,209)	(4,415)
Finance costs	31,618	37,826
Interest income	(4,609)	(6,004)
Dividend income	-	(131)
(Writeback of allowance)/Allowance for foreseeable losses on development properties	(4,233)	23,323
Allowance for doubtful receivables	715	9
Mark-to-market loss on derivative financial instruments	3,453	1,587
Property, plant and equipment written off	1,640	50
Value of employee services received for issue of share options	3,350	2,223
	22,143	141,363
Operating profit before working capital changes	202,668	78,885
Changes in working capital:-		
Inventories	351,677	246,698
Trade and other receivables	(84,613)	(89,516)
Trade and other payables	47,669	8,826
	314,733	166,008
Cash from operations	517,401	244,893
Income taxes paid	(21,601)	(265)
Consideration received upon exercise of share options	11,521	2,974
Cash flows from operating activities	507,321	247,602
Investing activities		
Proceeds from disposal of property, plant and equipment	129	342
Purchase of property, plant and equipment	(13,761)	(24,776)
Increase in investment properties under development	(1,030)	-
Dividends received from available-for-sale securities	-	131
Dividends received from associates	2,308	4,237
Proceeds from disposal of interests in jointly-controlled entities	14,578	-
Interests in associates and jointly-controlled entities	(3,754)	(1,150)
Net cash outflow on acquisition of interests in subsidiaries	-	(80)
Cash flows from investing activities	(1,530)	(21,296)

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



Statement of Cash Flow

For the year ended 30 June 2010

	Group	
Note	2010 \$'000	2009 \$'000
Financing activities		
Balances with non-controlling interests	-	(36)
Dividends paid	(41,446)	(65,744)
Dividends paid to non-controlling interests	(1,342)	(1,385)
Interest paid	(70,757)	(76,485)
Interest received	4,326	6,166
Fixed deposits pledged	(107)	645
Proceeds from loans and borrowings	681,062	720,669
Repayment of loans and borrowings	(647,212)	(900,381)
Redemption of convertible bonds	(343,927)	-
Cash flows from financing activities	(419,403)	(316,551)
Net increase/(decrease) in cash and cash equivalents	86,388	(90,245)
Cash and cash equivalents at 1 July	577,687	651,848
Exchange differences on translation of balances held in foreign currencies	(14,256)	16,084
Cash and cash equivalents at 30 June	17 649,819	577,687

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



Notes to the Financial Statements

For the year ended 30 June 2010

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 August 2010.

1. DOMICILE AND ACTIVITIES

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

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

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

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

The financial statements of the Company as at and for the year ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates and jointly-controlled entities.

2. BASIS OF PREPARATION

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

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

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

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

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

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

Note 3c	–	measurement of recoverable amounts of property, plant and equipment
Note 3h	–	valuation of inventories
Note 5	–	valuation of investment properties
Note 31	–	measurement of share-based payments
Note 35	–	valuation of financial instruments
Note 37	–	measurement of provisions and contingent liabilities
Note 38	–	accounting estimates and judgement



Notes to the Financial Statements

For the year ended 30 June 2010

2. BASIS OF PREPARATION (cont'd)

Changes in accounting policies

Starting as of 1 July 2009 on adoption of new/revised FRSs, the Group has changed its accounting policies in the following areas:

(i) *Determination and presentation of operating segments*

As of 1 July 2009, the Group determines and presents operating segments based on information that internally is provided to the Chief Executive Officer (CEO), who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 108 *Operating Segments*. Previously, operating segments were determined and presented in accordance with FRS 14 *Segment Reporting*.

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

(ii) *Presentation of financial statements*

The Group applies revised FRS 1 *Presentation of Financial Statements* (2008), which became effective as of 1 July 2009. As a result, the Group presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(iii) *Classification of properties under construction or development for future use as investment properties*

The Group applies Amendments to Financial Reporting Standard (FRS) 40 – *Investment Property* which became effective on 1 July 2009. As a result, the Group has reclassified the carrying value of properties which are under construction or development for future use as investment properties from property, plant and equipment to investment properties. This amendment has been applied prospectively from 1 July 2009 in accordance with the Amendments to FRS 40. Accordingly, comparative information has not been reclassified.

(iv) *Accounting for business combinations*

The Group applies FRS 103 (Revised 2009) *Business Combination* and FRS 27 *Consolidated and Separate Financial Statements* which became effective as of 1 July 2009. FRS 103 introduces significant changes to the accounting for business combination, both at the acquisition date and post acquisition, and requires greater use of fair values. The amendments will mainly impact the accounting for transaction costs, step acquisitions, goodwill and non-controlling interests. The amended FRS 27 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with gain or loss recognised in profit or loss. In accordance with the transitional rules under the standards, the revised FRS 103 and amended FRS 27 are applied prospectively. From 1 July 2009, the Group has applied FRS 103 *Business Combinations* (2009) in the accounting for business combinations. The change in accounting policy has been applied prospectively.

(v) *Financial instruments: Disclosures*

The Group applies Amendments to FRS 107 *Financial Instruments: Disclosures*, which became effective on 1 July 2009. The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements relating to items recorded at fair value are classified by the source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The Group has presented the fair value measurement disclosures as required by the Amendments. Comparative information has not been presented. The liquidity risk disclosures are not significantly impacted by the amendments.



Notes to the Financial Statements

For the year ended 30 June 2010

2. BASIS OF PREPARATION (cont'd)

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 above, which addresses changes in accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Consolidation

(i) *Business combinations*

All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Consideration transferred also includes the fair value of any contingent consideration given.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets of the acquiree, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Prior to 1 July 2009, business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

(iii) *Investments in associates and jointly-controlled entities*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly-controlled entities are accounted for using the equity method and are recognised initially at cost. The Group's investments include goodwill identified on acquisition, net of any accumulated impairment losses. The financial statements include the Group's share of the income, expenses and equity movements of associates and jointly-controlled entities, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investment) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a. Basis of Consolidation (cont'd)

(iv) *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 associates and jointly-controlled entities 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.

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

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

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

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

b. Foreign Currencies

(i) *Foreign currency transactions*

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

Foreign currency differences arising on retranslation are recognised in the profit or loss, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see Note 3b(iii)) and available-for-sale investment securities (see Note 3f(i)).

(ii) *Foreign operations*

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

Foreign currency differences are recognised in other comprehensive income. When a foreign operation is disposed of, in part or in full, the relevant amount in the exchange translation reserve is transferred to the profit or loss as part of the profit or loss on disposal.

(iii) *Net investment in a foreign operation*

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



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c. Property, Plant and Equipment

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.

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

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

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

Freehold land under development is stated at cost. Expenditure relating to freehold land under development (including borrowing costs) are capitalised when incurred.

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

d. Goodwill

Goodwill arising from the acquisition of subsidiaries is presented in intangible assets. Goodwill arising from the acquisition of associates and joint ventures is presented together with interests in associates and joint ventures.

For business combinations on or after 1 July 2009, the Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously-held equity interest in the acquiree) and the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For business combinations prior to 1 July 2009, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree.

Prior to 1 July 2001, goodwill and negative goodwill on acquisitions were written off against accumulated profits in the year of acquisition. From 1 July 2001 to 30 June 2004, goodwill was stated at cost from the date of initial recognition and amortised over its estimated useful life of 15 years. On 1 July 2004, the Group discontinued the amortisation of goodwill. The remaining goodwill balance is subject to testing for impairment, as described in Note 3i. Negative goodwill was derecognised by crediting accumulated profits on 1 July 2004.

For acquisition on or after 1 July 2004, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in Note 3i. Negative goodwill is credited to profit or loss in the period of the acquisition.



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e. Investment Properties and Properties Under Development

(i) *Investment properties*

Investment properties including reversionary interest in freehold land, are properties held either to earn rental or for capital appreciation or both. Investment properties are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the profit or loss. The fair value is determined based on independent professional valuation.

When an investment property is disposed off, the resulting gain or loss recognised in the profit or loss is the difference between the net disposal proceed and the carrying amount of the property.

(ii) *Properties under development*

Properties under development are properties being constructed or developed for future rental. Prior to 1 July 2009, properties under development are carried at cost less accumulated impairment losses until construction or development is completed, at which time they are transferred and accounted for as investment properties.

Change in accounting policy

In line with the amendments made to FRS 40 *Investment Property*, effective for financial periods beginning on or after 1 July 2009, any property that is being constructed or developed for future use as an investment property will be classified as an investment property and accordingly, any changes to fair value thereon of these properties are recognised in profit or loss. In accordance with the transitional provisions of FRS 40, the change in accounting policy has been applied prospectively.

f. Financial Instruments

(i) *Non-derivative financial assets*

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

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

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

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

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f. Financial Instruments (cont'd)

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

Available-for-sale investment securities are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in certain equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see Note 3i) and foreign currency differences on available-for-sale monetary items are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to the profit or loss.

Where an investment in investment securities classified as available-for-sale does not have a quoted market price in an active market and other methods of determining fair value do not result in a reasonable estimate, the investment is measured at cost less impairment losses.

(ii) *Non-derivative financial liabilities*

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

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

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

Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

(iii) *Derivative financial instruments*

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

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

(iv) *Convertible bonds*

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not remeasured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f. Financial Instruments (cont'd)

(v) *Financial guarantees*

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

The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

g. Share Capital

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

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

h. Inventories

(i) *Development properties*

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

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

(ii) *Construction work-in-progress*

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

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

(iii) *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.

i. Impairment

(i) *Financial assets*

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



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i. Impairment (cont'd)

(i) *Financial assets (cont'd)*

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment attributable to time value are reflected as a component of interest income.

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

(ii) *Non-financial assets*

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

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



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i. Impairment (cont'd)

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

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are dependent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) 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 associates is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

j. Employee Benefits

(i) *Short-term employee benefits*

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) *Defined contribution plans*

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the profit or loss as incurred.

(iii) *Share-based payments*

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

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

k. Provision

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



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

I. Operating Leases

- (i) *When entities within the Group are lessees of an operating lease*
Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.
- (ii) *When entities within the Group are lessors of an operating lease*
Assets subject to operating leases are included in investment properties and are stated at fair value and are not depreciated.

m. Revenue Recognition

- (i) *Development properties for sale*
The Group recognises income on property development projects when the risks and rewards of ownership have been transferred to the buyer through either the transfer of legal title or an equitable interest in a property. In cases where the Group is obliged to perform any significant acts after the transfer of legal title or equitable interest, revenue is recognised as the acts are performed based on the percentage of completion method, which is an allowed alternative method under Recommended Accounting Practice 11 *Pre-completion Contracts for the Sale of Development Property* ("RAP 11") issued by the Institute of Certified Public Accountants of Singapore in October 2005. Under the percentage of completion method, profit is brought into the profit or loss only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The stage of completion is assessed by reference to surveys of work performed. Allowance for foreseeable losses is made in the period in which such loss is determined.
- (ii) *Completed properties held for sale*
Revenue from disposal of completed properties held for sale is recognised when substantially all the conditions of sales have been met and the risks and rewards of ownership have been transferred to the buyers. Allowance for foreseeable losses is made in the period in which such loss is determined.
- (iii) *Construction revenue*
When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively in the profit or loss in proportion to the stage of completion of the contract. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the profit or loss.
- (iv) *Rental income*
Rental income receivable under operating leases is recognised in the 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 to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.
- (v) *Hotel income*
Revenue for hotel operations is recognised on an accrual basis upon rendering of the relevant services.
- (vi) *Management fee income*
Management fee income is recognised in the profit or loss when services are rendered.
- (vii) *Dividends*
Dividend income is recognised on the date that the Group's right to receive payment is established.



Notes to the Financial Statements

For the year ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m. Revenue Recognition (cont'd)

(viii) *Interest income*

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

n. Government Grants

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as an offset against staff costs.

o. Finance Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest method.

p. Income Tax Expense

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

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

Deferred tax is recognised 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 the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and jointly-controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

q. Operating Segments

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



Notes to the Financial Statements

For the year ended 30 June 2010

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land & building \$'000	Leasehold land & buildings \$'000	Freehold land under development \$'000	Furniture & fittings \$'000	Office & other equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost							
At 1 July 2008	31,082	39,906	64,790	4,961	4,582	3,547	148,868
Acquisition of subsidiary	-	-	-	40	94	-	134
Additions	6,873	10,126	3,610	2,403	1,595	169	24,776
Disposals	-	-	-	(394)	(65)	(322)	(781)
Written off	-	-	-	(168)	(37)	-	(205)
Exchange differences on translation	(436)	(574)	(778)	(19)	77	24	(1,706)
At 30 June 2009	37,519	49,458	67,622	6,823	6,246	3,418	171,086
At 1 July 2009	37,519	49,458	67,622	6,823	6,246	3,418	171,086
Additions	209	112	152	2,993	9,645	650	13,761
Transfer from/(to) development properties/ investment properties	-	118,802	(54,446)	-	-	-	64,356
Disposals	-	-	-	(147)	(41)	(513)	(701)
Written off	(371)	(710)	-	(489)	(335)	-	(1,905)
Exchange differences on translation	1,892	2,595	1,398	224	87	37	6,233
At 30 June 2010	39,249	170,257	14,726	9,404	15,602	3,592	252,830
Accumulated Depreciation							
At 1 July 2008	788	2,009	-	2,079	1,138	1,550	7,564
Acquisition of subsidiary	-	-	-	9	48	-	57
Depreciation charge for the year	404	1,304	-	993	1,233	596	4,530
Disposals	-	-	-	(310)	(42)	(259)	(611)
Written off	-	-	-	(123)	(32)	-	(155)
Exchange differences on translation	(14)	(36)	-	6	45	22	23
At 30 June 2009	1,178	3,277	-	2,654	2,390	1,909	11,408
At 1 July 2009	1,178	3,277	-	2,654	2,390	1,909	11,408
Depreciation charge for the year	529	1,994	-	882	1,486	609	5,500
Disposals	-	-	-	(97)	(14)	(471)	(582)
Written off	-	(24)	-	(167)	(74)	-	(265)
Exchange differences on translation	80	364	-	55	33	15	547
At 30 June 2010	1,787	5,611	-	3,327	3,821	2,062	16,608
Carrying Amount							
At 1 July 2008	30,294	37,897	64,790	2,882	3,444	1,997	141,304
At 30 June 2009	36,341	46,181	67,622	4,169	3,856	1,509	159,678
At 30 June 2010	37,462	164,646	14,726	6,077	11,781	1,530	236,222



Notes to the Financial Statements

For the year ended 30 June 2010

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

The Group's property, plant and equipment with a book value of \$179.4 million (2009 : \$116.2 million) has been mortgaged to secure loan facilities granted to the Group (see Note 20).

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

	2010	2009
	\$'000	\$'000
Capitalised as cost of development properties	69	81
Cost of sales	713	803
Administrative expenses	4,718	3,646
	<u>5,500</u>	<u>4,530</u>

5. INVESTMENT PROPERTIES

Movements in the investment properties are as follows:-

		Group	
	Note	2010	2009
		\$'000	\$'000
At 1 July		367,678	449,086
Additions		1,030	-
Increase/(Decrease) in fair values		100	(80,900)
Transfer from property, plant and equipment	4	54,446	-
Exchange differences on translation		4,291	(508)
At 30 June		<u>427,545</u>	<u>367,678</u>

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



Notes to the Financial Statements

For the year ended 30 June 2010

5. INVESTMENT PROPERTIES (cont'd)

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

Investment Property	Description	Tenure of Land	Date of Valuation	Open Market Value	
				2010 \$'000	2009 \$'000
Singapore					
Tung Centre 20 Collyer Quay Singapore 049319	24-storey office building	999-year lease with effect from 5.11.1862	June 2010	320,480	320,480
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interests in freehold land	Note (e)	June 2010	3,300	3,200
Malaysia					
Bangunan Hong Leong No. 117 Jalan Tun H.S. Lee 50000 Kuala Lumpur	16-storey office building	Freehold	June 2010	15,984	15,214
Menara Pandan Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Two blocks of 10-storey office tower building	99-year lease with effect from 25.03.2002	June 2010	30,240	28,784
Damansara CITY Lot PT 5787 Jalan Damanlela Bukit Damansara Kuala Lumpur	Land under development	Freehold	June 2010	57,541	-
				427,545	367,678

- b. Investment properties are stated at fair value based on independent valuation. The valuers have considered valuation techniques including the direct comparison method, income method and residual land value method in determining the open market values.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income method involves capitalising the annual net rent at an appropriate interest rate after taking into account the property tax payable and an allowance for vacancy. The residual land value method involves the deduction of the estimated development costs and the developer's profit from the gross development value to arrive at the residual value of the land.

Independent valuations were carried out in June 2010 and June 2009 by CB Richard Ellis and Burgess Rawson.

- c. Included in the above is an investment property with a carrying amount of \$57,541,000 (2009 : nil), which is stated at cost as the intended use of the investment property is yet to be determined.
- d. The Group's investment properties with a book value of \$73.5 million (2009 : \$15.2 million) have been mortgaged to secure loan facilities granted to the Group (see Note 20).



Notes to the Financial Statements

For the year ended 30 June 2010

5. INVESTMENT PROPERTIES (cont'd)

- e. 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.

6. INTERESTS IN SUBSIDIARIES

	Note	Company	
		2010 \$'000	2009 \$'000
a. Unquoted shares, at cost		598,241	626,243
Less : Impairment loss		(216,454)	(237,151)
		381,787	389,092
Amounts due from subsidiaries		2,071,981	2,374,964
Less : Allowance for doubtful receivables		(23,858)	(24,259)
		2,048,123	2,350,705
		2,429,910	2,739,797
Non-current amounts due to subsidiaries		(131,065)	(149,955)
Dividend receivable from a subsidiary	14	-	29,254

The amounts due from subsidiaries consist of \$1,589.3 million (2009 : \$1,492.8 million) interest-free loans and \$482.7 million (2009 : \$882.2 million) interest bearing loans. Of the interest bearing loans of \$482.7 million (2009 : \$882.2 million), \$251.2 million (2009 : \$201.5 million) is in respect of an interest bearing loan obtained from a bank on behalf of a subsidiary. The amounts due to subsidiaries are interest-free.

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

The amounts due from subsidiaries comprise foreign currency loans amounting to \$30.1 million (2009 : \$27.0 million) which form part of the Company's net investments in these subsidiaries.

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

	2010 %	2009 %
Amounts due from subsidiaries	2.22 to 6.00	3.66 to 6.00

The above interest rates reprice monthly.

The impairment losses and allowances are made mainly in respect of subsidiaries, which have completed or substantially completed their respective developments. The investments in and amounts due from these subsidiaries are written down to their respective recoverable amounts based on their net book value at the balance sheet date.



Notes to the Financial Statements

For the year ended 30 June 2010

6. INTERESTS IN SUBSIDIARIES (cont'd)

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

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2010 %	2009 %
A-Z Holdings Pte Ltd	Singapore	100	100
Branmil Holdings Pte Ltd	Singapore	100	100
Chelford Pte Ltd	Singapore	100	100
Cheltenham Investments Pte Ltd	Singapore	100	100
Da Zhong Investment Pte Ltd	Singapore	100	100
Everian Holdings Pte Ltd	Singapore	100	100
[^] FCC Holdings Pte Ltd	Singapore	100	100
Fica Nominees Pte Ltd	Singapore	100	100
⁺ First Capital Asia Pte Ltd	Singapore	-	100
[^] First Capital Assets Pte Ltd and its subsidiaries:-	Singapore	100	100
[^] FCC Equities Pte Ltd and its subsidiary:-	Singapore	100	100
⁺ Imej Maju Sdn Bhd	Malaysia	-	100
First Capital Corporation Realty Pte. Ltd.	Singapore	100	100
First Capital Development Pte Ltd and its subsidiary:-	Singapore	100	100
Elias Development Pte Ltd	Singapore	100	100
⁺ First Capital Hotels Pte Ltd	Singapore	-	100
First Capital Realty Pte Ltd	Singapore	100	100
First Coventry Development Pte Ltd	Singapore	100	100
First Garden Development Pte Ltd	Singapore	90	90
First Meyer Development Pte Ltd	Singapore	100	100



Notes to the Financial Statements

For the year ended 30 June 2010

6. INTERESTS IN SUBSIDIARIES (cont'd)

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

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2010 %	2009 %
GLL (Malaysia) Pte. Ltd. and its subsidiaries:-	Singapore	100	100
@GuocoLand (Malaysia) Berhad and its subsidiaries:-	Malaysia	67.94	67.94
@Guoman Hotel & Resort Holdings Sdn Bhd and its subsidiaries:-	Malaysia	77.56	77.56
▲PD Resort Sdn Bhd	Malaysia	77.56	77.56
@Kiapeng Development Sdn Bhd	Malaysia	77.56	77.56
°Guoman Philippines, Inc.	Philippines	77.56	-\$
#Guoman International Limited and its subsidiary:-	Jersey, Channel Islands	77.56	-\$
@Guoman International Sdn Bhd	Malaysia	77.56	-\$
+Guoman Hotels Limited and its subsidiaries:-	Bermuda	-	77.56
°Guoman Philippines, Inc.	Philippines	-\$	77.56
#Guoman International Limited and its subsidiary:-	Jersey, Channel Islands	-\$	77.56
@Guoman International Sdn Bhd	Malaysia	-\$	77.56
@JB Parade Sdn Bhd and its subsidiary:-	Malaysia	54.29	54.29
@JB Parade Condominium Sdn Bhd	Malaysia	54.29	54.29
@Bedford Development Sdn Bhd and its subsidiaries:-	Malaysia	67.94	67.94
@Hong Leong Housing Sdn Bhd	Malaysia	67.94	67.94
@Bedford Industrial Development Sdn Bhd	Malaysia	67.94	67.94
▲Pembinaan Sri Jati Sdn Berhad	Malaysia	67.94	67.94
@Sabna Development Sdn Bhd	Malaysia	67.94	67.94
@Ace Acres Sdn Bhd	Malaysia	67.94	67.94



Notes to the Financial Statements

For the year ended 30 June 2010

6. INTERESTS IN SUBSIDIARIES (cont'd)

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

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2010 %	2009 %
@Hong Leong Real Estate Holdings Sdn Bhd and its subsidiaries:-	Malaysia	67.94	67.94
▲Bedford Land Sdn Bhd and its subsidiaries:-	Malaysia	67.94	67.94
@BLV Fashions Sdn Bhd	Malaysia	67.94	67.94
▲Guobena Development Sdn Bhd	Malaysia	67.94	67.94
@HL Bandar Sdn Bhd	Malaysia	67.94	67.94
@Prophills Development Sdn Bhd	Malaysia	67.94	67.94
@Damansara City Sdn Bhd	Malaysia	67.94	67.94
@Orifour Sdn Bhd	Malaysia	67.94	67.94
@Orifive Sdn Bhd	Malaysia	67.94	67.94
*Bedford Excel Venture Sdn Bhd	Malaysia	67.94	67.94
*Bedford Leisure Ventures Sdn Bhd and its subsidiary:-	Malaysia	67.94	67.94
+BLV Entertainment Sdn Bhd	Malaysia	-	67.94
@HLP Equities Sdn Bhd	Malaysia	67.94	67.94
#HLL Overseas Limited	Jersey, Channel Islands	67.94	67.94
▲Hong Leong Real Estate Management Sdn Bhd	Malaysia	67.94	67.94
▲GLM Property Services Sdn Bhd	Malaysia	67.94	67.94
▲GLM Property Management Co. Sdn Bhd	Malaysia	67.94	67.94
*GLM REIT Management Sdn Bhd	Malaysia	67.94	67.94
▲Astute Modernization Sdn Bhd and its subsidiary:-	Malaysia	67.94	67.94
▲Titan Debut Sdn Bhd	Malaysia	67.94	67.94
▲Raikon Building Management Co Sdn Bhd	Malaysia	67.94	67.94



Notes to the Financial Statements

For the year ended 30 June 2010

6. INTERESTS IN SUBSIDIARIES (cont'd)

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

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2010 %	2009 %
*GLL Holdings (UK) Pte. Ltd.	Singapore	-	100
GLL IHT Pte. Ltd.	Singapore	100	100
*GuocoLand (China) Limited and its subsidiaries:-	Bermuda	100	100
*Beijing Jiang Sheng Property Development Co., Ltd	The People's Republic of China	100	99.04
^Beijing Minghua Property Development Co., Ltd	The People's Republic of China	75	75
*Guo Xiang Property Co., Limited	Hong Kong	100	100
Guoco Property Management Pte Ltd	Singapore	100	100
*Guoson Lifestyle Retail (Beijing) Limited	The People's Republic of China	- ^Ω	100
*Hainan Jinghao Asset Ltd and its subsidiary:-	The People's Republic of China	100	100
*Beijing Cheng Jian Dong Hua Real Estate Development Company Limited	The People's Republic of China	90	90
*Nanjing Mahui Property Development Co., Ltd	The People's Republic of China	- ^Ω	94.93
*Nanjing Xinhaoning Property Development Co., Ltd	The People's Republic of China	99	99
*Nanjing Xinhaoxuan Property Development Co., Ltd	The People's Republic of China	99	99
*Shanghai Xinhaolong Property Development Co., Ltd	The People's Republic of China	- ^Ω	100
*Shanghai Xinhaozhong Property Development Co., Ltd	The People's Republic of China	98	98
*Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd	The People's Republic of China	- ^Ω	100



Notes to the Financial Statements

For the year ended 30 June 2010

6. INTERESTS IN SUBSIDIARIES (cont'd)

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

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2010 %	2009 %
GuocoLand (Singapore) Pte. Ltd. and its subsidiaries:-	Singapore	100	100
Elliot Development Pte. Ltd.	Singapore	100	100
FCC Net Pte Ltd	Singapore	100	100
First Bedok Land Pte Ltd	Singapore	100	100
First Capital Holdings Pte Ltd	Singapore	100	100
First Changi Development Pte Ltd	Singapore	100	100
GLL Land Pte. Ltd.	Singapore	100	100
Goodwood Residence Development Pte. Ltd.	Singapore	100	100
GuocoLand Property Management Pte. Ltd.	Singapore	100	100
Leedon Residence Development Pte. Ltd. (formerly known as Rivaldo Investments Pte. Ltd.)	Singapore	100	100
MyHome Online Pte. Ltd.	Singapore	100	100
Perfect Eagle Pte. Ltd.	Singapore	100	100
Sophia Residence Development Pte. Ltd.	Singapore	100	100
Waterline Development Pte. Ltd. (formerly known as GLL Ventures Pte. Ltd.)	Singapore	100	100
Winterhall Pte. Ltd.	Singapore	100	100
GuocoLand China (S) Pte. Ltd.	Singapore	100	100
GuocoLand Development Pte. Ltd. (formerly known as GuocoLand Retail Management Pte. Ltd.)	Singapore	100	100
GuocoLand Management Pte. Ltd.	Singapore	100	100



Notes to the Financial Statements

For the year ended 30 June 2010

6. INTERESTS IN SUBSIDIARIES (cont'd)

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

Name of Subsidiary	Country of Incorporation	Effective Equity Interest held by the Group	
		2010 %	2009 %
GuocoLand Vietnam (S) Pte. Ltd. and its subsidiaries:-	Singapore	100	100
*GuocoLand Binh Duong Property Co., Ltd	Vietnam	100	100
#GuocoLand Vietnam Co., Ltd	Vietnam	100	-
*GuoSon Lifestyle Assets Limited and its subsidiary:-	Hong Kong	100	100
*GuoSon Investment Company Limited and its subsidiaries:-	The People's Republic of China	100	100
*Guoson Lifestyle Retail (Beijing) Limited	The People's Republic of China	100	- ^Ω
*Nanjing Mahui Property Development Co., Ltd	The People's Republic of China	94.93	- ^Ω
*Shanghai Xinhaolong Property Development Co., Ltd	The People's Republic of China	100	- ^Ω
*Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd	The People's Republic of China	100	- ^Ω
Leonie Land Pte. Ltd.	Singapore	100	100
Sanctuary Land Pte. Ltd.	Singapore	90	90

+ Liquidated during the financial year ended 30 June 2010.

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

* Audited by other member firms of KPMG LLP International.

@ Audited by Ernst & Young, Malaysia.

▲ Audited by Ling Kam Hoong & Co.

∞ Audited by SyCip Gorres Velayo & Co.

^ In members' voluntary liquidation.

Ω During the year, interests in the subsidiaries were transferred from GuocoLand (China) Limited to GuoSon Investment Company Limited.

§ During the year, interests in the subsidiaries were transferred from Guoman Hotels Limited to Guoman Hotel & Resort Holdings Sdn Bhd.

The rest of the subsidiaries are audited by KPMG LLP Singapore.



Notes to the Financial Statements

For the year ended 30 June 2010

7. INTERESTS IN ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Investments in associates	41,656	38,049	5,497	3,684
Investments in jointly-controlled entities	142,601	139,087	-	-
	184,257	177,136	5,497	3,684
Amounts due from associates	10,130	10,396	10,037	10,310
Less : Amounts due within 1 year shown under trade and other receivables (see Note 14)	(10)	(4)	-	-
Allowance for doubtful receivables	-	-	(6,900)	(6,900)
	10,120	10,392	3,137	3,410
Amounts due from jointly-controlled entities	7,006	4,597	-	-
Less : Amounts due within 1 year shown as trade and other receivables (see Note 14)	(7,006)	(4,597)	-	-
	-	-	-	-
	194,377	187,528	8,634	7,094

The amounts due from associates are unsecured and interest-free, and form part of the Company's net investments in associates. The amounts due from associates comprise a foreign currency loan amounting to \$7.6 million (2009 : \$7.9 million) which forms part of the Company's net investment in an associate.

The market value of quoted equity shares in associates is \$28.9 million (2009 : \$23.5 million).



Notes to the Financial Statements

For the year ended 30 June 2010

7. INTERESTS IN ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES (cont'd)

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

Name of Associates/ Jointly-Controlled Entities	Country of Incorporation	Effective Equity Interest held by the Group	
		2010 %	2009 %
Associates			
*Crawford Pte Ltd	Singapore	40	40
+First Capital Property Ventures Pte Ltd	Singapore	-	35
∞Luck Hock Venture Holdings, Inc.	Philippines	31.02	31.02
*Razgrad Pte Ltd	Singapore	40	40
*Stockton Investments Pte Ltd	Singapore	38.27	38.27
#Tiara Investment Holdings Limited and its subsidiary:-	Mauritius	40	40
**Purearth Infrastructure Limited	India	20.26	20.26
*Tower Real Estate Investment Trust	Malaysia	13.62	13.57
Jointly-Controlled Entities			
@Bedford Damansara Heights Development Sdn Bhd and its subsidiaries:-	Malaysia	33.97	33.97
@Promakmur Development Sdn Bhd	Malaysia	33.97	33.97
▲Kota Selatan Indah Sdn Bhd	Malaysia	33.97	33.97
@Continental Estates Sdn Bhd	Malaysia	33.97	33.97
@Positive Properties Sdn Bhd	Malaysia	-	33.97
@Vintage Heights Sdn Bhd	Malaysia	32.18	32.18
* Audited by other member firms of KPMG LLP International.			
♦ Audited by KPMG LLP Singapore.			
@ Audited by Ernst & Young, Malaysia.			
∞ Audited by SyCip Gorres Velayo & Co.			
# Audited by Sui Chong Ng Fuk Chong.			
▲ Audited by Ling Kam Hoong & Co.			
** Audited by M/s S.R. Bathliboi & Associates.			
+ Liquidated during the financial year ended 30 June 2010.			



Notes to the Financial Statements

For the year ended 30 June 2010

7. INTERESTS IN ASSOCIATES AND JOINTLY-CONTROLLED ENTITIES (cont'd)

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

	Associates		Jointly-Controlled Entities	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Assets and liabilities				
Non-current assets			172,516	169,287
Current assets			37,299	36,570
Total assets	327,622	307,763	209,815	205,857
Current liabilities			(36,555)	(44,904)
Non-current liabilities			(30,659)	(21,866)
Total liabilities	(104,478)	(99,939)	(67,214)	(66,770)
Results				
Revenue	19,871	20,164	15,124	14,467
Expenses			(13,127)	(17,138)
Profit/(Loss) after income tax and non-controlling interests	13,691	32,151	1,997	(2,671)

8. AMOUNTS DUE FROM NON-CONTROLLING INTERESTS

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

9. INVESTMENT SECURITIES

Available-for-sale Securities

	Group	
	2010 \$'000	2009 \$'000
Quoted equity securities, at market value	2,155	2,219



Notes to the Financial Statements

For the year ended 30 June 2010

10. DEFERRED TAX

a. Deferred Tax Assets and Liabilities

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

	Property, plant and equipment \$'000	Investment properties \$'000	Development properties \$'000	Unutilised tax losses \$'000	Others \$'000	Total \$'000
Deferred tax liabilities						
Group						
At 1 July 2008	878	2,968	5,048	-	13,215	22,109
(Credited)/Debited to income statement	(6)	(155)	11,854	-	(31)	11,662
Recognised in equity	-	-	-	-	498	498
Exchange differences on translation	(8)	(3)	1,034	-	142	1,165
At 30 June 2009	864	2,810	17,936	-	13,824	35,434
Debited to income statement	-	-	6,413	-	265	6,678
Recognised in equity	-	-	-	-	977	977
Exchange differences on translation	43	10	(50)	-	(529)	(526)
At 30 June 2010	907	2,820	24,299	-	14,537	42,563
Deferred tax assets						
Group						
At 1 July 2008	-	-	-	485	-	485
Credited to income statement	-	-	-	8	-	8
Exchange differences on translation	-	-	-	(6)	-	(6)
At 30 June 2009	-	-	-	487	-	487
Credited to income statement	-	-	-	8,442	-	8,442
Exchange differences on translation	-	-	-	41	-	41
At 30 June 2010	-	-	-	8,970	-	8,970



Notes to the Financial Statements

For the year ended 30 June 2010

10. DEFERRED TAX (cont'd)

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

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

	Group	
	2010	2009
	\$'000	\$'000
Deferred tax liabilities	42,563	35,434
Deferred tax assets	(8,970)	(487)

As at 30 June 2010, the temporary differences relating to the undistributed profits of subsidiaries amounted to \$242,298,000 (2009 : \$122,466,000). Deferred tax liabilities of \$24,230,000 (2009 : \$12,247,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained 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	
	2010	2009
	\$'000	\$'000
Deductible temporary differences	5,048	6,760
Unutilised tax losses/capital allowances	231,490	287,769
	<u>236,538</u>	<u>294,529</u>
Deferred tax assets	<u>50,988</u>	<u>59,122</u>

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

As at 30 June 2010, the Group has unutilised tax losses and capital allowances which are available for set-off against future profits subject to tax conditions prevailing in the respective countries of the subsidiaries and agreement by the respective tax authorities.



Notes to the Financial Statements

For the year ended 30 June 2010

11. INVENTORIES

	Note	Group	
		2010 \$'000	2009 \$'000
Development properties	12	3,941,640	4,396,627
Construction work-in-progress	13	121	139
		3,941,761	4,396,766
Saleable merchandise		248	164
Operating supplies		4,228	164
		4,476	328
		<u>3,946,237</u>	<u>4,397,094</u>

12. DEVELOPMENT PROPERTIES

	Note	Group	
		2010 \$'000	2009 \$'000
Properties in the course of development		3,684,921	4,115,833
Properties held for sale		256,719	280,794
	11	<u>3,941,640</u>	<u>4,396,627</u>
a. Properties in the course of development			
Costs		4,223,069	4,753,254
Allowance for foreseeable losses		(25,994)	(24,863)
Attributable profit		114,113	172,130
Progress instalments received and receivable		(633,546)	(784,688)
		<u>3,677,642</u>	<u>4,115,833</u>
Comprising:-			
Properties in the course of development		3,684,921	4,115,833
Excess of progress billings over work-in-progress	22	(7,279)	-
		<u>3,677,642</u>	<u>4,115,833</u>
The following were capitalised as cost of development properties during the financial year:-			
Interest expense		58,585	72,228
Interest income		(598)	(117)
Depreciation of property, plant and equipment		69	81
		<u>69</u>	<u>81</u>
b. Properties held for sale			
Properties held for sale		256,719	285,027
Allowance for foreseeable losses		-	(4,233)
		<u>256,719</u>	<u>280,794</u>



Notes to the Financial Statements

For the year ended 30 June 2010

12. DEVELOPMENT PROPERTIES (cont'd)

Certain development properties with a book value of \$2,158.4 million (2009 : \$2,383.8 million) are under legal mortgages with banks (see Note 20).

If the Group had adopted the completion of construction method, the effects on the financial statements would have been as follows:-

	Increase/(Decrease)	
	2010	2009
	\$'000	\$'000
Accumulated profits as at 1 July	(29,050)	(152,782)
Revenue	(239,496)	925,495
Profit for the year	(65,221)	123,732
Properties in the course of development as at 1 July	(36,186)	(180,015)
Properties in the course of development as at 30 June	(89,596)	(36,186)
Excess of progress billings over work-in-progress as at 1 July	-	-
Excess of progress billings over work-in-progress as at 30 June	24,517	-

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

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
Singapore						
The View @ Meyer Situated at Meyer Road	Residential	TOP obtained in 3/2009	N/A	3,352	7,039	100
Goodwood Residence Situated at Bukit Timah Road	Residential	85% of piling works completed. Temporary earth-retaining structures works in progress	12/2012	24,845	39,752	100
Sophia Residence Situated at 32 Adis Road	Residential	Temporary earth-retaining structures works in progress	12/2012	15,435	32,413	100
Elliot at the East Coast Situated at Elliot Walk	Residential	Temporary earth-retaining structures works in progress	6/2012	11,882	16,634	100
The Waterline Situated at Yio Chu Kang Road	Residential	Piling works in progress	12/2012	8,072	11,300	100
Leedon Residence Situated at Leedon Heights	Residential	Planning	*	48,525	77,640	100



Notes to the Financial Statements

For the year ended 30 June 2010

12. DEVELOPMENT PROPERTIES (cont'd)

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

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
Malaysia						
Emerald 1B Situating at Mukim of Rawang, Districts of Gombak and Ulu Selangor, Selangor Darul Ehsan	Residential	Planning	*	189,877	189,877	67.94
Changkat Kia Peng Situating at Lot 241 Seksyen 63, Bandar Kuala Lumpur	Residential	Planning	*	3,030	3,030	67.94
Commerce One, Bedford Business Park Situating at Old Klang Road, Mukim of Petaling Jaya, Kuala Lumpur	Commercial	Phase 1: TOP obtained in 4/2010 Phase 2: Earthworks completed	N/A 6/2013	4,634	38,070	67.94
Bukit Rahman Putra Situating at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	Phases 6B, 6C, 6D & CL8: Main building works in progress	10/2010 to 2/2011			
		Phases 5B, 8D, CL5 & CL11: Planning	*	17,442	17,442	67.94
Site situating at Lot 3059, Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	30,351	30,351	67.94
Damansara CITY Situating at Damansara Town Centre, Kuala Lumpur	Commercial/ Residential	Earthworks and piling works completed	*	34,438	203,332	67.94



Notes to the Financial Statements

For the year ended 30 June 2010

12. DEVELOPMENT PROPERTIES (cont'd)

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

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
Malaysia (cont'd)						
Site situated at Geran No. 20438, Lot 36, Bandar Batu Ferringhi, Pulau Pinang	Residential	Planning	*	18,538	18,538	67.94
The Nest Situating at Seksyen 9, Tempat Sungai Kantan, Daerah Hulu Langat, Selangor Darul Ehsan	Residential	Various stages of completion	1/2013	35,369	16,274	67.94
The Cirrus Situating within Taman Mutiara Barat, Off Jalan Cheras, Kuala Lumpur	Residential	Phase 1: TOP obtained in 8/2010	N/A	} 65,275	63,938	67.94
		Phase 2: Planning	*			
OVAL Kuala Lumpur Situating at Jalan Binjai, Kuala Lumpur	Residential	TOP obtained in 9/2009	N/A	N/A	54,474	67.94
The People's Republic of China						
West End Point Situating in Xuanwu District, Beijing	Residential/ Commercial	TOP obtained in 8/2008	N/A	36,501	140,759	100
Hillview Regency Situating in Xuanwu District, Nanjing	Residential/ Commercial	Planning	*	296,002	484,676	99
Ascot Park Situating in Qixia District, Nanjing	Residential	Phase 1: TOP obtained in 12/2009	N/A	} 89,709	238,646	94.93
		Phase 2: Construction works in progress	12/2010			
	Commercial	Planning	*			



Notes to the Financial Statements

For the year ended 30 June 2010

12. DEVELOPMENT PROPERTIES (cont'd)

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

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") Date	Site Area (sq m)	Gross Floor Area (sq m)	Group's Interest (%)
The People's Republic of China (cont'd)						
Guoson Centre Changfeng Situating in Putuo District, Shanghai	SOHO/ Commercial	Phase 1: TOP obtained in 11/2009	N/A	143,845	492,272	100
		Phase 2: Construction works in progress	3/2011 to 9/2012			
Seasons Park Situating in Nankai District, Tianjin	Residential	Construction works in progress	10/2011 to 4/2012	25,866	209,661	100
Guoson Centre Dongzhimen Situating in Dong Cheng District, Beijing	Residential/ Commercial	Construction works in progress	9/2010 to 3/2011	106,000	590,800	90
Vietnam						
The Canary Situating in Thuan An District, Binh Duong Province	Residential/ Commercial	Phase 1: TOP obtained in 12/2009	N/A	175,533	285,000	100
		Phase 2: Construction works in progress	5/2012			
		Phases 3 & 4: Planning	*			

* Not applicable as these developments have not commenced construction or have not been launched yet.

N/A Not applicable.



Notes to the Financial Statements

For the year ended 30 June 2010

13. CONSTRUCTION WORK-IN-PROGRESS

	Group	
	2010 \$'000	2009 \$'000
Cost and attributable profits	34,200	31,938
Progress billings	(34,079)	(31,799)
	121	139

14. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Trade receivables		193,631	121,761	-	-
Allowance for doubtful receivables		(113)	(93)	-	-
	15	193,518	121,668	-	-
Other receivables, deposits and prepayments		41,420	36,469	493	1,114
Allowance for doubtful receivables		(1,656)	(2,093)	-	-
	16	39,764	34,376	493	1,114
Dividend receivable from a subsidiary	6	-	-	-	29,254
Amounts due from:-					
Associates	7	10	4	-	-
Jointly-controlled entities	7	7,006	4,597	-	-
Related corporations		89	311	-	-
Non-controlling interests		576	592	-	-
Related parties		4	5	-	-
		240,967	161,553	493	30,368

The amounts due from associates, jointly-controlled entities, related corporations, non-controlling interests and related parties are unsecured and interest-free.

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

	Group	
	2010 \$'000	2009 \$'000
At 1 July	2,093	2,118
Allowance made during the year	683	-
Allowance written off	(1,207)	-
Exchange differences on translation	87	(25)
At 30 June	1,656	2,093



Notes to the Financial Statements

For the year ended 30 June 2010

15. TRADE RECEIVABLES

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

	Group	
	2010	2009
	\$'000	\$'000
GuocoLand Singapore	14,264	37,756
GuocoLand China	166,993	67,045
GuocoLand Malaysia	9,462	9,411
GuocoLand Vietnam	2,799	7,456
	193,518	121,668

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

Group	Allowance for doubtful receivables		Allowance for doubtful receivables	
	Gross		Gross	
	2010	2010	2009	2009
	\$'000	\$'000	\$'000	\$'000
Not past due	42,768	-	109,124	-
Past due 1 – 30 days	2,171	-	1,009	-
Past due 31 – 90 days	5,215	-	3,211	-
More than 90 days	143,477	(113)	8,417	(93)
	193,631	(113)	121,761	(93)

Based on historical default rates, the Group believes that generally no allowance for doubtful receivables is necessary in respect of trade receivables that are past due. Included in the aging of more than 90 days is receivable from a purchaser of the Group's development project in China, whom has requested the balance payment to be deferred till end 2011.

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

	Group	
	2010	2009
	\$'000	\$'000
At 1 July	93	84
Allowance made during the year	32	9
Allowance written off	(16)	-
Exchange differences on translation	4	-
At 30 June	113	93



Notes to the Financial Statements

For the year ended 30 June 2010

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Deposits	7,546	2,915	-	-
Prepayments	4,926	4,814	487	1,096
Tax recoverables	829	3,300	-	-
Interest receivables	1,039	164	-	13
Mark-to-market gain on derivative financial instruments	-	875	-	-
Advance to contractors	9,558	6,820	-	-
Others	15,866	15,488	6	5
	<u>39,764</u>	<u>34,376</u>	<u>493</u>	<u>1,114</u>

17. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Short-term deposits with banks					
- S\$ balances		115,545	228,330	228	65,408
- US\$ balances		14,050	26,785	-	-
- RMB balances		250,517	57,986	-	-
- MYR balances		3,145	4,845	-	-
- VND balances		-	1,138	-	-
		<u>383,257</u>	<u>319,084</u>	<u>228</u>	<u>65,408</u>
Cash and bank balances		273,175	262,712	230	364
Cash and cash equivalents		<u>656,432</u>	<u>581,796</u>	<u>458</u>	<u>65,772</u>
Bank overdrafts	20	(4,457)	(2,162)		
Cash collaterals		(2,156)	(1,947)		
Cash and cash equivalents in the statement of cash flow		<u>649,819</u>	<u>577,687</u>		



Notes to the Financial Statements

For the year ended 30 June 2010

17. CASH AND CASH EQUIVALENTS (cont'd)

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

- Amounts held under the China Housing Developers Restricted Funds Agreement totalling \$86.6 million (2009 : \$91.4 million), the use of which is subject to restrictions imposed by the above-mentioned Agreement;
- Amounts held under the Singapore Housing Developers (Project Account) Rules ("Rules") totalling \$98.2 million (2009 : \$25.3 million), the use of which is subject to restrictions imposed by the above-mentioned Rules;
- Amounts held in Malaysia pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 totalling \$0.1 million (2009 : \$2.2 million), the use of which is restricted from other operations; and
- Cash collateral is deposited with a bank as security for loan facilities.

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

	Group		Company	
	2010 %	2009 %	2010 %	2009 %
Short-term deposits with banks				
- S\$ balances	0.06 to 0.63	0.06 to 0.83	0.25 to 0.63	0.15 to 0.58
- US\$ balances	0.10 to 0.20	0.10 to 0.30	-	-
- RMB balances	1.35 to 1.71	1.35 to 1.71	-	-
- MYR balances	1.61 to 2.45	1.70 to 2.10	-	-
- VND balances	-	5.30 to 6.11	-	-

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

18. SHARE CAPITAL

Ordinary Shares	Company	
	2010 No. of shares	2009 No. of shares
Issued and fully paid ordinary shares At 1 July and 30 June	887,529,957	887,529,957

- 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.
- As at 30 June 2010, the Trust for GuocoLand Limited Executives' Share Option Scheme (the "ESOS") held an aggregate of 55,203,700 (2009 : 65,732,050) shares in the Company which had been acquired from the market for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESOS. During the financial year, 10,528,350 (2009 : 2,845,500) shares in the Company were transferred to participants upon exercise of their share options pursuant to the ESOS (see Note 31).



Notes to the Financial Statements

For the year ended 30 June 2010

18. SHARE CAPITAL (cont'd)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as profit attributable to owners of the Company divided by shareholders' equity and the level of dividends to ordinary shareholders.

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

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

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

19. RESERVES

	Note	Group		Company	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Reserve for own shares	(a)	(123,912)	(139,284)	(123,912)	(139,284)
Share option reserve	(b)	13,457	10,107	13,457	10,107
Capital reserve	(c)	29,276	62,177	58,243	62,094
Exchange translation reserve	(d)	(4,567)	32,230	-	-
Revaluation reserve	(e)	8,341	8,341	-	-
Mark-to-market reserve	(f)	(1,029)	(913)	-	-
Other reserves		(78,434)	(27,342)	(52,212)	(67,083)
Accumulated profits		697,660	576,977	236,102	183,262
		619,226	549,635	183,890	116,179



Notes to the Financial Statements

For the year ended 30 June 2010

19. RESERVES (cont'd)

a. Reserve for Own Shares

This comprises the purchase consideration for issued shares of the Company acquired by the Trust for GuocoLand Limited Executives' Share Option Scheme (the "ESOS") for the purpose of satisfying outstanding share options granted or to be granted to participants under the ESOS (see Note 31).

b. Share Option Reserve

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

c. Capital Reserve

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

d. Exchange Translation Reserve

This comprises:-

- i. foreign exchange differences arising from the translation of the financial statements of foreign entities whose functional currencies are different from the functional currency of the Company.
- ii. the exchange differences on monetary items which form part of the Group's net investment in the foreign entities.

e. Revaluation Reserve

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

f. Mark-to-market Reserve

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



Notes to the Financial Statements

For the year ended 30 June 2010

20. INTEREST BEARING LOANS AND BORROWINGS

	Note	Group		Company	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-Current Liabilities					
Long-term bank loans					
- secured		1,016,026	1,357,758	-	-
- unsecured		53,023	224,002	-	72,357
Convertible bonds (unsecured)	21	359,704	338,423	359,704	338,423
Medium-term notes (unsecured)		-	35,000	-	35,000
		<u>1,428,753</u>	<u>1,955,183</u>	<u>359,704</u>	<u>445,780</u>
Current Liabilities					
Bank overdrafts					
- secured		2,116	1,551	-	-
- unsecured		2,341	611	-	-
	17	4,457	2,162	-	-
Short-term bank loans (unsecured)		494,424	345,876	200,000	200,000
Short-term loans from intermediate holding company (unsecured)	33	139,815	-	-	-
Current portion of long-term bank loans					
- secured		201,339	59,187	-	-
- unsecured		271,204	103,768	119,908	101,301
Convertible bonds (unsecured)	21	-	340,356	-	340,356
Current portion of medium-term notes (unsecured)		75,000	80,000	35,000	80,000
		<u>1,186,239</u>	<u>931,349</u>	<u>354,908</u>	<u>721,657</u>
Total loans and borrowings		<u>2,614,992</u>	<u>2,886,532</u>	<u>714,612</u>	<u>1,167,437</u>
Maturity of loans and borrowings:-					
		Group		Company	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Within 1 year		1,186,239	931,349	354,908	721,657
After 1 year but within 5 years		1,426,809	1,955,183	359,704	445,780
After 5 years		1,944	-	-	-
Total loans and borrowings		<u>2,614,992</u>	<u>2,886,532</u>	<u>714,612</u>	<u>1,167,437</u>



Notes to the Financial Statements

For the year ended 30 June 2010

20. INTEREST BEARING LOANS AND BORROWINGS (cont'd)

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

	Note	Group	
		2010 \$'000	2009 \$'000
Property, plant and equipment	4	179,372	116,198
Investment properties	5	73,525	15,214
Development properties	12	2,158,357	2,383,794
		2,411,254	2,515,206

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

Group	Effective	Floating	Fixed Interest Rate		Total
	Interest	Interest	Within 1	1 to 5	
	Rate	Rate	Year	Years	
	%	\$'000	\$'000	\$'000	\$'000
2010					
Secured					
- S\$ floating rate loans	0.67 to 2.98	874,073	-	-	874,073
- MYR floating rate loans	3.25 to 5.80	258,647	-	-	258,647
- RMB floating rate loan	6.34	84,645	-	-	84,645
- MYR bank overdraft	6.80	2,116	-	-	2,116
Unsecured					
- S\$ floating rate loans	1.81 to 3.10	675,000	-	-	675,000
- US\$ floating rate loans	1.99 to 2.74	209,724	-	-	209,724
- MYR floating rate loans	3.25 to 3.80	73,742	-	-	73,742
- S\$ fixed rate notes	3.50 to 4.00	-	75,000	-	75,000
- S\$ fixed rate convertible bonds	3.90 to 4.18	-	-	359,704	359,704
- MYR bank overdrafts	6.55 to 7.05	2,341	-	-	2,341
		2,180,288	75,000	359,704	2,614,992



Notes to the Financial Statements

For the year ended 30 June 2010

20. INTEREST BEARING LOANS AND BORROWINGS (cont'd)

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

Group (cont'd)	Effective Interest Rate %	Floating Interest Rate \$'000	Fixed Interest Rate Maturing		Total \$'000
			Within 1 Year \$'000	1 to 5 Years \$'000	
2009					
Secured					
- S\$ floating rate loans	0.97 to 3.69	1,006,511	-	-	1,006,511
- MYR floating rate loans	2.74 to 5.35	260,435	-	-	260,435
- RMB floating rate loan	6.34	149,999	-	-	149,999
- MYR bank overdraft	6.30	1,551	-	-	1,551
Unsecured					
- S\$ floating rate loans	1.92 to 3.80	430,000	-	-	430,000
- US\$ floating rate loans	2.10 to 3.45	173,658	-	-	173,658
- MYR floating rate loans	2.74 to 3.23	69,988	-	-	69,988
- S\$ fixed rate notes	3.75 to 3.81	-	80,000	35,000	115,000
- S\$ fixed rate convertible bonds	3.90 to 4.18	-	340,356	338,423	678,779
- MYR bank overdrafts	6.55	611	-	-	611
		2,092,753	420,356	373,423	2,886,532
Company					
2010					
Unsecured					
- S\$ floating rate loans	2.00 to 3.10	250,000	-	-	250,000
- US\$ floating rate loan	2.74	69,908	-	-	69,908
- S\$ fixed rate note	3.77	-	35,000	-	35,000
- S\$ fixed rate convertible bonds	3.90 to 4.18	-	-	359,704	359,704
		319,908	35,000	359,704	714,612
2009					
Unsecured					
- S\$ floating rate loans	3.46 to 3.80	200,000	-	-	200,000
- US\$ floating rate loans	2.10 to 3.45	173,658	-	-	173,658
- S\$ fixed rate notes	3.75 to 3.81	-	80,000	35,000	115,000
- S\$ fixed rate convertible bonds	3.90 to 4.18	-	340,356	338,423	678,779
		373,658	420,356	373,423	1,167,437



Notes to the Financial Statements

For the year ended 30 June 2010

21. CONVERTIBLE BONDS (UNSECURED)

	Group and Company	
	2010	2009
	\$'000	\$'000
Non-current	359,704	338,423
Current	-	340,356
	<hr/>	<hr/>
	359,704	678,779

On 7 May 2007, the Company issued \$690 million in principal amount of convertible bonds (the "Bonds") comprising \$345 million in principal amount of unsecured Tranche 1 Convertible Bonds ("Tranche 1 Bonds") and \$345 million in principal amount of unsecured Tranche 2 Convertible Bonds ("Tranche 2 Bonds").

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

At any time on or after 7 May 2009 and prior to the date falling 7 business days prior to 7 May 2012 (the "Maturity Date" of the Bonds), the Bonds may be redeemed in whole at the option of the Company if the volume weighted average price of the Shares for each of 10 consecutive trading days was at least 120% of the principal amount of the Bonds plus interest equal to the applicable early redemption interest amount divided by the conversion ratio.

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

During the year, the Company had at the option of the bondholders, redeemed and cancelled \$337,800,000 of the Tranche 1 Bonds, at their principal amount plus interest equal to the applicable early redemption interest amount. Following the redemption and cancellation, the remaining aggregate principal amount of Tranche 1 Bonds is \$7,200,000.



Notes to the Financial Statements

For the year ended 30 June 2010

22. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Trade payables and accrued operating expenses		173,802	157,994	574	1,082
Excess of progress billings over construction work-in-progress	12	7,279	-	-	-
Amounts due to:-					
Intermediate holding company		5,986	4,057	-	9
Associate		50	47	-	-
Jointly-controlled entities		417	421	-	-
Related corporations		1,223	770	-	-
Non-controlling interests		1,242	1,277	-	-
Other payables	23	666,259	666,272	1,962	6,914
		<u>856,258</u>	<u>830,838</u>	<u>2,536</u>	<u>8,005</u>

The amounts due to holding companies, associate, jointly-controlled entities, related corporations and non-controlling interests are unsecured and interest-free.

23. OTHER PAYABLES

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Rental deposits	3,840	4,196	-	-
Deposits received	3,899	3,568	-	-
Interest payable	9,295	12,836	1,940	3,895
Mark-to-market loss on derivative financial instruments	2,578	2,998	-	2,998
Real estate tax payable	104,261	68,592	-	-
Balance purchase consideration due to vendors	534,128	548,725	-	-
Others	8,258	25,357	22	21
	<u>666,259</u>	<u>666,272</u>	<u>1,962</u>	<u>6,914</u>

The balance purchase consideration due to vendors has been withheld pending resolution of disputes described in Note 37a.



Notes to the Financial Statements

For the year ended 30 June 2010

24. REVENUE

	Group	
	2010	2009
	\$'000	\$'000
Revenue from sale of development properties	693,277	475,293
Revenue from hotel operations	17,001	10,162
Revenue from construction operations	813	3,063
Gross rental from investment properties	18,251	19,178
Dividend income from equity securities	-	131
Interest income from fixed deposits with banks:-		
Related corporations	-	126
Others	395	1,865
Management fee income from:-		
Immediate holding company	4	3
Related corporations	31	24
Others	2,972	3,147
Others	18	20
	<hr/>	<hr/>
	732,762	513,012

25. OTHER INCOME

	Group	
	2010	2009
	\$'000	\$'000
Gain on disposal of interest in jointly-controlled entity	9,460	-
Gain on liquidation of interest in subsidiary	2,633	-
Gain on disposal of property, plant and equipment	10	172
Gain on revaluation of investment properties	100	-
Interest income from:-		
Fixed deposits with banks	4,401	3,823
Others	208	190
Net exchange gain	3,929	-
Rental income	5,377	6,061
Others	5,552	5,124
	<hr/>	<hr/>
	31,670	15,370



Notes to the Financial Statements

For the year ended 30 June 2010

26. OTHER EXPENSES

	Group	
	2010	2009
	\$'000	\$'000
Loss on revaluation of investment properties	-	80,900
Mark-to-market loss on derivative financial instruments	3,453	1,587
Net exchange loss	-	34,343
Others	14,343	1,968
	17,796	118,798

27. FINANCE COSTS

	Group	
Note	2010	2009
	\$'000	\$'000
Interest paid and payable:-		
Intermediate holding company	2,822	-
Financial institutions	63,719	79,968
Convertible bonds:-		
Interest expense	8,654	8,816
Amortisation of bond discount	15,008	21,270
	23,662	30,086
Less : Interest capitalised as cost of development properties	12 (58,585)	110,054 (72,228)
	31,618	37,826



Notes to the Financial Statements

For the year ended 30 June 2010

28. PROFIT/(LOSS) BEFORE INCOME TAX

	Group	
	2010 \$'000	2009 \$'000
a. The following items have been included in arriving at profit/(loss) before income tax:-		
Depreciation of property, plant and equipment	5,431	4,449
Direct operating expenses of investment properties	3,217	4,034
Management fees paid and payable to:-		
Intermediate holding company	4,586	3,854
Related corporation	622	131
Operating lease expenses	3,222	4,208
Property, plant and equipment written off	1,640	50
(Writeback of allowance)/Allowance for foreseeable losses on development properties	(4,233)	23,323
Allowance for doubtful receivables	715	9
Government grant under Jobs Credit Scheme (included in staff costs)	134	98
Staff costs:-		
Wages, salaries and benefits	37,033	29,021
Contributions to defined contribution plans	1,431	1,624
Value of employee services received for issue of share options	3,350	2,223
Liability for short-term accumulating compensated absences	66	63
	41,880	32,931

b. Key Management Personnel

The key management personnel compensation is as follows:-

	Group	
	2010 \$'000	2009 \$'000
Short-term employee benefits	5,288	5,485
Equity compensation benefits	2,465	2,823
	7,753	8,308



Notes to the Financial Statements

For the year ended 30 June 2010

28. PROFIT/(LOSS) BEFORE INCOME TAX (cont'd)

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

	Fixed Salary (inclusive of Employer CPF)	Variable Bonus (inclusive of Employer CPF)	Directors' Fees	Other Benefits	Total
\$500,000 and above					
Quek Chee Hoon	68.4%	30.9%	-	0.7%	100%
\$250,000 to \$499,999					
Quek Leng Chan	94.8%	-	-	5.2%	100%
\$249,999 and below					
Sat Pal Khattar	-	-	85.9%	14.1%	100%
Kwek Leng Hai	-	-	100%	-	100%
Goh Yong Hong	-	-	100%	-	100%
Reggie Thein	-	-	100%	-	100%
Timothy Teo Lai Wah	-	-	100%	-	100%

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

	Group	
	2010	2009
Remuneration of:-		
\$500,000 and above	1	2
\$250,000 to \$499,999	5	5
\$249,999 and below	2	2
	<hr/>	<hr/>
	8	9



Notes to the Financial Statements

For the year ended 30 June 2010

29. INCOME TAX EXPENSE

	Group	
	2010	2009
	\$'000	\$'000
Current tax		
Current year	44,813	14,810
Overprovision in respect of previous financial years	(2,618)	(11,445)
	42,195	3,365
Deferred tax		
Movements in temporary differences	(1,371)	11,781
Change in tax rate	-	(155)
(Over)/Underprovision in respect of previous financial years	(393)	28
	(1,764)	11,654
Foreign withholding tax	883	1,336
	41,314	16,355

	Group	
	2010	2009
	\$'000	\$'000
A reconciliation of the effective tax rate is as follows:-		
Profit/(Loss) before income tax	180,525	(62,478)
Less: Share of results of associates and jointly-controlled entities	(4,209)	(4,415)
Profit/(Loss) before share of results of associates, jointly-controlled entities and income tax	176,316	(66,893)
Income tax calculated using the Singapore tax rate of 17%	29,974	(11,372)
Deferred tax benefit not recognised	6,361	6,328
Effect of different tax rates in foreign jurisdiction	7,183	6,758
Non-chargeable income	(15,271)	(5,880)
Non-deductible expenses	27,868	32,818
Utilisation of previously unrecognised deferred tax assets	(14,780)	(4,305)
Tax effect of losses not allowed to be set off against future taxable profits	1,176	2,505
Overprovision in respect of previous financial years	(3,011)	(11,417)
Foreign withholding tax	883	1,336
Change in tax rate	-	(155)
Others	931	(261)
	41,314	16,355



Notes to the Financial Statements

For the year ended 30 June 2010

30. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

Earnings per share ("EPS") is calculated based on the Group's profit of \$134,306,000 (2009 : loss of \$70,203,000) and on the weighted average number of 829,919,000 (2009 : 821,360,000) ordinary shares of the Company, in issue after adjusting for the shares acquired by the Trust during the financial year.

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

	Group	
	2010	2009
	\$'000	\$'000
Group's profit/(loss) used in the computation of basic and diluted EPS	134,306	(70,203)
Weighted average number of ordinary shares used in the computation of basic and diluted EPS	829,919	821,360

In calculating diluted earnings per share, potential ordinary shares arising from the exercise of outstanding share options and from the conversion of outstanding convertible bonds were not included in the computation as the share options and convertible bonds were anti-dilutive.

31. EMPLOYEE BENEFITS

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

- a. The ESOS was approved by shareholders of the Company on 17 October 2008 and further approved by shareholders of Guoco Group Limited (an intermediate holding company of the Company) on 21 November 2008 ("ESOS 2008"), to replace the Company's former ESOS ("ESOS 2004"), which was due to expire in December 2008. The terms of the ESOS 2008 are substantially similar to those of the ESOS 2004. The termination of the ESOS 2004 does not affect outstanding options which had been granted and accepted thereunder.
- b. Under the ESOS 2008, options may be granted over newly issued and/or existing issued ordinary shares of the Company ("Shares"). The ESOS 2008 is administered by a Committee of Directors ("ESOS Committee") comprising Mr Sat Pal Khattar and Mr Quek Leng Chan who are non-participants.
- c. The following options (including options adjusted pursuant to the Company's Rights Issue 2007) have been granted to selected key executives of the Company ("Participants"):-

Date of Grant	Participants	No. of Shares comprised in options	Exercise price per Share	Note
ESOS 2004				
1 November 2004	Selected key executives	14,227,500	S\$1.045	
30 May 2005	Selected key executive	2,000,000 4,552,800	S\$1.32 S\$1.159	
19 January 2007	Selected key executives	27,032,250	S\$2.328	1
ESOS 2008				
28 September 2009	Selected key executives	12,250,000	S\$2.29	2



Notes to the Financial Statements

For the year ended 30 June 2010

31. EMPLOYEE BENEFITS (cont'd)

- d. During the financial year, 12,250,000 options were granted. Participants exercised an aggregate of 10,528,350 options, whilst 2,000,000 options lapsed, following the resignation of a Participant. No new Shares were issued pursuant to the exercise of the options.
- e. The aggregate number of options (including options adjusted pursuant to the Company's Rights Issue 2007) granted to Participants since the commencement of the ESOS to the end of the financial year is as follows:-

Participants	Aggregate options granted since the commencement of the ESOS to end of financial year	Aggregate options exercised since the commencement of the ESOS to end of financial year	Aggregate options lapsed since the commencement of the ESOS to end of financial year	Aggregate options outstanding as at end of financial year
Executive Director				
Quek Chee Hoon	9,398,300	(7,398,300)	(2,000,000)	-
	11,382,000 ¹	-	-	11,382,000
Directors of Subsidiaries				
Violet Lee	9,967,400	(9,967,400)	-	-
	6,829,200 ¹	-	-	6,829,200
Trina Loh	1,388,200	(1,138,200)	(250,000)	-
	3,414,600 ¹	-	-	3,414,600
	1,000,000 ²	-	-	1,000,000
Dawn Pamela Lum	1,638,200	(1,138,200)	(500,000)	-
	2,276,400 ¹	-	-	2,276,400
Tan Teck Huat	2,000,000 ²	-	-	2,000,000
Other Executives				
	3,768,200	(1,138,200)	(2,630,000)	-
	3,130,050 ¹	-	(2,845,500)	284,550
	9,250,000 ²	-	(2,000,000)	7,250,000
Total	65,442,550	(20,780,300)	(10,225,500)	34,436,750

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

	Group	
	2010	2009
At 1 July	34,715,100	39,837,000
Options granted	12,250,000	-
Exercised	(10,528,350)	(2,845,500)
Lapsed	(2,000,000)	(2,276,400)
At 30 June	34,436,750	34,715,100



Notes to the Financial Statements

For the year ended 30 June 2010

31. EMPLOYEE BENEFITS (cont'd)

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

Note:-

1. The exercise price of S\$2.65 (which was adjusted to S\$2.328 following the close of the Company's Rights Issue 2007) was based on the average closing price for the five days preceding 19 January 2007. The closing market price per Share on 18 January 2007 (the trading date immediately before the date of grant) was S\$2.75. Subject to certain financial and performance targets being met by the Participants during the financial years 2005/06 to 2010/11, the Participants have a phased period of up to 30 months from the date of vesting to exercise the vested options in accordance with the terms of the grant.
 2. The exercise price of S\$2.29 was based on the 5-day weighted average market price immediately prior to 28 September 2009 (the date of grant). The weighted average market price on the date of grant was S\$2.28 per Share. Subject to certain performance targets being met by the Participants for the financial years 2009/10 to 2011/12, the vested options may be exercisable and valid up to 30 months from the date of vesting in accordance with the terms of the grant.
- f. Other statutory information regarding the above options is as follows:-
- (i) In relation to ESOS 2004, the exercise price per Share is the average of the closing prices of the Shares on Singapore Exchange Securities Trading Limited for each of the last five market days immediately prior to the date of grant of the option.

In relation to ESOS 2008, the exercise price per Share is the 5-day weighted average market price on Singapore Exchange Securities Trading Limited immediately prior to the date of grant of the option.
 - (ii) An option shall be exercisable on the date after (a) the second anniversary of the date of grant (for employees who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other employees), and to end on a date not later than 10 years after the date of grant.
 - (iii) The persons to whom the options have been granted do not have the right to participate, by virtue of the option, in a share issue of any other company, except in the share scheme(s) of companies within the Group.
- g. Since the commencement of the ESOS, no options have been granted to controlling shareholders of the Company and their associates or parent group employees and no options have been granted at a discount.



Notes to the Financial Statements

For the year ended 30 June 2010

31. EMPLOYEE BENEFITS (cont'd)

Fair Value of Options

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

Date of grant of options	1 November 2004	30 May 2005	19 January 2007	28 September 2009
Fair value of share options and assumptions				
Fair value at measurement date	\$0.10 to \$0.11	\$0.09 to \$0.10	\$0.47 to \$0.73	\$0.69 to \$0.72
Share price	\$1.22	\$1.34	\$2.78	\$2.28
Exercise price	\$1.19	\$1.32	\$2.65	\$2.29
Adjusted exercise price	\$1.045	\$1.159	\$2.328	-
Expected volatility	21.4%	18.8%	29.5%	42.2% to 49.8%
Expected option life	3.2 years to 4.2 years	1.5 years to 3.6 years	1.8 years to 6.8 years	3.2 years to 5.2 years
Expected dividend yield	6.6%	6.0%	2.9%	2.2%
Risk-free interest rate	1.8% to 2.2%	2.1% to 2.3%	3.0% to 3.1%	0.6% to 1.3%

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

Shares held by Trust

In October 2004, the Company established a Trust in respect of the ESOS. Pursuant to a trust deed between the Company and the Trust, the Trust had acquired Shares from the market for the purpose of satisfying options granted or to be granted to participants under the ESOS. Subject to financial, performance and other targets being met by these participants, Shares held under the Trust may be transferred to them upon exercise of their share options. As at 30 June 2010, the Company had granted a loan amounting to \$111.3 million (2009 : \$125.7 million) to the Trust and the Trust held an aggregate of 55,203,700 (2009 : 65,732,050) Shares, after the transfer of 10,528,350 (2009 : 2,845,500) Shares to participants following the exercise of their respective options.

32. DIVIDENDS

	Company	
	2010	2009
	\$'000	\$'000
Final one-tier ordinary dividend paid of 5 cents (2009 : 8 cents) per ordinary share in respect of the previous financial year*	41,446	65,744

After the balance sheet date, the Directors proposed a final one-tier dividend of 8 cents (2009 : 5 cents) per ordinary share amounting to \$66,586,000 (2009 : \$41,446,000). The dividends have not been provided for.

* Dividend payments in respect of 58,618,300 (2009 : 65,732,050) ordinary shares of the Company which were held by the Trust for Executives' Share Option Scheme were eliminated on consolidation.



Notes to the Financial Statements

For the year ended 30 June 2010

33. RELATED PARTY TRANSACTIONS

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

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

- a. Rental income of \$1,684,000 (2009 : \$1,799,000) was received for the financial year ended 30 June 2010 and will continue to be receivable by an investment holding subsidiary of the Group pursuant to lease agreements entered into by this subsidiary with companies in which one of the directors has an interest.
- b. On 6 June 2003, the Company had signed a Management Agreement with Guoco Group Limited ("GGL") in relation to the provision of services to the Company and its subsidiaries ("GLL Group"). The Company had on 25 June 2008 renewed its agreement with GGL for the provision of services to GLL Group with the variation that payment of the annual fee will be based on the equivalent of 3% of the profit before tax of its subsidiaries instead of the consolidated profit before tax of the GLL Group. The aggregate fees payable by the GLL Group in each financial year to GGL shall in any event not exceed 2% of the audited consolidated net tangible assets of the Company for the relevant financial year. Three directors of the Company are also directors and shareholders of GGL.
- c. On 30 April 2009, the Company signed an agreement with GGL relating to the use of trademarks and logos pursuant to which licence fees of \$28,000 (2009 : \$37,000) have been paid by the Company for the financial year ended 30 June 2010. Three directors of the Company are also directors and shareholders of GGL.
- d. On 3 July 2009, the Company announced that its wholly-owned subsidiary, GuocoLand (China) Limited ("GLC") had signed a facility agreement with Guoco Group Limited ("GGL") for the grant of an unsecured term loan facility of US\$100 million ("Loan") to GLC, for a tenor of one year. The Loan is for purposes of investments in China by the Company and its subsidiaries ("GLL Group"). GGL has agreed to extend the Loan for another year vide a supplemental letter. Interest on the Loan is approximately US\$2,007,000 being the aggregate of the 3-month London Interbank Offered Rate ("LIBOR") plus a margin of 1.75%. Aggregated with other interested person transactions in the financial year ended 30 June 2010 with GGL and its upstream shareholder Hong Leong Company (Malaysia) Berhad ("HLMC"), the total value is approximately \$56,643,000. This is below the threshold of 3% of the GLL Group's latest audited net tangible assets prescribed under Rule 905(2) of the Listing Manual, which stood at \$2,013,273,000 as at 30 June 2010.
- e. During the financial year, a subsidiary of the Group sold 4 units in Goodwood Residence, a residential development in Singapore to 2 directors and relatives of these directors, for a total sale consideration of \$46,103,000 in the ordinary course of its business.



Notes to the Financial Statements

For the year ended 30 June 2010

34. NOTES TO THE STATEMENT OF CASH FLOW

Financial year ended 30 June 2009

On 1 July 2008, GuocoLand (Malaysia) Berhad, an indirect subsidiary of the Company, acquired a 100% interest in Raikon Building Management Co Sdn Bhd for a cash consideration of RM1.8 million.

The impact of the acquisition on the Group's net profit from the date of acquisition to 30 June 2009 is not material.

The effect of acquisition of subsidiary is set out below:-

	Recognised values 2009 \$'000
Property, plant and equipment	77
Trade and other receivables	144
Cash and cash equivalents	678
Trade and other payables	(141)
	<hr/>
Purchase consideration paid, satisfied in cash	758
Cash and cash equivalents acquired	(678)
	<hr/>
Net cash outflow	80
	<hr/>

There was no disposal of subsidiaries during the year.

35. FINANCIAL INSTRUMENTS

a. Financial Risk Management Objectives and Policies

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

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

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

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



Notes to the Financial Statements

For the year ended 30 June 2010

35. FINANCIAL INSTRUMENTS (cont'd)

b. Market Risk

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

(i) Foreign Currency Risk

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

The Group generally hedges its foreign exchange exposure using forward exchange contracts with external parties. The contracts used in its hedging program have terms of 12 months or less. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The net fair value loss of the forward exchange contracts was nil (2009 : \$695,000).

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

	US Dollar \$'000	Chinese Renminbi \$'000
Group		
2010		
Cash and cash equivalents	20,580	-
Loans and borrowings	(69,908)	-
Trade and other payables	(267)	(2,062)
Currency exposure	<u>(49,595)</u>	<u>(2,062)</u>
2009		
Cash and cash equivalents	76,461	-
Loans and borrowings	(173,658)	-
Trade and other payables	(1,177)	(2,119)
Forward exchange contracts	<u>(98,374)</u>	<u>(2,119)</u>
Currency exposure	<u>57,886</u>	<u>-</u>
Currency exposure	<u>(40,488)</u>	<u>(2,119)</u>



Notes to the Financial Statements

For the year ended 30 June 2010

35. FINANCIAL INSTRUMENTS (cont'd)

b. Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Company	US Dollar \$'000
2010	
Cash and cash equivalents	8
Loans and borrowings	(69,908)
Trade and other payables	(267)
	(70,167)
Currency exposure	
2009	
Cash and cash equivalents	9
Loans and borrowings	(173,658)
Trade and other payables	(1,177)
	(174,826)
Forward exchange contracts	57,886
	(116,940)

Sensitivity Analysis

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

Functional Currencies	Foreign Currencies	Rate of Increase in Foreign Currencies	Profit/(Loss) Before Tax	
			Group \$'000	Company \$'000
2010				
SGD	USD	3.57%	(2,504)	(2,505)
RMB	USD	3.37%	669	-
USD	RMB	3.37%	(69)	-
2009				
SGD	USD	0.88%	(1,029)	(1,029)
RMB	USD	1.95%	1,486	-
USD	RMB	1.95%	(41)	-

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 2010

35. FINANCIAL INSTRUMENTS (cont'd)

b. Market Risk (cont'd)

(ii) Interest Rate Risk

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

The net fair value loss of interest rate swaps as at 30 June 2010 was \$1,150,000 (2009 : \$892,000).

Sensitivity Analysis

An increase in the interest rates from 21 to 54 (2009 : 25 to 75) basis points at the reporting date for the Group's various currencies comprising mainly Singapore dollars, United States dollars, Chinese Renminbi and Malaysian Ringgit would decrease the Group's profit before income tax and accumulated profits by \$5,121,000 (2009 : increase the Group's loss by \$5,458,000). There is no impact on the other components of equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests. A decrease in the interest rates would have an equal but opposite effect.

(iii) Price Risk

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

Sensitivity Analysis

A 8% (2009 : 6%) increase in the equity prices at the reporting date would increase the mark-to-market reserves by \$172,000 (2009 : \$133,000). A 8% (2009 : 6%) decrease in the equity prices would have equal and opposite effect. This analysis assumes that all other variables remain constant.

c. Credit Risk

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

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



Notes to the Financial Statements

For the year ended 30 June 2010

35. FINANCIAL INSTRUMENTS (cont'd)

d. Liquidity Risk

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

The following are the expected contractual undiscounted cash flows/(outflows) of financial liabilities, including interest payments:-

	Carrying amount \$'000	Contractual Cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
Group					
2010					
Non-derivative financial liabilities					
Bank loans and borrowings	2,614,992	(2,788,127)	(1,235,348)	(1,550,758)	(2,021)
Trade and other payables*	846,401	(846,401)	(787,234)	(59,026)	(141)
Derivative financial liabilities					
Interest rate swaps (net)	2,578	(11,594)	(2,477)	(9,117)	-
	<u>3,463,971</u>	<u>(3,646,122)</u>	<u>(2,025,059)</u>	<u>(1,618,901)</u>	<u>(2,162)</u>
2009					
Non-derivative financial liabilities					
Bank loans and borrowings	2,886,532	(3,076,441)	(998,734)	(2,077,707)	-
Trade and other payables*	827,840	(827,840)	(771,048)	(56,663)	(129)
Derivative financial liabilities					
Interest rate swaps (net)	1,428	(5,205)	(3,163)	(2,042)	-
Forward exchange contracts					
- outflow	58,392	(58,613)	(58,613)	-	-
- inflow	(57,697)	57,886	57,886	-	-
	<u>3,716,495</u>	<u>(3,910,213)</u>	<u>(1,773,672)</u>	<u>(2,136,412)</u>	<u>(129)</u>

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



Notes to the Financial Statements

For the year ended 30 June 2010

35. FINANCIAL INSTRUMENTS (cont'd)

d. Liquidity Risk (cont'd)

Company	Carrying amount \$'000	Contractual Cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
2010					
Non-derivative financial liabilities					
Bank loans and borrowings	714,612	(746,468)	(359,835)	(386,633)	-
Trade and other payables	2,536	(2,536)	(2,536)	-	-
	<u>717,148</u>	<u>(749,004)</u>	<u>(362,371)</u>	<u>(386,633)</u>	<u>-</u>
2009					
Non-derivative financial liabilities					
Bank loans and borrowings	1,167,437	(1,234,524)	(745,099)	(489,425)	-
Trade and other payables*	5,007	(5,007)	(5,007)	-	-
Derivative financial liabilities					
Interest rate swaps (net)	2,303	(2,731)	(2,731)	-	-
Forward exchange contracts					
- outflow	58,392	(58,613)	(58,613)	-	-
- inflow	(57,697)	57,886	57,886	-	-
	<u>1,175,442</u>	<u>(1,242,989)</u>	<u>(753,564)</u>	<u>(489,425)</u>	<u>-</u>

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



Notes to the Financial Statements

For the year ended 30 June 2010

35. FINANCIAL INSTRUMENTS (cont'd)

e. Fair Values

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

Group	Carrying	Fair Value	Carrying	Fair Value
	Amount 2010 \$'000	2010 \$'000	Amount 2009 \$'000	2009 \$'000
Financial Liabilities (see Note 20)				
Secured				
- S\$ floating rate loans	874,073	879,915	1,006,511	1,016,064
- MYR floating rate loans	258,647	259,535	260,435	261,012
- MYR bank overdraft	2,116	2,119	1,551	1,551
- RMB floating rate loan	84,645	85,112	149,999	151,001
Unsecured				
- S\$ fixed rate convertible bonds	359,704	354,338	678,779	621,863
- S\$ floating rate loans	675,000	677,785	430,000	433,009
- S\$ fixed rate notes	75,000	76,267	115,000	117,247
- US\$ floating rate loans	209,724	210,572	173,658	174,996
- MYR floating rate loans	73,742	73,881	69,988	70,077
- MYR bank overdrafts	2,341	2,345	611	611
	2,614,992	2,621,869	2,886,532	2,847,431
Unrecognised (loss)/gain		(6,877)		39,101
Company				
Financial Liabilities (see Note 20)				
Unsecured				
- S\$ fixed rate convertible bonds	359,704	354,338	678,779	621,863
- S\$ floating rate loans	250,000	251,309	200,000	201,980
- S\$ fixed rate note	35,000	35,592	115,000	117,247
- US\$ floating rate loan	69,908	70,117	173,658	174,996
	714,612	711,356	1,167,437	1,116,086
Unrecognised gain		3,256		51,351

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

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



Notes to the Financial Statements

For the year ended 30 June 2010

35. FINANCIAL INSTRUMENTS (cont'd)

e. Fair Values (cont'd)

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method as at 30 June 2010. The difference levels have been defined 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 assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available-for-sale securities	2,155	-	-	2,155
Derivative financial instruments	-	(2,578)	-	(2,578)
	2,155	(2,578)	-	(423)

There were no transfers between the levels during the year.

36. COMMITMENTS

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

	Group	
	2010 \$'000	2009 \$'000
Within 1 year	2,663	2,083
After 1 year but within 5 years	1,911	423
	4,574	2,506

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

- b. The Group leases out its investment properties (see Note 5) and are generally for one to three years, with option to renew. The non-cancellable operating lease rentals are receivable as follows:-

	Group	
	2010 \$'000	2009 \$'000
Within 1 year	10,648	14,466
After 1 year but within 5 years	10,141	6,764
	20,789	21,230



Notes to the Financial Statements

For the year ended 30 June 2010

36. COMMITMENTS (cont'd)

- c. The commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was \$1,036,533,000 (2009 : \$378,899,000).
- d. As at the balance sheet date, the notional principal values of derivative financial instruments are as follows:-

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Interest rate swaps	160,000	200,000	-	150,000
Forward foreign exchange contracts	-	57,886	-	57,886
	<u>160,000</u>	<u>257,886</u>	<u>-</u>	<u>207,886</u>

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

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Within 1 year	-	207,886	-	207,886
After 1 year but within 5 years	160,000	50,000	-	-
	<u>160,000</u>	<u>257,886</u>	<u>-</u>	<u>207,886</u>

37. CONTINGENT LIABILITIES (UNSECURED)

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

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

Construction work on the DZM Project is in progress. Structural works have been completed for the residential, hotel, retail components, and two office blocks. The airport terminal and transportation centre were completed and handed over to the Beijing government in July 2008.



Notes to the Financial Statements

For the year ended 30 June 2010

37. CONTINGENT LIABILITIES (UNSECURED) (cont'd)

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

(i) SDB

SDB had claimed that a loan of Rmb1.5 billion was granted by SDB to certain borrowers (the "Alleged Loans"). Amongst the security allegedly obtained by SDB is a guarantee by Beijing Dong Hua Guang Chang Zhi Ye Co Ltd ("Zhiye"), a related corporation of BBJB. SDB filed an earlier suit against Zhiye and DZM Project Co in The People's High Court of Beijing ("Beijing Court") but this was dismissed in December 2007. An appeal has been filed by SDB against Zhiye and DZM Project Co in respect of this dismissal ("SDB appeal").

SDB has also initiated another suit directly against DZM Project Co for the recovery of its loan under the Zhiye guarantee ("second SDB suit"). It made an interim application to the Beijing Court to restrict dealing in DZM Project Co's assets in the aggregate sum of its claims.

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

Before the hearing of the SDB appeal and the second SDB suit, SDB and BBJB purportedly entered into a settlement agreement in May 2008 for DZM Project Co to pay Rmb1 billion of the Alleged Loans to SDB. GLC has been advised by its PRC lawyers that this settlement agreement is void and unenforceable.

(ii) ABC

ABC had claimed that DZM Project Co and its immediate holding company, Hainan Co, are guarantors of a loan of Rmb2 billion owed by Zhiye to ABC. ABC had commenced legal proceedings against Zhiye, DZM Project Co, Hainan Co and BBJB.

ABC has made an interim application to the Beijing Court to restrict dealing in the assets of Zhiye, DZM Project Co and BBJB in the aggregate sum of its claims against them.

GLC's PRC lawyers are of the view that if DZM Project Co is liable for the loan or any part thereof, GLC is entitled to set off any payment towards the loan against any outstanding balance of the purchase consideration for the DZM Project.

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



Notes to the Financial Statements

For the year ended 30 June 2010

37. CONTINGENT LIABILITIES (UNSECURED) (cont'd)

(2) Hainan Co and DZM Project Co

In the results announcement of the Company for the period ended 31 March 2008 released in April 2008, the Company had announced that GLC had received a notice issued by the Industrial and Commercial Administrative Bureau of Hainan Province purporting to revert registration of the shares in Hainan Co to its original shareholders, who are two of the DZM Vendors, allegedly on the ground that GLC had not paid the requisite registered capital of Hainan Co.

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

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

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

- b. The Company has given guarantees of \$390,000,000 (2009 : \$230,000,000) to financial institutions in connection with banking facilities granted to a subsidiary.

38. ACCOUNTING ESTIMATES AND JUDGEMENT

- a. Key sources of estimation uncertainty

The Group recognises revenue from the sale of properties under development based on the stage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 3m(i). Significant assumption is required in determining the stage of completion, the extent of the cost incurred and the estimated total cost. In making the assumption, the Group evaluates by relying on past experience and the work of specialists. Revenue from the sale of properties under development is disclosed in Note 24.

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

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

In the process of applying the Group's accounting policies, the management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations and matters disclosed in Note 37.



Notes to the Financial Statements

For the year ended 30 June 2010

39. OPERATING SEGMENTS

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

The Group's reportable operating segments are as follows:

- (i) GuocoLand Singapore – development of residential properties and property investment (holding properties for rental income) in Singapore.
- (ii) GuocoLand China – development of residential, commercial and integrated properties and management and operation of hotels in China.
- (iii) GuocoLand Malaysia – development of residential, commercial and integrated properties, management and operations of hotels and operations of palm oil estates and sale of fresh fruit bunches in Malaysia.
- (iv) GuocoLand Vietnam – development of residential, commercial and integrated properties in Vietnam.
- (v) Others – includes Corporate Office, Group Treasury, consolidation adjustments and reconciliation.

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



Notes to the Financial Statements

For the year ended 30 June 2010

39. OPERATING SEGMENTS (cont'd)

	GuocoLand Singapore \$'000	GuocoLand China \$'000	GuocoLand Malaysia \$'000	GuocoLand Vietnam \$'000	Others \$'000	Total \$'000
2010						
External revenue	164,189	495,080	66,752	6,311	430	732,762
Profit/(loss) from operating activities	60,327	139,758	8,562	(1,406)	(3,916)	203,325
Share of profit/(loss) of associates and jointly-controlled entities (net of income tax)	(116)	-	4,535	-	(210)	4,209
Interest income	129	4,309	102	69	-	4,609
Finance cost	-	(2,821)	(9,540)	-	(19,257)	(31,618)
Reportable segments profit/(loss) before income tax	60,340	141,246	3,659	(1,337)	(23,383)	180,525
Segment assets	2,029,779	2,862,346	728,104	29,556	65,059	5,714,844
Segment liabilities	1,008,140	1,075,851	357,493	4,848	1,128,295	3,574,627
<i>Other segment items:</i>						
Interests in associates and jointly-controlled entities	1,595	-	190,070	-	9,728	201,393
Depreciation	(104)	(296)	(4,159)	(259)	(613)	(5,431)
Gain on revaluation of investment properties	-	-	-	-	100	100
Capital expenditure	28	10,936	2,456	6	335	13,761



Notes to the Financial Statements

For the year ended 30 June 2010

39. OPERATING SEGMENTS (cont'd)

	GuocoLand Singapore \$'000	GuocoLand China \$'000	GuocoLand Malaysia \$'000	GuocoLand Vietnam \$'000	Others \$'000	Total \$'000
2009						
External revenue	327,477	131,660	34,125	17,729	2,021	513,012
Profit/(loss) from operating activities	17,314	21,347	(30,393)	663	(44,002)	(35,071)
Share of profit of associates and jointly-controlled entities (net of income tax)	132	-	2,953	-	1,330	4,415
Interest income	92	3,505	234	182	1,991	6,004
Finance cost	-	-	(3,452)	-	(34,374)	(37,826)
Reportable segments profit/(loss) before income tax	17,538	24,852	(30,658)	845	(75,055)	(62,478)
Segment assets	2,211,204	2,662,437	731,023	31,032	224,329	5,860,025
Segment liabilities	1,560,979	1,102,549	368,586	7,599	755,812	3,795,525
<i>Other segment items:</i>						
Interests in associates and jointly-controlled entities	1,711	-	181,913	-	8,505	192,129
Depreciation	(164)	(319)	(2,993)	(305)	(668)	(4,449)
Loss on revaluation of investment properties	(79,000)	-	-	-	(1,900)	(80,900)
Capital expenditure	43	478	24,039	16	200	24,776



Notes to the Financial Statements

For the year ended 30 June 2010

39. OPERATING SEGMENTS (cont'd)

Geographical information

	External Revenue \$'000	Non-Current Assets \$'000
2010		
Singapore	164,619	344,315
China	495,080	132,261
Malaysia	66,752	394,317
Vietnam and others	6,311	315
	<hr/>	<hr/>
	732,762	871,208
	<hr/>	<hr/>
2009		
Singapore	329,498	335,483
China	131,660	3,089
Malaysia	34,125	380,394
Vietnam and others	17,729	616
	<hr/>	<hr/>
	513,012	719,582
	<hr/>	<hr/>

40. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

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

The initial application of these standards (and its consequential amendments) and interpretations is not expected to have material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.



Shareholding Statistics

As at 2 September 2010

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

Size of Shareholdings	No. of Shareholders	No. of Ordinary Shares	% of Ordinary Shares
1 – 999	457	120,280	0.01
1,000 – 10,000	3,027	11,234,199	1.27
10,001 – 1,000,000	594	25,698,712	2.90
1,000,001 & Above	15	850,476,766	95.82
TOTAL	4,093	887,529,957	100.00

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

Name of Shareholders	No. of Ordinary Shares	% of Ordinary Shares
GUOCOLAND ASSETS PTE. LTD.	579,024,320	65.24
UOB KAY HIAN PTE LTD	81,121,284	9.14
HSBC (SINGAPORE) NOMINEES PTE LTD	43,531,877	4.90
HL BANK NOMINEES (S) PTE LTD	28,169,816	3.17
KWEK LENG HAI	26,468,186	2.98
CITIBANK NOMINEES S'PORE PTE LTD	24,281,227	2.74
BNP PARIBAS SECURITIES SERVICES S'PORE	20,271,665	2.28
DBSN SERVICES PTE LTD	16,582,920	1.87
RAFFLES NOMINEES PTE LTD	12,014,930	1.35
UNITED OVERSEAS BANK NOMINEES PTE LTD	8,837,383	1.00
DBS NOMINEES PTE LTD	5,813,532	0.66
MERRILL LYNCH (S'PORE) PTE LTD	1,229,629	0.14
CIMB SECURITIES (S'PORE) PTE LTD	1,123,914	0.13
OCBC NOMINEES SINGAPORE PTE LTD	1,005,304	0.11
LIM & TAN SECURITIES PTE LTD	1,000,779	0.11
ANG JWEE HERNG	919,000	0.10
DB NOMINEES (S) PTE LTD	882,150	0.10
KIM ENG SECURITIES PTE. LTD.	661,660	0.07
PHILLIP SECURITIES PTE LTD	556,851	0.06
BANK OF S'PORE NOMINEES PTE LTD	534,999	0.06
TOTAL	854,031,426	96.21

SHAREHOLDING IN THE HANDS OF THE PUBLIC AS AT 2 SEPTEMBER 2010

The percentage of shareholding in the hands of the public was approximately 15.83% of the total number of the issued and fully paid-up ordinary shares of the Company.

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



Shareholding Statistics

As at 2 September 2010

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 2 SEPTEMBER 2010

Substantial Shareholders	Direct Interest No. of Shares	Deemed Interest No. of Shares
1. GuocoLand Assets Pte. Ltd.	577,150,320	-
2. Fairbury Pte Ltd #	58,618,300	-
3. Guoco Group Limited	-	577,150,320 ¹
4. GuoLine Overseas Limited	-	577,150,320 ¹
5. GuoLine Capital Assets Limited	-	603,070,309 ²
6. Hong Leong Company (Malaysia) Berhad	-	603,070,309 ²
7. HL Holdings Sdn Bhd	-	603,070,309 ²
8. Hong Leong Investment Holdings Pte. Ltd.	-	603,070,309 ²
9. Quek Leng Chan	10,000,000	613,133,274 ³

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

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

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

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

Interested Person Transactions

In addition to the transactions set out in Notes 24, 28, 31 and 33 to the financial statements, the aggregate value of Interested Person Transactions (excluding transactions less than S\$100,000) entered into during the financial year is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Hong Leong Group Malaysia	S\$10,539,605	N.A.
Directors of the Company and their Associates Sale of 4 units of the Group's residential project, <i>Goodwood Residence</i> , to 2 Directors and their associates	S\$46,103,000	N.A.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 34th Annual General Meeting of GuocoLand Limited will be held at 80 Raffles Place #25-01 UOB Plaza 1, Singapore 048624 on Friday, 15 October 2010 at 10.30 am for the following purposes:-

As Ordinary Business

1. To lay before the Meeting the Directors' Report and Audited Accounts of the Company for the financial year ended 30 June 2010.
2. To declare a First and Final Tax-Exempt (One-Tier) Dividend of 8 cents per ordinary share for the financial year ended 30 June 2010. **Resolution 1**
3. To approve Directors' fees of S\$377,000 for the financial year ended 30 June 2010. **Resolution 2**
4. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-

Mr Quek Leng Chan; and **Resolution 3**

Mr Reggie Thein **Resolution 4**

(Mr Reggie Thein will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and member of the Remuneration Committee. Mr Thein is considered as an Independent Director by the Nominating Committee.)
5. To re-appoint Messrs KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

As Special Business

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

Authority to Issue Shares
 - (a) "That approval be and is hereby given to the Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options in accordance with the terms and provisions of the GuocoLand Limited Executives' Share Option Scheme 2008." **Resolution 6(a)**
 - (b) "That notwithstanding Resolution 6(a), approval be and is hereby given to the Directors, pursuant to Section 161 of the Companies Act, Cap. 50, to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per cent (10%) of the issued share capital of the Company for the time being." **Resolution 6(b)**



Notice of Annual General Meeting

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

Note: Mr Goh Yong Hong, a Director retiring at the conclusion of the 34th Annual General Meeting pursuant to Section 153 of the Companies Act, Cap. 50, has notified the Company that he will not be seeking re-appointment as a Director of the Company at the Meeting. Mr Goh will accordingly, relinquish his appointment as a member of the Audit Committee.

By Order of the Board

Dawn Pamela Lum

Group Company Secretary

29 September 2010
Singapore

Notes:

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

Notes to Special Business:

Resolution 6(a) is to empower the Directors to issue shares pursuant to the GuocoLand Limited Executives' Share Option Scheme 2008 (the "Scheme") which was approved at the Extraordinary General Meeting of the Company held on 17 October 2008.

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

GuocoLand Limited

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

IMPORTANT

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

PROXY FORM - ANNUAL GENERAL MEETING

*I/We _____

of _____

being a *member/members of GuocoLand Limited (the "Company"), hereby appoint:

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

*and/or

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or, failing *him/her, the Chairman of the 34th Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be held on Friday, 15 October 2010 at 10.30 am and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific indication as to voting is given, the *proxy/proxies may vote or abstain from voting at *his/her discretion, as *he/she will on any other matter arising at the AGM. If no person is named in the space above, the Chairman of the Meeting shall be *my/our *proxy/proxies to vote, for or against the Resolutions to be proposed at the AGM, as indicated below, for *me/us and on *my/our behalf at the AGM and at any adjournment thereof.

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

AS ORDINARY BUSINESS			
No.	Resolution	For	Against
1	To declare a First and Final Tax-Exempt (One-Tier) Dividend		
2	To approve Directors' fees		
3	To re-elect Mr Quek Leng Chan as a Director		
4	To re-elect Mr Reggie Thein as a Director		
5	To re-appoint Messrs KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration		
AS SPECIAL BUSINESS			
No.	Resolution	For	Against
6(a)	To authorise the Directors to allot and issue shares pursuant to the exercise of options in accordance with the provisions of the GuocoLand Limited Executives' Share Option Scheme 2008		
6(b)	To authorise the Directors to issue shares in the Company		

Signed this _____ day of _____ 2010

Total Number of Ordinary Shares Held

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

* delete as appropriate

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AFFIX
STAMP
HERE

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

NOTES TO PROXY FORM

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1. Please insert in the box at the bottom right hand corner on the reverse of this form, the number of shares held by you. If you have shares entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") in respect of shares in your Securities Account with CDP, you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares in the capital of the Company registered in your name(s).
2. A member entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.
3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 20 Collyer Quay #20-01 Tung Centre, Singapore 049319 not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. Where a member appoints two proxies, the percentage of the shareholding represented by each such appointee should be specified. If no percentage is specified, the first named appointee shall be deemed to represent 100% of the shareholding and any second named appointee shall be deemed to be an alternate to the first named.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50. A copy of the said resolution, certified as true by an authorised officer of the Corporation, shall be affixed to the instrument of proxy.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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