2014

ANNUAL REPORT

國浩集團有限公司
GuocoGroup Limited

A Member of the Hong Leong Group

(Stock Code: 53)

CONTENTS

*Please visit our website at **http://www.guoco.com** and click into "INVESTOR RELATIONS" and "Annual and Interim Reports" to view the on-line version of this Annual Report.*

CORPORATE INFORMATION

(As at 29 August 2014)

BOARD OF DIRECTORS

Chairman

Quek Leng Chan

Executive Directors

Kwek Leng Hai – *President, CEO*
Tan Lim Heng

Non-executive Director

Kwek Leng San

Independent Non-executive Directors

Volker Stoeckel
Roderic N. A. Sage
David Michael Norman

BOARD AUDIT COMMITTEE

Roderic N. A. Sage – *Chairman*
Volker Stoeckel
David Michael Norman

BOARD REMUNERATION COMMITTEE

Volker Stoeckel – *Chairman*
Quek Leng Chan
Roderic N. A. Sage

BOARD NOMINATION COMMITTEE

Quek Leng Chan – *Chairman*
Volker Stoeckel
Roderic N. A. Sage

CHIEF FINANCIAL OFFICER

Adam R. Boswick

COMPANY SECRETARY

Stella Lo Sze Man

PLACE OF INCORPORATION

Bermuda

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

PRINCIPAL OFFICE

50th Floor, The Center
99 Queen's Road Central
Hong Kong

Telephone: (852) 2283 8833
Fax: (852) 2285 3233
Website: http://www.guoco.com

BRANCH SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited
Shops 1712-16
17th Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

FINANCIAL CALENDAR

Interim results announcement	27 February 2014
Closure of Register of Members for interim dividend	17 March 2014
Payment of interim dividend of HK$1.00 per share	25 March 2014
Annual results announcement	29 August 2014
Closure of Register of Members for Annual General Meeting	21 November 2014 to 25 November 2014
Annual General Meeting	25 November 2014
Closure of Register of Members for final dividend [Note]	2 December 2014
Proposed payment date of final dividend of HK$3.00 per share [Note]	11 December 2014

Note: The declaration of the final dividend is subject to shareholders' approval in the Annual General Meeting.

CORPORATE ORGANISATION CHART

(As at 29 August 2014)

GuocoGroup Limited(1)

PRINCIPAL INVESTMENT

100% GuocoEquity Assets Limited

PROPERTY DEVELOPMENT & INVESTMENT

65.2% GuocoLand Limited(2)

- 100% GuocoLand (Singapore) Pte. Ltd.
- 100% GuocoLand (China) Limited
- 65% GuocoLand (Malaysia) Berhad(3)
- 100% GuocoLand Vietnam (S) Pte. Ltd.

HOSPITALITY & LEISURE BUSINESS

66.5% GuocoLeisure Limited(2)

- 100% GLH Hotels Group Limited (formerly known as Guoman Hotels Group Limited)
- 100% Clermont Leisure (UK) Limited
- 100% Molokai Properties Limited
- 100% Tabua Investments Limited
- 55.1% Bass Strait Oil & Gas Royalty

51.8% The Rank Group Plc(4)

FINANCIAL SERVICES

25.4% Hong Leong Financial Group Berhad(3)

- 64.4% Hong Leong Bank Berhad(3)
  - 100% Hong Leong Islamic Bank Berhad
- 100% HLA Holdings Sdn Bhd
  - 70% Hong Leong Assurance Berhad
  - 65% Hong Leong MSIG Takaful Berhad
  - 30% MSIG Insurance (Malaysia) Berhad
  - 100% Hong Leong Insurance (Asia) Limited
  - 100% HL Assurance Pte. Ltd.
- 81.3% Hong Leong Capital Berhad(3)
  - 100% Hong Leong Investment Bank Berhad
  - 100% Hong Leong Asset Management Berhad

100% GuocoCapital Limited

100% GuocoCapital Futures Limited (formerly known as Guoco Commodities Limited)

100% GuocoCapital Bullion Limited

(1) Listed in Hong Kong
(2) Listed in Singapore
(3) Listed in Malaysia
(4) Listed in London

Websites:
- Guoco Group Limited (http://www.guoco.com)
- GuocoLand Limited (http://www.guocoland.com.sg)
- GuocoLand (Malaysia) Berhad (http://www.guocoland.com.my)
- GuocoLeisure Limited (http://www.guocoleisure.com)
- GLH Hotels Group Limited (http://www.glhhotels.com)
- Clermont Leisure (UK) Limited (http://www.theclermontclub.com)
- Tabua Investments Limited (http://www.denarau.com)
- The Rank Group Plc (http://www.rank.com)
- Hong Leong Financial Group Berhad (http://www.hlfg.com.my)
- Hong Leong Bank Berhad (http://www.hlb.com.my)
- Hong Leong Islamic Bank Berhad (http://www.hlisb.com.my)
- Hong Leong Assurance Berhad (http://www.hla.com.my)
- Hong Leong MSIG Takaful Berhad (http://www.hlmsigtakaful.com.my)
- MSIG Insurance (Malaysia) Berhad (http://www.msig.com.my)
- Hong Leong Insurance (Asia) Limited (http://www.hl-insurance.com)
- HL Assurance Pte. Ltd. (http://www.hlas.com.sg)
- Hong Leong Capital Berhad (http://www.hlgcap.com.my)
- GuocoCapital Limited (http://www.guococap.com)
- GuocoCapital Futures Limited (http://www.guococom.com)
- GuocoCapital Bullion Limited (http://www.guococapbullion.com)

CORPORATE PROFILE

Guoco Group Limited ("Guoco") (Stock Code: 53), listed on The Stock Exchange of Hong Kong Limited, is an investment holding and investment management company with the vision of achieving long term sustainable returns for its shareholders and creating prime capital value.

Guoco's operating subsidiary companies and investment activities are principally located in Hong Kong, China, Singapore, Malaysia, Vietnam and the United Kingdom. Guoco has four core businesses, namely, Principal Investment; Property Development and Investment; Hospitality and Leisure Business; and Financial Services.

PRINCIPAL INVESTMENT

Our Principal Investment business has been built up into a core business of the Group with a team of well-trained and experienced investment professionals covering equity and direct investments as well as treasury operations. Committed to its mission to create attractive risk weighted returns and capital value to the Group, the team is supported by up-to-date information systems and technological infrastructure as well as solid risk management processes and control mechanism. Ongoing resources are allocated to enhance our investment infrastructure to cater for the business needs.

Our investment team focuses on long-term cycle trends and related investment opportunities and actively looks for under-valued counters that offer attractive recovery potential.

Our treasury team focuses on global economic conditions, forex and interest rate trends, strategic trading ideas. It also manages major financial exposures of the Group and hedging proposals to manage the Group's liquid assets.

Guoco's Board Investment Committee, chaired by Mr. Quek Leng Chan (Guoco's Chairman), has the overall responsibility to oversee the principal investment activities of the Group and guide the process governing the Group's core investment and treasury operations.

PROPERTY DEVELOPMENT AND INVESTMENT

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

In Singapore, being a major developer, GuocoLand has built up a quality land bank and a portfolio of premium developments in the prime districts of Singapore. GuocoLand is also recognised as a developer of eco-friendly projects. For its commitment towards environmental sustainability, it has won the Building and Construction Authority Green Mark Awards for projects such as Clermont Residence, Goodwood Residence, Sophia Residence, Leedon Residence, The Waterline, Elliot at the East Coast and The Quartz.

GuocoLand has been active in China since 1994 and is an established property developer in China with a sizeable portfolio of properties in the major cities of Beijing, Shanghai, Nanjing and Tianjin.

Listed on the Main Market of Bursa Malaysia Securities Berhad, GuocoLand (Malaysia) Berhad is a 65% subsidiary of GuocoLand. It has an established presence in Malaysia, engaging in property development and investment as well as hotel and resort holdings activities. Its portfolio includes integrated mixed-use prime office and residential properties in Kuala Lumpur and Greater Kuala Lumpur.

Through its subsidiary, GuocoLand Vietnam (S) Pte Ltd, GuocoLand is developing The Canary, an integrated development in Binh Duong Province.

HOSPITALITY AND LEISURE BUSINESS

GuocoLeisure Limited ("GuocoLeisure"), the Group's Hospitality and Leisure subsidiary, is a public company listed on the Main Board of Singapore Exchange. Core operating companies of the GuocoLeisure group include GLH Hotels Limited ("glh") and Clermont Leisure (UK) Limited ("CLUK") in the United Kingdom.

glh owns or operates hotels. Recently this business division took on the revitalised glh identity focused on unlocking human potential and giving property owners and developers a new deal. glh has announced the creation of three new hotel brands: Clermont, a global luxury and private residences brand; Amba, a global 4-star hotel brand; and every, an innovative 4-star limited feature hotel brand. In addition, glh has partnered with BT to implement fast, free and unlimited Wi-Fi across all its UK hotels.

CLUK is a licensed casino operator in the United Kingdom. It currently operates the prestigious Clermont Club in Mayfair, London.

In addition to its core hospitality and leisure business, GuocoLeisure holds rights to royalties from the production of oil and natural gas in the Bass Strait in Australia.

The Rank Group Plc ("Rank"), is a leading European gaming company, headquartered in Great Britain and listed on the London Stock Exchange.

Rank's businesses comprise three established gaming based entertainment operations in Great Britain, Spain and Belgium. They are: "Mecca" – a leading bingo operator in Great Britain with 96 clubs and a digital business offering both online and mobile bingo; "Grosvenor Casinos" – the leading operator with 56 casinos in Great Britain along with two other casinos in Belgium and an online and mobile casino business; and "Enracha" – an operator of 10 premium bingo clubs in Spain.

FINANCIAL SERVICES

Hong Leong Financial Group Berhad ("HLFG"), an associated company of the Group, is an integrated financial services group, listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") in Malaysia. HLFG's commercial banking subsidiary is Hong Leong Bank Berhad ("HLB") which is also listed on the Main Market of Bursa Securities. HLB currently has over 280 branches in Malaysia with overseas branches in Singapore and Hong Kong, and wholly owned subsidiaries in Vietnam and Cambodia, providing comprehensive services in personal financial services, treasury, corporate and commercial banking. HLB also has a presence in China via an interest of 19.99% in the Bank of Chengdu Co., Limited ("BOCD") and 49% in Sichuan Jincheng Consumer Finance Limited Liability Company, a joint venture company between BOCD and HLB.

HLB's Islamic banking subsidiary, namely Hong Leong Islamic Bank Berhad ("HLISB"), offers its customers a wide range of innovative solutions which amongst others include structured finance, business and corporate banking, personal financial services, Islamic global markets and wealth management. In addition to these, HLISB also pursues the development of its own business niche in fee-based income and Islamic Capital Markets.

HLFG Group's insurance interests are made up of a 70% interest in Hong Leong Assurance Berhad which provides life insurance services in Malaysia, a 30% interest in MSIG Insurance (Malaysia) Berhad which provides general insurance services in Malaysia, a 100% interest in Hong Leong Insurance (Asia) Limited which provides general insurance business in Hong Kong, a 65% interest in Hong Leong MSIG Takaful Berhad focusing on Takaful insurance and a 100% interest in HL Assurance Pte. Ltd. which provides general insurance business in Singapore.

HLFG's other financial services interests are held through Hong Leong Capital Berhad ("HLCB") which is listed on the Main Market of Bursa Securities. HLCB has two main subsidiaries namely, Hong Leong Investment Bank Berhad ("HLIB") and Hong Leong Asset Management Bhd ("HLAM"). HLIB is involved in investment banking, stockbroking business, futures broking and related financial services, while HLAM's main businesses are unit trust management, fund management and sale of unit trusts.

As at 30 June 2014, the HLFG Group employs over 11,000 employees to deliver quality and competitive financial products and services to customers in Malaysia, Singapore, Hong Kong, Vietnam, Cambodia and China.

The Group also operates stock and futures broking, corporate advisory and bullion business in Hong Kong through its wholly owned subsidiaries, **GuocoCapital Limited**, **GuocoCapital Futures Limited** and **GuocoCapital Bullion Limited**.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

QUEK LENG CHAN

Quek Leng Chan, aged 71, was appointed to the Board of Directors of Guoco Group Limited ("Guoco") since 1990. He was the Executive Chairman of Guoco up to November 2013 and thereafter, he was redesignated as the Chairman. He is also the Chairman of the Board Nomination Committee ("BNC") and a member of the Board Remuneration Committee ("BRC") of Guoco. He is the Chairman & CEO and a shareholder of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of Guoco. Mr Quek is the Chairman of HL Holdings Sdn Bhd (a deemed substantial shareholder of Guoco), which is wholly owned by him. He is a director and shareholder of Davos Investment Holdings Private Limited and a director of Hong Leong Investment Holdings Pte Ltd, both of which are deemed substantial shareholders of Guoco. He holds directorships in Guoco's key listed subsidiaries and associated companies, including as the Executive Chairman of GuocoLeisure Limited ("GuocoLeisure"); as the Chairman of Hong Leong Financial Group Berhad, Hong Leong Bank Berhad ("HLB"), Hong Leong Capital Berhad and GuocoLand (Malaysia) Berhad; and as the director of GuocoLand Limited ("GuocoLand"). He 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. He is a brother of Messrs Kwek Leng Hai and Kwek Leng San.

KWEK LENG HAI

Kwek Leng Hai, aged 61, is the President, CEO of Guoco and has been an Executive Director of Guoco since 1990. He holds directorships in the Guoco's key subsidiaries and associated companies including GuocoLand, GuocoLeisure, HLB and Bank of Chengdu Co., Ltd. He also serves as the Chairman of Lam Soon (Hong Kong) Limited ("LSHK"), a Hong Kong listed subsidiary of HLCM. He is also a director and shareholder of HLCM. Mr Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales. He is a brother of Messrs Quek Leng Chan and Kwek Leng San.

KWEK LENG SAN

Kwek Leng San, aged 59, a Non-executive Director of Guoco since 1990. He is the Chairman of Malaysian Pacific Industries Berhad, Hong Leong Industries Berhad, Narra Industries Berhad and Southern Steel Berhad, all Malaysian listed subsidiaries of HLCM. He is a director and shareholder of HLCM. He graduated from University of London with a Bachelor of Science (Engineering) degree and also holds a Master of Science (Finance) degree from City University London. He has extensive business experience in various business sectors, including financial services and manufacturing. He is a brother of Messrs Quek Leng Chan and Kwek Leng Hai.

TAN LIM HENG

Tan Lim Heng, aged 66, joined GuocoCapital Limited and GuocoCapital Futures Limited, wholly owned subsidiaries of Guoco, as the Managing Director in 1990, and has been an Executive Director of Guoco since 1996. He also serves as a non-executive director of LSHK. Mr Tan holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology. He had also previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. Prior to joining Guoco, he had served in the Singapore Civil Service as a Colombo Plan Scholar 1975-1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. Mr Tan has extensive experience in property investment, financial and investment management services.

VOLKER STOECKEL

Volker Stoeckel, aged 69, has been an Independent Non-executive Director of Guoco since 2004 and is the Chairman of the BRC and a member of both the Board Audit Committee ("BAC") and the BNC of Guoco. He was Chairman and CEO of Metal Cast Zhong Shan Limited during the period from 2007 to 2009. He was also the Chairman and CEO of the German Centre for Industry and Trade in Shanghai until 2006. Before that he held various senior banking positions in Asia for over 26 years. Until 2004 he was the Senior Executive Vice President and Chief Executive of Asia Pacific of Bayerische Landesbank, Regional Head Office, in Hong Kong. Mr Stoeckel has wide ranging experience in capital markets, corporate finance, project finance, treasury and securities business, and property development of commercial and industrial projects in China. He is also a consultant for major companies in Asia for projects in Europe. He graduated from the University of Munich in economics and holds a diploma in banking.

RODERIC N. A. SAGE

Roderic N. A. Sage, aged 61, was appointed as an Independent Non-executive Director of Guoco since October 2009 and is the Chairman of the BAC and a member of both the BRC and the BNC of Guoco. He is the Chief Executive Officer of a specialist tax, corporate services and trust consultancy firm in Hong Kong. Prior to that, Mr Sage had worked with KPMG Hong Kong over 20 years until 2003, as a senior partner and member of the management board of KPMG. He has been granted fellow status with the Institute of Chartered Accountants in England and Wales and with the Hong Kong Institute of Certified Public Accountants. He is also an associate member of the Institute of Taxation in England. He has over 30 years' experience in accounting, international tax planning and investment structuring enhanced by considerable knowledge of cross-boarder and onshore and offshore transactions and structures.

Mr Sage was a Convenor of the Financial Reporting Review Panel of the FRC during the period from July 2007 to July 2010. He is also an independent non-executive director of Tai Ping Carpets International Limited listed in Hong Kong and the Alpha Tiger Fund listed on London's Alternative Investment Market.

DAVID MICHAEL NORMAN

David Michael Norman, aged 58, was appointed as an Independent Non-executive Director and a member of the BAC of Guoco in July 2013. Mr Norman studied philosophy and psychology at Oxford University in the United Kingdom and was admitted as a solicitor in the United Kingdom in 1981 and in Hong Kong in 1984. He was a partner of an international law firm until he resigned in 2010. Mr Norman is also a non-executive director of South China Holdings Limited, a company listed in Hong Kong. Mr Norman has extensive experience in mergers and acquisitions and corporate finance.

FINANCIAL HIGHLIGHTS

Financial highlights of Guoco Group for the year ended 30 June 2014:

	Year ended 30 June 2014 HK$'M	Year ended 30 June 2013 HK$'M	Increase/ (Decrease)
Turnover	**36,002**	24,140	49%
Revenue	**21,323**	17,030	25%
Profit attributable to equity shareholders of the Company	**5,752**	6,296	(9%)
	HK$	HK$	
Earnings per share	**17.70**	19.37	(9%)
Dividend per share:			
Interim	**1.00**	–	
Proposed final	**3.00**	1.50	
	4.00	1.50	167%
Special interim dividend in specie [Note]	**–**	5.01	
Total	**4.00**	6.51	

	As at 30 June 2014 HK$	As at 30 June 2013 HK$	Increase
Equity per share attributable to equity shareholders of the Company	**170.93**	153.65	11%
	HK$'M	HK$'M	Increase/ (Decrease)
Equity attributable to equity shareholders of the Company	**56,244**	50,558	11%
Total assets	**128,744**	124,048	4%
Total liabilities	**57,684**	61,563	(6%)

Note: On 3 July 2013, the Company declared a special interim dividend in respect of the financial year ended 30 June 2013 by way of a distribution in specie of 0.27 of a share in The Rank Group Plc ("Rank") for every one ordinary share in the Company. Based on the closing price of GBp153.1 per Rank share as at 5 September 2013, this represented a value of approximately HK$5.01 dividend per ordinary share.

TEN YEAR SUMMARY

US$'000

Years	Total assets	Total liabilities	Total equity attributable to equity shareholders of the Company	Profit/(loss) for the year attributable to equity shareholders of the Company	Dividend per ordinary share US$
2005[1]	5,191,012	655,282	4,196,126	415,476	0.49
2006	7,470,726	1,750,335	4,754,347	725,876	0.64
2007	8,863,439	2,677,829	5,186,062	546,371	0.55
2008	10,261,067	3,766,946	5,280,935	188,191	0.51
2009	9,530,768	3,367,014	5,121,487	61,364	0.26
2010	9,743,006	3,215,707	5,569,187	363,626	0.36
2011	15,014,970	7,275,121	6,297,179	534,459	0.41
2012	13,838,778	6,777,309	5,698,683	(166,810)	0.28
2013	15,992,118	7,936,590	6,517,923	811,725	0.84[2]
2014	**16,610,521**	**7,442,421**	**7,256,604**	**742,151**	**0.52**

HK$'000

Years	Total assets	Total liabilities	Total equity attributable to equity shareholders of the Company	Profit/(loss) for the year attributable to equity shareholders of the Company	Dividend per ordinary share HK$
2005[1]	40,344,545	5,092,852	32,612,290	3,229,080	3.80
2006	58,011,681	13,591,701	36,918,455	5,636,572	5.00
2007	69,283,288	20,931,920	40,538,151	4,270,845	4.30
2008	80,025,549	29,378,224	41,185,748	1,467,690	4.00
2009	73,864,407	26,094,697	39,692,037	475,577	2.00
2010	75,843,455	25,032,349	43,352,779	2,830,611	2.80
2011	116,853,254	56,618,266	49,007,481	4,159,400	3.20
2012	107,331,487	52,563,792	44,198,131	(1,293,754)	2.20
2013	124,047,661	61,562,542	50,558,225	6,296,389	6.51[2]
2014	**128,743,997**	**57,684,345**	**56,244,124**	**5,752,227**	**4.00**

Notes:

1. The figures for 2005 were restated due to change in accounting policies.
2. Including special interim dividend in specie declared on 3 July 2013 (approximately HK$5.01 per ordinary share).

CHAIRMAN'S STATEMENT

I am pleased to present our annual report for the financial year ended 30 June 2014.

OVERVIEW

Underpinned by prevailing low interest rates, abundant liquidity and gradual recovery in global growth, leading stock markets continued to go higher in the twelve months to June 2014. The US and Europe led the rallies with double-digit gains while emerging markets recovered some of their losses from the preceding year. In China, there were ongoing concerns on their banking system and property market but the situation improved after a number of policy relaxation and mini-stimulus measures were introduced by the government.

Against this backdrop our core businesses of the Group had made steady progress. We are able to report a fair set of results across various market environments under which the Group operated.

FINANCIAL RESULTS

The Group's consolidated profit attributable to equity shareholders for the financial year 2013/14, after taxation and non-controlling interests, amounted to HK$5.8 billion, as compared to HK$6.3 billion for the previous year. This was achieved with substantial contributions from Principal Investment together with higher profit contributions this year from the Group's other core businesses.

In addition to the interim dividend of HK$1.00 per share already paid, the directors will be recommending a final dividend of HK$3.00 per share (2013: HK$1.50 per share) at the forthcoming Annual General Meeting. This gives a total dividend of HK$4.00 per share, keeping intact a healthy dividend pay-out track record over the years.

Principal Investment

With major central banks maintaining an accommodative bias and expectations by investors that interest rates would not be raised soon, a number of global stock indices reached or traded near their all-time highs by the end of our financial year. Our investment activities performed well on the back of the favourable economic environment in the major economies and we took timely opportunity of these rallies to realise profits for the year. The better result was also contributed by our investments held as at 30 June 2014 which were subject to marked-to-market valuations.

Stock prices in developed countries have been making steady and mostly uninterrupted gains since the end of the financial crisis. While supported by low interest rate policies and improving fundamentals, some price correction in the future would appear inevitable due to higher valuations. Results at reported dates for our investment will remain dependent on market conditions, and performance may vary due to short-term fair value price movements and marked-to-market valuations at that time.

"Each of our core businesses will continue respectively to focus on building a high performance business and strengthening the foundations for sustainable profitability and growth, and in the process to enhance our capital value."

Property Development and Investment

GuocoLand Limited

GuocoLand faced a challenging operating environment as property price-curb measures imposed in its principal markets in Singapore and China persisted during the financial year. Nevertheless, GuocoLand carried on with the execution of its current projects and made good progress on construction and monetisation of its development projects. During the financial year, temporary occupation permits were received for Sophia Residence in Singapore; and Seasons Park, GuocoLand's first residential project in Tianjin, China. GuocoLand also continued to sell units at Goodwood Residence in Singapore, which was completed in June 2013. Recognition of profits from Singapore projects and Seasons Park contributed significantly to its improved operating results for the year.

GuocoLand is working full steam ahead for the construction of its two iconic projects namely Tanjong Pagar Centre in Singapore, and Damansara City in Kuala Lumpur, Malaysia. Both are large-scale integrated mixed use developments comprising office, retail, residential and hotel spaces. When completed, they would be landmarks in these two capital cities. Tanjong Pagar Centre will have the tallest building in Singapore at 290 metres.

For its development inventories, GuocoLand will launch sales at opportune times to achieve the projected pricing. GuocoLand will pursue strategies to grow its investment properties portfolio for recurring revenue streams with appropriate gearing to match.

Hospitality and Leisure Businesses

GuocoLeisure Limited

The transformation of GuocoLeisure's hospitality business is on track with the delivery of key initiatives during the financial year. glh saw the launch of 3 new brands – **Clermont**, a global luxury hotel and private residences; **Amba**, a global four-star hotel portfolio; and **every**, a four-star, limited-feature category hotel with focus on technology.

glh has taken an entrepreneurial approach to general management, aimed at driving up customer services standard and profit across the whole business. The new model gives autonomy to the general management teams at the individual hotels to realize their entrepreneurial potential as hoteliers. During the financial year, glh succeeded with vast improvements in customer satisfaction. This resulted in all of its London-based hotels enjoying significant improvements in Trip Advisor rankings, with 9 hotels moving up more than 100 places compared to 18 months ago. We anticipate solid returns from the investment of glh's transformation plan.

GuocoLeisure continues to enjoy cash-flow and profit derived from oil production royalties from the Bass Straits.

The Rank Group Plc

Rank is one of the few gaming companies in a position to offer customers a genuine multi-channel gaming experience. It has a number of key assets, including a portfolio of more than 160 venues with membership systems cum reward programmes offering high levels of customer engagement.

Integration of the acquired Gala casinos had been completed on budget and on time to enable it to be part of the driver of the growth in Rank's full year revenue and operating profit.

With the cut in bingo duty, major capital investment programmes planned at certain casinos, and a strategic focus on improving its digital capability and multi-channel offer, Rank is well positioned for future growth.

However in the short term, the introduction of a digital point of consumption tax will impact performance but Rank's strong financial position, strong brands and market leading positions will ensure that it is well placed for long term opportunities.

Financial Services Group

Hong Leong Financial Group Berhad ("HLFG")

Despite a challenging environment with increasing market competition, HLFG Group continued to deliver satisfactory results and achieved a noteworthy performance milestone with its profit before tax surpassing RM3 billion. It registered an year-on-year increase of 14.4% in the profit before tax to RM3,009.2 million. The creditable performance came from all of its operating divisions, reaping efforts from the continued execution of strategic plans pursued over the last few years.

Completion of various milestones in the integration of ex-EON's banking business and systems, improving cost base, and transformation of branch network have yielded improved results at the Banking Division for the year. It also saw growing contributions from Bank of Chengdu and its Sichuan Finance joint venture.

HLFG continues to evolve by being relevant and competitive, both locally and around the region, focusing on building long term relationships and creating sustainable growth strategies. Each group division is well positioned to take advantage of opportunities to enhance its competitiveness, and to grow and increase market share in its targeted customer segments. This will further transform HLFG into a stronger and profitable financial services group.

OUTLOOK

The combination of recovering growth in major economies and the continuing ultra-accommodative monetary policy is positive to financial assets. While major central banks are expected to remain accommodative, divergence is emerging with the Fed finishing its tapering over the next few months and BoE moving closer to tightening. Under these circumstances, volatility may increase and could put pressure on equity prices. In view of this assessment, our Principal Investment will remain prudent in managing its investment portfolio and will focus on identifying long-term cyclical trends and under-valued situations.

Each of our core businesses will continue respectively to focus on building a high performance business and strengthening the foundations for sustainable profitability and growth, and in the process to enhance our capital value.

HUMAN RESOURCES

Managing and developing human resources is always a priority for the Group. The Group's sustainability counts very much on the high-quality work force with high moral, integrity and sense of belonging. The Group continues to attract, retain and nurture top talents to support our business strategies by offering remuneration and rewards commensurate with their contributions. Staff training and development programmes together with career development opportunities are offered to staff to upgrade their skills for promotion and succession planning. We aspire as a Group to give our management and staff a bright, happy and rewarding future as they participate constructively towards the success of our Group as a profitable and caring business enterprise.

APPRECIATION

We believe in being an environmentally and socially responsible corporate citizen. We pay attention to the quality and standards of our products, design our buildings and projects incorporating green and environmental-friendly energy-saving aspects, provide fair and ethical banking and financial services to our clients.

I applaud our Group Human Resources division devoting time and effort to support our employees to reach out to do good for the community and help the less fortunate and needy through various charity work and fund-raising. This year our Company was honoured with the "Caring Company" moniker.

For the ninth year, we were awarded the Platinum Award and the prestigious President's Award for our donation to the Community Chest of Hong Kong. In the annual major fund raising event for the Community Chest Walk for Millions 2014, supported by a large contingent from Guoco Group, we were ranked second in overall fund raising while our executive director, Mr Tan Lim Heng retained the Top Individual Fund Raiser Award for the seventh year in a row.

I would like to express my sincere thanks and appreciation to our management and staff of the Group for their passion, commitment, dedication and professionalism to build and improve our businesses, and also our corporate brand and image as a caring and responsible corporate enterprise in the community.

For the success achieved, I am grateful to the Board of Directors for their wise counsel; our customers, bankers, business affiliates and shareholders for their support given to us year after year.

Thanks to all your encouragement and efforts, we look forward together to another rewarding year ahead.

Quek Leng Chan
Chairman
29 August 2014

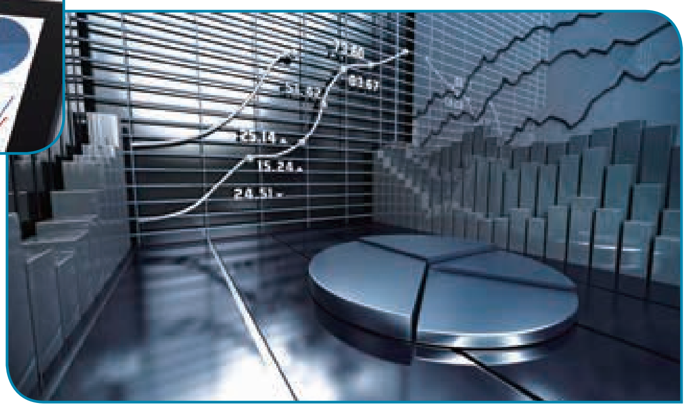
REVIEW OF OPERATIONS

PRINCIPAL INVESTMENT

PRINCIPAL INVESTMENT

The upward trend in financial markets has positively impacted our portfolio. We took advantage of this market strength and realised profits in some of the positions during the year. While the current momentum could prevail longer, we recognise that equity markets have already recovered strongly and valuations in most cases are no longer cheap. In order to minimise the risk of any market correction, our strategy remained prudently focused on identifying long-term cyclical trends as well as laggards with good recovery potential. We continued to spend more attention on the Asian markets and China in particular due to more attractive price levels and valuation.

Group Treasury continued to oversee the financial exposure and risk management of the Group as well as to optimise returns through monitoring global economic conditions, financial market regulations and development, foreign exchange and interest rate trends.



PROPERTY DEVELOPMENT AND INVESTMENT

Artist's impression – Tanjong Pagar Centre, integrated development in Singapore

Artist's impression – The Rise in Malaysia

PROPERTY DEVELOPMENT AND INVESTMENT

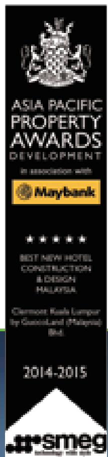
GuocoLand Limited ("GuocoLand")

GuocoLand ended the financial year 2013/14 with a profit attributable to equity holders of S$304.2 million as compared to S$40.5 million in the previous financial year, representing a significant increase of 651%.

Revenue achieved for the year was S$1,251.4 million which had increased by close to two times as compared to the previous financial year. The improvement was mainly due to higher revenue and profit recognised for GuocoLand's Singapore residential projects and Seasons Park in Tianjin, China.

Other income increased by S$156.0 million in the financial year as compared to that of the previous financial year. This was largely due to a gain from sale of GuocoLand's interest in certain subsidiaries and the fair value gain from investment properties. Tax expense increased by S$22.2 million because of higher operating profit and the gain from sale of subisidiaries.

GuocoLand's shareholders' equity was S$2.82 billion as at 30 June 2014, an increase of 7% from 30 June 2013. The increase was principally due to profit recorded for GuocoLand during the financial year.



Artist's impression – Damansara City, integrated development in Malaysia

REVIEW OF OPERATIONS

Artist's impression – Cross section featuring the premium retail and F&B space of Tanjong Pagar Centre

Artist's impression – Clermont Residence, the prestigious residential component of Tanjong Pagar Centre

Singapore

GuocoLand (Singapore) Pte. Ltd. ("GuocoLand Singapore") continues to be the main contributor of GuocoLand's revenue and profit for the year ended 30 June 2014. Profit from operating activities of GuocoLand Singapore improved by 46% as compared to the previous financial year mainly due to higher revenue recognition and fair value gain from investment properties. In Singapore, the government had announced that it was premature to relax the property market cooling measures.

Artist's impression – Seasons Park in Tianjin

China

Revenue from GuocoLand (China) Limited ("GuocoLand China") increased by S$358.6 million for the year ended 30 June 2014. GuocoLand China recorded operating profit of S$165.1 million for the financial year as compared to a loss in the previous year.

In China, prices and transaction volume in the residential market in large cities are declining. Inventory of unsold homes in large cities has been rising. However, rising urbanisation and growth in urban income will continue to be supportive of the residential property market in China.

Although GuocoLand is operating in a challenging environment in Singapore and China, it will continue to focus on sales of its residential units. GuocoLand will also be watchful of investment opportunities.

Artist's impression – Guoson Centre, Changfeng, Shanghai

REVIEW OF OPERATIONS

HOSPITALITY AND LEISURE BUSINESS

The Royal Horseguards Hotel, London

The Royal Horseguards Hotel, London

HOSPITALITY AND LEISURE BUSINESS

GuocoLeisure Limited ("GuocoLeisure")

GuocoLeisure recorded a profit after tax of US$38.6 million for the year ended 30 June 2014, a decrease of 11.5% as compared to US$43.6 million in the previous year. The decrease was mainly due to the impairment charge on the casino brand name, the recoverable amount of which was lower than the carrying cost during the year.

Revenue stood at US$406.0 million, which was 6.8% above that of the previous year. This was mainly due to higher revenues generated from the hotel segment as a result of higher RevPAR achieved during the year.

Income from the Bass Strait oil and gas royalty in Australia decreased by 7.0% to US$41.5 million, principally due to lower average crude oil and gas prices and lower oil and gas production as compared to the previous financial year. In addition, the depreciation of AUD/USD contributed to a lower income for the financial year.

Direct costs increased by 3.1% as compared to the previous year. This was resulted mainly from the increasing cost in hotel and gaming operations in tandem with the increase in revenue during the year.

Personnel expenses increased by 17.7% for the year. This was mainly due to the recruitment of additional staff for the UK hotel operations to facilitate the ongoing business transformation and rebranding strategy.

GuocoLeisure's shareholders' equity as at 30 June 2014 increased by 10.0% to US$1,217.3 million from US$1,106.5 million as at 30 June 2013, principally attributed to earnings generated during the year together with the net foreign exchange translation gain, which arose from the translation of the GBP denominated net assets into USD.

glh.

CLERMONT HOTELS

AMBA HOTELS

thistle

every HOTELS

GuocoLeisure's hospitality operating subsidiary, GLH Hotels Limited, runs the above hotel brands.

REVIEW OF OPERATIONS

The London Poker Room at Grosvenor Victoria Casino was opened in November 2013 and incorporates a 350 capacity poker room, bar and restaurant.

The Rank Group Plc ("Rank")

Rank registered an increase of 10% in its profit after taxation (before exceptional items and discontinued operations) for the year ended 30 June 2014 to GBP52.8 million.

Revenue from continuing operations grew by 14% to GBP678.5 million, following the acquisition of 19 casinos in May 2013 and the taxes on gaming machines moving from a sales tax to gaming duty from 1 February 2013. The gaming duty effectively grosses up revenue but has no material impact on overall profitability.

Major refurbishments at Leicester and St Giles casinos, which were part of the acquired estate from Gala Coral, were completed in the year.

Operating profit before exceptional items of GBP72.4 million was up by 4% compared to the previous year. The Grosvenor Casinos brand delivered a good increase in operating profit, including the contribution generated from the 19 acquired casinos and reduced losses in its digital channel. However Rank's London casinos underperformed against a tough comparative period, impacted by lower customer spends and lower win margins. Mecca's profits were adversely impacted by reduced customer visitation with increased costs and competition in the digital channel.

Exceptional items and discontinued operations totalling GBP32.6 million comprised repayment of output VAT following a decision by the UK Court of Appeal in late 2013, impairment and onerous lease costs for an underperforming UK casino and three Spanish bingo clubs, closure costs for loss-making bingo clubs in the UK and Spain, planned further integration costs associated with the Gala Casinos acquisition, direct tax refunds on previously disposed businesses plus the associated tax consequences of these issues. Rank has appealed the Court of Appeal decision but was required to repay the output VAT ahead of the hearing at the UK Supreme Court in April 2015.

FINANCIAL SERVICES

FINANCIAL SERVICES

Hong Leong Financial Group Berhad ("HLFG")

HLFG achieved a profit before tax of RM3,009.2 million for the financial year ended 30 June 2014 as compared to RM2,630.0 million in the previous year, an increase of RM379.2 million or 14.4%. This marks a significant financial performance milestone for HLFG: achieving an annual profit before tax of over RM3 billion. The overall increase in profit before tax was contributed by all of its operating divisions, especially from the insurance division which had a good year in terms of results, reaping efforts from the continued execution of strategic plans pursued over the last few years.

The commercial banking division recorded a profit before tax of RM2,613.2 million for the financial year ended 30 June 2014, an increase of RM220.3 million or 9.2% versus the previous year. The bank's revenue line registered an increase of RM32.3 million as compared to last year with continued pressure from a lower net interest margin which was mitigated by a loan growth of 7.2%. The bank's improved results over last year mainly came from an overall decrease in expenses of 3%, a larger net writeback of impairment losses over higher loan loss provisions and a much higher contribution from HLFG's share of profits from the Bank of Chengdu Co., Ltd ("BOCD") and the Sichuan Jincheng Consumer Finance joint venture which together registered an increase of 42%. Collectively, the contributions from BOCD and the Sichuan Jincheng Consumer Finance joint venture totalling RM378.6 million has risen to represent 14.5% of the bank's profit before tax from 11.2% last year.

The insurance division registered a profit before tax of RM350.4 million for the financial year ended 30 June 2014 as compared to RM183.9 million in the previous year, an increase of RM166.5 million or 90.5%. The increase was largely due to higher net income of RM169.2 million, higher share of profit from associate company by RM2.5 million and lower impairment loss of RM1.3 million. This was offset by higher operating expenses of RM6.5 million.

The investment banking division recorded a profit before tax of RM78.9 million for the financial year ended 30 June 2014 which is better than the RM67.9 million in the previous year by RM11.0 million or 16.2%. This was mainly due to higher contributions from the stockbroking division.

GROUP FINANCIAL COMMENTARY

Financial Results

The audited consolidated profit attributable to equity shareholders for the year ended 30 June 2014, after taxation and non-controlling interests, amounted to HK$5,752 million, as compared to HK$6,296 million for the previous year. Basic earnings per share amounted to HK$17.70.

For the year ended 30 June 2014, profits (before taxation) were generated from the following sources:

- principal investment of HK$3,513 million;
- property development and investment of HK$2,143 million, including release of operating profits which have been deferred in previous years of HK$280.6 million;
- hospitality and leisure business of HK$747 million;
- oil and gas royalty of HK$291 million; and
- contributions from associates and joint ventures of HK$1,151 million.

Revenue increased by 25% to HK$21.3 billion. The increase was mainly attributable to the increase in revenue derived from the property development and investment sector of HK$2.5 billion and hospitality and leisure sector of HK$1.5 billion.

Capital Management

– The Group's consolidated total equity (including non-controlling interests) as at 30 June 2014 amounted to HK$71.1 billion, an increase of 14% compared to the total equity as at 30 June 2013.

– The Group's consolidated total equity attributable to equity shareholders of the Company as at 30 June 2014 amounted to HK$56.2 billion, an increase of HK$5.7 billion compared to the previous year.

– The equity-debt ratio as at 30 June 2014 is as follows:

	HK$'M
Total borrowings	48,563
Less: Cash and short term funds	(14,007)
Marketable securities	(14,294)
Net debt	20,262
Total equity attributable to equity shareholders of the Company	56,244
Equity-debt ratio	74 : 26

– The Group's total cash balance and marketable securities were mainly in USD (29%), HKD (20%), GBP (15%), MYR (12%) and RMB (8%).

Total Borrowings

The decrease in total borrowings from HK$50.1 billion as at 30 June 2013 to HK$48.6 billion as at 30 June 2014 was primarily due to the repayment of loans by GuocoLand. The Group's total borrowings are mainly denominated in SGD (55%), USD (15%), GBP (10%), HKD (6%) and RMB (5%).

The Group's bank loans and other borrowings are repayable as follows:

	Bank loans HK$'M	Mortgage debenture stock HK$'M	Other borrowings HK$'M	Total HK$'M
Within 1 year or on demand	12,208	1,848	4,861	18,917
After 1 year but within 2 years	2,302	–	2,097	4,399
After 2 years but within 5 years	16,783	–	6,426	23,209
After 5 years	425	769	844	2,038
	19,510	769	9,367	29,646
	31,718	2,617	14,228	48,563

Bank loans, mortgage debenture stock and other borrowings are secured by certain properties, fixed assets and trading financial assets with an aggregate book value of HK$38.3 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2014 amounted to approximately HK$9.9 billion.

Interest Rate Exposure

The Group's interest rate risk arises from treasury activities and borrowings. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. The Group uses interest rate swaps to manage its interest rate exposure as appropriate.

As at 30 June 2014, approximately 64% of the Group's borrowings were at floating rates and the remaining 36% were at fixed rates. The Group had outstanding interest rate swaps with notional amount of HK$3.4 billion.

Foreign Currency Exposure

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures and investments.

As at 30 June 2014, there were outstanding foreign exchange contracts with a total notional amount of HK$23.7 billion for hedging of foreign currency equity and bond investments.

Equity Price Exposure

The Group maintains an investment portfolio which comprises majority listed equities. Equity investments are subject to asset allocation limits.

Contingent Liabilities

Details are encapsulated in note 39 "Contingent Liabilities" to the Financial Statement in this annual report.

HUMAN RESOURCES AND TRAINING

The Group employed approximately 14,000 employees as at 30 June 2014. The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce and is committed to providing its staff with ongoing development programmes to enhance productivity and work quality.

The remuneration policy for the Group's employees is reviewed on a regular basis. Remuneration packages are structured to take into account the level and composition of pay and general market conditions in the respective countries and businesses in which the Group operates. Bonus and other merit payments are linked to the financial results of the Group and individual achievement as incentives to optimise performance. In addition, share based award schemes are in place for granting share options and/or free shares to eligible employees to align their long term interests with those of the shareholders and for the purposes of staff motivation and talent retention.

CORPORATE GOVERNANCE REPORT

*"**Corporate Governance** is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' value, whilst taking into account the interest of other stakeholders."*

The board of directors of the Company (the "Board") has adopted a Code of Corporate Governance Practices (the "CGP Code") based on the principles set out in Appendix 14 (the "HKEx Code") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The CGP Code is reviewed from time to time and updated as appropriate to align with the revised provisions of the HKEx Code. Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the letter of the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Board is pleased to report compliance with the HKEx Code throughout the financial year ended 30 June 2014, except where otherwise stated.

A. DIRECTORS

1. The Board

The Board assumes responsibilities for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles and has established relevant board committees to assist in discharging these responsibilities.

The main role and responsibilities of the Board broadly cover, among others, reviewing and approving corporate mission and broad strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; reviewing and approving key matters such as financial results, investments and divestments and other material transactions; and reviewing the Company's policies and practices on corporate governance as well as legal and regulatory compliance.

The Board recognises its corporate governance duties as an ongoing commitment and has monitored and reviewed the relevant corporate governance standard and practices of the Company during the year and delegated relevant aspects of the function to the board committees and management where appropriate.

The Board has delegated the day-to-day management and operation of the Group's businesses to the management of the Company and its subsidiaries.

A. DIRECTORS (cont'd)

1. The Board (cont'd)

The Board currently comprises the following members:

Chairman
Quek Leng Chan

Executive Directors
Kwek Leng Hai *(President, CEO)*
Tan Lim Heng

Non-executive Director
Kwek Leng San

Independent Non-executive Directors
Volker Stoeckel
Roderic N. A. Sage
David Michael Norman

Every director is subject to retirement by rotation at least once every three years pursuant to the Bye-Laws of the Company and the CGP Code.

Despite non-executive directors are not appointed for a specific term as stipulated by the HKEx Code, they are subject to retirement by rotation and re-election at the annual general meetings of the Company. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEx Code.

The Company received confirmation of independence from each of the independent non-executive directors (the "INED") for the year pursuant to Rule 3.13 of the Listing Rules. The Company considers that Messrs Volker Stoeckel, Roderic N. A. Sage and David Michael Norman continue to be independent up to and as at the date of this report.

The family relationships among the board members, if any, are disclosed under "Biographical Details of Directors and Senior Management" on pages 6 and 7 of this annual report.

2. Chairman and Chief Executive Officer ("CEO")

The roles of the Chairman and the CEO of the Company are segregated and are not held by the same person. Currently, Mr Quek Leng Chan is the Chairman and Mr Kwek Leng Hai is the President and CEO of the Company.

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

A. DIRECTORS (cont'd)

3. Board Meetings and Access of Information

The Board meets regularly. During the year, four board meetings were held and details of directors' attendance are as follows:

	Meetings attended/held
Chairman	
Quek Leng Chan	4/4
Executive Directors	
Kwek Leng Hai	4/4
Tan Lim Heng	4/4
Non-executive Director	
Kwek Leng San	4/4
Independent Non-executive Directors	
Volker Stoeckel	4/4
Roderic N. A. Sage	2/4
David Michael Norman	3/4

Board papers are circulated prior to board meetings on a timely manner, which include, among others, financial and corporate information, significant operational and corporate issues and business performance of the Group as well as management proposals which require the approval of the Board.

Where appropriate, decisions are also taken by way of circulated resolutions. The Board also receives information between meetings about developments in the Company's business.

All directors have access to the advice and services of the company secretary and internal auditors, and upon reasonable request, independent professional advice in appropriate circumstances at the Company's expense, if any.

4. Directors' Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct governing directors' securities transactions.

All directors of the Company during the year, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

A. DIRECTORS (cont'd)

5. Directors' Continuous Training and Development Programme

Pursuant to the HKEx Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant.

The Company has put in place a training and development programme for directors which includes (1) induction/familiarisation progamme for newly appointed directors; and (2) on-going training and professional development programme for directors.

During the year ended 30 June 2014, all directors of the Company namely, Messrs Quek Leng Chan, Kwek Leng Hai, Kwek Leng San, Tan Lim Heng, Volker Stoeckel, Roderic N. A. Sage and David Michael Norman, received regular briefings and updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to salient laws and regulations applicable to the Group was provided to the directors. They also attended regulatory update sessions and seminars on relevant topics. All directors are requested to provide the Company with their respective training record pursuant to the CGP Code.

B. DIRECTORS' REMUNERATION

1. Board Remuneration Committee ("BRC")

The principal role of the BRC is to make recommendations to the Board on the policy and structure for the remuneration of directors and senior management, as well as to determine, with delegated responsibility from the Board as described under Code B.1.2(c)(i) of the HKEx Code, the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payment, including any compensation payable for loss or termination of their office or appointment. Detailed terms of reference of the BRC is accessible on the Company's website.

Membership and attendance

For the year ended 30 June 2014, the members of the BRC and their attendance at the meetings are set out below:

	Meetings attended/held
Volker Stoeckel – *Chairman*	2/2
Quek Leng Chan	2/2
Roderic N. A. Sage	0/2

Work done during the year

- reviewed and approved the remuneration proposal of two new senior management;
- made recommendation regarding the non-executive directors' fees;
- approved the discretionary bonuses for executive directors and senior management; and
- reviewed the remuneration packages of executive directors and senior management.

B. DIRECTORS' REMUNERATION (cont'd)

2. Level and Make-up of Remuneration

The Group's remuneration scheme for executive directors and senior management is linked to performance, service seniority, experience and scope of responsibility and is based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The level of remuneration of non-executive directors reflects the level of responsibilities undertaken by them.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for shareholders' approval at the Company's annual general meetings.

Details of the remuneration of the directors for the year ended 30 June 2014 are provided in note 9 to the Financial Statements in this annual report.

C. DIRECTORS' NOMINATION

1. Board Nomination Committee ("BNC")

The principal role of the BNC is to make recommendations to the Board on the structure, size, composition and diversity of the Board, to review the independence of independent non-executive directors, the suitability of directors who will stand for re-election and directors' continuous training and development programme and to formulate a policy concerning board diversity, monitor the implementation of such policy and to review the same, as appropriate. Detailed terms of reference of the BNC is accessible on the Company's website.

Membership and attendance

For the year ended 30 June 2014, the members of the BNC and their attendance at the meetings are set out below:

	Meetings attended/held
Quek Leng Chan – *Chairman*	1/1
Volker Stoeckel	1/1
Roderic N. A. Sage	0/1

C. DIRECTORS' NOMINATION (cont'd)

1. Board Nomination Committee ("BNC") (cont'd)

Work done during the year

- reviewed the structure, size, composition and diversity of the Board (including the mix of skills, knowledge, experience and competences of directors, and the balance between executive, non-executive and independent non-executive directors) and is of the view that there is an appropriate and diverse mix of skills and experience;

- reviewed the independence of independent non-executive directors of the Company and confirmed that all independent non-executive directors are considered independent;

- reviewed the profile of and participation in the Company's affairs by directors who will stand for re-election at the annual general meeting and confirmed that all those directors are suitable to stand for re-election;

- reviewed the continuous training and development programmes undertaken by directors and confirmed that an appropriate programme is in place; and

- reviewed the proposed amendments to its terms of reference in relation to board diversity and formulated a proposed Board Diversity Policy for the Company.

2. Board Diversity Policy

The Company has adopted the Board Diversity Policy pursuant to which the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company maintains that selection of candidates for Board appointments will be based on a range of diversity perspectives and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The BNC will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and to monitor the implementation of the Board Diversity Policy.

D. ACCOUNTABILITY AND AUDIT

1. Board Audit Committee ("BAC")

The BAC oversees the financial reporting process and assesses the adequacy and effectiveness of the Company's financial and internal controls as well as risk management systems. The BAC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programmes, the results of their examinations as well as their evaluations of the system of controls. The BAC reviews the Group's and the Company's financial statements and the auditors' report thereon and submits its views to the Board. Detailed terms of reference of the BAC is accessible on the Company's website.

Membership and attendance

For the year ended 30 June 2014, the members of BAC and their attendance at the meetings are set out below:

	Meetings attended/held
Roderic N. A. Sage – *Chairman*	4/4
Volker Stoeckel	4/4
David Michael Norman	4/4

The Chief Executive, Chief Financial Officer and Head of Internal Audit are normal attendees of the BAC meetings. Where appropriate, representatives of the external auditors are invited to attend the BAC meetings to present significant audit and accounting matters which they noted in the course of their audit.

Work done during the year

- reviewed the nature and scope of external audit and approved the external audit fee;
- reviewed the interim financial report, the interim results announcement, the annual accounts and the final results announcement;
- reviewed the financial reporting system and related internal control procedures, including the adequacy of resources, qualifications, experience of staff of the accounting and financial reporting functions, and their training programmes and budget;
- reviewed the Group's accounting policies and practices;
- reviewed and approved the annual internal audit plan;
- reviewed major findings of internal audit assignments and the progress of implementation of remedial measures on control issues identified; and
- reviewed connected transactions entered into by the Group or subsisting during the year.

D. ACCOUNTABILITY AND AUDIT (cont'd)

2. Financial Reporting

The Listing Rules require listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of the companies and of the results of their operations and cashflows.

The Board is responsible for ensuring the maintenance of proper accounting records of the Group. It has also acknowledged its responsibility for preparing the financial statements.

The Board approves the financial statements after taking into account the BAC's comments on specific accounting matters.

The Board is satisfied that appropriate accounting policies have been used in preparing the financial statements, consistently applied and complied with the relevant accounting standards.

A statement of the auditor about its reporting responsibilities is included in the Report of the Auditor on page 71 of this annual report.

3. Internal Controls

The Board, recognising its responsibilities to ensure sound internal controls, has put in place a risk management framework for the Group to:

- identify significant risks faced by the Group in the operating environment as well as evaluate the impact of such risks identified;
- develop necessary measures for managing these risks; and
- monitor and review the effectiveness and adequacy of such measures.

The Board has entrusted the BAC with the responsibility of overseeing the implementation of the Group's risk management framework. In discharging this responsibility, the BAC, assisted by the Group Internal Audit Department and the audit committees of other listed subsidiary groups:

- ensures that new and emerging risks relevant to the Group are promptly identified by management;
- assesses the adequacy of action plans and control systems developed to manage these risks; and
- monitors the implementation of the action plans and the effectiveness and adequacy of the control systems.

D. ACCOUNTABILITY AND AUDIT (cont'd)

3. Internal Controls (cont'd)

These on-going processes are in place, and reviewed periodically by the BAC.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board, through the BAC, has conducted an annual review on the Group's system of internal control and considers that it is adequate and effective. The Board is satisfied that the Group has fully complied with the provisions on internal controls as set out in the CGP Code.

4. Auditors' Remuneration

The fees charged by the Group's external auditors for the year in respect of annual audit services amounted to HK$17,571,000 and those in respect of non-audit services (comprising tax advisory and review, transaction support and consultancy services) amounted to HK$4,418,000.

E. INVESTOR RELATIONS

1. Communication with Investors

The Company encourages two-way communication with both its institutional and private investors. Extensive information about the Company's activities is provided in the interim and annual reports which are distributed to shareholders.

Regular dialogues are maintained with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the Company are welcome and are dealt with in an informative and timely manner. The enquiries can be directed to the Group Company Secretary via email at the designated mail box – comsec@guoco.com or directly by questions at general meetings of the Company.

E. INVESTOR RELATIONS (cont'd)

1. Communication with Investors (cont'd)

In order to promote effective communication, the Company maintains a website at www.guoco.com to provide:

- latest news, announcements, financials including interim and annual reports;
- other corporate communication materials, e.g. notices of meetings, circulars, proxy forms, etc.;
- corporate calendar for important shareholders' dates for current financial year;
- constitutional documents of the Company;
- corporate governance information including composition and terms of reference of various board committees, corporate governance report and shareholders' rights;
- online registration of email alert service for receiving the Company's latest corporate communications; and
- other information relating to the Group and its businesses.

Shareholders can make any query in respect of the Company or to make a request for the Company's information to the extent such information is publicly available. The designated contact details are as follows:

By Post:	Guoco Group Limited 50th Floor, The Center, 99 Queen's Road Central, Hong Kong
By Fax:	(852) 2285 3233
By Email:	comsec@guoco.com

Shareholders' questions about their shareholdings should be directed to Computershare Hong Kong Investor Services Limited, the Company's branch share registrars, at Shops 1712-16, 17th Floor, Hopewell Center, 183 Queen's Road East, Hong Kong.

2. General Meetings

The annual general meeting of the Company provides an opportunity for the shareholders to seek clarification and to obtain a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the annual general meeting and to vote on all resolutions.

E. INVESTOR RELATIONS (cont'd)

2. General Meetings (cont'd)

During the year, two general meetings (including the annual general meeting and a special general meeting) were held and details of directors' attendance at the meetings are as follows:

	Meetings attended/held
Chairman	
Quek Leng Chan	2/2
Executive Directors	
Kwek Leng Hai	2/2
Tan Lim Heng	2/2
Non-executive Director	
Kwek Leng San	2/2
Independent Non-executive Directors	
Volker Stoeckel	2/2
Roderic N. A. Sage	0/2
David Michael Norman	2/2

3. Rights and Procedures for Shareholders to Convene General Meetings

Pursuant to Bermuda Companies Act 1981, the directors of the Company shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

Pursuant to the Company's Bye-Law 103, shareholder(s) may send a notice in writing of intention to propose a person for election as a Director. Such notice in writing shall be lodged at the Company's principal office at 50th Floor, The Center, 99 Queen's Road Central, Hong Kong, or at the branch share registrars' office at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong provided that the minimum length of the period for lodgment of the notices referred to herein shall be at least seven days which shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

29 August 2014

CORPORATE SOCIAL RESPONSIBILITY

*"Guided by our company value of **Social Responsibility**, we are committed to meeting the highest standards of corporate citizenship and protect the environment. We are committed as a company and as individuals to comply with the laws, respect the cultures, and to have a positive impact to the communities where we conduct our businesses."*

Guoco staff participated in 2014 Walk for Millions organized by Hong Kong Community Chest

At Guoco Group, we aim to achieve our business objective of realising long term shareholders' value and business sustainability, taking into account of the interests of our stakeholders. We believe that serving our communities is not only integral to running a business successfully; it is also part of our individual responsibilities as citizens of the world. We continue to support communities in ways that enhance the group's relationship and reputation with employees, customers, business partners and other stakeholders.

Guided by our company value of Social Responsibility, we are committed to meeting the highest standards of corporate citizenship and protect the environment. We are committed as a company and as individuals to comply with the laws, respect the cultures, and to have a positive impact to the communities where we conduct our businesses.

Below is our commitment to each of the focus areas under our corporate social responsibility framework:

WORKPLACE

The Group aims to ensure that the health, safety, and welfare of our employees are well taken care of and we acknowledge our responsibility towards employees who may be affected by our activities. While we regard legislative compliance as a minimum, and whenever possible, we seek to implement higher health and safety standards throughout our businesses.

Consistent with our Best Work Environment practices, the Group is committed to providing equal opportunities for all our employees. We ensure that every employee is treated equally and fairly, free from discrimination in all aspects of employment including recruitment, promotion, and opportunities for training, pay and benefits.

Staff Training and Development

The Group is committed to the following mission in staff training and development:

"To improve employee's present job performance, and develop their potential to support the business needs and future growth."

It is the policy of the Group to encourage employees to attend appropriate courses to enhance their competence for performance improvement and career development. In view of this, the Group has organized seminars and training programmes for employees covering various aspects to improve their level of skills and knowledge and maximize their potentials. They are also encouraged to enrol in external studies opportunities to enrich themselves through acquiring higher professional qualifications or to attend job-related courses.

Workplace Health & Safety

We are dedicated to providing a healthy and safe workplace to our employees. The promotion of occupational and health measures at workplace are regarded essential to our businesses and operations. Appropriate occupational and health manuals relevant to their industries/businesses are adopted by the core business subsidiary groups. Risk assessments of workstations are conducted constantly to identify and assess the risks to the safety and health of the employees, and to decide whether existing precautions are adequate. We constantly provide regular environment, health and safety training to employees and continue to raise corporate and individual awareness of maintaining a healthy and safe workplace.

An example of such continuous effort can be seen in Rank which retained its prestigious five star accreditation status for Occupational Health and Safety in a two-day audit of the group's support office carried out by the British Safety Council during the year. GuocoLand was also conferred the Bronze Award by the Health Promotion Board of Singapore as a national recognition of its dedication to put employees' wellness as a corporate priority.

Employee Engagement

We value the importance of maintaining a healthy lifestyle and work-life balance of our employees. Staff wellness programmes varied from fruit day, dried flower tea trial and massage workshop to medical officer advice telephone support, psychological (counselling) services, health promotion and wellness screening. Cooking classes, yoga activities and workshops on health issues and anti-ageing were also organised during the year. Staff privileges were given to employees from time to time.

The Group also actively engages its employees through social, employee bonding, outing, volunteer works and charity activities. During the year, staff took part in hiking, Walk for Millions and Flag Day of the Community Chest of Hong Kong. Other staff bonding activities also included a staff annual dinners, annual GuocoLand Group & affiliated companies bowling tournament.

Guoco staff participated in cooking class and hiking day

ENVIRONMENT

Guoco Group endeavours to identify and minimise the negative environmental impacts of our products and business activities. Our environmental initiatives include smart and careful consumption of resources and water, and measures taken on emissions to air, waste generation, energy use and procurement processes. We are committed to minimising our environmental impact and encouraging greater sustainability throughout our business.

GuocoLand has taken initiatives to develop buildings which comply with the guidelines set by the local building authorities in which GuocoLand Group operates in and achieve environmental sustainability. Testimony to its effort is the awards its property development have garnered in all these years. The recent ones included the Singapore Building and Construction Authority ("BCA") Green Mark Awards for Tanjong Pagar Centre in respect of the Guoco Tower, Clermont Hotel and retail components in 2013 and the BCA Gold Plus Award for Clermont Residence in 2014.

Artist's impression of the City Room and surrounding greenery at Tanjong Pagar Centre.

GuocoLeisure has an environmental policy in place which requires working with suppliers and partners to reduce energy and water consumption, increase recycling levels and incorporate renewable energy into its business practices to minimize operational expenses as well as its carbon footprint. This environmental policy is regularly monitored and updated to reflect new initiatives and processes.

Rank has achieved its target to reduce carbon footprint by the introduction of higher efficiency lighting, new environmental controls, improved landfill diversion and a programme of staff engagement. It has set a new target to reduce its like-for-like gas and electricity consumption by 10% and increase the level of landfill diverted to 85% by the end of June 2015.

MARKETPLACE

The Group is committed to good business ethics and integrity. For many years now, we have had in place internally generated best practices to ensure the economic sustainability of all our companies. Some of these best practices are:

- Financial management disciplines established to drive excellence in financial management with the objective of preserving and enhancing the quality of the business as an on-going concern.
- An established enterprise risk management structure to ensure that a systematic policy-making process and delegation of responsibility are clearly set out to guide management.
- A code of business conduct and ethics applicable to compiling of financial reports to ensure disclosures are true and fair.
- The practice of responsible selling and marketing of products and services.

We believe in fair and open competition based upon sound commercial practices and aim to develop long term relationships with suppliers and contractors based upon mutual trust. Therefore, the hire of services or the purchase of goods should be based solely upon price, quality, service dependability, and need. It is the policy of the Group to prohibit bribery and corrupt practices. The Group has in place policies and guidelines, including staff code of conduct, intellectual properties rights policy and personal data privacy policy, to ensure the conduct of the Group companies and employees are in compliance of rules and regulations and adhere to a higher standard of business ethnics and integrity.

COMMUNITY

Social responsibility is one of the Group's culture. We have long been committed to striving for the betterment of society and hold strongly the belief that a business organisation should not detach itself from its social responsibility. To this end, the Group and its staff are dedicated to charity works and active engagement with the communities.

Guoco staff participated in Walk for Millions, Skip Lunch Day, Flag Day and Dress Casual Day organised by the Community Chest of Hong Kong during the year. We were ranked second in the overall fund raising for the Community Chest Walk for Millions 2014. To recognise our enthusiastic participation and contribution, Guoco has been awarded the Platinum Award and the prestigious President's Award for the ninth year by the Community Chest.

Participation of staff in the Flag Day.

Mr. Tan Lim Heng, director, received the President's Award granted to Guoco.

Four group companies in Hong Kong namely Guoco Management Company Limited, GuocoCapital Limited, Hong Leong Insurance (Asia) Limited and Hong Leong Bank Berhad, Hong Kong Branch have been awarded "Caring Company 2013/2014" designation by The Hong Kong Council of Social Service in recognition of their continuous dedication and enduring efforts in performing corporate social responsibilities.

During 2014, Rank launched Rank Cares — a partnership with Carers Trust, the UK's largest charity for carers. The fund-raising and volunteering programme provides support, advice and relief for those undertaking what is often very physically and emotionally draining work and provides a framework for the employees of Rank to volunteer their time to help the Carers Trust.

Charity project "Lite@Nite" founded by GLH Hotels Limited ("glh"). glh's CEO took on two ultra endurance races to raise funds and awareness for vulnerable kids.

GuocoLeisure's subsidiary GLH Hotels Limited has an established charitable foundation "lite@nite" that engages the entire workforce throughout the UK for the benefit of children and to raise awareness of children's issues. lite@nite volunteers time to support at children's centres and with charity work, runs fun engaging triathlons for children.

FINANCIAL SECTION CONTENTS

REPORT OF THE DIRECTORS

The directors of the Company present their report together with the audited financial statements of the Group for the year ended 30 June 2014 (the "Financial Statements").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and investment management. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include principal investment, property development and investment, hospitality and leisure business, stock and commodity broking and investment advisory. The principal activities of the associates which materially affected the results of the Group during the year include banking and financing, insurance, fund management, stockbroking and merchant banking.

The analysis of the principal activities and locations of operations of the Company and its subsidiaries during the year is set out in note 17 to the Financial Statements.

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in note 17 to the Financial Statements.

FINANCIAL STATEMENTS

The consolidated net profit of the Group for the year ended 30 June 2014 and the state of the Company's and the Group's affairs as at that date are set out in the Financial Statements on pages 72 to 176.

DIVIDENDS

An interim dividend of HK$1.00 (2013: Nil) per share totalling HK$329,051,000 was paid on 25 March 2014. The directors are recommending payment of a final dividend of HK$3.00 per share (2013: HK$1.50 per share) in respect of the year ended 30 June 2014 totalling HK$987,154,000 (2013: HK$493,577,000).

CLOSURE OF REGISTER OF MEMBERS

For ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting:

Closure dates of Register of Members (both days inclusive)	21 November 2014 (Friday) to 25 November 2014 (Tuesday)
Latest time to lodge transfers	4:30 p.m. on 20 November 2014 (Thursday)
Record date	25 November 2014 (Tuesday)
Annual General Meeting	25 November 2014 (Tuesday)

For ascertaining shareholders' entitlement to the proposed final dividend*:

Closure date of Register of Members	2 December 2014 (Tuesday)
Latest time to lodge transfers	4:30 p.m. on 1 December 2014 (Monday)
Record date	2 December 2014 (Tuesday)
Proposed final dividend payment date	11 December 2014 (Thursday)

*(*subject to shareholders' approval at the forthcoming annual general meeting)*

During the periods of the closure of Register of Members, no share transfers will be registered. For registration, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong before the relevant latest time to lodge transfers.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for less than 30% of the total turnover of the Group and the five largest suppliers of the Group accounted for less than 30% of the total purchases of the Group.

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to US$729,000 (2013: US$754,000).

SHARE CAPITAL, CONVERTIBLE SECURITIES AND WARRANTS

The Company did not issue any new share during the year. Details of the share capital of the Company are shown in note 32 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company did not redeem any of its listed securities. Neither did the Company nor any of its other subsidiaries purchase or sell any of the Company's listed securities.

TRANSFER TO RESERVES

Profit for the year, before dividend, of US$879.8 million (2013: US$889.8 million) has been transferred to reserves. Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and in note 32 to the Financial Statements respectively.

INTEREST CAPITALISED

Interest capitalised during the year by the Group in respect of development properties, investment properties and other property, plant and equipment amounted to approximately US$78.1 million (2013: approximately US$86.4 million).

FIXED ASSETS

Movements in fixed assets during the year are set out in note 15 to the Financial Statements.

PROPERTIES

Particulars of the major development properties, properties held for sale and investment properties of the Group are shown on pages 177 to 180.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws in Bermuda.

DIRECTORS

The directors during the year and up to the date of this report are:

Quek Leng Chan* – *Chairman (re-designated from Executive Chairman to Chairman on 19 November 2013)*
Kwek Leng Hai – *President, CEO*
Kwek Leng San*
Tan Lim Heng
Volker Stoeckel**
Roderic N. A. Sage**
David Michael Norman**

* Non-executive director
** Independent non-executive director

In accordance with Bye-Law 99 and Code A.4.2 of the Code of Corporate Governance Practices of the Company, Messrs Quek Leng Chan, Kwek Leng Hai and Roderic N. A. Sage will retire from office by rotation at the forthcoming annual general meeting of the Company to be held on 25 November 2014 (the "AGM"). All of them, being eligible, will offer themselves for re-election at the AGM.

None of the directors has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2014, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Company ("Model Code") were disclosed as follows in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Certain information herein is based on additional information of the relevant events on or before 30 June 2014 with the disclosure deadlines under the SFO falling after 30 June 2014.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(A) The Company

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of the Company	
Quek Leng Chan	1,056,325	246,351,792	247,408,117	75.19%	Note
Kwek Leng Hai	3,800,775	–	3,800,775	1.16%	
Kwek Leng San	209,120	–	209,120	0.06%	
Tan Lim Heng	566,230	–	566,230	0.17%	
David Michael Norman	4,000	–	4,000	0.00%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 247,408,117 shares/underlying shares comprised 242,208,117 ordinary shares of the Company and 5,200,000 underlying shares of other unlisted derivatives.

The corporate interests of 246,351,792 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/ underlying shares
GuoLine Overseas Limited ("GOL")	236,524,930
GuoLine Capital Limited ("GCL")	5,200,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862
Chaghese Limited ("CL")	600,000

AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which in turn was wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). HLCM was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HL Holdings Sdn Bhd ("HLH") which was wholly owned by him and 0.311% via Newton (L) Limited ("NLL"). NLL was wholly owned by Newton Capital Group Limited which was 2.424% owned by Mr Quek Leng Chan and 46.534% owned by HLH.

CL was wholly owned by Mr Quek Leng Chan.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations

a) Hong Leong Company (Malaysia) Berhad ("HLCM")

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLCM	
Quek Leng Chan	390,000	7,537,100	7,927,100	49.27%	Note
Kwek Leng Hai	420,500	–	420,500	2.61%	
Kwek Leng San	117,500	–	117,500	0.73%	

* Ordinary shares

Note:

The corporate interests of 7,537,100 shares comprised the respective direct interests held by:

	Number of shares
HL Holdings Sdn Bhd ("HLH")	7,487,100
Newton (L) Limited ("NLL")	50,000

The respective controlling shareholders of HLH and NLL as well as their respective percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

b) GuocoLand Limited ("GLL")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GLL	
Quek Leng Chan	13,333,333	864,170,024	877,503,357	74.15%	Note
Kwek Leng Hai	35,290,914	–	35,290,914	2.98%	
Tan Lim Heng	1,337,777	–	1,337,777	0.11%	
Volker Stoeckel	1,461,333	–	1,461,333	0.12%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 877,503,357 shares/underlying shares comprised 831,244,363 ordinary shares of GLL and 46,258,994 underlying shares of other unlisted derivatives.

The corporate interests of 864,170,024 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuocoLand Assets Pte Ltd ("GAPL")	772,032,426
GuoLine Capital Limited ("GCL")	46,258,994
GuoLine International Limited ("GIL")	32,461,318
Chaghese Limited ("CL")	13,417,286

GAPL was wholly owned by the Company. GIL was wholly owned by GuoLine Capital Assets Limited ("GCA"). The respective controlling shareholders of the Company, CL, GCL and GCA as well as their respective percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

c) Hong Leong Financial Group Berhad ("HLFG")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLFG	
Quek Leng Chan	4,989,600	856,380,500	861,370,100	81.82%	Note
Kwek Leng Hai	2,316,800	–	2,316,800	0.22%	
Kwek Leng San	600,000	–	600,000	0.06%	
Tan Lim Heng	245,700	–	245,700	0.02%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 861,370,100 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 36,466,600 underlying shares of other unlisted derivatives.

The corporate interests of 856,380,500 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	546,773,354
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	3,600
GuoLine Capital Limited ("GCL")	36,466,600
Guoco Assets Sdn Bhd ("GASB")	267,079,946
Soft Portfolio Sdn Bhd ("SPSB")	6,057,000

GASB was 45.45% and 54.55% owned by the Company and GA Investment Limited ("GAIL") respectively. GAIL was wholly owned by the Company. HLSRS was wholly owned by HL Management Co Sdn Bhd which in turn was wholly owned by HLCM.

The respective controlling shareholders of the Company, HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

SPSB was 99% owned by Mr Quek Leng Chan.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

d) GuocoLand (Malaysia) Berhad ("GLM")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GLM	
Quek Leng Chan	19,506,780	478,198,296	497,705,076	71.05%	Note
Kwek Leng Hai	226,800	–	226,800	0.03%	
Tan Lim Heng	326,010	–	326,010	0.05%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 497,705,076 shares/underlying shares comprised 474,705,376 ordinary shares of GLM and 22,999,700 underlying shares of other unlisted derivatives.

The corporate interests of 478,198,296 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GLL (Malaysia) Pte Ltd ("GLLM")	455,130,580
GuoLine Capital Limited ("GCL")	23,067,716

GLLM was wholly owned by GuocoLand Limited which in turn was 65.24% owned by GuocoLand Assets Pte Ltd ("GAPL").

The controlling shareholder of GCL and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of GAPL and its percentage control are shown in the Note under Part (B)(b) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

e) GuocoLeisure Limited ("GL")

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GL	
Quek Leng Chan	735,000	911,676,434	912,411,434	66.69%	Note
Tan Lim Heng	1,100,000	–	1,100,000	0.08%	

* Ordinary shares

Note:

The corporate interests of 911,676,434 shares comprised the respective direct interests held by:

	Number of shares
GuocoLeisure Assets Limited ("GLAL")	910,261,434
GuoLine Overseas Limited ("GOL")	1,415,000

GLAL was wholly owned by the Company. The respective controlling shareholders of the Company and GOL as well as their respective percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

f) The Rank Group Plc ("Rank")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of Rank	
Quek Leng Chan	285,207	270,686,221	270,971,428	69.36%	Note
Kwek Leng Hai	1,026,209	–	1,026,209	0.26%	
Kwek Leng San	56,461	–	56,461	0.01%	
Tan Lim Heng	152,882	–	152,882	0.04%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 270,971,428 shares/underlying shares comprised 269,567,428 ordinary shares of Rank and 1,404,000 underlying shares of other unlisted derivatives.

The corporate interests of 270,686,221 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
GuoLine Overseas Limited ("GOL")	65,830,300
GuoLine Capital Limited ("GCL")	1,404,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	1,087,252
Chaghese Limited ("CL")	162,000
Rank Assets Limited ("RAL")	202,202,669

RAL was wholly owned by the Company. The respective controlling shareholders of the Company, AFCW, GCL, GOL and CL as well as their respective percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

g) Hong Leong Industries Berhad ("HLI")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLI	
Quek Leng Chan	–	243,578,470	243,578,470	76.24%	Note
Kwek Leng Hai	190,000	–	190,000	0.06%	
Kwek Leng San	2,520,000	–	2,520,000	0.79%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 243,578,470 shares/underlying shares comprised 243,367,270 ordinary shares of HLI and 211,200 underlying shares of other unlisted derivatives.

The corporate interests of 243,578,470 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	238,217,035
Hong Leong Assurance Berhad ("HLA")	1,936,635
Hong Leong Bank Berhad ("HLB")	701,600
Soft Portfolio Sdn Bhd ("SPSB")	2,512,000
GuoLine Capital Limited ("GCL")	211,200

HLB was 64.37% owned by Hong Leong Financial Group Berhad ("HLFG"). HLA was 70% owned by HLA Holdings Sdn Bhd ("HLAH"). HLAH was wholly owned by HLFG which in turn was 77.31% owned by Hong Leong Company (Malaysia) Berhad ("HLCM").

HLMG was wholly owned by HLCM.

The respective controlling shareholders of HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

The controlling shareholder of SPSB and its percentage control are shown in the Note under Part (B)(c) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

h) Hong Leong Bank Berhad ("HLB")

Director	Number of *shares/underlying shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLB	
Quek Leng Chan	–	1,160,764,485	1,160,764,485	64.53%	Note
Kwek Leng Hai	4,750,000	–	4,750,000	0.26%	
Kwek Leng San	462,000	–	462,000	0.03%	

* Ordinary shares unless otherwise specified in the Note

Note:

The total interests of 1,160,764,485 shares/underlying shares comprised 1,160,549,285 ordinary shares of HLB and 215,200 underlying shares of other unlisted derivatives.

The corporate interests of 1,160,764,485 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/underlying shares
Hong Leong Financial Group Berhad ("HLFG")	1,143,931,005
Hong Leong Assurance Berhad ("HLA")	2,635,780
Soft Portfolio Sdn Bhd ("SPSB")	48,000
Asia Fountain Investment Company Limited ("AFI")	181,000
GuoLine Capital Limited ("GCL")	2,608,600
Hong Leong Equities Sdn Bhd ("HLESB")	11,360,100

AFI was wholly owned by GuocoEquity Assets Limited which in turn was wholly owned by the Company. The respective controlling shareholders of the Company and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

HLESB was wholly owned by HLFG. The respective controlling shareholders of HLA and HLFG as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The controlling shareholder of SPSB and its percentage control are shown in the Note under Part (B)(c) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

i) Malaysian Pacific Industries Berhad ("MPI")

Director	Number of *shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of MPI	
Quek Leng Chan	–	110,912,857	110,912,857	55.76%	Note
Kwek Leng Hai	71,250	–	71,250	0.04%	
Kwek Leng San	1,260,000	–	1,260,000	0.63%	

* Ordinary shares

Note:

The corporate interests of 110,912,857 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Industries Berhad ("HLI")	2,438,469
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	6,462
Hong Leong Assurance Berhad ("HLA")	2,352,838
Hong Leong Manufacturing Group Sdn Bhd ("HLMG")	104,119,588
Soft Portfolio Sdn Bhd ("SPSB")	995,500
Asia Fountain Investment Company Limited ("AFI")	1,000,000

HLI was 74.57% owned by HLMG.

The respective controlling shareholders of HLA and HLMG as well as their respective percentage control are shown in the Note under Part (B)(g) above.

The respective controlling shareholders of HLSRS and SPSB as well as their respective percentage control are shown in the Note under Part (B)(c) above.

The controlling shareholder of AFI and its percentage control are shown in the Note under Part (B)(h) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

j) Lam Soon (Hong Kong) Limited ("LSHK")

Director	Number of *shares (Long Position) Personal interests	Corporate interests	Total interests	Approx. % of the total number of issued shares of LSHK
Kwek Leng Hai	2,300,000	–	2,300,000	0.95%
Tan Lim Heng	274,000	–	274,000	0.11%

* Ordinary shares

(C) Others

Associated Corporations in which Mr Quek Leng Chan was deemed to be interested solely through his deemed controlling interest in HLCM and/or its subsidiaries

Carsem (M) Sdn Bhd
Carter Realty Sdn Bhd
Century Touch Sdn Bhd
(In members' voluntary liquidation)
GLL IHT Pte. Ltd.*
Guangzhou Lam Soon Food Products Limited
Guocera Tile Industries (Meru) Sdn Bhd
Hong Leong Assurance Berhad
Hong Leong Capital Berhad
Hong Leong MSIG Takaful Berhad
Hong Leong Yamaha Motor Sdn Bhd
Kwok Wah Hong Flour Company Limited
Lam Soon (Hong Kong) Limited
Luck Hock Venture Holdings, Inc.
Narra Industries Berhad
RZA Logistics Sdn Bhd
(In members' voluntary liquidation)
Southern Steel Berhad
Southern Pipe Industry (Malaysia) Sdn Bhd

* In respect of interests in debentures only

The Company applied for and the Stock Exchange granted a waiver from full compliance with the disclosure requirements in respect of details of the deemed interests of Mr Quek Leng Chan in the above associated corporations under Paragraph 13(1) of Appendix 16 to the Listing Rules.

Certain directors hold qualifying shares in certain subsidiaries in trust for other subsidiaries of the Company.

Save as disclosed above, as at 30 June 2014, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the directors of the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

SHARE OPTIONS

The Company

Executive Share Option Scheme 2012 (the "ESOS 2012")

The ESOS 2012 was approved by the shareholders of the Company at the special general meeting on 14 November 2012 (the "Approval Date") and took effect on 16 November 2012 (the "Effective Date") to provide opportunities for the executives or directors of the Company and all its subsidiaries (the "Eligible Executives") to participate in the equity of the Company and aligning the Company's long term interests with those of the shareholders.

Pursuant to the ESOS 2012, the exercise of options by Eligible Executives shall be satisfied through the issue of new shares and/or the transfer the existing shares of the Company. A trust (the "ESOS Trust") is in place for the purpose of acquiring existing shares of the Company from time to time to satisfy the exercise of options which may be granted under the ESOS 2012. A wholly owned subsidiary of the Company as the trustee is responsible for administering the ESOS Trust.

The number of new shares of the Company that may be issued upon exercise of all share options to be granted under the ESOS 2012 shall not in aggregate exceed 10% of the issued share capital of the Company as at the Approval Date, i.e. 32,905,137 which represents 10% of the total shares in issue of the Company as at the date of this report. The maximum entitlement for any Eligible Executives in respect of the total number of shares issued and to be issued upon exercise of options granted and to be granted in any 12 months period up to the date of the latest grant shall not exceed 1% of the issued share capital of the Company as at any date of grant.

The option price per share payable upon exercise of any share option will be determined by the directors upon the grant of the share option. It will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 30 days inclusive of, and from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant in respect of such offer.

The life of the ESOS 2012 is 10 years from the Effective Date. The ESOS 2012 shall remain valid and effective till 15 November 2022.

No option has ever been granted to any Eligible Executives pursuant to the ESOS 2012 up to 30 June 2014.

SHARE OPTIONS (cont'd)

GuocoLand Limited ("GLL")

GuocoLand Limited Executives' Share Option Scheme 2008 (the "GLL ESOS 2008")

The GLL ESOS 2008 was approved by the shareholders of GLL on 17 October 2008 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 21 November 2008 (the "GLL ESOS Effective Date"). Under the GLL ESOS 2008, options may be granted over newly issued and/or existing shares of GLL to eligible participants including employees and executive directors of GLL and its subsidiaries who are not GLL's controlling shareholders or associates.

The GLL ESOS 2008 provides opportunities for the employees of the GLL Group who have contributed to the growth and development of the GLL Group to participate in the equity of GLL.

The GLL ESOS Committee shall select confirmed employees (including executive directors) of the GLL Group to become participants in the GLL ESOS 2008.

The number of GLL shares over which the GLL ESOS Committee may grant options under the GLL ESOS 2008 on any date shall not in aggregate exceed 15% of the issued share capital of GLL on the day preceding that date, provided that the maximum aggregate number of new GLL shares over which the GLL ESOS Committee may grant options when added to the number of new GLL shares issued and issuable in respect of all options granted under the GLL ESOS 2008, shall not exceed 10% of the issued share capital of GLL as at the GLL ESOS Effective Date. As at the date of this report, the total number of new GLL shares available for issue over which options under the GLL ESOS 2008 may be granted is 118,337,327, which represents approximately 10% of the issued share capital of GLL.

The maximum entitlement of any participant in respect of the total number of new GLL shares issued and to be issued upon the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of GLL in issue as at any date of grant.

The grant of option to a participant shall be accepted within 30 days from the date on which an option is granted accompanied by a payment of S$1 as consideration.

The exercise price per GLL share shall be a price equal to the 5-day weighted average market price of the GLL shares immediately prior to the date of grant of the option. An option shall be exercisable within such period commencing on the date after (a) the second anniversary of the date of grant (for participants who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other participants) and ending on a date not later than 10 years after the date of grant.

The GLL ESOS 2008 shall continue to be in force at the discretion of the GLL ESOS Committee, subject to a maximum period of 10 years commencing on the GLL ESOS Effective Date till 20 November 2018.

There were no outstanding options at any time during the year ended 30 June 2014.

SHARE OPTIONS (cont'd)

GuocoLeisure Limited ("GL")

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GL ESOS 2008")

The GL ESOS 2008 was approved by the shareholders of GL on 17 October 2008, and by the shareholders of the Company on 21 November 2008 (the "GGL Approval Date") for the purpose of compliance with Chapter 17 of the Listing Rules. The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GL to confirmed employees (including executive directors) of GL and its subsidiaries (the "GL Group"). Non-executive directors of GL, directors and employees of associated companies of GL, and directors and employees of GL's controlling shareholders or their associates (including the Company and its subsidiaries which are not members of the GL Group) are not eligible to participate in the GL ESOS 2008.

The primary aim of the GL ESOS 2008 is to align the long-term interests of GL employees with those of the shareholders of GL and to encourage such employees to assume greater responsibility for the performance of the businesses which they manage.

GL's Remuneration Committee ("RC"), comprising directors of GL all of whom are not participants of GL ESOS 2008, administers the GL ESOS 2008.

The aggregate of: (a) the number of GL shares over which the RC may grant options under the GL ESOS 2008 on any date (the "Date of Grant"); and (b) the number of GL shares transferred and to be transferred, and new shares issued and allotted and to be issued and allotted pursuant to all options granted under the GL ESOS 2008, shall not exceed 15% of the issued share capital of GL on the day preceding the Date of Grant, provided that the aggregate of: (i) the number of new GL shares to be issued and allotted and over which the RC may grant options under the GL ESOS 2008; and (ii) the number of new GL shares which have been issued and allotted or which are to be issued and allotted to meet all options granted under the GL ESOS 2008 ((i) and (ii) hereinafter collectively referred to as the "New GL Shares"), shall not exceed 10% of the issued share capital of GL as at the GGL Approval Date. As at the date of this report, the number of New GL Shares is 136,806,363, which represents 10% of the issued share capital of GL.

The maximum entitlement of any participant in respect of the new GL shares issued and allotted and to be issued and allotted upon the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of GL in issue as at the date of such grant.

The grant of an option to a participant shall be accepted within 30 days from the date on which such option is granted accompanied by a payment of S$1 as consideration.

The exercise price per GL share shall be a price equal to the 5-day weighted average market price of GL shares immediately prior to the date of grant of the relevant option for which there was trading in the GL shares.

The GL ESOS 2008 shall continue to be in force at the discretion of the RC, subject to a maximum period of 10 years commencing from the GGL Approval Date (i.e. 20 November 2018).

As at 1 July 2013, options have been granted under the GL ESOS 2008 in respect of 76,005,000 GL shares. Options in respect of 5,605,000 GL shares lapsed during the financial year ended 30 June 2014. No options were granted nor exercised during the financial year ended 30 June 2014.

SHARE OPTIONS (cont'd)

GuocoLeisure Limited ("GL") (cont'd)

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GL ESOS 2008") (cont'd)

Details of the said options are as follows:

		No. of GL shares comprised in options					
Grantees	Date of grant	As at 1 Jul 2013	Granted during the year	Lapsed during the year	As at 30 Jun 2014		Exercise price per GL share
Director							
Premod Paul Thomas	13 May 2013	5,000,000	–	–	5,000,000	Note 1	S$0.86
Employees							
Michael DeNoma	13 May 2013	25,000,000	–	–	25,000,000	Notes 1 & 2	S$0.86
Other employees	16 December 2010	105,000	–	105,000	–	Note 3	S$0.713
	13 May 2013	45,900,000	–	5,500,000	40,400,000	Note 1	S$0.86
		76,005,000	–	5,605,000	70,400,000		

Note:

1. The options that were granted on 13 May 2013 will vest in 2 tranches:

    i. The first tranche of up to 35% of the relevant GL shares will vest at the end of the financial year ending 30 June 2016 upon achievement of applicable performance targets.

    ii. The second tranche of up to 65% of the relevant GL shares will vest within 3 months after the end of the financial year ending 30 June 2019 upon achievement of applicable performance targets.

    Each tranche, once vested, is exercisable as follows:

    a. 40% of that tranche is exercisable within 6 months from vesting date;

    b. 40% of that tranche is exercisable from the commencement of the 13th month to the end of the 18th month from vesting date; and

    c. 20% of that tranche is exercisable from the commencement of the 25th month to the end of the 30th month from vesting date.

2. Mr. Michael DeNoma is an option holder under Rule 17.07(ii) of the Listing Rules.

3. These options vested on 17 December 2013 and were exercisable up to and including 16 March 2014.

SHARE OPTIONS (cont'd)

GuocoLand (Malaysia) Berhad ("GLM")

Executive Share Scheme (the "GLM ESOS")

The GLM ESOS was approved by the shareholders of GLM on 11 October 2011 and further approved by the shareholders of the Company pursuant to Chapter 17 of the Listing Rules on 25 November 2011 (the "Approval Date"). The GLM ESOS which took effect on 21 March 2012 (the "GLM Effective Date") allows the grant of options over newly issued and/or existing shares of GLM to eligible executives and/or directors of GLM and its subsidiaries (the "Eligible Participants"). It provides an opportunity for the Eligible Participants who have contributed to the growth and development of the GLM and its subsidiaries to participate in the equity of GLM.

The shareholders of GLM and the Company had subsequently on 21 October 2013 and 19 November 2013 respectively, approved the amendments to the Bye-Laws of the GLM ESOS to incorporate an executive share grant scheme (the "GLM ESGS"). While the GLM ESGS is not subject to Chapter 17 of the Listing Rules, the GLM ESOS remains in compliance with the said Listing Rules. The GLM ESGS together with the GLM ESOS have been renamed as Executive Share Scheme.

The number of GLM shares over which the GLM Board may grant options under the GLM ESOS and any other executive share option schemes shall not in aggregate exceed 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of GLM from time to time provided that the total number of new GLM shares which may be issued upon exercise of options to be granted under the GLM ESOS shall not exceed 10% of the issued and paid-up ordinary share capital of GLM as at the Approval Date. Accordingly, the maximum number of new GLM shares available for issue over which options under the GLM ESOS may be granted is 70,045,851, which represents approximately 10% of the issued and paid-up ordinary share capital of GLM as at the date of this report.

The maximum entitlement of any participant in respect of the total number of new GLM shares issued and to be issued upon the exercise of options granted in any 12-month period shall not exceed 1% in nominal value of the issued and paid-up ordinary share capital of GLM as at any date of grant.

The grant of an option to a participant shall be accepted within 30 days from such date of offer (or such longer period of time as may be permitted by the GLM Board at its discretion) accompanied by a payment of RM1 as non-refundable consideration.

The GLM Board may at its discretion determine the exercise price for each GLM share provided that such exercise price so fixed shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of GLM shares preceding the date of offer and shall in no event be less than the par value of the GLM shares. An option shall be exercisable during the option period which shall be determined by the GLM Board provided that such period shall not be more than 10 years from the GLM Effective Date.

The GLM ESOS shall continue to be in force for a period of 10 years commencing from the GLM Effective Date till 20 March 2022.

Since the establishment up to 30 June 2014, no options had been granted pursuant to the GLM ESOS.

Save for above, certain other subsidiaries of Hong Leong Company (Malaysia) Berhad maintain share option schemes or plans which subsisted at the end of the year or at any time during the year, under which eligible directors of the Company may be granted share options for acquisition of shares of respective companies concerned. No person, being a director of the Company during the year, held shares acquired in pursuance of certain aforesaid share option schemes or plans.

Apart from the above, at no time during the year was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements 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.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 30 June 2014, other than the interests and short positions of the directors of the Company disclosed above, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO were as follows:

Shareholders	Capacity	Number of shares/ underlying shares	Notes	Approx. % of the issued share capital
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	245,751,792 (Long Position)	1 & 2	74.68%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	245,751,792 (Long Position)	2 & 3	74.68%
Hong Leong Investment Holdings Pte Ltd ("HLInvt")	Interest of controlled corporations	245,751,792 (Long Position)	2 & 4	74.68%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	245,751,792 (Long Position)	2 & 5	74.68%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	245,751,792 (Long Position)	2 & 6	74.68%
Elliott Capital Advisors, L.P. ("ECA")	Interest of controlled corporations	29,635,716 (Long Position)	7	9.01%
First Eagle Investment Management, LLC ("FEIM")	Investment Manager	23,042,704 (Long Position)	8	7.00%
Credit Suisse Group AG ("CS")	Interest of controlled corporations	16,552,399 (Long Position)	9	5.03%
		1,084 (Short Position)		0.00%

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS (cont'd)

Notes:

1. These interests comprised 240,551,792 ordinary shares of the Company and 5,200,000 underlying shares of other unlisted cash settled derivatives.

   These interests comprised the respective direct interests held by:

	Number of shares/ underlying shares
GuoLine Overseas Limited ("GOL")	236,524,930
GuoLine Capital Limited ("GCL")	5,200,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862

   AFCW was wholly owned by Guoco Management Company Limited which in turn was wholly owned by the Company. The Company was 71.88% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which in turn was wholly owned by HLCM.

2. The interests of HLCM, HLH, HLInvt, Davos and KLK are duplicated.

3. HLH was deemed to be interested in these interests through its controlling interests in HLCM which was 49.27% owned by Mr Quek Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly owned by him and 0.311% via Newton (L) Limited.

4. HLInvt was deemed to be interested in these interests through its controlling interests of 34.69% in HLCM.

5. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLInvt.

6. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.

7. ECA was deemed to be interested in these interests comprising 19,263,215 shares held by Elliott International L.P. and 10,372,501 shares held by The Liverpool Limited Partnership, both of which are indirectly controlled by ECA.

8. FEIM was deemed to be interested in these interests held by various management accounts and funds controlled by it. The Company was subsequently notified by FEIM that, as at 30 June 2014, FEIM was deemed to be interested in 23,484,206 shares of the Company (held by various management accounts and funds controlled by it), representing approximately 7.14% of the total issued share capital of the Company.

9. These interests comprised (i) long position in 16,551,799 shares and 600 underlying shares of physically settled unlisted derivatives; and (ii) short position in 1,084 underlying shares of physically settled unlisted derivatives. Among these interests 274,600 shares (long position) and 1,084 underlying shares (short position) were directly held by Credit Suisse Securities (USA) LLC and 16,277,799 shares (long position) were directly held by Credit Suisse Securities (Europe) Limited, both indirect wholly owned subsidiaries of CS. CS was therefore deemed to be interested in these interests.

Save as disclosed above, as at 30 June 2014, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which should be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

Continuing Connected Transactions

Master Services Agreements

The following master services agreements dated 4 July 2011 were entered into by the Company (together with its subsidiaries, the "Group") with certain Hong Leong group companies for the provision by the latter of management services including overview of businesses and operations, investment management and financial management disciplines, treasury and risk management, key managerial recruitment and retention, productivity and quality programmes and other operating practices and procedures as well as planning and development of management information system (the "Services"):

1. the master services agreement entered into by the Company with GuoLine Group Management Co. Limited ("GGMC") and GOMC Limited ("GOMC") for provision of the Services by GGMC or GOMC to the Company and/or the subsidiaries of the Company from time to time excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia ("Malaysian Subsidiaries") (hereinafter referred to as "GGMC/GOMC Agreement"); and

2. the master services agreement entered into by the Company with HL Management Co Sdn Bhd ("HLMC") for provision of the Services by HLMC to the Malaysian Subsidiaries (hereinafter referred to as "HLMC Agreement"),

(collectively, the "Master Services Agreements").

The Master Services Agreements are for a term of three financial years from 1 July 2011 to 30 June 2014.

The fees payable under the respective Master Services Agreements comprise a monthly fee (the "Monthly Fee") as agreed from time to time between the Company or such service recipient and the relevant service provider and an annual fee (the "Annual Fee") equal to three per cent of the annual profit before tax of such service recipient as shown in its audited profit and loss account for the relevant financial year, subject to appropriate adjustment, if any.

The total fees, being the sum of the Monthly Fee, the Annual Fee and the total amount of any fees paid or payable by the Group to any Hong Leong Group company for services of a similar nature as the Services, are subject to an annual cap of HK$417,000,000 (the "Annual Cap") for each of the three financial years ended 30 June 2014.

Mr Quek Leng Chan, the Chairman of the Company, is deemed a controlling shareholder of Hong Leong Company (Malaysia) Berhad ("HLCM") and the Company. GGMC, GOMC and HLMC are indirect wholly-owned subsidiaries of HLCM and thus they are associates of connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Master Services Agreements (cont'd)

The independent non-executive directors of the Company had reviewed the transactions under the Master Services Agreements during the year and confirmed that:

a. the transactions under the Master Services Agreements for the year were entered into:

   – in the ordinary and usual course of business of the Group;

   – on terms no less favourable to the Group than the respective terms available from independent third parties; and

   – in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

b. the total services fees paid and payable by the Group under the respective Master Services Agreements for the year were as follows:

	Services fees paid and payable by the Group HK$'000
GGMC/GOMC Agreement	164,206
HLMC Agreement	6,886
Total:	171,092
	(<HK$417 million)

The aggregate services fees paid and payable by the Group under the Master Services Agreements for the year amounted to approximately HK$171.1 million which did not exceed the Annual Cap of HK$417 million as disclosed in the Company's announcement dated 5 July 2011.

New master services agreements were entered into by the Company with (1) GGMC and GOMC; and (2) HLMC on 2 July 2014 for a term of three financial years from 1 July 2014 to 30 June 2017.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Banking Transactions

The Group has from time to time entered into, and may in future enter into, among others, the following transactions with the authorised financial institutions within Hong Leong Group including Hong Leong Bank Berhad, Hong Leong Islamic Bank Berhad, Hong Leong Bank Vietnam Limited and Hong Leong Investment Bank Berhad (collectively, "Hong Leong Financial Institutions"):

– placing of deposits by the Group with Hong Leong Financial Institutions; and

– purchase of and/or subscription for debt securities issued by Hong Leong Financial Institutions by the Group,

(collectively, the "Banking Transactions").

The Banking Transactions are part of the treasury activities of the Group in the ordinary and usual course of its business. The treasury functions involve the management of cashflows and cash resources, which the Group conducts with various financial institutions.

Hong Leong Financial Institutions are associates of connected person (as defined under the Listing Rules) of the Company by virtue of the fact that they are indirect subsidiaries of HLCM, an indirect controlling shareholder of the Company. Mr. Quek Leng Chan, the Chairman of the Company, is deemed a controlling shareholder of HLCM and the Company. The Banking Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

From time to time during the year, the Group entered into deposit transactions which involved placing of deposits (including savings, current and other deposits in various currencies) with Hong Leong Financial Institutions as the deposit accepting banks (the "Deposit Transactions"). The Deposit Transactions were based on the relevant market rates at the time of each transaction and are broadly the same as those engaged by the Group with other unconnected financial institutions. The interest rate for the savings and time deposits for various currencies placed by the Group with the Hong Leong Financial Institutions ranged from 0.08% to 6.5% per annum. The tenor of the time deposits ranged from overnight to 6 months. As at 30 June 2014, the balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately US$40.9 million.

The independent non-executive directors of the Company had reviewed the Banking Transactions during the year and confirmed that:

a. during the year, there is no subscription for or purchase by the Group of debt securities issued by Hong Leong Financial Institutions;

b. during the year, the maximum aggregate outstanding balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately US$40.9 million which did not exceed the cap amount of US$120 million or its equivalent as disclosed in the announcement of the Company dated 29 June 2012; and

c. the Deposit Transactions were entered into:

   – in the ordinary and usual course of business of the Group;

   – on normal commercial terms; and

   – in accordance with the relevant documents governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Continuing Connected Transactions (cont'd)

Auditor's Review

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions as mentioned above in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 66 to 69 of this Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Others

During the year, the Group regularly conducts investment, insurance, stockbroking, nominee, custodian, share registration, lease of premises, management and administrative services as well as other activities in the ordinary course of business and on normal commercial terms with subsidiaries of, and companies related to, HLCM.

As Mr Quek Leng Chan and his associate own 5% or more of the issued shares of HLCM, he is deemed materially interested in the aforesaid transactions pursuant to the Bye-Laws of the Company.

Apart from the above, no contract of significance, to which the Company or any of its holdings companies, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Messrs Quek Leng Chan, Kwek Leng Hai and Kwek Leng San are directors of HLCM, the ultimate holding company of the Company, which is a conglomerate based in Malaysia with diversified businesses in banking and financial services, manufacturing and distribution, property development and investment as well as hospitality and leisure.

The above directors are considered as having interests in business apart from the Group's business, which is likely to compete, directly or indirectly, with the Group's business under Rule 8.10 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Following the close of the unconditional offer alternative on 30 May 2013, the public float of the Company fell under 25% and the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules was not satisfied. The Company had made an application for and the Stock Exchange had granted a waiver from strict compliance with the aforesaid rule for a period up to 30 November 2013. On 29 November 2013, the Company was informed by GuoLine Overseas Limited ("GOL"), the controlling shareholder of the Company, that it had, through its broker, disposed of 7,291,000 shares of the Company, representing approximately 2.22% of the total issued share capital of the Company. Accordingly, the aggregate shareholding held by GOL and all core connected persons (within the meaning ascribed to it under the Listing Rules) was reduced from approximately 77.22% to 75.00% of the total issued share capital of the Company and the public float of the Company was restored to approximately 25.00%, in compliance with the minimum public float requirement under Rule 8.08(8)(1)(a) of the Listing Rules.

Save as aforesaid, the Company maintained sufficient public float during the financial year according to the information that is publicly available to the Company and within the knowledge of the directors.

AUDITOR

A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Kwek Leng Hai
President, CEO

Hong Kong, 29 August 2014

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GUOCO GROUP LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Guoco Group Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 72 to 176, which comprise the consolidated and company statements of financial position as at 30 June 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirement of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2014 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 August 2014

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2014

	Note	2014 US$'000	2013 US$'000	2014 HK$'000 (Note 1(c))	2013 HK$'000 (Note 1(c))
Turnover	5	**4,645,030**	3,112,167	**36,002,466**	24,140,457
Revenue	5	**2,751,100**	2,195,481	**21,323,088**	17,029,907
Cost of sales		**(1,583,062)**	(1,139,760)	**(12,269,918)**	(8,840,890)
Other attributable costs		**(31,048)**	(32,433)	**(240,645)**	(251,576)
		1,136,990	1,023,288	**8,812,525**	7,937,441
Other revenue	6(a)	**62,511**	102,492	**484,507**	795,010
Other net income	6(b)	**400,461**	529,789	**3,103,873**	4,109,467
Administrative and other operating expenses		**(735,925)**	(678,677)	**(5,703,970)**	(5,264,362)
Profit from operations before finance costs		**864,037**	976,892	**6,696,935**	7,577,556
Finance costs	7(a)	**(165,468)**	(152,051)	**(1,282,501)**	(1,179,429)
Profit from operations	14	**698,569**	824,841	**5,414,434**	6,398,127
Valuation surplus on investment properties	15	**102,243**	28,594	**792,460**	221,798
Share of profits of associates	7(c)	**139,665**	131,984	**1,082,508**	1,023,774
Share of profits of joint ventures	7(c)	**8,831**	4,140	**68,447**	32,113
Profit for the year before taxation	7	**949,308**	989,559	**7,357,849**	7,675,812
Tax expenses	8(a)	**(69,470)**	(99,803)	**(538,445)**	(774,152)
Profit for the year		**879,838**	889,756	**6,819,404**	6,901,660
Attributable to:					
Equity shareholders of the Company	11	**742,151**	811,725	**5,752,227**	6,296,389
Non-controlling interests		**137,687**	78,031	**1,067,177**	605,271
Profit for the year		**879,838**	889,756	**6,819,404**	6,901,660
Earnings per share		**US$**	US$	**HK$**	HK$
Basic	13	**2.28**	2.50	**17.70**	19.37
Diluted	13	**2.28**	2.50	**17.70**	19.37

The notes on pages 81 to 176 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 12.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	2014 US$'000	2013 US$'000	2014 HK$'000 (Note 1(c))	2013 HK$'000 (Note 1(c))
Profit for the year	**879,838**	889,756	**6,819,404**	6,901,660
Other comprehensive income for the year (after tax and reclassification adjustments)				
Items that will not be reclassified to profit or loss:				
Actuarial (losses)/gains on defined benefit obligation	**(3,954)**	6,419	**(30,646)**	49,791
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	**165,989**	8,914	**1,286,539**	69,144
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	**367**	11,221	**2,845**	87,039
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	**(2,305)**	–	**(17,865)**	–
Changes in fair value of available-for-sale financial assets	**224,334**	49,276	**1,738,757**	382,224
Transfer to profit or loss on disposal of available-for-sale financial assets	**(16,108)**	832	**(124,849)**	6,454
Release of valuation reserve upon disposal of properties	**–**	(39)	**–**	(303)
Share of other comprehensive income of associates	**8,865**	42,950	**68,710**	333,155
	381,142	113,154	**2,954,137**	877,713
Other comprehensive income for the year, net of tax	**377,188**	119,573	**2,923,491**	927,504
Total comprehensive income for the year	**1,257,026**	1,009,329	**9,742,895**	7,829,164
Total comprehensive income for the year attributable to:				
Equity shareholders of the Company	**1,072,106**	901,135	**8,309,626**	6,989,925
Non-controlling interests	**184,920**	108,194	**1,433,269**	839,239
	1,257,026	1,009,329	**9,742,895**	7,829,164

The notes on pages 81 to 176 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014 US$'000	2013 US$'000	2014 HK$'000 (Note 1(c))	2013 HK$'000 (Note 1(c))
NON-CURRENT ASSETS					
Fixed assets					
– Investment properties	15	**1,896,005**	1,673,137	**14,695,461**	12,978,189
– Other property, plant and equipment	15	**1,996,581**	1,825,517	**15,475,000**	14,160,170
Interest in associates	18	**997,797**	895,468	**7,733,675**	6,945,966
Interest in joint ventures	19	**39,596**	34,264	**306,899**	265,779
Available-for-sale financial assets	21	**1,809,851**	1,577,914	**14,027,703**	12,239,563
Deferred tax assets	31	**–**	3,897	**–**	30,228
Intangible assets	16	**1,269,221**	1,170,289	**9,837,415**	9,077,698
Goodwill	22	**180,062**	158,176	**1,395,616**	1,226,940
		8,189,113	7,338,662	**63,471,769**	56,924,533
CURRENT ASSETS					
Development properties	23	**3,577,600**	3,976,823	**27,729,083**	30,847,421
Properties held for sale	24	**486,687**	486,886	**3,772,189**	3,776,677
Trade and other receivables	25	**705,718**	592,914	**5,469,844**	4,599,115
Trading financial assets	26	**1,844,269**	1,523,887	**14,294,468**	11,820,487
Cash and short term funds	27	**1,807,134**	2,072,946	**14,006,644**	16,079,428
		8,421,408	8,653,456	**65,272,228**	67,123,128
CURRENT LIABILITIES					
Trade and other payables	28	**772,179**	1,045,233	**5,984,966**	8,107,664
Bank loans and other borrowings	29	**2,440,712**	1,790,849	**18,917,349**	13,891,258
Taxation	8(d)	**116,463**	165,515	**902,676**	1,283,867
Provisions and other liabilities	30	**19,154**	30,184	**148,458**	234,131
		3,348,508	3,031,781	**25,953,449**	23,516,920
NET CURRENT ASSETS		**5,072,900**	5,621,675	**39,318,779**	43,606,208
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,262,013**	12,960,337	**102,790,548**	100,530,741

	Note	2014 US$'000	2013 US$'000	2014 HK$'000 (Note 1(c))	2013 HK$'000 (Note 1(c))
NON-CURRENT LIABILITIES					
Bank loans and other borrowings	29	**3,824,853**	4,663,774	**29,645,479**	36,175,962
Amount due to non-controlling interests		**115,686**	104,032	**896,653**	806,955
Provisions and other liabilities	30	**90,822**	83,009	**703,939**	643,884
Deferred tax liabilities	31	**62,552**	53,994	**484,825**	418,821
		4,093,913	4,904,809	**31,730,896**	38,045,622
NET ASSETS		**9,168,100**	8,055,528	**71,059,652**	62,485,119
CAPITAL AND RESERVES					
Share capital	32(c)	**164,526**	164,526	**1,275,200**	1,276,195
Reserves		**7,092,078**	6,353,397	**54,968,924**	49,282,030
Total equity attributable to equity shareholders of the Company		**7,256,604**	6,517,923	**56,244,124**	50,558,225
Non-controlling interests		**1,911,496**	1,537,605	**14,815,528**	11,926,894
TOTAL EQUITY		**9,168,100**	8,055,528	**71,059,652**	62,485,119

Approved and authorised for issue by the Board of Directors on 29 August 2014

Kwek Leng Hai
Tan Lim Heng
Directors

The notes on pages 81 to 176 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014 US$'000	2013 US$'000	2014 HK$'000 (Note 1(c))	2013 HK$'000 (Note 1(c))
NON-CURRENT ASSETS					
Interest in subsidiaries	17	**2,821,312**	2,974,435	**21,867,284**	23,072,097
Available-for-sale financial assets	21	**203**	203	**1,573**	1,575
		2,821,515	2,974,638	**21,868,857**	23,073,672
CURRENT ASSETS					
Trade and other receivables	25	**2,113**	544	**16,377**	4,220
Cash and short term funds	27	**1,020,388**	1,078,387	**7,908,772**	8,364,832
		1,022,501	1,078,931	**7,925,149**	8,369,052
CURRENT LIABILITIES					
Amounts due to subsidiaries	17	**175,882**	148,683	**1,363,217**	1,153,304
Trade and other payables	28	**686**	492	**5,317**	3,816
		176,568	149,175	**1,368,534**	1,157,120
NET CURRENT ASSETS		**845,933**	929,756	**6,556,615**	7,211,932
NET ASSETS		**3,667,448**	3,904,394	**28,425,472**	30,285,604
CAPITAL AND RESERVES					
Share capital	32	**164,526**	164,526	**1,275,200**	1,276,195
Reserves	32	**3,502,922**	3,739,868	**27,150,272**	29,009,409
TOTAL EQUITY		**3,667,448**	3,904,394	**28,425,472**	30,285,604

Approved and authorised for issue by the Board of Directors on 29 August 2014

Kwek Leng Hai
Tan Lim Heng
Directors

The notes on pages 81 to 176 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Attributable to the equity shareholders of the Company												
	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOP reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 July 2013	164,526	10,493	(31,889)	2,544	(41,068)	(619)	186,483	154,713	8,987	6,063,753	6,517,923	1,537,605	8,055,528
Profit for the year	-	-	-	-	-	-	-	-	-	742,151	742,151	137,687	879,838
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	(1,477)	-	(32)	(105)	117,239	110	48	-	115,783	50,206	165,989
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	-	-	-	-	-	-	1,984	-	-	-	1,984	(1,617)	367
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	223,838	-	-	223,838	496	224,334
Transfer to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	(16,447)	-	-	(16,447)	339	(16,108)
Actuarial losses on defined benefit obligation	-	-	-	-	-	-	-	-	-	(2,564)	(2,564)	(1,390)	(3,954)
Exchange translation reserve reclassified to profit or loss upon disposal of subsidiaries	-	-	-	-	-	-	(1,504)	-	-	-	(1,504)	(801)	(2,305)
Share of other comprehensive income of associates	-	-	757	-	-	-	2,381	3,084	-	2,643	8,865	-	8,865
Total comprehensive income for the year	-	-	(720)	-	(32)	(105)	120,100	210,585	48	742,230	1,072,106	184,920	1,257,026
Transfer between reserves	-	-	38,313	-	-	-	-	-	-	(38,313)	-	-	-
Equity-settled share-based transactions	-	-	-	-	-	25	-	-	-	-	25	(401)	(376)
Purchase of own shares for share option scheme by a subsidiary	-	-	(1,258)	-	-	-	-	-	-	-	(1,258)	(632)	(1,890)
Partial disposal of interests in a subsidiary upon distribution of dividend in specie	-	-	-	-	-	194	(795)	-	-	(16,995)	(17,596)	230,012	212,416
Disposal of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(491)	(491)
Distribution for perpetual securities	-	-	-	-	-	-	-	-	-	-	-	(5,082)	(5,082)
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(34,435)	(34,435)
Special interim dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	(209,816)	(209,816)	-	(209,816)
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	(62,882)	(62,882)	-	(62,882)
Interim dividend paid in respect of the current year	-	-	-	-	-	-	-	-	-	(41,898)	(41,898)	-	(41,898)
At 30 June 2014	164,526	10,493	4,446	2,544	(41,100)	(505)	305,788	365,298	9,035	6,436,079	7,256,604	1,911,496	9,168,100

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Attributable to the equity shareholders of the Company												
	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOP reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 July 2012	164,526	10,493	(65,579)	2,544	(41,073)	3,964	193,167	95,446	9,003	5,326,192	5,698,683	1,362,786	7,061,469
Profit for the year	-	-	-	-	-	-	-	-	-	811,725	811,725	78,031	889,756
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	(705)	-	5	174	(13,968)	(21)	23	-	(14,492)	23,406	8,914
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	-	-	-	-	-	-	9,510	-	-	-	9,510	1,711	11,221
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	46,822	-	-	46,822	2,454	49,276
Transfer to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	369	-	-	369	463	832
Release of valuation reserve upon disposal of properties	-	-	-	-	-	-	-	-	(39)	-	(39)	-	(39)
Actuarial gains on defined benefit obligation	-	-	-	-	-	-	-	-	-	4,290	4,290	2,129	6,419
Share of other comprehensive income of associates	-	-	5	-	-	-	(2,226)	12,097	-	33,074	42,950	-	42,950
Total comprehensive income for the year	-	-	(700)	-	5	174	(6,684)	59,267	(16)	849,089	901,135	108,194	1,009,329
Transfer between reserves	-	-	40,232	-	-	-	-	-	-	(40,232)	-	-	-
Equity-settled share-based transactions	-	-	-	-	-	(3,337)	-	-	-	-	(3,337)	(3,459)	(6,796)
Excess of purchase cost over consideration received from employee upon exercise of share options by a subsidiary	-	-	1,420	-	-	(1,420)	-	-	-	-	-	-	-
Purchase of own shares for share option scheme by a subsidiary	-	-	(6,877)	-	-	-	-	-	-	-	(6,877)	(1,558)	(8,435)
Issue of share capital upon exercise of share options by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	148	148
Issuance cost of perpetual securities by a subsidiary	-	-	(385)	-	-	-	-	-	-	-	(385)	(799)	(1,184)
Perpetual securities issued by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	106,918	106,918
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	359	359
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(34,984)	(34,984)
Final dividend paid in respect of the prior year	-	-	-	-	-	-	-	-	-	(71,296)	(71,296)	-	(71,296)
At 30 June 2013	164,526	10,493	(31,889)	2,544	(41,068)	(619)	186,483	154,713	8,987	6,063,753	6,517,923	1,537,605	8,055,528

The notes on pages 81 to 176 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	2014 US$'000	2013 US$'000
Operating activities			
Profit for the year before taxation		949,308	989,559
Adjustments for:			
– Finance costs		165,468	152,051
– Interest income		(44,253)	(26,192)
– Dividend income		(138,658)	(105,797)
– Depreciation		93,174	87,604
– Amortisation of intangible assets		14,396	13,325
– Equity-settled share-based payment expenses/(forfeited)		46	(2,479)
– Impairment loss on other property, plant and equipment		11,558	4,118
– Valuation surplus on investment properties		(102,243)	(28,594)
– Impairment loss on intangible assets		12,981	2,547
– Impairment loss on goodwill		–	29,069
– Provision of allowance for foreseeable losses on development properties		–	1,921
– Share of profits of associates		(139,665)	(131,984)
– Share of profits of joint ventures		(8,831)	(4,140)
– Net losses on disposal of fixed assets		68	872
– Net profit on disposal of an investment property		–	(63)
– Gain on disposal of subsidiaries and associates		(78,520)	(3,139)
Operating profit before changes in working capital		734,829	978,678
Increase in trade and other receivables		(80,619)	(184,511)
Increase in trading financial assets		(319,870)	(297,553)
Decrease/(increase) in available-for-sale financial assets		26,915	(12,467)
Decrease/(increase) in development properties		318,616	(30,957)
Decrease in properties held for sale		81,810	29,448
(Decrease)/increase in provisions and other liabilities		(22,017)	9,842
(Decrease)/increase in trade and other payables		(284,044)	157,437
Cash generated from operations		455,620	649,917
Interest received		40,147	29,480
Dividend received from equity investments		74,348	75,364
Taxation			
– Hong Kong Profits Tax paid		(9)	(84)
– Hong Kong Profits Tax refund		–	2
– Overseas tax paid		(112,744)	(56,083)
– Overseas tax refund		8	2,503
Net cash generated from operating activities		457,370	701,099
Investing activities			
Acquisition of subsidiary	33(b)	1,178	(271,961)
Net repayment from/(advance to) associates		3	(4)
Net repayment from/(advance to) joint ventures		1,400	(309)
Purchase of fixed assets		(109,136)	(70,239)
Additions in investment properties under development		(74,114)	(29,790)
Purchase of intangible assets		(13,248)	(11,425)
Proceeds from disposal of subsidiaries	33(c)	196,001	–
Proceeds from disposal of associates		–	10,629
Proceeds from disposal of an investment property		–	11,817
Proceeds from disposal of fixed assets		1,518	943
Dividends received from associates		40,529	43,588
Dividends received from joint ventures		932	–
Net cash generated from/(used in) investing activities		45,063	(316,751)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	2014 US$'000	2013 US$'000
Financing activities			
Issue of share capital upon exercise of share options by a subsidiary		–	148
Purchase of ordinary shares for share option schemes by a subsidiary		(1,890)	(10,336)
Net (repayment of)/proceeds from bank loans and other borrowings		(291,271)	768,494
Release of fixed deposit pledged		188,735	–
Proceeds from issuance of perpetual securities by a subsidiary	33(d)	–	106,918
Issuance cost of perpetual securities by a subsidiary		–	(1,184)
Distribution payment for perpetual securities		(5,082)	–
Contribution from non-controlling interests of subsidiaries		–	359
Loans from non-controlling interests of subsidiaries		6,047	6,299
Interest paid		(265,519)	(209,884)
Dividends paid to non-controlling interests		(34,435)	(34,984)
Dividends paid to equity shareholders of the Company		(104,780)	(71,296)
Net cash (used in)/generated from financing activities		(508,195)	554,534
Net (decrease)/increase in cash and cash equivalents		(5,762)	938,882
Cash and cash equivalents at 1 July	27	1,613,211	690,094
Effect of foreign exchange rate changes		(75,466)	(15,765)
Cash and cash equivalents at 30 June	27	1,531,983	1,613,211

The notes on pages 81 to 176 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

(a) Statement of compliance

Although not required to do so under the Bye-Laws of the Company, these financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

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

The measurement basis used in the preparation of the financial statements is the historical cost basis modified by the revaluation of investment properties and the marking to market of certain financial instruments as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

1. BASIS OF PREPARATION (cont'd)

(c) Hong Kong dollar amounts

The Hong Kong dollar figures shown in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and statement of financial position are for information only. The Company's functional currency is United States dollars. The Hong Kong dollar figures are translated from United States dollars at the rates ruling at the respective financial year ends.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Interest income

– Interest income is recognised as it accrues using the effective interest method.

(ii) Dividends

– Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

– Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iii) Revenue arising from pre-sale of properties is recognised in the financial statements upon completion of the development of the property. Provision for foreseeable loss is made in the year in which such loss is determined.

(iv) Revenue arising from the disposal of other properties 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.

(v) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

(vi) Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(vii) Commission and brokerage income in respect of trading securities is recognised on a trade date basis when the relevant transactions are executed.

(viii) Casino revenue represents the gaming win before deduction of gaming duty.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments

(i) Investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 2(a)(i) and 2(a)(ii).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see note 2(k)(i)).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale financial assets. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note2(k)(i)). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in notes 2(a)(ii) and 2(a)(i), respectively. Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired (see note 2(k)(i)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

The fair value of financial instruments is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(ii) Subsidiaries and non-controlling interests

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(l) or (n) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(b)(i)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(b)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(iii) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(d) and 2(k)(ii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income, after adjusting, where necessary to ensure consistency with the Group's accounting policies.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(b)(i)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see note 2(k)(ii)).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Derivative financial instruments and hedging activities

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The gains or losses on the hedging instrument used to hedge a net investment in a foreign operation relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement. The Group did not hold any hedging instrument to hedge its investments in foreign subsidiaries at the reporting dates.

(d) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)(ii)). In respect of associates or joint ventures, the carrying amount of goodwill is included in the carrying amount of the interest in the associate or joint venture and the investment as a whole is tested for impairment whenever there is objective evidence of impairment (see note 2(k)(i)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(k)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Fixed assets and depreciation

(i) Properties are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated to write off the cost of the assets less their estimated residual value using the straight-line method over their estimated useful lives as follows:

- Freehold land is not depreciated.

- Building situated on freehold land are depreciated over their remaining useful economic lives (up to 100 years).

- Land held under operating leases and buildings thereon are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

(ii) Furniture, fixtures and equipment are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated on a straight-line basis to write off the cost of the assets over their estimated useful lives, taken as being between 3 to 15 years.

(iii) Both the useful life of an asset and its residual value, if any, are reviewed annually.

(iv) Gain or loss arising from the retirement or disposal of an item of fixed assets is determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(h)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(a)(v).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(h)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(h).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(g)); and

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(g)) or is held for sale (see note 2(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Properties held for sale

Properties held for sale are stated in the statement of financial position at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

(j) Development properties

Development properties are stated at the lower of cost and estimated net realisable value, net of progress billings. Land, related acquisition expenses, development expenditure, borrowing costs and other related expenditure are capitalised as part of the cost of development properties.

(k) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see note 2(b)(iii)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(k)(ii).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets (cont'd)

(i) Impairment of investments in debt and equity securities and other receivables (cont'd)

– For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

– For available-for-sale financial assets, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

  Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

  Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

  Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets (cont'd)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- other property, plant and equipment (other than properties carried at revalued amounts);
- intangible assets;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- *Calculation of recoverable amount*
  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- *Recognition of impairment losses*
  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- *Reversals of impairment losses*
  In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(u)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Perpetual securities

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

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

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, i.e. having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Income tax (cont'd)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income (see note 2(c)).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into United States dollars at the average exchange rates for the year. Items presented in the statement of financial position, including goodwill arising on consolidation of foreign operations acquired, are translated into United States dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as expenses in profit or loss as incurred.

The Group also contributed to retirement schemes of its overseas subsidiaries in accordance with their respective requirements and the contributions thereto are charged to profit or loss for the year.

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the future pension benefits to existing pensioners; those benefits are discounted to determine the present value and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the projected unit credit method. The discount rate is the yield at the reporting date on AAA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

The Group recognises all actuarial gains and losses arising from defined benefit plan in other comprehensive income and all expenses related to defined benefit plan in personnel expenses in income statement.

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve with equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(u) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(u)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(u)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(u)(iii).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) Financial guarantees issued, provisions and contingent liabilities (cont'd)

(iii) Other provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(iv) Onerous contracts

The Group is a party to a number of leasehold property contracts. Provision has been made against those leases where the property is now vacant and the unavoidable costs under the lease exceed the economic benefit expected to be derived from potential sub-letting arrangements. Provision has also been made against leases where impairment testing has indicated that, after recognising an impairment charge, the estimated discounted cash flows derived from the property and its associated operations are insufficient to cover the unavoidable lease costs and the lease is therefore deemed onerous.

(v) Related parties

(i) A person, or a close member of that person's family, is related to the group if that person:

(a) has control or joint control over the group;

(b) has significant influence over the group; or

(c) is a member of the key management personnel of the group or the group's parent.

(ii) An entity is related to the group if any of the following conditions applies:

(a) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The key assumptions concerning the future and the accounting estimates that have a significant effect on the carrying value of assets and liabilities in the statement of financial position and the profit or loss items are discussed below:

(a) Investment properties (note 15)

At 30 June 2014 and 2013, investment properties are stated at fair value based on the valuation performed by the independent professional valuers. The valuers have determined the fair value based on a method of valuation which involves certain estimates. In relying on the valuation report prepared by the valuers, management has reviewed the valuation including the assumptions and estimates adopted.

(b) Impairment of assets

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations. There are a number of assumptions and estimates involved in the calculations.

(c) Income taxes (notes 8 and 31)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on its estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Equity-settled share-based transactions (note 35)

The Black-Scholes option pricing model was applied to estimate the fair value of share options granted by the Company and certain of its subsidiaries. This pricing model requires the input of highly subjective assumptions, including the volatility of share price. The changes in input assumptions can materially affect the fair value estimate.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(e) Defined benefit retirement plan obligations (note 34)

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future pension benefits to existing pensioners. Those benefits are discounted to determine the present value and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the projected unit credit method. The amount of the excess of the present value of each plan's liabilities over the fair value of that plan's assets is recognised in profit or loss upon notification to the Group.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

(f) Intangible assets – casino licence and brand name (note 16)

The valuation of the casino licences and brand name from the Group's acquisition of The Rank Group Plc ("Rank") in financial year 2010/11 and Gala Casino 1 Limited in financial year 2012/13 was based on a value-in-use model from future income expected to be received from the respective operations. There are a number of assumptions and estimates involved in the calculations.

4. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain revised HKFRSs and amendments to HKFRSs, which term collectively includes HKASs and Interpretations, that became effective for the current accounting period of the Group. The adoption of the revised standards, amendments and interpretations had no material impact on the results and financial position of the Group.

HKFRS 12, Disclosure of Interests in Other Entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in notes 17, 18 and 19.

HKFRS 13, Fair Value Measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance and contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in notes 15 and 36.

The Group has not applied any new/revised standard or interpretation that is not yet effective for the current accounting period (see note 43).

5. TURNOVER AND REVENUE

The principal activity of the Company is investment holding. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include principal investment, property development and investment, hotel and gaming operations, securities and commodities broking and investment advisory.

An analysis of the amount of each significant category of turnover and revenue from principal activities during the year is as follows:

	The Group	
	2014 US$'000	2013 US$'000
Revenue from sale of properties	997,725	683,104
Revenue from hotel and gaming operations	1,544,702	1,354,316
Interest income		
– from listed securities	–	3,322
– others	44,253	22,870
Dividend income		
– from listed securities	131,664	105,797
– others	6,994	–
Rental income from properties	17,864	17,160
Securities commission and brokerage	4,949	3,600
Others	2,949	5,312
Revenue	2,751,100	2,195,481
Proceeds from sale of investments in securities	1,893,930	916,686
Turnover	4,645,030	3,112,167

6. OTHER REVENUE AND NET INCOME

(a) Other revenue

	The Group	
	2014 US$'000	2013 US$'000
Sublease income	5,944	6,345
Bass Strait oil and gas royalty	41,528	44,607
Hotel management fee	6,801	5,173
Income from forfeiture of deposit from sale of properties	2,568	33,804
Others	5,670	12,563
	62,511	102,492

6. OTHER REVENUE AND NET INCOME (cont'd)

(b) Other net income

	The Group	
	2014 US$'000	2013 US$'000
Net realised and unrealised gains on trading financial assets	290,573	511,713
Net realised and unrealised gains on derivative financial instruments	7,164	2,512
Net realised gains on disposal of available-for-sale financial assets	20,861	5,732
Net gains on foreign exchange contracts	9,327	5,394
Other exchange losses	(7,022)	(745)
Net losses on disposal of fixed assets	(68)	(872)
Gain on disposal of subsidiaries and associates	78,520	3,139
Other income	1,106	2,916
	400,461	529,789

7. PROFIT FOR THE YEAR BEFORE TAXATION

Profit for the year before taxation is arrived at after charging/(crediting):

(a) Finance costs

	The Group	
	2014 US$'000	2013 US$'000
Interest on bank advances and other borrowings wholly repayable within five years	222,224	214,917
Other borrowing costs	21,323	23,531
Total borrowing costs	243,547	238,448
Less: borrowing costs capitalised into:		
– development properties	(42,705)	(52,796)
– investment properties	(31,637)	(30,073)
– other property, plant and equipment	(3,737)	(3,528)
Total borrowing costs capitalised (Note)	(78,079)	(86,397)
	165,468	152,051

Note: These borrowing costs have been capitalised at rates of 1.73% to 7.56% per annum (2013: 1.11% to 7.57%).

7. PROFIT FOR THE YEAR BEFORE TAXATION (cont'd)

(b) Staff cost

	The Group	
	2014 US$'000	2013 US$'000
Contributions to defined contribution retirement plans	12,934	8,622
Expenses recognised in respect of defined benefit retirement plans	616	985
Total retirement costs	13,550	9,607
Equity-settled share-based payment expenses/(forfeited)	46	(2,479)
Salaries, wages and other benefits	501,970	448,780
	515,566	455,908

(c) Other items

	The Group	
	2014 US$'000	2013 US$'000
Depreciation	93,174	87,604
Provision of allowance for foreseeable losses on development properties	–	1,921
Impairment losses		
– other property, plant and equipment	11,558	4,118
– intangible assets	12,981	2,547
– goodwill	–	29,069
Amortisation		
– casino licences and brand name	1,315	1,088
– Bass Strait oil and gas royalty	3,930	4,400
– other intangible assets	9,151	7,837
Operating lease charges		
– properties	84,540	67,145
– others	6,056	8,899
Auditors' remuneration		
– audit services	2,267	2,242
– tax services	339	274
– other services	231	250
Donations	729	754
Gross rental income from investment properties	(17,864)	(17,160)
Less: direct outgoings	4,967	5,146
Net rental income	(12,897)	(12,014)
Share of profits of associates:		
– listed	(134,925)	(127,360)
– unlisted	(4,740)	(4,624)
	(139,665)	(131,984)
Share of profits of joint ventures:		
– unlisted	(8,831)	(4,140)

8. TAX EXPENSES

(a) Tax expenses in the consolidated income statement represent:

	The Group	
	2014 US$'000	2013 US$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	333	197
Over-provision in respect of prior years	(1)	(1,248)
	332	(1,051)
Current tax – Overseas		
Provision for the year	66,122	107,798
Over-provision in respect of prior years	(19,520)	(21,201)
	46,602	86,597
Deferred tax		
Origination and reversal of temporary differences	29,776	13,646
Utilisation of deferred tax asset in relation to tax losses	535	597
Effect of changes in tax rate on deferred tax balances	(7,775)	14
	22,536	14,257
	69,470	99,803

The provision for Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year ended 30 June 2014. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

8. TAX EXPENSES (cont'd)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

	The Group	
	2014 US$'000	2013 US$'000
Profit before tax	949,308	989,559
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	167,259	175,598
Tax effect of non-deductible expenses	26,459	32,594
Tax effect of non-taxable revenue	(104,440)	(131,277)
Tax effect of unused tax losses not recognised	11,187	20,168
Tax effect of utilisation of tax losses not previously recognised	(6,407)	(2,503)
Tax effect of changes in tax rate on deferred tax balances	(7,775)	14
Over-provision in respect of prior years	(19,521)	(22,449)
Others	2,708	27,658
Actual tax expenses	69,470	99,803

(c) Tax effects relating to the components of other comprehensive income:

The net tax effects relating to the components of other comprehensive income were insignificant for disclosure purposes for the years ended 30 June 2014 and 2013.

(d) Taxation in the statement of financial position represents:

	The Group	
	2014 US$'000	2013 US$'000
Hong Kong Profits Tax	521	198
Overseas taxation	115,942	165,317
Taxation payable	116,463	165,515
Amount of taxation payable expected to be settled after more than 1 year	103	33,197

9. DIRECTORS' REMUNERATION

Directors' emoluments comprise payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The amounts paid and payable to each Director of the Company for the year ended 30 June 2014 are as below:

	The Group				
Name	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Pension contributions US$'000	Total emoluments US$'000
2014					
Quek Leng Chan *	–[1]	–	–	–	–
Kwek Leng Hai	–[1]	1,230	4,609	104	5,943
Kwek Leng San *	–[1]	–	–	–	–
Tan Lim Heng	–[1]	417	13	–	430
Volker Stoeckel **	54	–	–	–	54
Roderic N. A. Sage **	57	–	–	–	57
David Michael Norman ** [2]	47	–	–	–	47
	158	1,647	4,622	104	6,531
2013					
Quek Leng Chan	–[1]	–	–	–	–
Kwek Leng Hai	–[1]	1,024	387	85	1,496
Sat Pal Khattar ** [3]	63	–	–	–	63
Kwek Leng San *	–[1]	–	–	–	–
Tan Lim Heng	–[1]	417	13	1	431
Volker Stoeckel **	54	–	–	–	54
Roderic N. A. Sage **	55	–	–	–	55
	172	1,441	400	86	2,099

Notes:

* Non-executive director

** Independent non-executive director

(1) No directors' fees have been paid to any salaried directors employed by the Company or its related corporations

(2) Appointed as independent non-executive director with effect from 4 July 2013

(3) Retired as independent non-executive director after the conclusion of the Annual General Meeting on 14 November 2012

10. EMOLUMENTS OF THE FIVE HIGHEST PAID INDIVIDUALS

Among the five highest paid individuals of the Group, one (2013: one) is a director of the Company whose remuneration is disclosed in note 9. The remunerations of the other four (2013: four) individuals are as follows:

	The Group	
	2014 US$'000	2013 US$'000
Directors' fee	30	–
Salaries, allowances and benefits in kind	2,961	3,284
Discretionary bonuses	971	1,528
Share-based payments	–	1,223
Pension contributions	286	333
Compensation for loss of office	–	346
	4,248	6,714

The numbers of individuals whose remuneration falls within the following bands are:

	The Group	
US$	2014 Number of individuals	2013 Number of individuals
700,001 – 750,000	1	–
1,050,001 – 1,100,000	1	–
1,150,001 – 1,200,000	1	1
1,250,001 – 1,300,000	1	–
1,300,001 – 1,350,000	–	1
1,350,001 – 1,400,000	–	1
2,800,001 – 2,850,000	–	1
	4	4

11. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of US$81,548,000 (2013: US$81,592,000) which has been dealt with in the financial statements of the Company.

12. DIVIDENDS

	The Group		The Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Year 2012/2013:				
Special interim dividend in specie paid of HK$5.01 per ordinary share (Note) (Year 2011/2012: Nil)	**209,816**	–	**212,416**	–
Final dividend paid of HK$1.50 per ordinary share (Year 2011/2012: HK$1.70 per ordinary share)	**62,882**	71,296	**63,661**	72,179
Year 2013/2014:				
Interim dividend paid of HK$1.00 per ordinary share (Year 2012/2013: Nil)	**41,898**	–	**42,417**	–
	314,596	71,296	**318,494**	72,179
Year 2013/2014:				
Proposed final dividend of HK$3.00 per ordinary share (Year 2012/2013: HK$1.50 per ordinary share)	**127,362**	63,632	**127,362**	63,632
	127,362	63,632	**127,362**	63,632

Note: Following the declaration of the special interim dividend in respect of the financial year ended 30 June 2013 on 3 July 2013, the distribution of Rank shares was completed on 5 September 2013 ("settlement date"). Based on the closing price of GBp153.1 per Rank share and the exchange rate on this settlement date, the special interim dividend paid was approximately US$209.8 million, representing approximately HK$5.01 per ordinary share.

The final dividend proposed for the year ended 30 June 2014 of US$127,362,000 (2013: US$63,632,000) is calculated based on 329,051,373 ordinary shares (2013: 329,051,373 ordinary shares) in issue as at 30 June 2014.

The final dividend proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period in the accounts.

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of US$742,151,000 (2013: US$811,725,000) and the weighted average number of 325,024,511 ordinary shares (2013: 325,024,511 ordinary shares) in issue during the year.

(b) Diluted earnings per share

For the years ended 30 June 2014 and 2013, the diluted earnings per share equalled the basic earnings per share as there was no dilutive potential ordinary share outstanding during the years.

14. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has six reportable segments, as described below, which are the Group's strategic business units. The strategic business units engage in different business activities, offer different products and services and are managed separately. The following summary describes the operations in each segment:

Segment	Business activities	Operated by
Principal investment:	This segment covers equity and direct investments as well as treasury operations, with trading and strategic investments in global capital markets.	Subsidiaries
Property development and investment:	This segment involves development of residential and commercial properties and holding properties for rental income in the key geographical markets of Singapore, China, Malaysia, Vietnam and Hong Kong.	Subsidiaries
Hospitality and leisure business:	This business segment owns, leases or manages hotels and operates gaming and leisure businesses in the United Kingdom, Spain and Belgium.	Subsidiaries
Securities, commodities and brokerage:	This segment provides stock and commodities broking and corporate advisory services principally in Hong Kong.	Subsidiaries
Oil and gas:	This segment receives royalty income from the entitlement of Bass Strait oil trust in Australia.	Subsidiary
Financial services:	This segment covers commercial and consumer banking, Islamic banking, investment banking, life and general insurance, Takaful insurance, fund management and unit trust, corporate advisory services and stockbroking.	Associate

14. SEGMENT REPORTING (cont'd)

The accounting policies of the operating segments are the same as those described in the significant accounting policies in note 2. Performance is evaluated on the basis of profit or loss from operations before taxation. Inter-segment pricing is determined on an arm's length basis. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from the financial year 2012/13.

Information regarding the Group's reportable segments for the purposes of resource allocation and assessment of segment performance for the year is set out below.

(a) Reportable segment revenue and profit or loss, assets and liabilities

Segment revenue and profit or loss

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure business US$'000	Securities, commodities and brokerage US$'000	Oil and gas US$'000	Financial services US$'000	Total US$'000
For the year ended 30 June 2014							
Turnover	2,055,447	1,028,000	1,551,678	9,905	–	–	4,645,030
Revenue from external customers	161,517	1,028,000	1,551,678	9,905	–	–	2,751,100
Inter-segment revenue	3,431	1,161	1,435	815	–	–	6,842
Reportable segment revenue	164,948	1,029,161	1,553,113	10,720	–	–	2,757,942
Operating profit	453,253	276,530	96,382	2,358	37,545	–	866,068
Finance costs	(38,480)	(67,990)	(59,259)	(1,292)	(478)	–	(167,499)
Valuation surplus on investment properties	–	102,243	–	–	–	–	102,243
Share of profits of associates	–	6,546	–	–	–	133,119	139,665
Share of profits of joint ventures	–	8,831	–	–	–	–	8,831
Profit before taxation	414,773	326,160	37,123	1,066	37,067	133,119	949,308
For the year ended 30 June 2013							
Turnover	1,033,186	710,588	1,362,380	6,013	–	–	3,112,167
Revenue from external customers	116,500	710,588	1,362,380	6,013	–	–	2,195,481
Inter-segment revenue	3,427	1,057	–	304	–	–	4,788
Reportable segment revenue	119,927	711,645	1,362,380	6,317	–	–	2,200,269
Operating profit/(loss)	601,867	257,415	80,430	(67)	40,133	–	979,778
Finance costs	(35,915)	(69,789)	(48,592)	(239)	(402)	–	(154,937)
Valuation surplus on investment properties	–	28,594	–	–	–	–	28,594
Share of profits of associates	–	9,706	–	–	–	122,278	131,984
Share of profits of joint ventures	–	4,140	–	–	–	–	4,140
Profit/(loss) before taxation	565,952	230,066	31,838	(306)	39,731	122,278	989,559

14. SEGMENT REPORTING (cont'd)

(a) Reportable segment revenue and profit or loss, assets and liabilities (cont'd)

Segment assets and liabilities

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure business US$'000	Securities, commodities and brokerage US$'000	Oil and gas US$'000	Financial services US$'000	Total US$'000
As at 30 June 2014							
Reportable segment assets	4,838,880	6,927,423	3,566,947	124,828	115,050	–	15,573,128
Interest in associates	–	107,297	–	–	–	890,500	997,797
Interest in joint ventures	–	39,596	–	–	–	–	39,596
Total assets	4,838,880	7,074,316	3,566,947	124,828	115,050	890,500	16,610,521
Reportable segment liabilities	1,454,841	4,434,384	1,509,615	43,581	–	–	7,442,421
As at 30 June 2013							
Reportable segment assets	4,342,503	7,198,159	3,278,023	127,952	115,749	–	15,062,386
Interest in associates	–	112,132	–	–	–	783,336	895,468
Interest in joint ventures	–	34,264	–	–	–	–	34,264
Total assets	4,342,503	7,344,555	3,278,023	127,952	115,749	783,336	15,992,118
Reportable segment liabilities	1,539,342	4,883,382	1,448,841	64,915	110	–	7,936,590

Other Information

	Principal investment US$'000	Property development and investment US$'000	Hospitality and leisure business US$'000	Securities, commodities and brokerage US$'000	Oil and gas US$'000	Financial services US$'000	Total US$'000
2014							
Interest income	24,735	9,630	6,976	4,943	–	–	46,284
Depreciation and amortisation	371	3,354	99,536	332	3,977	–	107,570
Additions to non-current segment assets	313	107,437	110,355	519	–	–	218,624
2013							
Interest income	14,024	4,622	8,064	2,368	–	–	29,078
Depreciation and amortisation	435	3,240	92,663	191	4,400	–	100,929
Additions to non-current segment assets	34	88,761	72,541	296	–	–	161,632

Major customers

During the years ended 30 June 2014 and 2013, there is no major customer accounting for more than 10% of the total revenue of the Group.

14. SEGMENT REPORTING (cont'd)

(b) Reconciliations of reportable segment revenue, finance costs and interest income

Revenue

	The Group	
	2014 US$'000	2013 US$'000
Reportable segment revenue	2,757,942	2,200,269
Elimination of inter-segment revenue	(6,842)	(4,788)
Consolidated revenue (note 5)	2,751,100	2,195,481

Finance costs

	The Group	
	2014 US$'000	2013 US$'000
Reportable finance costs	167,499	154,937
Elimination of inter-segment finance costs	(2,031)	(2,886)
Consolidated finance costs (note 7(a))	165,468	152,051

Interest income

	The Group	
	2014 US$'000	2013 US$'000
Reportable interest income	46,284	29,078
Elimination of inter-segment interest income	(2,031)	(2,886)
Consolidated interest income (note 5)	44,253	26,192

(c) Geographical information

The following table illustrates the geographical location of the Group's revenue from external customers, profit/(loss) from operations, the Group's total assets and non-current assets other than financial instruments and deferred tax assets ("specified non-current assets"). The geographical information is classified by reference to the location of the income generating entities.

14. SEGMENT REPORTING (cont'd)

(c) Geographical information (cont'd)

	Revenue from external customers		Profit/(loss) from operations	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
The People's Republic of China				
– Hong Kong	**172,432**	123,487	**416,662**	566,699
– Mainland China	**326,577**	14,026	**118,243**	(71,752)
United Kingdom and Continental Europe	**1,514,432**	1,326,544	**45,902**	67,497
Singapore	**637,843**	647,499	(Note) **65,435**	211,842
Australasia and others	**99,816**	83,925	**52,327**	50,555
	2,751,100	2,195,481	**698,569**	824,841

	Segment assets		Specified non-current assets	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
The People's Republic of China				
– Hong Kong	**4,954,567**	4,450,810	**55,949**	53,430
– Mainland China	**2,980,846**	3,422,676	**173,699**	183,925
United Kingdom and Continental Europe	**3,253,393**	2,978,181	**3,002,032**	2,709,248
Singapore	**3,435,102**	3,308,542	**1,770,564**	1,599,140
Australasia and others	**1,986,613**	1,831,909	**1,377,018**	1,211,108
	16,610,521	15,992,118	**6,379,262**	5,756,851

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, at Group level, revenue arising from the sale of properties has been recognised upon completion of development projects instead of the percentage of completion method adopted by GuocoLand Limited ("GuocoLand") for residential projects under progressive payment schemes in Singapore.

GuocoLand has adopted the Singapore Interpretation of Financial Reporting Standard No. 115 Agreements for the Construction of Real Estate and the accompanying practice note issued specifically in the context of the sale of development properties in Singapore. Consequently, GuocoLand continues to adopt the percentage of completion method of revenue recognition for residential projects under progressive payment schemes in Singapore. For residential projects under deferred payment schemes in Singapore and overseas, the revenue and expenses are accounted for under the completion of construction method.

Accordingly, operating profits of GuocoLand for the year amounting to US$41.3 million (2013: US$26.1 million) in Singapore have been deferred for recognition in the consolidated financial statements. The Group has recognised operating profits of GuocoLand of US$36.2 million (2013: US$180.2 million) which have been deferred in previous years. Up to 30 June 2014, accumulated operating profits of GuocoLand totalling US$68.9 million (2013: US$64.9 million) in Singapore have been deferred for recognition, and will be recognised by the Group upon completion of the relevant development projects in subsequent years.

15. FIXED ASSETS

	The Group					
	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Cost or valuation						
At 1 July 2012	1,518,898	1,172,345	502,527	1,133,088	2,807,960	4,326,858
Additions through acquisition of subsidiary	–	10,780	763	17,130	28,673	28,673
Additions	87,865	12,474	1,381	59,912	73,767	161,632
Transfer from/(to):						
– properties held for sale	–	–	(3,277)	–	(3,277)	(3,277)
– development properties	39,069	(4,076)	–	–	(4,076)	34,993
– others	–	107	(107)	–	–	–
Disposals and written off	(11,754)	(5,690)	–	(21,952)	(27,642)	(39,396)
Surplus on revaluation	28,594	–	–	–	–	28,594
Exchange adjustments	10,465	(16,552)	(9,956)	(20,320)	(46,828)	(36,363)
At 30 June 2013	1,673,137	1,169,388	491,331	1,167,858	2,828,577	4,501,714
Representing:						
Cost	–	1,169,388	491,331	1,167,858	2,828,577	2,828,577
Valuation – 2013	1,673,137	–	–	–	–	1,673,137
	1,673,137	1,169,388	491,331	1,167,858	2,828,577	4,501,714
At 1 July 2013	1,673,137	1,169,388	491,331	1,167,858	2,828,577	4,501,714
Adjustments to provisional amounts recognised on acquisition of subsidiary	–	(717)	–	(613)	(1,330)	(1,330)
Additions	105,751	21,924	3,572	87,377	112,873	218,624
Transfer from properties held for sale	–	–	3,658	–	3,658	3,658
Disposals and written off	–	(4,099)	(1,972)	(7,731)	(13,802)	(13,802)
Disposals through disposal of subsidiaries	–	–	–	(32)	(32)	(32)
Surplus on revaluation	102,243	–	–	–	–	102,243
Exchange adjustments	14,874	101,052	50,252	124,612	275,916	290,790
At 30 June 2014	1,896,005	1,287,548	546,841	1,371,471	3,205,860	5,101,865
Representing:						
Cost	–	1,287,548	546,841	1,371,471	3,205,860	3,205,860
Valuation – 2014	1,896,005	–	–	–	–	1,896,005
	1,896,005	1,287,548	546,841	1,371,471	3,205,860	5,101,865

15. FIXED ASSETS (cont'd)

	The Group					
	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Accumulated depreciation and impairment loss						
At 1 July 2012	–	129,248	42,670	787,701	959,619	959,619
Charge for the year	–	17,416	1,679	68,509	87,604	87,604
Written back on disposals and written off	–	(4,813)	–	(21,015)	(25,828)	(25,828)
Transfer to properties held for sale	–	–	(2,857)	–	(2,857)	(2,857)
Impairment loss/(write-back)	–	339	(1,737)	5,516	4,118	4,118
Exchange adjustments	–	(2,802)	(781)	(16,013)	(19,596)	(19,596)
At 30 June 2013	–	139,388	38,974	824,698	1,003,060	1,003,060
At 1 July 2013	–	139,388	38,974	824,698	1,003,060	1,003,060
Charge for the year	–	17,582	4,251	71,341	93,174	93,174
Written back on disposals and written off	–	(3,446)	(1,611)	(7,159)	(12,216)	(12,216)
Written back on disposal of subsidiaries	–	–	–	(29)	(29)	(29)
Transfer from properties held for sale	–	–	3,189	–	3,189	3,189
Impairment loss	–	1,351	–	10,207	11,558	11,558
Exchange adjustments	–	13,965	4,353	92,225	110,543	110,543
At 30 June 2014	–	168,840	49,156	991,283	1,209,279	1,209,279
Net book value						
At 30 June 2014	1,896,005	1,118,708	497,685	380,188	1,996,581	3,892,586
At 30 June 2013	1,673,137	1,030,000	452,357	343,160	1,825,517	3,498,654

15. FIXED ASSETS (cont'd)

(a) The analysis of net book value of properties is as follows:

	The Group	
	2014 **US$'000**	2013 US$'000
In Hong Kong:		
– Leasehold with between 10 to 50 years unexpired	**55,191**	52,912
Outside Hong Kong:		
– Freehold	**975,237**	829,199
– Leasehold with over 50 years unexpired	**2,234,902**	2,026,989
– Leasehold with between 10 to 50 years unexpired	**212,176**	216,971
– Leasehold with less than 10 years unexpired	**34,892**	29,423
	3,512,398	3,155,494

(b) Certain of the Group's properties with an aggregate book value of US$2,274.1 million (2013: US$2,006.1 million) were pledged for bank loans and mortgage debenture stock.

(c) Investment properties comprise:

	The Group	
	2014 **US$'000**	2013 US$'000
Completed investment properties	**507,752**	467,664
Investment properties under development	**1,388,253**	1,205,473
	1,896,005	1,673,137

(d) The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 5 years. The gross carrying amounts of investment properties of the Group held for use in operating leases were US$507.8 million (2013: US$467.7 million).

(e) All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

15. FIXED ASSETS (cont'd)

(f) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

– Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value measurement as at 30 June 2014 categorised into			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
The Group				
Recurring fair value measurement				
Investment properties	–	47,092	1,848,913	1,896,005

During the year ended 30 June 2014, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 30 June 2014. The valuations were carried out by independent firms of surveyors, CBRE, Rahim & Co and Savills, who have appropriate recognised professional qualifications and recent experience in the locations and categories of property being valued. The surveyors have considered valuation techniques including the direct comparison method, discounted cash flow method and residual land value method in determining the open market values. The specific risks inherent in each of the properties are taken into consideration in arriving at the valuations. Management has discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of investment properties in Level 2 are based on market values being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

15. FIXED ASSETS (cont'd)

(f) Fair value measurement of properties (cont'd)

(iii) Information about Level 3 fair value measurements

Type of investment properties	Valuation method	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties	– Direct comparison method	– Comparable sales prices (psf) of US$1,842 to US$2,403	The estimated fair value increases, the higher the comparable sales price
	– Discounted cash flow method	– Discount rate of 6% – Terminal yield rate of 3% – Capitalisation rate of 3%	The estimated fair value increases, the lower the discount rate, terminal yield rate and capitalisation rate
	– Investment method	– Rental psf per month of US$0.40 to US$0.50	The estimated fair value increases, the higher the rental rate
Commercial properties – reversionary interest	– Direct comparison method	– Comparable sales prices (psf) of land of US$508 to US$859	The estimated fair value increases, the higher the comparable sales price of land
Commercial properties under development	– Residual land method	– Gross development value (psf) of US$326 to US$2,243	The estimated fair value increases, the higher the gross development value

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	US$'000
Investment properties:	
At 1 July 2013	1,628,402
Additions	105,751
Fair value adjustment	99,922
Exchange adjustment	14,838
At 30 June 2014	1,848,913

Fair value adjustment of investment properties is recognised in the line item "Valuation surplus on investment properties" on the face of the consolidated income statement.

Exchange adjustment of investment properties is recognised in other comprehensive income in "Exchange translation reserve".

All the gains recognised in profit or loss for the year arise from the properties held at the end of the reporting period.

16. INTANGIBLE ASSETS

	The Group			
	Casino licences and brand name US$'000	Bass Strait oil and gas royalty US$'000	Others US$'000	Total US$'000
Cost				
At 1 July 2012	946,009	192,513	–	1,138,522
Reclassification	(77,574)	–	77,574	–
Additions through acquisition of subsidiary	237,680	–	5,596	243,276
Additions	1,074	–	10,355	11,429
Disposal	–	–	(35,701)	(35,701)
Exchange adjustments	(16,189)	(17,441)	(1,793)	(35,423)
At 30 June 2013	1,091,000	175,072	56,031	1,322,103
At 1 July 2013	1,091,000	175,072	56,031	1,322,103
Adjustments to provisional amounts recognised on acquisition of subsidiary	(8,696)	–	–	(8,696)
Additions	124	–	13,124	13,248
Disposal	–	–	(95)	(95)
Exchange adjustments	120,907	2,773	6,606	130,286
At 30 June 2014	1,203,335	177,845	75,666	1,456,846
Accumulated amortisation and impairment loss				
At 1 July 2012	108,374	70,096	–	178,470
Reclassification	(58,689)	–	58,689	–
Charge for the year	1,088	4,400	7,837	13,325
Impairment loss/(write-back)	(3,008)	–	5,555	2,547
Disposal	–	–	(35,701)	(35,701)
Exchange adjustments	1,653	(6,774)	(1,706)	(6,827)
At 30 June 2013	49,418	67,722	34,674	151,814
At 1 July 2013	49,418	67,722	34,674	151,814
Charge for the year	1,315	3,930	9,151	14,396
Impairment loss	12,914	–	67	12,981
Exchange adjustments	2,783	1,181	4,470	8,434
At 30 June 2014	66,430	72,833	48,362	187,625
Net book value				
At 30 June 2014	1,136,905	105,012	27,304	1,269,221
At 30 June 2013	1,041,582	107,350	21,357	1,170,289

16. INTANGIBLE ASSETS (cont'd)

The Bass Strait oil and gas royalty represents the Group's interest in the Bass Strait Oil Trust held by GuocoLeisure Limited ("GuocoLeisure"). It is stated at cost less accumulated amortisation and impairment losses. The cost is amortised on a straight-line basis so that the amortisation charge for the year is included in administrative and other operating expenses in the consolidated income statement so as to write off the cost over its estimated useful life of 38 years to 2040.

The Group capitalises acquired casino and other gaming licences and concessions. Management believes that licences, with the exception of the two casino concessions in Belgium, have indefinite lives as there is no foreseeable limit to the period over which the licences are expected to generate net cash inflows and each licence holds a value outside the property in which it resides. Each licence is reviewed annually for impairment. In respect of the two casino concessions in Belgium, their carrying value is amortised over the expected useful life of the concessions (9 years).

Included in other intangible assets are acquired computer software licences, costs that are directly associated with the production and development of identifiable and unique software products controlled by the Group, and computer software development costs which are amortised over their estimated useful lives (3 to 5 years).

The recoverable amounts of the intangible assets are estimated based on value-in-use models. These calculations use cash flow projections based on financial budgets approved by management covering a 3-year period (except for casino licences and brand name of GuocoLeisure where the cash flow projections cover an 11-year period). Subsequent to the cash flow projections period, the growth rates used to extrapolate the cash flow projections are stated below. The growth rate does not exceed the long term average growth rate for the relevant businesses.

The key assumptions used for value-in-use calculations are as follows:

	Casino licences and brand name of GuocoLeisure		Casino licences and brand name of Rank		Bass Strait oil and gas royalty	
	2014	2013	**2014**	2013	**2014**	2013
Long term growth rate	**4%**	4%	**2%**	2%	**2%**	2%
Discount rate	**10%**	14%	**10%**	9%	**8%**	10%

For casino licences and brand name of GuocoLeisure, the calculation of value in use is sensitive to the assumptions used in table drops, win rate, royalty and discount rates. For casino licences and brand name of Rank, the key assumptions in the calculation of value in use are customer visits, spend per visit, casino duty, machine games duty, bingo duty and the discount rate. For Bass Strait oil and gas royalty of GuocoLeisure group, the key assumptions in the calculation of value in use are oil and gas production, oil and gas price, exchange rate and general inflation. The long term growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

As a result of the impairment testing, impairment loss of US$12,981,000 (2013: US$2,547,000) was recognised for the year ended 30 June 2014.

17. INTEREST IN SUBSIDIARIES

	The Company	
	2014 US$'000	2013 US$'000
Unlisted shares	467,678	467,678
Amounts due from subsidiaries	2,353,634	2,506,757
	2,821,312	2,974,435
Amounts due to subsidiaries	175,882	148,683

At 30 June 2014, amounts due from subsidiaries of US$50,963,000 (2013: US$139,960,000) bear interest at 1.71% to 2.60% (2013: 1.14% to 2.55%) per annum and are unsecured and have no fixed repayment terms. The remaining outstanding balances are unsecured, interest free and have no fixed repayment terms.

The amounts due to subsidiaries are unsecured, interest free and have no fixed repayment terms.

(a) Details of the principal subsidiaries incorporated and operating in Hong Kong are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Asia Fountain Investment Company Limited	2 shares *	–	100	Investment trading
BIL (Far East Holdings) Limited	635,855,324 shares *	–	67	Investment holding
GuocoCapital Limited	120,000 shares *	–	100	Stockbroking and securities trading
GuocoCapital Bullion Limited	1 share *	–	100	Bullion trading
GuocoCapital Futures Limited (formerly known as GuocoCommodities Limited)	100,000 shares *	–	100	Commodities broking
GuocoEquity Assets Limited	23,000,000 shares *	100	100	Investment holding
GuoSon Assets China Limited	1 share *	–	65	Investment holding
GuoSon Changfeng China Limited	1 share *	–	65	Investment holding
Guoco Management Company Limited	2,000,000,000 shares *	100	100	Provision of general management services
Guoco Investments (China) Limited	10,000,000 shares *	100	100	Investment holding

* Concept of par value was abolished with effect from 3 March 2014 pursuant to section 135 of new Hong Kong Companies Ordinance (Cap. 622).

17. INTEREST IN SUBSIDIARIES (cont'd)

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Group	Principal activities
Belmeth Pte Ltd	50,000,000 shares (S$50,000,000) **	–	52	Investment holding
Elliot Development Pte Ltd	16,000,000 shares (S$16,000,000) **	–	65	Property development
First Changi Development Pte Limited	2,560,000 shares (S$2,560,000) **	–	65	Property development
GLL IHT Pte Ltd	10,000,000 shares (S$10,083,000) **	–	65	Provision of financial and treasury services
GLL Land Pte Ltd	70,000,000 shares (S$70,000,000) **	–	65	Holding properties for rental
GLL (Malaysia) Pte Ltd	58,000,000 shares (S$58,000,000) **	–	65	Investment holding
Goodwood Residence Development Pte Ltd	90,300,000 shares (S$90,300,000) **	–	65	Property development
Guoco Assets Pte Ltd	2 shares (S$2) **	100	100	Investment holding
GuocoLand Limited	1,183,373,276 shares (S$1,926,053,441) **	–	65	Investment holding
GuocoLand Assets Pte Ltd	20,000,000 shares (S$20,000,000) **	100	100	Investment holding
GuocoLand Property Management Pte Ltd	2 shares (S$2) **	–	65	Property management, marketing and maintenance services
GuocoLand (Singapore) Pte Ltd	195,000,000 shares (S$195,000,000) **	–	65	Investment holding
GuocoLand Vietnam (S) Pte Ltd	1 share (S$1) **	–	65	Investment holding
GuocoLeisure Management Pte Ltd	2 shares (S$2) **	–	67	Management company
Guston Pte Ltd	10,000,000 shares (S$10,000,000) **	–	52	Investment holding
Leedon Residence Development Pte Ltd	158,000,000 shares (S$158,000,000) **	–	65	Property development
Perfect Eagle Pte Ltd	30,000,000 shares (S$30,000,000) **	–	65	Property development
Sophia Residence Development Pte Ltd	91,600,000 shares (S$91,600,000) **	–	65	Property development
Waterline Development Pte Ltd	13,000,000 shares (S$13,000,000) **	–	65	Property development

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

Amount shown represents the nominal value of the issued shares of the company.

17. INTEREST IN SUBSIDIARIES (cont'd)

(c) Details of the principal subsidiaries incorporated and operating in Malaysia are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Ace Acres Sdn. Bhd.	3,000,000 shares of RM1 each	–	44	Property development
Damansara City Sdn. Bhd.	20,100,000 shares of RM1 each	–	44	Property development and property investment
DC Hotel Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Hotel operations
DC Offices Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Property investment
DC Parking Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Car park operations and property investment
DC Tower Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Property investment
DC Town Square Sdn. Bhd.	2,500,002 shares of RM1 each	–	44	Property investment
Guoco Assets Sdn. Bhd.	250,000 shares of RM1 each, 300,000 Class B shares of RM1 each and 5,815 preference shares of RM1 each	45	100	Investment holding
GuocoLand (Malaysia) Berhad	700,458,518 shares of RM0.5 each	–	44	Investment holding and provision of management services
Hong Leong Real Estate Management Sdn. Bhd.	3,000,000 shares of RM1 each	–	44	Property investment and trading
JB Parade Sdn. Bhd.	40,000,000 shares of RM1 each	–	35	Investment holding and hotel operations
PD Resort Sdn. Bhd.	100,000,000 shares of RM1 each	–	51	Property investment and development and hotel operations
Positive Vision Labuan Limited	10,000 shares of US$1 each	–	44	Investment holding
Titan Debut Sdn. Bhd.	3,000,000 shares of RM1 each	–	44	Acquire, enhance and resale of properties
Wonderful Space Sdn. Bhd.	250,000 shares of RM1 each	–	44	Property investment and property development

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Asian Financial Common Wealth (PTC) Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	–	100	Provision of trustee service
Beijing Cheng Jian Dong Hua Real Estate Development Co., Ltd (Note (i) & (vii))	The People's Republic of China	RMB50,000,000 (Note (ii))	–	59	Property development
Beijing Jiang Sheng Property Development Co., Ltd (Note (i) & (vii))	The People's Republic of China	RMB250,000,000 (Note (ii))	–	65	Property development
BIL Australia Pty Limited	Australia	1 share of AUD1 each	–	67	Investment holding
BIL NZ Treasury Limited	New Zealand	200,100 shares of NZD1,000 each	–	67	Investment holding
Capital Intelligence Limited (Note (iii))	Cayman Islands	1 share of US$1 each	–	100	Investment trading
Clermont Leisure International Limited	Jersey	2 shares of GBP1 each	–	67	Investment holding
Clermont Leisure (UK) Limited	United Kingdom	55,000,000 shares of GBP1 each	–	67	Gaming
Dynamic Talent Limited	Cayman Islands	1 share of US$1 each	100	100	Financing activities
Fresco Resources Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Financing activities
GA Investment Limited	Labuan	200,000 shares of US$1 each	100	100	Investment holding
Great Insight Limited (Note (iii))	Cayman Islands	1 share of US$1 each	100	100	Financing activities
Grosvenor Casinos Limited	England and Wales	39,000,000 shares of GBP1 each	–	52	London and provincial casinos
Grosvenor Casinos (GC) Limited	England and Wales	10,000 shares of GBP0.01 each	–	52	London and provincial casinos
Guoco Assets (Philippines), Inc.	The Philippines	1,210,000 shares of P100 each	–	100	Investment holding
Guoco Securities (Bermuda) Limited	Bermuda	120,000 shares of US$0.1 each	100	100	Investment holding
GuocoLand Binh Duong Property Co., Ltd	Vietnam	VND288,245,178,769 (Note (ii))	–	65	Property development
GuocoLand (China) Limited	Bermuda	20,000,000 shares of US$1 each	–	65	Investment holding

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
GuocoLeisure Limited	Bermuda	1,368,063,633 shares of US$0.2 each	–	67	Hotel and property management
GuocoLeisure Assets Limited	Cayman Islands	1 share of US$1 each	100	100	Investment holding
GLH Hotels Group Limited (formerly known as Guoman Hotels Group Limited) (Note (v))	Bermuda	1 share of US$1 each	–	67	Investment holding
GLH Hotel Holdings Limited (formerly known as Guoman Hotel Holdings Limited)	United Kingdom	2 shares of GBP1 each	–	67	Investment holding
GLH Hotels Limited	United Kingdom	310,545,212 shares of GBP0.26 each	–	67	Ownership and operation of hotels in UK
GuoSon Investment Company Limited (Note (i) & (vi))	The People's Republic of China	US$392,000,000 (Note (ii))	–	65	Investment holding
Hong Way Holdings, Inc.	The Philippines	100,000 shares of P1 each	–	100	Investment holding
Ma Sing Investments Limited (Note (iv))	British Virgin Islands	407,174,860 shares of AUD1 each	–	67	Investment holding
Mecca Bingo Limited	England and Wales	170,000,000 shares of GBP1 each and 50,000 "A" shares of GBP1 each	–	52	Social and bingo clubs
Molokai Properties Limited	United States of America	100 shares of US$2 each	–	67	Investment holding
Nanjing Mahui Property Development Co., Ltd. (Note (i) & (vii))	The People's Republic of China	RMB286,000,000 (Note (ii))	–	62	Property development
Nanjing Xinhaofu Economic Information Consultants Co., Ltd (formerly known as Nanjing Xinhaoxuan Property Development Co., Ltd) (Note (i) & (vii))	The People's Republic of China	US$11,920,000 (Note (ii))	–	65	Property development
Oceanease Limited	Cayman Islands	1 share of US$1 each	–	100	Investment trading
Rank Assets Limited	Cayman Islands	1 share of US$1 each	100	100	Investment holding
Rank Digital Limited	England and Wales	14,884,600 "A" shares of GBP1 each and 500,000 "B" shares of GBP1 each	–	52	Support services to interactive gaming
Rank Digital Gaming (Alderney) Limited	Alderney	1 share of GBP1 each	–	52	Interactive gaming

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Rank Digital Services (Gibraltar) Limited	Gibraltar	1,000 shares of GBP1 each	–	52	Support services to interactive gaming
Rank Gaming Group Limited	England and Wales	100 shares of GBP1 each	–	52	Investment holding
Rank Group Finance Plc	England and Wales	200,000,000 shares of GBP1 each	–	52	Funding operations
Rank Group Gaming Division Limited	England and Wales	76,133,001 shares of GBP1 each and 55,531 "A" shares of GBP1 each	–	52	Investment holding and provision of shared services
Rank Holding España SA	Spain	150,000 shares of EUR26.02 each	–	52	Investment holding in Spain
Rank Holdings (Netherlands) BV	Netherlands	65 shares of EUR453 each	–	52	Investment holding
Rank Interactive Development Limited	England and Wales	20,000,100 shares of GBp1 each	–	52	Support services to interactive gaming
Rank Leisure Limited	England and Wales	1 share of GBP1 each	–	52	Adult gaming centres in Mecca Bingo and Grosvenor Casinos
Rank Leisure Holdings Limited	England and Wales	1,000,000 shares of GBP1 each and 1,799 preferred shares of US$1 each	–	52	Investment holding and corporate activities
Rank Malta Operations Plc	Malta	1,500 shares of EUR1 each	–	52	Development of interactive gaming
Rank Nemo (Twenty-Five) Limited	England and Wales	1 share of GBP1 each	–	52	Investment holding
Rank Overseas Holdings Limited	England and Wales	1,000,000 shares of GBP1 each	–	52	Investment holding
Shanghai Xinhaolong Property Development Co., Ltd (Note (i) & (vi))	The People's Republic of China	US$126,000,000 (Note (ii))	–	65	Property development
Shanghai Xinhaojia Property Development Co., Ltd (Note (i) & (vi))	The People's Republic of China	RMB3,100,176,000 (Note (ii))	–	83	Property development
Supreme Goal Investments Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Property investment
Tabua Investments Limited	Fiji	2 shares of FJD1 each	–	67	Investment holding

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Tianjin Zhong Xin Ming Shi Real Estate Development of Co., Ltd (Note (i) & (vi))	The People's Republic of China	RMB510,000,000 (Note (ii))	–	65	Property development
The Gaming Group Limited	England and Wales	1 share of GBP1 each	–	52	London casino
The Rank Group Plc	England and Wales	390,683,521 shares of GBp13 $^{8}/_{9}$ each	–	52	Investment holding of gaming business
Wayforward Services Limited (Note (v))	British Virgin Islands	1 share of US$1 each	–	67	Investment holding

Notes:

(i) These companies have a financial year end of 31 December.

(ii) These comprise capital contribution to the companies. These companies have a defined period of existence.

(iii) These companies are operating in Hong Kong.

(iv) These companies are operating in Australia.

(v) These companies are operating in United Kingdom.

(vi) These companies are foreign capital enterprise.

(vii) These companies are sino-foreign equity joint venture enterprise.

17. INTEREST IN SUBSIDIARIES (cont'd)

(e) Material non-controlling interest

The following table lists out the information relating to each subsidiary of the group which has material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

	GuocoLand		GuocoLeisure		Rank	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
NCI percentage at the end of the reporting period	35%	35%	33%	33%	48%	26%
Non-current assets	2,587,521	2,330,969	1,448,120	1,303,915	1,663,021	1,515,727
Current assets	4,303,837	4,790,731	287,975	291,828	154,948	170,713
Non-current liabilities	(2,279,450)	(3,091,401)	(124,087)	(332,262)	(421,450)	(358,698)
Current liabilities	(2,273,725)	(1,897,515)	(375,449)	(137,245)	(355,385)	(395,798)
Net assets	2,338,183	2,132,784	1,236,559	1,126,236	1,041,134	931,944
Carrying amount of NCI	1,018,702	938,267	408,170	370,136	484,624	229,202
Revenue	1,054,833	733,462	412,816	387,985	1,109,955	949,691
Profit for the year	251,247	145,550	39,019	44,024	33,015	42,167
Total comprehensive income	203,288	76,977	133,058	19,971	28,680	46,705
Profit allocated to NCI	110,813	53,001	12,694	14,282	14,180	10,748
Dividend paid to NCI	14,531	22,526	6,519	6,846	13,385	5,612
Net cash generated from/ (used in):						
– operating activities	124,809	121,383	108,765	75,581	45,399	133,261
– investing activities	138,667	(4,148)	(28,983)	(12,656)	(70,672)	(334,269)
– financing activities	(245,799)	(70,894)	(89,358)	(74,746)	(317)	188,955

18. INTEREST IN ASSOCIATES

	The Group	
	2014 US$'000	2013 US$'000
Share of net assets		
Listed shares, overseas	950,158	843,745
Unlisted	72,983	77,070
Goodwill	12,092	12,092
Amounts due from associates	26	23
	1,035,259	932,930
Less: Impairment loss	(37,462)	(37,462)
	997,797	895,468

The market value of the listed investments at 30 June 2014 was US$1,369.3 million (2013: US$1,252.8 million).

The amounts due from associates are unsecured, interest free and have no fixed repayment terms.

The following list contains only the particulars of material associates:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Effective percentage held by the Group	Principal activities
Hong Leong Financial Group Berhad ("HLFG")	Malaysia	1,052,767,789 shares of RM1 each	25	Financial services (Note 1)
Tower Real Estate Investment Trust ("Tower REIT")	Malaysia	280,500,000 shares of RM1.0173 each	10	Investment in real estate and real estate related assets (Note 2)
Continental Estates Sdn. Bhd. ("Continental Estates")	Malaysia	50,600,000 shares of RM1 each	22	Property development and operation of an oil palm estate

Note 1: HLFG is an integrated financial services group and is listed on the Malaysia Stock Exchange. Its businesses cover commercial and consumer banking, Islamic banking, investment banking, life and general insurance, Takaful insurance, fund management and unit trust, corporate advisory services and stockbroking.

Note 2: Tower REIT is listed on the Malaysia Stock Exchange. Its investment portfolio comprises 3 strategically located prime commercial buildings in Kuala Lumpur.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Certain entities that were previously accounted for as joint ventures have now being reclassified as associates of the Group as the Group concluded that it does not have joint control over key decisions affecting the relevant activities of the entities, but rather, the Group has significant influence over those key decisions. The reclassification does not affect the net profit of the Group.

18. INTEREST IN ASSOCIATES (cont'd)

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	HLFG		Tower REIT		Continental Estates	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
Non-current assets	N/A	N/A	199,415	202,625	75,415	76,585
Current assets	N/A	N/A	393	598	4,396	19,241
Total assets	59,226,723	57,106,333	199,808	203,223	79,811	95,826
Non-current liabilities	N/A	N/A	(32,711)	(33,238)	(4,438)	(6,764)
Current liabilities	N/A	N/A	(8,799)	(8,215)	(2,404)	(3,552)
Total liabilities	(53,930,948)	(52,358,459)	(41,510)	(41,453)	(6,842)	(10,316)
Non-controlling interests	(1,722,282)	(1,559,656)	–	–	–	–
Net assets	3,573,493	3,188,218	158,298	161,770	72,969	85,510
Group's carrying amount	890,500	783,336	34,288	35,039	36,485	42,755
Revenue	1,771,464	1,820,282	15,279	17,874	5,202	6,754
Profit for the year	524,724	481,989	8,339	23,467	3,397	9,285
Other comprehensive income	25,559	178,076	(4,356)	(1,221)	(2,297)	(619)
Total comprehensive income	550,283	660,065	3,983	22,246	1,100	8,666
Group's share of total comprehensive income	139,603	167,454	863	4,818	550	4,333
Group's interest in net assets of investee at the beginning of the year	783,336	648,043	35,039	32,362	42,755	48,024
Total comprehensive income attributable to the Group	139,603	167,454	863	4,818	550	4,333
Dividends received during the year	(31,200)	(31,151)	(2,019)	(2,227)	(7,310)	(9,782)
Exchange adjustments	(1,239)	(1,010)	405	86	490	180
Carrying amount of interest in investee at the end of the year	890,500	783,336	34,288	35,039	36,485	42,755

19. INTEREST IN JOINT VENTURES

	The Group 2014 US$'000	The Group 2013 US$'000
Share of net assets – unlisted	**37,273**	30,278
Amounts due from joint ventures	**2,323**	3,986
	39,596	34,264

The amounts due from joint ventures are unsecured, interest free and have no fixed repayment terms.

20. ACQUISITIONS OF SUBSIDIARY AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of subsidiary in the financial year 2012/13

On 12 May 2013, Rank, a subsidiary of the Group, acquired a 100% interest in Gala Casino 1 Limited (now Grosvenor Casinos (GC) Limited) ("Gala") for a base cash consideration, subject to completion adjustments, of GBP179.0 million (approximately US$273.1 million). The acquisition included 19 operating casinos and 3 non-operating casino licences.

Fair values

The amounts disclosed in the prior year were provisional due to the proximity of the acquisition to the Group's year-end and the completion account process outlined by the sale and purchase agreement extending beyond the finalisation of the prior year financial statements. The amounts were therefore based on the latest available draft completion accounts at the time and have since been completed within the 12-month measurement period permitted by HKFRS 3 Business Combinations.

The final fair values of the assets and liabilities acquired in respect of the acquisition, along with the provisional fair values disclosed in the prior year, are outlined in the following table.

	Provisional fair values US$'000	Adjustments US$'000	Final fair values US$'000
Other property, plant and equipment	28,673	(1,330)	27,343
Intangible assets	243,276	(8,696)	234,580
Trade and other receivables	3,096	(194)	2,902
Cash and short term funds	6,920	(540)	6,380
Trade and other payables	(89,107)	(192)	(89,299)
Taxation	4,169	(4,186)	(17)
Provisions	(7,505)	–	(7,505)
Deferred tax liabilities	(30,228)	9,310	(20,918)
Net assets acquired	159,294	(5,828)	153,466
Goodwill	119,788	3,664	123,452
Consideration	279,082	(2,164)	276,918
Total consideration satisfied by:			
Cash			276,918

20. ACQUISITIONS OF SUBSIDIARY AND TRANSACTIONS WITH NON-CONTROLLING INTERESTS (cont'd)

(a) Acquisition of subsidiary in the financial year 2012/13 (cont'd)

Goodwill comprised deferred tax liabilities recognised on certain fair value adjustments arising on acquisition and the synergy benefits arising from the exclusion of all central management functions previously associated with the operation of the casinos from the acquisition. None of the goodwill recognised is deductible for tax purposes.

The Group also recognised in the prior year the GBP140.0 million (approximately US$213.6 million) term loans raised to partly finance the acquisition at their fair value less GBP1.8 million (approximately US$2.7 million) of costs directly attributable to the issue of the debt.

From the date of acquisition to 30 June 2013, Gala contributed GBP15.1 million (US$23.7 million) turnover and GBP1.6 million (US$2.5 million) to the profit for the year attributable to equity shareholders of the Company. If the above acquisition had occurred on 1 July 2012, total Group revenue would have been US$2,343.6 million and profit for the year attributable to equity shareholders of the Company would have been US$824.3 million for the year ended 30 June 2013.

In preparing the pro-forma results, certain assumptions and estimates have been made and are therefore not necessarily indicative of the results of the Group that would have occurred had the acquisition actually occurred at the beginning of the reporting period. The information is also not indicative of the future results of the Group.

(b) Transactions with non-controlling interests

During the financial year ended 30 June 2014, the Group disposed of a 22.7% interest in Rank in a form of declared special interim dividend in specie of approximately US$212.4 million in respect of the financial year 2012/13, decreasing its ownership from 74.5% to 51.8%. The Group recognised an increase in non-controlling interests of US$230.0 million and a decrease in total equity attributable to equity shareholders of the Company of US$17.6 million.

The following summarises the effect of changes in the Group's ownership interest in Rank:

	US$'000
Group's ownership interest at 1 July 2013	702,742
Effect of decrease in Group's ownership interest	(230,012)
Share of total comprehensive income	83,780
Group's ownership interest at 30 June 2014	556,510

There were no transactions with non-controlling interests of subsidiaries by the Group during the financial year ended 30 June 2013.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
Equity securities				
Listed (at market value)				
– In Hong Kong	**1,766,445**	1,541,548	**–**	–
– Outside Hong Kong	**1,375**	1,253	**–**	–
Unlisted	**3,321**	3,571	**–**	–
	1,771,141	1,546,372	**–**	–
Club and other debentures	**310**	310	**203**	203
Investment in partnership	**38,400**	31,232	**–**	–
	1,809,851	1,577,914	**203**	203

22. GOODWILL

	The Group US$'000
Cost:	
At 1 July 2012	68,218
Additions through acquisition of subsidiary	119,788
Impairment loss	(29,069)
Exchange adjustments	(761)
At 30 June 2013	158,176
At 1 July 2013	158,176
Adjustments to provisional amounts recognised on acquisition of subsidiary	3,664
Exchange adjustments	18,222
At 30 June 2014	180,062

In accordance with the Group's accounting policy, the carrying value of goodwill was tested for impairment annually, based on value-in-use models. For impairment testing purpose, each subsidiary group acquired is treated as a single cash generating unit ("CGU"). The recoverable amount of goodwill is determined by discounting the future cash flows to be generated from the CGU based on the financial budgets approved by management covering a 3-year period. Cash flow beyond the three-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

22. GOODWILL (cont'd)

The key assumptions used for value-in-use calculations are as follows:

	GuocoLand		GuocoLeisure		Rank	
	2014	2013	**2014**	2013	**2014**	2013
Long term growth rate	**4%**	4%	**5%**	3%	**2%**	2%
Discount rate	**9%**	8%	**9%**	9%	**10%**	10%

The long term growth rates used are consistent with the forecasts included in industry reports and do not exceed the long-term average growth rates for the business in which the CGU operates. The discount rates used are pre-tax and reflect specific risks relating to the relevant businesses.

At the end of the financial year of 30 June 2013, the management has decided to write off the goodwill, amounting to US$29,069,000, related to the GuocoLeisure group as the adverse situation in the Eurozone as well as in the UK continues to have an impact on the Group's hospitality business. This impairment loss was included in administrative and other operating expenses (note 7(c)) in the consolidated income statement for the year ended 30 June 2013.

Save as disclosed above, the results of the tests undertaken as at 30 June 2014 and 30 June 2013 indicated no other impairment loss was necessary.

23. DEVELOPMENT PROPERTIES

	The Group	
	2014 US$'000	2013 US$'000
Cost as at 30 June	**4,584,903**	4,613,693
Less: Impairment loss	**(8,252)**	(8,385)
Progress instalments received and receivable	**(915,536)**	(321,196)
Transfer to properties held for sale	**(83,515)**	(307,289)
	3,577,600	3,976,823

The carrying amounts of development properties were written down based on their estimated selling prices.

Certain of the Group's development properties with an aggregate book value of US$1,651.3 million (2013: US$1,938.5 million) were pledged for bank loans and mortgage debenture stock.

24. PROPERTIES HELD FOR SALE

	The Group	
	2014 **US$'000**	2013 US$'000
At 1 July	**486,886**	205,842
Additions	**80,708**	–
Transfer from/(to):		
– development properties	**83,515**	307,289
– other property, plant and equipment	**(469)**	420
Disposals	**(162,518)**	(29,448)
	488,122	484,103
Exchange adjustments	**(1,435)**	2,783
At 30 June	**486,687**	486,886

25. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2014 **US$'000**	2013 US$'000	**2014** **US$'000**	2013 US$'000
Trade debtors	**182,278**	303,082	**–**	–
Accrued receivables for sales consideration not yet billed on completed development properties	**174,120**	92,543	**–**	–
Deposits and prepayments	**338,320**	184,499	**54**	52
Derivative financial instruments, at fair value	**6,012**	11,908	**–**	–
Interest receivables	**4,988**	882	**2,059**	492
	705,718	592,914	**2,113**	544

Included in the Group's trade and other receivables is US$10.8 million (2013: US$8.5 million) which is expected to be recovered after one year.

25. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Ageing analysis

As of the end of reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	The Group	
	2014 US$'000	2013 US$'000
Within 1 month	177,219	298,813
1 to 3 months	4,064	2,112
More than 3 months	995	2,157
	182,278	303,082

(b) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

The balance and the movement of the allowance for bad and doubtful debts as at 30 June 2014 and 2013 are not significant.

(c) Trade debtors that are not impaired

The ageing analysis of trade debtors that is neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2014 US$'000	2013 US$'000
Neither past due nor impaired	168,443	293,630
Less than 1 month past due	9,185	5,632
1 to 3 months past due	3,583	1,494
More than 3 months past due	913	2,273
	13,681	9,399
	182,124	303,029

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as these are considered fully recoverable. Apart from the liquid securities from margin clients of the securities brokerage business, the Group does not hold any collateral over the receivables balances.

26. TRADING FINANCIAL ASSETS

	The Group	
	2014	2013
	US$'000	US$'000
Equity securities		
Listed (at market value)		
– In Hong Kong	**455,795**	274,496
– Outside Hong Kong	**1,388,474**	1,233,570
	1,844,269	1,508,066
Unit trusts		
Unlisted	**–**	15,821
	1,844,269	1,523,887

27. CASH AND SHORT TERM FUNDS

	The Group		The Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Deposits with banks	**1,622,705**	1,841,177	**1,019,534**	1,077,670
Cash at bank and in hand	**184,429**	231,769	**854**	717
Cash and short term funds in the statement of financial position	**1,807,134**	2,072,946	**1,020,388**	1,078,387
Cash collateral (Note)	**(275,151)**	(459,735)	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**1,531,983**	1,613,211	**1,020,388**	1,078,387

Note: Cash collateral is deposited with financial institutions for loan facilities. Deposits of US$275.1 million (2013: US$459.7 million) are pledged with financial institutions in China for bank loans.

28. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Trade creditors	**126,206**	181,722	**–**	–
Other payables and accrued operating expenses	**612,755**	834,579	**528**	492
Derivative financial instruments, at fair value	**12,021**	12,168	**–**	–
Amounts due to fellow subsidiaries	**21,159**	16,426	**158**	–
Amounts due to associates	**38**	338	**–**	–
	772,179	1,045,233	**686**	492

Included in trade and other payables of the Group and the Company are amounts of US$127.8 million (2013: US$119.1 million) and US$0.3 million (2013: US$0.3 million) respectively which are expected to be payable after one year.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	The Group	
	2014	2013
	US$'000	US$'000
Within 1 month	**116,929**	157,099
1 to 3 months	**2,199**	15,063
More than 3 months	**7,078**	9,560
	126,206	181,722

28. TRADE AND OTHER PAYABLES (cont'd)

(b) Other payables and accrued operating expenses:

	The Group		The Company	
	2014 US$'000	2013 US$'000	2014 US$'000	2013 US$'000
Accrued operating expenses	243,947	231,642	–	–
Real estate tax payable	64,234	97,927	–	–
Social security and gaming and other taxation	45,810	55,715	–	–
Interest payable	34,657	44,993	–	–
Deposits received	16,844	26,887	–	–
Accruals for above market property rentals on the acquired subsidiary	73,967	70,714	–	–
Progress billings on properties	39,619	193,527	–	–
Others	93,677	113,174	528	492
	612,755	834,579	528	492

At the reporting date, there might be further costs to the Group in meeting its contractual obligations in China for which the Group is currently unable to make a reliable estimate.

(c) The amounts due to fellow subsidiaries and associates are unsecured, interest free and have no fixed repayment terms.

29. BANK LOANS AND OTHER BORROWINGS

	The Group					
	2014			2013		
	Current portion US$'000	Non-current portion US$'000	Total US$'000	Current portion US$'000	Non-current portion US$'000	Total US$'000
Bank loans						
– Secured	763,349	1,548,721	2,312,070	538,470	1,932,595	2,471,065
– Unsecured	811,654	968,533	1,780,187	975,193	826,343	1,801,536
	1,575,003	2,517,254	4,092,257	1,513,663	2,758,938	4,272,601
Other loans						
– Secured	–	–	–	109,980	–	109,980
– Unsecured	5,476	20,026	25,502	4,967	19,922	24,889
	5,476	20,026	25,502	114,947	19,922	134,869
Unsecured medium term notes and bonds	621,744	1,188,390	1,810,134	162,239	1,575,899	1,738,138
Secured mortgage debenture stock	238,489	99,183	337,672	–	309,015	309,015
	2,440,712	3,824,853	6,265,565	1,790,849	4,663,774	6,454,623

29. BANK LOANS AND OTHER BORROWINGS (cont'd)

The Group's bank loans and other borrowings were repayable as follows:

	The Group							
	2014				2013			
	Bank loans US$'000	Mortgage debenture stock US$'000	Other borrowings US$'000	Total US$'000	Bank loans US$'000	Mortgage debenture stock US$'000	Other borrowings US$'000	Total US$'000
Within 1 year or on demand	1,575,003	238,489	627,220	2,440,712	1,513,663	–	277,186	1,790,849
After 1 year but within 2 years	297,008	–	270,559	567,567	997,001	219,658	500,153	1,716,812
After 2 years but within 5 years	2,165,358	–	829,006	2,994,364	1,659,507	–	976,031	2,635,538
After 5 years	54,888	99,183	108,851	262,922	102,430	89,357	119,637	311,424
	2,517,254	99,183	1,208,416	3,824,853	2,758,938	309,015	1,595,821	4,663,774
	4,092,257	337,672	1,835,636	6,265,565	4,272,601	309,015	1,873,007	6,454,623

Note:

The bank loans and mortgage debenture stock are secured by the following:

– legal mortgages on investment properties with an aggregate book value of US$1,388.3 million (2013: US$1,205.5 million) (note 15);

– legal mortgages on development properties with an aggregate book value of US$1,651.3 million (2013: US$1,938.5 million) (note 23);

– legal mortgages on other property, plant and equipment with an aggregate book value of US$885.8 million (2013: US$800.6 million) (note 15); and

– certain trading financial assets with an aggregate book value of US$1,022.2 million (2013: US$1,142.2 million) (note 26).

30. PROVISIONS AND OTHER LIABILITIES

	The Group			
	Pensions US$'000	Property lease US$'000	Others US$'000	Total US$'000
At 1 July 2012	21,877	71,878	11,099	104,854
Additions through acquisition of subsidiary	–	4,211	3,294	7,505
Provision made/(written back) during the year	(7,835)	3,928	20,994	17,087
Amounts settled or utilised during the year	(5,189)	(6,526)	(1,949)	(13,664)
Exchange adjustments	(309)	(1,738)	(542)	(2,589)
At 30 June 2013	8,544	71,753	32,896	113,193
At 1 July 2013	8,544	71,753	32,896	113,193
Reclassification	–	3,700	(3,700)	–
Provision made during the year	4,304	12,509	44,747	61,560
Amounts settled or utilised during the year	(6,454)	(7,509)	(65,660)	(79,623)
Exchange adjustments	983	9,276	4,587	14,846
At 30 June 2014	7,377	89,729	12,870	109,976
Provisions and other liabilities as at 30 June 2014 are disclosed as:				
Current liabilities	–	12,261	6,893	19,154
Non-current liabilities	7,377	77,468	5,977	90,822
	7,377	89,729	12,870	109,976

31. DEFERRED TAXATION

(a) Deferred tax assets and liabilities recognised:

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	The Group						
Deferred tax arising from:	Depreciation allowance in excess of related depreciation US$'000	Revaluation of properties US$'000	Timing difference on development properties US$'000	Revaluation of financial liabilities US$'000	Tax losses US$'000	Others US$'000	Total US$'000
At 1 July 2012	(28,083)	36,899	(16,824)	(5,147)	(10,889)	30,458	6,414
Charged/(credited) to consolidated income statement	5,487	(4,161)	8,918	1,612	1,776	625	14,257
Charged/(credited) to other comprehensive income	–	367	569	–	–	(387)	549
Additions through acquisition of subsidiary	(2,805)	–	–	–	–	33,033	30,228
	(25,401)	33,105	(7,337)	(3,535)	(9,113)	63,729	51,448
Exchange adjustments	527	(634)	(798)	77	45	(568)	(1,351)
At 30 June 2013	(24,874)	32,471	(8,135)	(3,458)	(9,068)	63,161	50,097
At 1 July 2013	(24,874)	32,471	(8,135)	(3,458)	(9,068)	63,161	50,097
Charged/(credited) to consolidated income statement	4,494	(548)	14,252	1,683	2,776	(121)	22,536
Charged to other comprehensive income	–	337	52	–	–	–	389
Adjustments to provisional amounts recognised on acquisition of subsidiary	(2,471)	–	–	–	–	(6,839)	(9,310)
Written back on disposal of subsidiaries	–	–	(3,062)	–	–	–	(3,062)
	(22,851)	32,260	3,107	(1,775)	(6,292)	56,201	60,650
Exchange adjustments	(2,893)	2,759	(3,880)	(332)	(439)	6,687	1,902
At 30 June 2014	(25,744)	35,019	(773)	(2,107)	(6,731)	62,888	62,552

31. DEFERRED TAXATION (cont'd)

(a) Deferred tax assets and liabilities recognised: (cont'd)

	The Group	
	2014 US$'000	2013 US$'000
Net deferred tax assets recognised on the consolidated statement of financial position	–	(3,897)
Net deferred tax liabilities recognised on the consolidated statement of financial position	62,552	53,994
	62,552	50,097

(b) Deferred tax assets not recognised:

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

	The Group	
	2014 US$'000	2013 US$'000
Deductible temporary differences	58,149	69,780
Tax losses	2,287,940	2,054,535
	2,346,089	2,124,315

The Group has not recognised deferred tax assets in respect of tax losses for certain group companies as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The deductible temporary differences and tax losses have no expiry dates under current tax legislation.

(c) Deferred tax liabilities not recognised

At 30 June 2014, the temporary differences relating to the undistributed profits of subsidiaries amounted to US$253.9 million (2013: US$202.2 million). Deferred tax liabilities of US$17.7 million (2013: US$15.3 million) 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.

32. SHARE CAPITAL AND RESERVES

(a) Movements in components of equity

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital US$'000	Share premium US$'000	Retained profits US$'000	Total equity US$'000
The Company				
At 1 July 2012	164,526	10,493	3,719,962	3,894,981
Final dividend paid in respect of prior year	–	–	(72,179)	(72,179)
Total comprehensive income for the year				
– Profit for the year	–	–	81,592	81,592
At 30 June 2013	164,526	10,493	3,729,375	3,904,394
At 1 July 2013	164,526	10,493	3,729,375	3,904,394
Special interim dividend paid in respect of prior year	–	–	(212,416)	(212,416)
Final dividend paid in respect of prior year	–	–	(63,661)	(63,661)
Interim dividend paid in respect of current year	–	–	(42,417)	(42,417)
Total comprehensive income for the year				
– Profit for the year	–	–	81,548	81,548
At 30 June 2014	164,526	10,493	3,492,429	3,667,448

(b) Nature and purpose of reserves

(i) The application of share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

(ii) The capital and other reserves have been set up and will be dealt with in accordance with the Group's accounting policies. The purchase consideration for issued shares of the subsidiaries acquired for the purpose of satisfying outstanding share options granted by the subsidiaries is included in the capital reserve.

(iii) The contributed surplus is governed by Section 54 of the Companies Act 1981 of Bermuda.

The contributed surplus is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

32. SHARE CAPITAL AND RESERVES (cont'd)

(b) Nature and purpose of reserves (cont'd)

(iv) The ESOP reserve comprises the purchase consideration for issued shares of the Company acquired for the Share Option Plan for the purpose of satisfying the exercise of share options to be granted to eligible employees (note 35).

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

(vi) The exchange translation reserve comprises:

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

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

(vii) Fair value reserve comprises unrealised gain or loss arising from changes in fair value of available-for-sale financial assets.

(viii) Revaluation reserve comprises increase in fair value of other property, plant and equipment and development properties from acquired subsidiaries.

(ix) Distributable reserves of the Company at 30 June 2014 amounted to US$3,463,053,000 (2013: US$3,700,010,000).

(c) Share capital

	The Group and The Company			
	2014		2013	
	No. of shares '000	US$'000	No. of shares '000	US$'000
Authorised:				
Ordinary shares of US$0.50 each	1,000,000	500,000	1,000,000	500,000
Issued and fully paid:				
As at 1 July and 30 June	329,051	164,526	329,051	164,526

Note: At 30 June 2014, 4,026,862 ordinary shares (2013: 4,026,862 ordinary shares) were acquired by the Group to reserve for the Share Option Plan for the purpose of satisfying the exercise of share options to be granted to eligible employees.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiary

The following table summaries the consideration paid/(adjusted) for the acquisition of Gala in the financial year 2012/13, and the provisional amounts of the assets acquired and liabilities assumed recognised at the acquisition date along with the completion adjustments in the financial year 2013/14 (note 20(a)).

	The Group	
	2014	2013
	US$'000	US$'000
Net assets (adjusted)/acquired	**(5,828)**	159,294
Goodwill arising from acquisition	**3,664**	119,788
Total consideration (adjusted)/paid	**(2,164)**	279,082
Satisfied by:		
Cash consideration (adjusted)/paid	**(2,164)**	279,082

(b) Analysis of net inflow/(outflow) of cash and cash equivalents in respect of the acquisition of subsidiary

	The Group	
	2014	2013
	US$'000	US$'000
Cash consideration adjusted/(paid)	**2,164**	(279,082)
Other current assets (adjusted)/acquired	**(446)**	201
Cash at bank and in hand (adjusted)/acquired	**(540)**	6,920
Net inflow/(outflow) of cash and cash equivalents in respect of the acquisition of subsidiary	**1,178**	(271,961)

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

(c) Disposal of subsidiaries

During the year, the Group disposed of its investment in a subsidiary, Guo Xiang Property Co. Limited, which has a project located in Nanjing, China for a total sale consideration of RMB1,200 million (approximately US$199.0 million). The cash flows and net assets disposed are summarised as follows:

	The Group 2014 US$'000
Net assets disposed of:	
Other property, plant and equipment	3
Development properties	121,684
Cash and short term funds	2,986
Trade and other payables	(2,958)
Deferred tax liabilities	(3,062)
Non-controlling interests	(491)
	118,162
Realisation of exchange translation reserve	2,305
Gain on disposal of subsidiaries	78,520
Total consideration	198,987
Less: Cash of subsidiaries disposed of	(2,986)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	196,001

(d) Issuance of perpetual securities by a subsidiary

On 27 May 2013, a wholly owned subsidiary of GuocoLand issued senior perpetual securities (the "Perpetual Securities") with an aggregate principal amount of S$200 million (approximately US$158.4 million), of which the Company, via a wholly owned subsidiary, subscribed S$65 million (approximately US$51.5 million). Transaction costs incurred amounting to S$1.5 million (approximately US$1.2 million) were recognised in equity as a deduction from proceeds.

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

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

34. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group has several defined benefit pension schemes, all of which are closed to new members and managed by independent administrators. Actuarial valuations are carried out at least once every three years and informal valuations are carried out in the intervening years. The Group has set aside sufficient funds to fund the schemes.

(i) The amounts recognised in the consolidated statement of financial position are as follows:

	The Group	
	2014 US$'000	2013 US$'000
Present value of wholly or partly funded obligations	(148,587)	(123,484)
Fair value of plan assets	146,967	119,750
	(1,620)	(3,734)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(ii) Changes in the present value of the defined benefit obligation:

	The Group	
	2014 US$'000	2013 US$'000
At 1 July	123,484	127,451
Current service cost	393	413
Interest cost	5,863	5,169
Actuarial losses/(gains)	9,064	(2,075)
Benefits paid	(4,995)	(4,511)
Exchange differences	14,778	(2,963)
At 30 June	148,587	123,484

34. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

(iii) Changes in the fair value of plan assets:

	The Group	
	2014	2013
	US$'000	US$'000
At 1 July	**119,750**	110,928
Contributions from the Group	**6,256**	5,067
Benefits paid	**(4,995)**	(4,511)
Actuarial gains	**11,519**	10,850
Exchange differences	**14,437**	(2,584)
At 30 June	**146,967**	119,750

(iv) Movements in the other liabilities recognised in the consolidated statement of financial position are as follows:

	The Group	
	2014	2013
	US$'000	US$'000
At 1 July	**(3,734)**	(16,523)
Contributions paid to plans	**6,256**	5,067
(Expenses)/income recognised in statement of comprehensive income	**(3,801)**	7,538
Exchange differences	**(341)**	184
At 30 June	**(1,620)**	(3,734)

(v) (Expenses)/income recognised in consolidated income statement and statement of comprehensive income are as follows:

	The Group	
	2014	2013
	US$'000	US$'000
Current service cost	**(393)**	(425)
Net interest (expenses)/income on obligation	**(223)**	1,410
Net actuarial (losses)/gains recognised	**(3,185)**	6,553
	(3,801)	7,538

34. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

(vi) The principal actuarial assumptions used at 30 June 2014 and 30 June 2013 (expressed as weighted averages) and sensitivity analysis are as follows:

	The Group	
	2014	2013
Discount rate	3.77%	3.77%
Rates of increase to pensions in payment		
– Retail Price Index maximum 5% per annum	3.20%	3.20%
– Consumer Price Index maximum 5% per annum	2.00%	2.10%
– Consumer Price Index maximum 2.5% per annum	1.80%	1.90%
Rate of increase in salaries	3.85%	3.90%

In valuing the liabilities of the pension scheme at US$148.6 million (2013: US$123.5 million), mortality assumptions have been made as indicated above. If life expectancy had been changed to assume that all members of the schemes live for one year longer, the value of the reported liabilities at 30 June 2014 would have increased by US$5.0 million (2013: US$4.1 million) to US$153.6 million (2013: US$127.6 million) before deferred tax.

Other pension commitment

The Group's UK subsidiary has an unfunded pension commitment relating to three former executives of the subsidiary. At 30 June 2014, the Group's commitment was US$5.8 million (2013: US$4.7 million). The Group paid US$0.2 million (2013: US$0.2 million) in pension payments during the year. The net cost arising on the commitment of US$nil (2013: US$nil) has been recognised in other financial losses in the consolidated income statement. The actuarial loss arising on the commitment, resulting from the changes in assumptions outlined below in 2014, was US$0.5 million (2013: gain of US$0.3 million).

Assumptions used to determine the obligations at:

	The Group	
	2014	2013
Discount rate	4.2%	4.5%
Pension increases	2.6%	3.0%

34. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(b) Defined contribution retirement plans

The Company and its subsidiaries in Hong Kong operate a Mandatory Provident Fund Scheme ("MPF Scheme") which has been established under the Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance in December 2000. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the Group's contribution is 10 percent or 5 percent of employees' monthly salaries and is expensed as incurred.

Subsidiaries in Singapore operate a Central Provident Fund Scheme ("CPF Scheme") which is a defined contribution scheme. Under this CPF Scheme, the subsidiary's contribution is 6.5 percent to 16 percent of employees' monthly salaries and is expensed as incurred.

During the year, the Group's cost incurred on employees pension schemes were US$13,550,000 (2013: US$9,607,000) and forfeited contributions in the amount of US$20,000 (2013: US$48,000) were used to reduce current year's contributions.

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

(a) The Company

An executive share option scheme (the "ESOS 2012") was approved by the shareholders of the Company at the special general meeting held on 14 November 2012 and took effect on 16 November 2012 for grant of options over newly issued and/or existing shares of the Company to directors and executives (the "Eligible Executives") of the Company or any of its subsidiaries from time to time (the "Group"), for the purpose of providing the Eligible Executives of the Group the opportunity of participating in the growth and success of the Group through the grant of options over newly issued and/or existing shares of the Company.

The exercise price per share payable upon exercise of any share option will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of grant of such a share option, which must be a business day; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 30 days from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant of such option. The ESOS 2012 shall be in force for a period of ten years commencing from the effective date of the ESOS 2012 and no share option may be granted under the ESOS 2012 on or after 16 November 2022.

No share options were outstanding during the year and no option has been granted to any eligible participants pursuant to the ESOS 2012 during the year.

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(b) GuocoLand

The GuocoLand Limited Executives' Share Option Scheme 2008 (the "GuocoLand ESOS 2008") was approved by the shareholders of GuocoLand on 17 October 2008 and further approved by the shareholders of the Company on 21 November 2008 (the "Effective Date"). Under the GuocoLand ESOS 2008, options may be granted over newly issued and/or existing issued ordinary shares of GuocoLand ("GuocoLand Shares") to eligible participants including employees and executive directors of GuocoLand and its subsidiaries who are not controlling shareholders of GuocoLand. The GuocoLand ESOS 2008 shall continue to be in force at the discretion of the GuocoLand ESOS Committee subject to a maximum period of 10 years commencing on the Effective Date till 20 November 2018.

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

(i) The number and weighted average exercise prices of share options are as follows:

	2014		2013	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**N/A**	**–**	S$2.14	6,148,475
Lapsed during the year	**N/A**	**–**	S$2.14	(6,148,475)
Outstanding at the end of the year	**N/A**	**–**	N/A	–
Exercisable at the end of the year	**N/A**	**–**	N/A	–

	2014	2013
The weighted average share price at the date of exercise for share options exercised during the year	**N/A**	N/A
The weighted average exercise price per share of the outstanding options	**N/A**	N/A
The weighted average remaining contractual life of the options	**N/A**	N/A

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(c) GuocoLand (Malaysia) Berhad ("GLM")

The GLM Executive Share Option Scheme was approved by shareholders of GLM on 11 October 2011 and further approved by the shareholders of the Company on 25 November 2011 ("New ESOS") to replace GLM's former Executive Share Option Scheme expiring in year 2016. The New ESOS was established on 21 March 2012 and shall be in force for a period of 10 years. The New ESOS would provide an opportunity for eligible executives who had contributed to the growth and development of the GLM group to participate in the equity of GLM. Under the New ESOS, options may be granted over newly issued and/or existing shares of GLM to eligible participants including any executive or director of GLM and its subsidiaries. None of the option under the New ESOS has been granted as at the end of the financial year.

During the financial year 2011/12, GLM has established a Value Creation Incentive Plan ("VCIP") for selected key executives of GLM and its subsidiaries to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options will be satisfied through the transfer of existing GLM shares held by the GLM ESOS Trust. Pursuant to the VCIP, GLM has granted conditional incentive share options ("VCIP Options") over 27,500,000 ordinary shares of GLM, at an exercise price of RM0.87 per share to eligible key executives of the GLM group. There were no VCIP Options granted to director and senior management during the financial year 2013/14.

The Executive Share Grant Scheme ("ESGS") which was approved by the shareholders of GLM on 21 October 2013, was established on 28 February 2014 and will expire on 20 March 2022. This was further approved by the Company on 19 November 2013. The ESGS would reward eligible executives for their contribution to the GLM group with the grants without any consideration payable by the eligible executives.

The bye-laws of the New ESOS have been amended to incorporate the ESGS to form the consolidated bye-laws. The ESGS and New ESOS have been renamed as Executive Share Scheme ("ESS").

(i) The terms and conditions of the grants that existed during the year, whereby all options are settled by physical delivery of shares:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to employees of GLM:			
– on 24 August 2011	3,150,000	Achievement of certain financial and performance targets/criteria during the performance periods for FY2012 to FY2015.	2 to 7 years
Total share options	3,150,000		

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(c) GuocoLand (Malaysia) Berhad ("GLM") (cont'd)

(ii) The number and weighted average exercise prices of share options are as follows:

	2014		2013	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	RM0.87	4,500,000	RM0.87	27,500,000
Lapsed during the year	RM0.87	(1,350,000)	RM0.87	(23,000,000)
Outstanding at the end of the year	RM0.87	3,150,000	RM0.87	4,500,000
Exercisable at the end of the year	N/A	–	N/A	–

	2014	2013
The weighted average share price at the date of exercise for share options exercised during the year	N/A	N/A
The weighted average exercise price per share of the outstanding options	RM0.87	RM0.87
The weighted average remaining contractual life of the options	2.4 years	3.4 years

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(c) GuocoLand (Malaysia) Berhad ("GLM") (cont'd)

(iii) Fair value of share options and assumptions

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 calculated using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Date of grant of options	24 August 2011
Fair value at measurement date	RM0.17 to RM0.42
Share price at grant date	RM0.83
Exercise price	RM0.87
Expected volatility	42.8%
Expected option life	1.5 years to 6.5 years
Expected dividend yield	2.30% to 3.09%
Risk-free interest rate	3.04% to 3.25%

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(d) GuocoLeisure

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GuocoLeisure ESOS 2008") was approved by the shareholders of GuocoLeisure on 17 October 2008 and further approved by the shareholders of the Company on 21 November 2008 (the "Approval Date") in place of the previous GuocoLeisure Share Option Plan and the GuocoLeisure Value Creation Incentive Share Scheme, which were both terminated on 21 November 2008. The GuocoLeisure ESOS 2008 allows the grant of options over newly issued and/or existing shares of GuocoLeisure to eligible participants including employees and executive directors of the GuocoLeisure group who are not controlling shareholders of GuocoLeisure. The GuocoLeisure ESOS 2008 shall continue to be in force at the discretion of the GuocoLeisure ESOS Committee, subject to a maximum period of 10 years commencing from the Approval Date till 20 November 2018.

(i) The terms and conditions of the grants that existed during the year, whereby all options are settled by physical delivery of shares:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors of GuocoLeisure: – on 13 May 2013	5,000,000	3 to 6 years from the date of grant	3.6 to 8.6 years
Options granted to directors of subsidiaries of GuocoLeisure: – on 13 May 2013	31,000,000		
Options granted to employees of GuocoLeisure: – on 13 May 2013	34,400,000		
Total share options	70,400,000		

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(d) GuocoLeisure (cont'd)

(ii) The number and weighted average exercise prices of share options are as follows:

	2014 Weighted average exercise price	2014 Number of options	2013 Weighted average exercise price	2013 Number of options
Outstanding at the beginning of the year	S$0.713-S$0.86	76,005,000	S$0.713	210,000
Granted during the year	–	–	S$0.86	79,900,000
Lapsed during the year	S$0.713-S$0.86	(5,605,000)	S$0.713-S$0.86	(4,105,000)
Outstanding at the end of the year	S$0.86	70,400,000	S$0.713-S$0.86	76,005,000
Exercisable at the end of the year	N/A	–	N/A	–

	2014	2013
The weighted average share price at the date of exercise for share options exercised during the year	N/A	N/A
The weighted average exercise price per share of the outstanding options	S$0.86	S$0.86
The weighted average remaining contractual life of the options	5.4 years	6.5 years

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(d) GuocoLeisure (cont'd)

(iii) Fair value of share options and assumptions

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 the Black-Scholes option pricing 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, dividend yield and risk-free rate are based on 5-year historical trends.

Date of grant of options	13 May 2013
Fair value at measurement date	S$0.17 to S$0.227
Share price at grant date	S$0.83
Exercise price	S$0.86
Expected volatility	34.1%
Expected option life	3.6 years to 8.6 years
Expected dividend yield	2.41%
Risk-free interest rate	1.05%

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(e) Rank

During the year ended 30 June 2014, Rank operated an equity settled Long Term Incentive Plan ("LTIP"). In the prior year, the Save-As-You-Earn ("SAYE") share option scheme previously offered to all UK employees and the Executive Share Option Scheme ("ESOS") both lapsed. All of these schemes were equity settled.

(i) The terms and conditions of the grants that existed during the year, whereby all options are settled by physical delivery of shares:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors of Rank:			
– 26 June 2013	770,218	Year to 30 June 2015	3 to 5 years
– 29 May 2014	656,250	Year to 30 June 2015	1.3 to 3.3 years
Options granted to directors of subsidiaries of Rank:			
– 26 June 2013	2,192,083	Year to 30 June 2015	3 to 5 years
Options granted to employees of Rank:			
– 26 June 2013	1,484,995	Year to 30 June 2015	3 to 5 years
– 10 September 2013	157,473	Year to 30 June 2015	2 to 4 years
– 7 February 2014	132,740	Year to 30 June 2015	1.5 to 3.5 years
Total share options	5,393,759		

(ii) The number and weighted average exercise prices of share options are as follows:

	2014 Weighted average exercise price	2014 Number of options	2013 Weighted average exercise price	2013 Number of options
Outstanding at the beginning of the year	NIL	8,548,832	GBp7.6	3,298,508
Exercised during the year	NIL	(106,247)	GBp8.3	(1,169,881)
Granted during the year	NIL	946,473	NIL	6,874,638
Expired during the year	NIL	(3,995,289)	GBp37.2	(454,433)
Outstanding at the end of the year	NIL	5,393,769	NIL	8,548,832
Exercisable at the end of the year	NIL	–	NIL	–

35. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(e) Rank (cont'd)

(ii) The number and weighted average exercise prices of share options are as follows: (cont'd)

	2014	2013
The weighted average share price at the date of exercise for share options exercised during the period	GBp160.00	GBp163.54
The weighted average exercise price per share of the outstanding options	NIL	NIL
The weighted average remaining contractual life of the options	2.1 years	3.1 years

(iii) Fair value of share options and assumptions

The fair value of LTIP awards granted is calculated using a Monte Carlo simulation which allows for the incorporation of market performance conditions. For grants made subject to non-market based performance conditions, the expense recognised is based on expectations of these conditions being met, which are reassessed at the end of each reporting period.

	2014 LTIP	2013 LTIP
Fair value at measurement date	GBp71.30	GBp103.40
Share price at grant date	GBp140.50	GBp160.50
Exercise price	NIL	NIL
Expected volatility	31.0%	33.0%
Expected option life	1 to 3 years	2.8 years
Expected dividend yield	3.2%	5.1%
Risk-free interest rate	1.4%	1.4%

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

These risks are managed by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risks are primarily attributable to bank deposits, debt securities, derivative financial instruments and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's bank deposits are only deposited in and debt securities are only purchased from counterparties which have high credit quality. Transactions involving derivative financial instruments are with counterparties with sound credit ratings. The Group has limits for exposures to individual counterparty and country to manage concentration risk.

The Group's credit exposure in property business is minimal as customers fund their purchases of residential housing units with mortgaged home loans from independent financial institutions. The hotel business has its own credit policy to allow credit period of up to 14 days for certain of its customers. Sales to gaming retail customers are settled in cash or using major credit cards. The Group has no significant concentrations of credit risks. The Group only obtain liquid securities as collaterals from margin clients of securities, commodities and brokerage business.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position after deducting any impairment allowance.

(b) Liquidity risk

Liquidity is managed on a daily basis by the treasury and finance departments. They are responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches. The Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates prevailing at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(b) Liquidity risk (cont'd)

	2014 Contractual undiscounted cash flow						2013 Contractual undiscounted cash flow					
	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Total US$'000	Carrying amount at 30 June 2014 US$'000	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Total US$'000	Carrying amount at 30 June 2013 US$'000
The Group												
Non-derivative financial liabilities												
Bank loans and other loans	(1,699,074)	(607,479)	(1,934,082)	(81,293)	(4,321,928)	(4,117,759)	(1,662,640)	(1,077,923)	(1,782,236)	(121,931)	(4,644,730)	(4,407,470)
Unsecured medium term notes	(698,349)	(322,283)	(879,958)	(104,236)	(2,004,826)	(1,810,134)	(241,131)	(567,283)	(1,087,276)	(107,127)	(2,002,817)	(1,738,138)
Secured mortgage debenture stock	(255,227)	(7,424)	(22,272)	(116,567)	(401,490)	(337,672)	(29,303)	(228,666)	(19,954)	(111,088)	(389,011)	(309,015)
Trade and other payables	(633,810)	(107,887)	(17,695)	(766)	(760,158)	(760,158)	(913,478)	(111,427)	(7,431)	(729)	(1,033,065)	(1,033,065)
	(3,286,460)	(1,045,073)	(2,854,007)	(302,862)	(7,488,402)	(7,025,723)	(2,846,552)	(1,985,299)	(2,896,897)	(340,875)	(8,069,623)	(7,487,688)
Derivative financial liabilities												
Derivatives settled net:												
Interest rate swaps	(2,983)	(720)	-	-	(3,703)		(3,221)	(2,470)	(481)	–	(6,172)	
Derivatives settled gross:												
Forward foreign exchange contracts												
– outflows	(4,399,287)	-	-	-	(4,399,287)		(3,329,254)	–	–	–	(3,329,254)	
– inflows	4,390,399	-	-	-	4,390,399		3,332,436	–	–	–	3,332,436	
	(11,871)	(720)	-	-	(12,591)		(39)	(2,470)	(481)	–	(2,990)	
The Company												
Non-derivative financial liabilities												
Trade and other payables	(257)	(271)	-	-	(528)	(528)	(221)	(271)	–	–	(492)	(492)
Financial guarantees issued on behalf of subsidiaries (maximum amount guaranteed)												
– banks	(259,953)	(207,538)	(299,856)	-	(767,347)		(355,371)	(253,885)	(100,350)	–	(709,606)	
– fixed rate bondholders	(23,750)	(23,750)	(525,729)	-	(573,229)		(23,750)	(23,750)	(549,479)	–	(596,979)	
	(283,703)	(231,288)	(825,585)	-	(1,340,576)		(379,121)	(277,635)	(649,829)	–	(1,306,585)	

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(c) Interest rate risk

The Group's interest rate risk arises from treasury activities and borrowings. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. The Group uses interest rate swaps and swap spread to manage its interest rate exposure as appropriate. As at 30 June 2014, the Group had interest rate swaps with outstanding notional amount of US$439.6 million (2013: US$197.7 million).

(i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's interest earning financial assets and interest bearing financial liabilities at the end of the reporting period.

	2014 Effective interest rate	2014 US$'000	2013 Effective interest rate	2013 US$'000
The Group				
Floating rate financial liabilities				
Bank loans and other borrowings	1.10% to 7.56%	(4,012,269)	0.55% to 7.56%	(4,303,450)
		(4,012,269)		(4,303,450)
Fixed rate financial assets/(liabilities)				
Deposits with banks	0.03% to 6.30%	1,622,705	0.03% to 7.80%	1,841,177
Bank loans and other borrowings	2.00% to 10.75%	(2,253,296)	2.33% to 10.75%	(2,151,173)
		(630,591)		(309,996)
Total		(4,642,860)		(4,613,446)
The Company				
Fixed rate financial assets				
Deposits with banks	0.03% to 3.65%	1,019,534	0.03% to 3.03%	1,077,670
Amounts due from subsidiaries	2.00%	50,963	1.14% to 2.55%	139,960
		1,070,497		1,217,630

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(c) Interest rate risk (cont'd)

(ii) Sensitivity analysis

As at 30 June 2014, it is estimated that a general increase/decrease of 5 to 75 basis points (2013: 10 to 63 basis points) in interest rates for the Group's various currencies, mainly United States dollars, British pounds, Malaysian Ringgit and Singapore dollars, with all other variables held constant, would have decreased/increased the Group's profit and total equity by approximately US$2.0 million (2013: decreased/increased of US$2.6 million). This takes into account the effect of interest earning bank deposits and interest bearing bank loans and other borrowings as at 30 June 2014.

The sensitivity analysis above indicates the instantaneous change in the Group's profit and total equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit and total equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2013.

(d) Foreign currency risk

Structural foreign currency positions arise mainly on overseas investments in Singapore, Malaysia, China and United Kingdom. Currency exposure to these overseas investments is managed primarily at the Group level with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations.

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures and investments.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(d) Foreign currency risk (cont'd)

(i) Exposure to foreign currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency and exposure arising from inter-company balances which are considered to be in the nature of interest in subsidiaries are excluded.

	2014					2013				
	Australian Dollars '000	Renminbi '000	Great Britain Pound '000	Malaysian Ringgit '000	Singapore Dollars '000	Australian Dollars '000	Renminbi '000	Great Britain Pound '000	Malaysian Ringgit '000	Singapore Dollars '000
The Group										
Available-for-sale financial assets	-	-	-	4,416	-	–	–	–	3,960	–
Trade and other receivables	10	207,936	86	3,423	-	128	134,232	215	468	293
Trading financial assets	189,634	-	273,740	184,802	188,651	151,182	–	–	208,909	–
Cash and short term funds	50	558,861	56	1,092,283	120	237	144,955	638	247,612	25,743
Trade and other payables	-	(10,260)	(106)	(27)	(7)	–	(10,303)	(106)	(27)	–
Bank loans and other borrowings	-	-	-	-	(600)	–	–	–	–	(13,000)
Gross exposure arising from recognised assets and liabilities	189,694	756,537	273,776	1,284,897	188,164	151,547	268,884	747	460,922	13,036
Notional amounts of forward exchange contracts at fair value through profit or loss	(194,125)	308,170	(277,691)	(1,279,524)	(171,325)	(155,416)	–	–	(424,452)	317,614
Overall net exposure	(4,431)	1,064,707	(3,915)	5,373	16,839	(3,869)	268,884	747	36,470	330,650
The Company										
Trade and other receivables	-	2,710	-	1,632	-	–	–	–	100	–
Cash and short term funds	31	506,180	24	1,091,953	-	139	4	52	246,785	4,968
Gross exposure arising from recognised assets and liabilities	31	508,890	24	1,093,585	-	139	4	52	246,885	4,968

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(d) Foreign currency risk (cont'd)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit and total equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2014			2013		
	Increase in foreign exchange rates	Effect on profit US$'000	Effect on other components of equity US$'000	Increase in foreign exchange rates	Effect on profit US$'000	Effect on other components of equity US$'000
The Group						
Australian Dollars	5%	(179)	–	5%	(236)	–
Renminbi	2%	2,912	–	1%	561	–
Great Britain Pound	2%	(128)	–	2%	19	–
Malaysian Ringgit	2%	(105)	25	4%	200	45
Singapore Dollars	2%	133	–	3%	6,670	–

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit and total equity measured in the respective functional currencies, translated into United States dollars at the exchange rate ruling at the end of the reporting period for presentation purpose.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2013.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as trading securities (see note 26) and available-for-sale equity securities (see note 21).

The Group maintains an investment portfolio which comprises listed and unlisted equities. Investments are chosen to enhance creation of capital value for trading purpose as well as for long term potential growth. Equity investments are subject to asset allocation limits to control appropriate risks. The portfolio size is regularly reviewed and the price movements are closely monitored by the investment committee, who will take appropriate actions when required.

As at 30 June 2014, it is estimated that an increase/decrease of 5% to 22% (2013: 11% to 23%) in the market value of the Group's global listed trading securities and available-for-sale equity securities, with all other variables held constant, would have increased/decreased the Group's profit and total equity by US$297.2 million (2013: US$259.3 million) and US$265.0 million (2013: US$259.3 million) respectively. It is assumed that none of the available-for-sale investments would be considered impaired as a result of relevant risk variables. The analysis is performed on the same basis for 2013.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(f) Fair values measurement

(i) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

– Level 3 valuations: Fair value measured using significant unobservable inputs

	2014				2013			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
The Group								
Recurring fair value measurements								
Assets								
Available-for-sale financial assets:								
– Listed	1,767,820	–	–	1,767,820	1,542,801	–	–	1,542,801
– Unlisted	–	38,400	3,631	42,031	–	–	35,113	35,113
Trading equity securities:								
– Listed	1,844,269	–	–	1,844,269	1,508,066	–	–	1,508,066
Trading unit trusts:								
– Unlisted	–	–	–	–	–	15,821	–	15,821
Derivative financial instruments:								
– Interest rate swaps	–	781	–	781	–	–	–	–
– Forward exchange contracts	–	1,293	–	1,293	–	11,605	–	11,605
– Equity options	–	3,938	–	3,938	–	303	–	303
	3,612,089	44,412	3,631	3,660,132	3,050,867	27,729	35,113	3,113,709
Liabilities								
Derivative financial instruments:								
– Interest rate swaps	–	3,121	–	3,121	–	5,359	–	5,359
– Forward exchange contracts	–	8,900	–	8,900	–	6,809	–	6,809
	–	12,021	–	12,021	–	12,168	–	12,168

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(f) Fair values measurement (cont'd)

(i) Financial assets and liabilities measured at fair value (cont'd)

During the year ended 30 June 2014, an unlisted available-for-sale financial asset was transferred from Level 3 to Level 2 when the underlying non-publicly traded investment held by the unlisted available-for-sale financial asset has become publicly traded in an active market upon an initial public offering.

During the year ended 30 June 2013, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

	2014				2013			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
The Company								
Recurring fair value measurements								
Assets								
Available-for-sale financial assets:								
– Unlisted	–	–	203	203	–	–	203	203

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward exchange contracts is determined based on quotes from market makers or alternative market participants supported by observable inputs including spot and forward exchange rates. The fair value of other derivative financial instruments is determined based on the amount that the Group would receive or pay to terminate the contracts with the independent counterparties at the end of the reporting period, taking into account current observable inputs. The fair value of the unlisted available-for-sale financial asset in Level 2 is determined using a valuation technique based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the unlisted available-for-sale financial asset. The assets held by the unlisted available-for-sale financial asset consist of a publicly traded investment in an active market which is reported at the market closing price.

Information about Level 3 fair value measurements

Other unlisted available-for-sale financial assets carried at fair value are categorised within Level 3 of the fair value hierarchy. The fair values are determined using a valuation technique based on the net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the investee fund.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (cont'd)

(f) Fair values measurement (cont'd)

(i) Financial assets and liabilities measured at fair value (cont'd)

The movements during the year in the balance of Level 3 fair value measurements are as follows:

	The Group	
	2014 US$'000	2013 US$'000
Unlisted available-for-sale financial assets:		
At 1 July	**35,113**	35,467
Net unrealised losses recognised in other comprehensive income during the year	**(53)**	(87)
Proceeds from sales	**–**	(264)
Redemption of cost	**(198)**	–
Transfer to Level 2	**(31,232)**	–
Exchange adjustments	**1**	(3)
At 30 June	**3,631**	35,113
Total gains or losses for the year reclassified from consolidated other comprehensive income on disposal	**–**	122

The gains or losses arising from the disposal of the unlisted available-for-sale financial assets are presented in "other net income" in the consolidated income statement. The net unrealised gains arising from the remeasurement of the unlisted available-for-sale financial assets are recognised in fair value reserve in other comprehensive income.

(ii) Fair value of financial assets and liabilities carried at other than fair value

Other than for the mortgage debenture stock, the carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2014 and 30 June 2013.

The fair value of the mortgage debenture stock at 30 June 2014 is estimated to be US$378.0 million (2013: US$365.8 million) and is classified within Level 3 of the fair value hierarchy. The interest rate used to discount estimated cash flows at the reporting date ranged from 0.5% to 2.4%.

(g) Financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master agreements providing offsetting mechanism under certain circumstances. At 30 June 2014, the Group and the counterparties have not exercised their rights to offset the financial instruments and the derivatives are settled at gross amount.

37. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure by reviewing its equity-debt ratio and cashflow requirements, taking into account of its future financial obligations and commitments. For this purpose, the Group defines equity-debt ratio as the ratio of the total equity attributable to equity shareholders of the Company to net debt. Net debt comprises total borrowings less cash and short term funds and marketable securities.

The equity-debt ratio at the end of the reporting period is as follows:

	The Group	
	2014 US$'000	2013 US$'000
Bank loans	**4,092,257**	4,272,601
Mortgage debenture stock	**337,672**	309,015
Other borrowings	**1,835,636**	1,873,007
Total borrowings	**6,265,565**	6,454,623
Less: Cash and short term funds	**(1,807,134)**	(2,072,946)
Marketable securities	**(1,844,269)**	(1,523,887)
Net debt	**2,614,162**	2,857,790
Total equity attributable to equity shareholders of the Company	**7,256,604**	6,517,923
Equity-debt ratio	**74 : 26**	70 : 30

38. COMMITMENTS

(a) Operating lease arrangements

(i) As lessee

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating lease are payable as follows:

	The Group	
	2014 US$'000	2013 US$'000
Within 1 year	164,779	143,896
After 1 year but within 5 years	629,680	553,886
After 5 years	1,925,620	1,681,948
	2,720,079	2,379,730

The Group leases a number of properties, plant and machinery under operating leases. The leases typically run for periods from 1 year to 51 years, with an option to renew the lease after expiry date. Regular lease payment reviews are required by the majority of the lease agreements.

(ii) As lessor

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating lease are receivable as follows:

	The Group	
	2014 US$'000	2013 US$'000
Within 1 year	17,369	13,243
After 1 year but within 5 years	34,387	26,497
After 5 years	17,509	20,309
	69,265	60,049

38. COMMITMENTS (cont'd)

(b) Capital commitments outstanding at year end not provided for in the financial statements

	The Group	
	2014 US$'000	2013 US$'000
Authorised and contracted for	**20,387**	13,207
Authorised but not contracted for	**31,219**	33,562
	51,606	46,769

The commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was US$1,175.6 million (2013: US$1,512.5 million); in respect of purchase of land was US$318.9 million (2013: US$nil).

(c) There were also commitments in respect of foreign currency contracts relating to the normal operations at 30 June 2014.

39. CONTINGENT LIABILITIES

(a) GuocoLand

In November 2007, GuocoLand (China) Limited ("GLC"), a wholly owned subsidiary of GuocoLand, completed its acquisition of a 100% interest in Hainan Jing Hao Asset Limited ("Hainan Co"), which in turn held a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("DZM Project Co"), the company undertaking the Dongzhimen project in Beijing ("DZM Project"). An aggregate of RMB3.22 billion (approximately US$0.52 billion) of the purchase consideration of RMB5.8 billion (approximately US$0.94 billion) had been paid to the vendors of the DZM Project, Beijing Beida Jade Bird Company Limited ("BBJB") and its related corporations (collectively, the "DZM Vendors"). The balance RMB2.58 billion (approximately US$0.42 billion) had been withheld, pending resolution of disputes described below and, in respect of a loan of RMB2 billion (approximately US$0.32 billion) made by Agricultural Bank of China ("ABC") to Beijing Dong Hua Guang Chang Zhi Ye Co Ltd ("Zhiye"), a related corporation of BBJB, and guaranteed by BBJB, DZM Project Co and Hainan Co. The loan of RMB2 billion (approximately US$0.32 billion) with interest ("ABC Loan") had, in April 2011, been acquired from ABC by GuoSon Investment Company Limited ("GICL"), a wholly owned subsidiary of GuocoLand, together with all rights attaching thereto including enforcement rights against the borrower and guarantors, for a sum of RMB3.048 billion (approximately US$0.49 billion). GICL's acquisition of the ABC Loan had been sanctioned by The Beijing Second Intermediate People's Court. PRC lawyers have advised that GLC has a good case to treat the sum paid by GICL to ABC as a set-off against any outstanding balance of the purchase consideration for the DZM Project.

39. CONTINGENT LIABILITIES (cont'd)

(a) GuocoLand (cont'd)

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

SDB had claimed that a loan of RMB1.5 billion (approximately US$0.24 billion) was granted by SDB to certain borrowers (the "Alleged Loans"). Amongst the security allegedly obtained by SDB is a guarantee by Zhiye. SDB filed an earlier suit against Zhiye and DZM Project Co in The People's High Court of Beijing ("Beijing Court") but this was dismissed in December 2007. An appeal has been filed by SDB against Zhiye and DZM Project Co in respect of this dismissal ("SDB appeal").

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

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

Before the hearing of the SDB appeal and the second SDB suit, SDB and BBJB purportedly entered into a settlement agreement in May 2008 for DZM Project Co to pay, inter alia, RMB1 billion (approximately US$0.16 billion) of the Alleged Loans to SDB. In November 2008, this settlement agreement was purportedly mediated through the Supreme People's Court of The People's Republic of China ("Supreme Court") and was stated to have effect as a judgement upon signing by the relevant parties ("Alleged Civil Mediation Agreement"). GLC did not have conduct of the aforesaid proceedings and is not aware of whether the Alleged Civil Mediation Agreement has been signed by the parties, and has been advised by its PRC lawyers that the Alleged Civil Mediation Agreement is void and unenforceable. GLC has submitted an application for the rehearing of the Alleged Civil Mediation Agreement, which is pending before the Supreme Court.

(ii) Hainan Co and DZM Project Co

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

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

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

39. CONTINGENT LIABILITIES (cont'd)

(a) GuocoLand (cont'd)

(ii) Hainan Co and DZM Project Co (cont'd)

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

(b) Rank

(i) Rank liabilities relating to Fiscal Neutrality Case

In previous periods Rank disclosed a contingent liability in respect of a claim for repayment of output VAT on amusement machines. In May 2010, Rank received GBP30.7 million (approximately US$52.3 million) (VAT of GBP26.4 million (approximately US$45.0 million) plus interest of GBP4.3 million (approximately US$7.3 million)) in respect of the claim, which has been the subject of ongoing litigation. During the period, the Court of Appeal found in favour of HM Revenue & Customs ("HMRC") and consequently an amount of GBP26.4 million (approximately US$45.0 million) was provided to cover the expected outflow, together with an accrual for interest of GBP4.3 million (approximately US$7.3 million). In May 2014, a payment was made to HMRC in respect of these claims, with the remaining balance being the directors' best estimate of the outflow likely to arise. Rank has been granted leave to appeal to the Supreme Court, and it therefore remains possible Rank will not ultimately be liable for these amounts. The appeal will be held in April 2015.

(ii) Other VAT and duty

In previous periods Rank has disclosed contingent liabilities in respect of a limited number of VAT and duty issues. At 30 June 2013 Rank estimated its total exposure in relation to be approximately GBP29 million (approximately US$49 million) (plus interest), of which GBP12.2 million (approximately US$20.8 million) (plus interest) was provided. During the year Rank has paid GBP11.9 million (approximately US$20.3 million) (plus interest of GBP0.8 million (approximately US$1.4 million)) as settlement of these VAT and duty issues.

(iii) Property leases

Concurrent to the GBP211 million (approximately US$359 million) sale and leaseback in 2006, Rank transferred the rights and obligations but not the legal titles of 44 property leases to a third party. Rank remains potentially liable in the event of default by the third party. Should default occur then Rank would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 16 of these have not expired or been surrendered. These 16 leases have durations of between one month and 99 years and a current annual rental obligation (net of sub-let income) of approximately GBP1.5 million (approximately US$2.6 million).

During the year, Rank became aware of certain information in respect of a deterioration in the financial position of the third party and one of the guarantors. However, Rank has not to date been notified of any default, or intention to default, in respect of the transferred leases.

40. MATERIAL RELATED PARTY TRANSACTIONS

(a) Banking transactions

Transactions with companies in the Hong Leong Company (Malaysia) Berhad Group ("HLCM"):

During the year, the Group entered into a number of transactions in the normal course of business with companies in the HLCM group including deposits and correspondent banking transactions. The transactions were priced based on the relevant market rates at the time of each transaction, and were under the same terms as those available to the independent counterparties and customers.

Information relating to interest income from these transactions during the year and balance outstanding at the end of the reporting period is set out below:

(i) Income for the year ended 30 June

	The Group	
	2014 US$'000	2013 US$'000
Interest income	**1,288**	397

(ii) Balance as at 30 June

	The Group	
	2014 US$'000	2013 US$'000
Cash and short term funds	**40,944**	23,469

(b) Management fees

On 4 July 2011, the Company renewed its master services agreement with GOMC Limited ("GOMC") and GuoLine Group Management Co. Limited ("GGMC"), subsidiaries of HLCM, for provision by GOMC or GGMC of management services to the Company and/or its subsidiaries (excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia (the "Malaysian Subsidiaries")), for a term of 3 years from 1 July 2011 to 30 June 2014. Total amount paid or provided for in respect of management fees to GOMC and GGMC for the year ended 30 June 2014 amounted to US$6,023,000 (2013: US$4,766,000) and US$15,151,000 (2013: US$12,182,000) respectively.

On 4 July 2011, the Company renewed its master services agreement with HL Management Co Sdn Bhd ("HLMC"), a subsidiary of HLCM, for the provision of management services to the Malaysian Subsidiaries of the Company for a term of 3 years from 1 July 2011 to 30 June 2014. Total amount paid or provided for in respect of management fees to HLMC for the year ended 30 June 2014 amounted to US$888,000 (2013: US$411,000).

40. MATERIAL RELATED PARTY TRANSACTIONS (cont'd)

(c) Key management personnel information

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

	The Group	
	2014	2013
	US$'000	US$'000
Short-term employee benefits	**6,531**	2,099

Total remuneration is included in "staff costs" (see note 7(b)).

(d) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of (a) banking transactions and (b) management fees above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS" of the Report of the Directors.

41. SUBSEQUENT EVENT

In July 2014, GuocoLand accepted the offer from a shareholder of Continental Estates, to acquire from this shareholder, an additional interest of 10.66% in Continental Estates for a total purchase consideration of RM43 million (approximately US$13.4 million). Upon completion of the transaction, the Group's effective equity interest in Continental Estates will increase from 22.16% to 26.89%.

42. PARENT AND ULTIMATE HOLDING COMPANY

The directors consider the parent company at 30 June 2014 to be GuoLine Overseas Limited, which is incorporated in Bermuda and the ultimate holding company to be Hong Leong Company (Malaysia) Berhad, which is incorporated in Malaysia. These entities do not produce financial statements available for public use.

43. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 30 JUNE 2014

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting year ended 30 June 2014 and which have not been adopted in these financial statements:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities	1 January 2014
Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to HKAS 36 – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to HKFRS 11 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKFRS 15, Revenue from Contracts with Customers	1 January 2017
HKFRS 9, Financial Instruments	N/A[(i)]
Amendments to HKFRS 9 and HKFRS 7 – Mandatory Effective Date of HKFRS 9 and Transition Disclosures	N/A[(i)]
Amendments to HKFRS 9, HKFRS 7 and HKAS 39 – Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39	N/A[(i)]

(i) The current version of HKFRS 9 does not include a mandatory effective date. An effective date will be added when all phases of HKFRS 9 are completed and finalised.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position except for HKFRS 9, Financial Instruments, which may have an impact on the Group's results and financial position arising from changes in the Group's classification and measurement of financial instruments.

In addition, the requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Company's first financial year commencing after 3 March 2014 (i.e. the Company's financial year which began on 1 July 2014) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

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						
Goodwood Residence situated at Bukit Timah Road	Residential	TOP obtained in 6/2013	N/A	24,845	39,752	65
Sophia Residence situated at 32 Adis Road	Residential	TOP obtained in 4/2014	N/A	15,435	32,413	65
Leedon Residence situated at Leedon Heights	Residential	Architectural and external works in progress	1st Quarter 2015	48,525	77,640	65
Tanjong Pagar Centre situated at Peck Seah Street/ Choon Guan Street	Residential/ Commercial#/ Office#/Hotel^	Substructure and superstructure works in progress	2nd Quarter 2016	15,023	157,738	52
Malaysia						
Changkat Kia Peng, situated at Lot 241 Seksyen 63, Bandar, Kuala Lumpur	Residential	Planning	*	3,030	3,030	44
Commerce One, Bedford Business Park situated at Old Klang Road, Mukim of Petaling Jaya, Kuala Lumpur	Commercial	TOP obtained in 12/2013	N/A	2,565	39,636	44
Bukit Rahman Putra situated at Mukim of Sg. Buloh, Selangor Darul Ehsan	Residential	Phase 6B: Main building works completed	4th Quarter 2014	26,993	23,411	44
		Phases 5B, 6C, 6D, 8D & CL5: Planning	*	88,944	65,341	44
Site situated at Lot 3059, Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	30,351	30,351	44

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

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)						
Damansara City situated at Damansara Town Centre, Kuala Lumpur	Residential/ Commercial#/ Office#/Hotel^	Building works in progress	4th Quarter 2016	32,450	214,794	44
Site situated at Geran No. 20438, Lot 36, Bandar Batu Ferringhi, Pulau Pinang	Residential	Planning	*	18,534	18,534	44
Amandarii situated at Seksyen 9, Tempat Sungai Kantan, Kajang, Daerah Hulu Langat, Selangor Darul Ehsan	Residential	TOP obtained in 9/2013	N/A	35,450	16,591	44
The OVAL situated at Seksyen 63, Jalan Binjai, Kuala Lumpur	Residential	TOP obtained in 9/2009	N/A	7,080	54,474	44
Site situated at Geran No. 18795-18799, 18803-18805, 18831, Lot 7585-7589, 7597-7599, 7600 Mukim Petaling and District of Kuala Lumpur	Residential	Planning	*	184,687	184,687	44
PJ City Corporate Hub situated at Lot 13508 Seksyen 32 Bandar Petaling Jaya Daerah Petaling	Industrial	TOP obtained in 4/2014	N/A	31,404	18,486	44
Site situated at 13507, Seksyen 32, Bandar Petaling Jaya, Daerah Petaling	Commercial	Planning	*	12,974	12,974	44

MAJOR DEVELOPMENT PROPERTIES AND PROPERTIES HELD FOR SALE OF THE SUBSIDIARIES

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						
Ascot Park situated in Qixia District, Nanjing	Commercial	Phase 2: Planning	*	19,273	19,273	62
Shanghai Guoson Centre situated in Putuo District, Shanghai	Commercial#	Phase 1: TOP obtained in 7/2010	N/A	67,335	155,618	65
	Hotel^	TOP obtained in 6/2010	N/A			
	Serviced Apartment	TOP obtained in 3/2013	N/A			
	Commercial/ Office	Phase 2: Construction works in progress	4th Quarter 2016	76,510	214,330	65
Camden Park (Changfeng Plot 9), site situated in Putuo District, Shanghai	Residential	Planning	*	47,675	122,400	83
Seasons Park situated in Nankai District, Tianjin	Residential	TOP obtained in 12/2013	N/A	25,866	209,661	65
Beijing Guoson Centre situated in Dong Cheng District, Beijing	Residential/ Commercial/ Office/ Hotel	Construction works under review	N/A	106,000	595,812	59
Vietnam						
The Canary situated in Thuan An District, Binh Duong Province	Residential/ Commercial	TOP obtained in 9/2013	N/A	101,532	173,000	65
		Phases 3 & 4: Planning	*			

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

\# The carrying value is included in Investment Properties.

^ The carrying value is included in Other Property, Plant and Equipment.

N/A: Not applicable.

MAJOR PROPERTIES OF THE SUBSIDIARIES HELD FOR INVESTMENT

Location	Existing Use	Tenure of Land
Singapore		
20 Collyer Quay Singapore 049319	Office building	999 years lease with effect from 5 November 1862
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interests in freehold land	(Note)
Tanjong Pagar Centre situated at Peck Seah Street/ Choon Guan Street, Singapore	Land under development	99 years lease with effect from 21 February 2011

Note: The Group disposed of its interests in a 98-year lease (with effect from 19 March 1998) in the freehold land in July 2006 to a third party. Accordingly, the Group recognised its reversionary interests in the freehold land.

Location	Existing Use	Tenure of Land
Malaysia		
Menara Pandan C & D Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Office tower building	99 years lease with effect from 25 March 2002
Damansara City Lot 58303 Damansara Heights Jalan Damanlela 50490 Kuala Lumpur	Land under development	Freehold
The People's Republic of China		
Shanghai Guoson Centre No. 452 Daduhe Road Shanghai	Commercial building	50 years land use rights with effect from 11 December 2005
Hong Kong		
The Center 15th Floor 99 Queen's Road Central Hong Kong	Office building	From 24 November 1995 to 30 June 2047