

**GuocoLand Limited
And Its Subsidiaries**

**Condensed Interim Financial Statements
For the half year ended 31 December 2023**

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A. Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Group Half Year Ended		Increase/ (Decrease) %
		31/12/2023 \$'000	31/12/2022 \$'000	
Revenue	4.2	1,066,431	661,581	61
Cost of sales		(853,060)	(495,780)	72
Gross profit		213,371	165,801	29
Other income		21,334	47,569	(55)
Administrative expenses		(48,835)	(46,518)	5
Other expenses		(9,903)	(705)	N/M
Finance costs		(113,505)	(60,744)	87
Share of profit / (loss) of associates and joint ventures (net of tax)		20,543	(7,704)	N/M
Profit before tax	6	83,005	97,699	(15)
Tax expense	7	(15,895)	(16,234)	(2)
Profit for the period		67,110	81,465	(18)
Profit attributable to:				
Equity holders of the Company		66,166	59,042	12
Non-controlling interests		944	22,423	(96)
		67,110	81,465	(18)
Earnings per share for profit for the period attributable to equity holders of the Company				
- Basic (cents)	15	5.13	4.46	15
- Diluted (cents)	15	5.11	4.46	15

N/M : Not meaningful.

A. Condensed consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group		Increase/ (Decrease)
	Half Year Ended 31/12/2023	31/12/2022	
	\$'000	\$'000	%
Profit for the period	67,110	81,465	(18)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	(15,219)	(107,862)	(86)
Effective portion of changes in fair value of cash flow hedges	-	4	(100)
Effective portion of changes in fair value of net investment hedges	517	16,655	(97)
Total other comprehensive income for the period, net of tax	(14,702)	(91,203)	(84)
Total comprehensive income for the period, net of tax	52,408	(9,738)	N/M
Attributable to:			
Equity holders of the Company	54,614	(15,847)	N/M
Non-controlling interests	(2,206)	6,109	N/M
Total comprehensive income for the period, net of tax	52,408	(9,738)	N/M

N/M : Not meaningful.

B. Condensed statements of financial position

	Note	Group As at		Company As at	
		31/12/2023 \$'000	30/06/2023 \$'000	31/12/2023 \$'000	30/06/2023 \$'000
Non-current assets					
Property, plant and equipment and right-of-use assets	10	433,210	439,646	-	-
Investment properties	11	6,240,705	6,202,902	-	-
Subsidiaries		-	-	2,159,387	2,157,610
Associates and joint ventures		634,992	519,502	-	-
Deferred tax assets		10,984	15,681	-	-
		<u>7,319,891</u>	<u>7,177,731</u>	<u>2,159,387</u>	<u>2,157,610</u>
Current assets					
Inventories	12	3,943,801	3,610,021	-	-
Deposits for land		-	175,200	-	-
Trade and other receivables, including derivatives		173,288	156,424	539	1,156
Cash and cash equivalents		1,010,185	890,444	26	85
		<u>5,127,274</u>	<u>4,832,089</u>	<u>565</u>	<u>1,241</u>
Total assets		<u>12,447,165</u>	<u>12,009,820</u>	<u>2,159,952</u>	<u>2,158,851</u>
Equity					
Share capital	14	1,926,053	1,926,053	1,926,053	1,926,053
Reserves		2,323,277	2,344,465	230,162	227,818
Equity attributable to ordinary equity holders of the Company					
		4,249,330	4,270,518	2,156,215	2,153,871
Perpetual securities		408,167	408,015	-	-
Non-controlling interests		886,226	891,411	-	-
Total equity		<u>5,543,723</u>	<u>5,569,944</u>	<u>2,156,215</u>	<u>2,153,871</u>
Non-current liabilities					
Other payables, including derivatives		553,970	531,758	3,317	3,795
Loans and borrowings	13	2,967,576	4,191,017	-	-
Deferred tax liabilities		29,372	21,722	-	-
		<u>3,550,918</u>	<u>4,744,497</u>	<u>3,317</u>	<u>3,795</u>
Current liabilities					
Trade and other payables, including derivatives		672,799	736,513	420	1,185
Loans and borrowings	13	2,660,291	923,207	-	-
Current tax liabilities		19,434	35,659	-	-
		<u>3,352,524</u>	<u>1,695,379</u>	<u>420</u>	<u>1,185</u>
Total liabilities		<u>6,903,442</u>	<u>6,439,876</u>	<u>3,737</u>	<u>4,980</u>
Total equity and liabilities		<u>12,447,165</u>	<u>12,009,820</u>	<u>2,159,952</u>	<u>2,158,851</u>

C. Condensed statements of changes in equity

	Attributable to ordinary equity holders of the Company						Total Equity \$'000
	Share Capital \$'000	Other Reserves* \$'000	Accumulated Profits \$'000	Total Ordinary Equity \$'000	Perpetual Securities \$'000	Non- Controlling Interests \$'000	
	Group						
At 1 July 2023	1,926,053	(310,208)	2,654,673	4,270,518	408,015	891,411	5,569,944
Total comprehensive income for the period							
Profit for the period	-	-	66,166	66,166	-	944	67,110
Other comprehensive income							
<i>Items that are or may be reclassified subsequently to profit or loss:-</i>							
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	(12,069)	-	(12,069)	-	(3,150)	(15,219)
Effective portion of changes in fair value of net investment hedges	-	517	-	517	-	-	517
Total other comprehensive income, net of tax	-	(11,552)	-	(11,552)	-	(3,150)	(14,702)
Total comprehensive income for the period, net of tax	-	(11,552)	66,166	54,614	-	(2,206)	52,408
Transactions with equity holders, recorded directly in equity							
Contributions by and distributions to equity holders							
Share-based payments	-	65	-	65	-	-	65
Accrued distribution for perpetual securities	-	-	(9,276)	(9,276)	9,276	-	-
Distribution payment for perpetual securities	-	-	-	-	(9,124)	-	(9,124)
Dividends	-	-	(66,591)	(66,591)	-	(2,979)	(69,570)
Total contributions by and distributions to equity holders	-	65	(75,867)	(75,802)	152	(2,979)	(78,629)
Total transactions with equity holders	-	65	(75,867)	(75,802)	152	(2,979)	(78,629)
At 31 December 2023	1,926,053	(321,695)	2,644,972	4,249,330	408,167	886,226	5,543,723

* Include reserve for own shares, capital reserve, translation reserve, revaluation reserve, merger reserve and hedging reserve.

C. Condensed statements of changes in equity (cont'd)

	Attributable to ordinary equity holders of the Company				Perpetual Securities \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
	Share Capital \$'000	Other Reserves* \$'000	Accumulated Profits \$'000	Total Ordinary Equity \$'000			
Group							
At 1 July 2022	1,926,053	(180,274)	2,538,034	4,283,813	407,656	620,780	5,312,249
Total comprehensive income for the period							
Profit for the period	-	-	59,042	59,042	-	22,423	81,465
Other comprehensive income							
<i>Items that are or may be reclassified subsequently to profit or loss:-</i>							
Translation differences relating to financial statements of foreign subsidiaries, associates and joint ventures	-	(91,548)	-	(91,548)	-	(16,314)	(107,862)
Effective portion of changes in fair value of cash flow hedges	-	4	-	4	-	-	4
Effective portion of changes in fair value of net investment hedges	-	16,655	-	16,655	-	-	16,655
Total other comprehensive income, net of tax	-	(74,889)	-	(74,889)	-	(16,314)	(91,203)
Total comprehensive income for the period, net of tax	-	(74,889)	59,042	(15,847)	-	6,109	(9,738)
Transactions with equity holders, recorded directly in equity							
Contributions by and distributions to equity holders							
Accrued distribution for perpetual securities	-	-	(9,586)	(9,586)	9,586	-	-
Distribution payment for perpetual securities	-	-	-	-	(9,124)	-	(9,124)
Dividends	-	-	(66,586)	(66,586)	-	(1,315)	(67,901)
Capital reduction of a subsidiary with non-controlling interests	-	-	-	-	-	(930)	(930)
Capitalisation of shareholder's loan from non-controlling interests	-	-	-	-	-	41,500	41,500
Total contributions by and distributions to equity holders	-	-	(76,172)	(76,172)	462	39,255	(36,455)
Total transactions with equity holders	-	-	(76,172)	(76,172)	462	39,255	(36,455)
At 31 December 2022	1,926,053	(255,163)	2,520,904	4,191,794	408,118	666,144	5,266,056

* Include reserve for own shares, capital reserve, translation reserve, revaluation reserve, merger reserve and hedging reserve.

C. Condensed statements of changes in equity (cont'd)

	Share Capital S\$'000	Other Reserves* S\$'000	Accumulated Profits S\$'000	Total Equity S\$'000
Company				
At 1 July 2023	1,926,053	(161,858)	389,676	2,153,871
Profit for the period	-	-	68,870	68,870
Total comprehensive income for the period	-	-	68,870	68,870
Transactions with equity holders, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Share-based payments	-	65	-	65
Dividends	-	-	(66,591)	(66,591)
Total contributions by and distributions to equity holders	-	65	(66,591)	(66,526)
Total transactions with equity holders	-	65	(66,591)	(66,526)
At 31 December 2023	1,926,053	(161,793)	391,955	2,156,215
At 1 July 2022	1,926,053	(162,047)	369,708	2,133,714
Profit for the period	-	-	88,046	88,046
Total comprehensive income for the period	-	-	88,046	88,046
Transactions with equity holders, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends	-	-	(66,586)	(66,586)
Total contributions by and distributions to equity holders	-	-	(66,586)	(66,586)
Total transactions with equity holders	-	-	(66,586)	(66,586)
At 31 December 2022	1,926,053	(162,047)	391,168	2,155,174

* Include reserve for own shares and capital reserve.

D. Condensed consolidated statement of cash flows

	Group	
	Half Year Ended 31/12/2023	31/12/2022
	\$'000	\$'000
Cash flows from operating activities		
Profit for the period	67,110	81,465
Adjustments for:-		
(Reversal of allowance) / allowance for credit loss on trade and other receivables	(25)	50
Depreciation of property, plant and equipment and right-of-use assets	5,570	6,334
Finance costs	113,505	60,744
Share-based payments	65	-
Write off of property, plant and equipment	-	2
Gain on disposal of property, plant and equipment	-	(12)
Interest income	(16,688)	(12,207)
Net fair value loss / (gain) on derivative financial instruments	9,683	(20,148)
Share of (profit) / loss of associates and joint ventures, net of tax	(20,543)	7,704
Foreign exchange gains	(106)	(11,460)
Tax expense	15,895	16,234
	174,466	128,706
Changes in:-		
Inventories	(256,636)	262,563
Trade and other receivables	(20,951)	23,422
Trade and other payables	30,974	186,925
Balances with holding companies and related corporations	(3,155)	286
	(75,302)	601,902
Cash (used in) / generated from operating activities	(75,302)	601,902
Tax paid	(21,795)	(15,832)
	(97,097)	586,070
Cash flows from investing activities		
Investment in equity-accounted investee	(1,200)	-
Additions to investment properties	(33,676)	(77,456)
Additions to property, plant and equipment	(2,014)	(559)
Advances to associates and joint ventures	(155,244)	(345)
Dividends and distributions received from associates and joint ventures	62,189	121
Interest received	9,311	7,356
Proceeds from disposal of property, plant and equipment	18	88
	(120,616)	(70,795)
Net cash used in investing activities		

D. Condensed consolidated statement of cash flows (cont'd)

	Group	
	Half Year Ended	
	31/12/2023	31/12/2022
	\$'000	\$'000
Cash flows from financing activities		
Dividends paid	(66,591)	(66,586)
Dividends paid to non-controlling interests	(2,979)	(1,315)
Distribution payment for perpetual securities	(9,124)	(9,124)
Increase in fixed deposits pledged	(289)	(9,912)
Interest paid	(101,719)	(87,856)
Payment for lease liabilities	(412)	(430)
Proceeds from loan and borrowings	1,224,361	282,908
Repayment of loans and borrowings	(708,888)	(667,983)
Capital reduction of a subsidiary with non-controlling interests	-	(930)
Proceeds of loans from non-controlling interests	4,800	-
Repayment of loans from non-controlling interests	-	(17,700)
Net cash from / (used in) financing activities	<u>339,159</u>	<u>(578,928)</u>
Net increase / (decrease) in cash and cash equivalents	121,446	(63,653)
Cash and cash equivalents at beginning of the year	879,455	1,076,406
Exchange differences on translation of balances held in foreign currencies	(1,131)	(37,602)
Cash and cash equivalents at end of the period	<u>999,770</u>	<u>975,151</u>

For the consolidated statement of cash flows, cash and cash equivalents exclude cash collaterals and are presented net of bank overdrafts repayable on demand.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

GuocoLand Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group).

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

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

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1 New and amended standards adopted by the Group

A number of new standards and interpretations and amendments to standards are effective for annual period beginning on 1 July 2023. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

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

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

Note 11 – determination of fair value of investment properties.

Note 12 – allowance for foreseeable losses on development properties.

3. Seasonal operations

The Group's business is not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer ("GCEO") that are used to make strategic decisions. The Group's reportable operating segments are as follows:-

- a. GuocoLand Singapore – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in Singapore.
- b. GuocoLand China – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in China.
- c. GuocoLand Malaysia – development of residential, commercial and integrated properties, and property investment (holding properties for rental income) in Malaysia.

The hotels operations of the Group, which is in Singapore and Malaysia, and its investment in EcoWorld International Berhad, which is in the investment of property development business in United Kingdom and Australia, are not significant to the Group and have been included in the "Unallocated" column.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit after income tax, as included in the internal management reports that are reviewed by the GCEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

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4.1 Reportable segments

	GuocoLand Singapore \$'000	GuocoLand China \$'000	GuocoLand Malaysia \$'000	Sub-Total \$'000	Unallocated \$'000	Total \$'000
1 July to 31 December 2023						
<u>Revenue</u>						
External revenue	841,934	127,133	59,692	1,028,759	37,672	1,066,431
<u>Results</u>						
Segment profit/(loss) before tax	187,670	(34,626)	6,085	159,129	150	159,279
Share of profit/(loss) of associates and joint ventures (net of tax)	18,904	14	1,831	20,749	(206)	20,543
Interest income	6,110	3,288	558	9,956	6,732	16,688
Finance costs	(81,191)	(2,404)	(2,744)	(86,339)	(27,166)	(113,505)
Profit/(Loss) before tax	131,493	(33,728)	5,730	103,495	(20,490)	83,005
Tax expense	(15,771)	1,815	(1,943)	(15,899)	4	(15,895)
Profit/(Loss) for the period	115,722	(31,913)	3,787	87,596	(20,486)	67,110
<i>Other segment items:</i>						
Depreciation	(104)	(194)	(821)	(1,119)	(4,451)	(5,570)
Capital expenditure	40,551	56	101	40,708	1,642	42,350
31 December 2023						
Segment assets	9,175,845	2,174,301	537,280	11,887,426	559,739	12,447,165
Segment liabilities	4,258,845	976,292	173,059	5,408,196	1,495,246	6,903,442
Associates and joint ventures	467,765	4,502	102,631	574,898	60,094	634,992

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4.1 Reportable segments (cont'd)

	GuocoLand Singapore \$'000	GuocoLand China \$'000	GuocoLand Malaysia \$'000	Sub-Total \$'000	Unallocated \$'000	Total \$'000
1 July to 31 December 2022						
Revenue						
External revenue	534,947	43,545	47,775	626,267	35,314	661,581
Results						
Segment profit before tax	127,692	15,844	7,164	150,700	3,240	153,940
Share of profit/(loss) of associates and joint ventures (net of tax)	-	(59)	1,920	1,861	(9,565)	(7,704)
Interest income	2,641	4,904	293	7,838	4,369	12,207
Finance costs	(46,105)	-	(3,344)	(49,449)	(11,295)	(60,744)
Profit/(Loss) before tax	84,228	20,689	6,033	110,950	(13,251)	97,699
Tax expense	(5,856)	(8,658)	(1,720)	(16,234)	-	(16,234)
Profit/(Loss) for the period	78,372	12,031	4,313	94,716	(13,251)	81,465
<i>Other segment items:</i>						
Depreciation	(66)	(291)	(924)	(1,281)	(5,053)	(6,334)
Capital expenditure	101,218	4,399	154	105,771	148	105,919
30 June 2023						
Segment assets	8,702,584	2,093,005	569,077	11,364,666	645,154	12,009,820
Segment liabilities	4,062,907	861,939	197,746	5,122,592	1,317,284	6,439,876
Associates and joint ventures	286,590	4,497	102,893	393,980	125,522	519,502

4.2 Disaggregation of revenue

	Group	
	Half Year Ended	
	31/12/2023	31/12/2022
	\$'000	\$'000
Revenue recognised at a point in time:-		
Sale of development properties		
Singapore	15,541	62,987
China	117,871	37,967
Malaysia	10,608	9,274
	<u>144,020</u>	<u>110,228</u>
Revenue recognised over time:-		
Sale of development properties		
Singapore	728,641	405,252
Malaysia	45,289	34,911
	<u>773,930</u>	<u>440,163</u>
Hotel operations		
Singapore	22,641	21,070
Malaysia	14,977	14,196
	<u>37,618</u>	<u>35,266</u>
Rental and related income from investment properties		
Singapore	97,688	66,645
China	9,262	5,578
Malaysia	2,466	2,563
	<u>109,416</u>	<u>74,786</u>
Management fee income	1,447	1,138
	<u>1,066,431</u>	<u>661,581</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 December 2023 and 30 June 2023:

	Group		Company	
	As at		As at	
	31/12/2023	30/06/2023	31/12/2023	30/06/2023
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and bank balances and trade and other receivables# (Amortised cost)	1,146,498	1,005,602	526	1,235
Financial Liabilities				
Trade and other payables and borrowings* (Amortised cost)	6,649,468	6,087,601	3,737	4,980

Excludes prepayments and derivatives

* Excludes derivatives and contract liabilities

6. Profit before taxation

6.1 Significant items

Income / (Expenses)	Group Half Year Ended		Increase/ (Decrease) %
	31/12/2023 \$'000	31/12/2022 \$'000	
Interest income from fixed deposits with banks	10,497	8,223	28
Interest income from joint ventures	6,191	3,984	55
Depreciation of property, plant and equipment and right-of-use assets	(5,570)	(6,334)	(12)
Net fair value (loss) / gain on derivative financial instruments	(9,683)	20,148	N/M
Net foreign exchange (loss) / gain	(454)	11,884	N/M
Management fees paid and payable to related corporations	(5,876)	(4,371)	34
Reversal of allowance / (Allowance) for credit loss on trade and other receivables	25	(50)	N/M

N/M: Not meaningful

6.2 Related party transactions

There is no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Group Half Year Ended	
	31/12/2023 \$'000	31/12/2022 \$'000
Current tax		
Current year	2,844	14,116
Under provision in respect of prior periods	448	8
	3,292	14,124
Foreign withholding tax	-	1,000
	3,292	15,124
Deferred tax		
Movements in temporary differences	12,603	1,110
	15,895	16,234

8. Dividends

	Group Half Year Ended	
	31/12/2023	31/12/2022
	\$'000	\$'000
Ordinary dividends paid:		
Final one-tier tax exempt dividend of 6 cents (2022: 6 cents) per ordinary share in respect of the previous financial year	66,591	66,586

9. Net asset value

	Group As at		Company As at	
	31/12/2023	30/06/2023	31/12/2023	30/06/2023
	\$	\$	\$	\$
Net asset value per ordinary share based on existing share capital after adjusting for the shares held by the Trust for the GuocoLand Limited Executive Share Scheme 2018	3.83	3.85	1.94	1.94

10. Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to \$2.0 million (31 December 2022: \$0.6 million) and there was disposed of assets of \$17,000 during the period (31 December 2022: \$88,000).

11. Investment properties

The Group's Investment properties comprise commercial properties, and reversionary interests in freehold land and commercial properties.

	Group As At	
	31/12/2023	30/06/2023
	\$'000	\$'000
At beginning of period	6,202,902	5,931,715
Additions	40,299	158,291
Changes in fair values recognised in other income	-	156,271
Translation differences recognised in other comprehensive income	(2,496)	(43,375)
At end of period	6,240,705	6,202,902
Comprising:-		
Completed investment properties	3,767,805	3,770,300
Investment properties under development	2,472,900	2,432,602
	6,240,705	6,202,902

11.1 Valuation

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

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

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

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

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

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

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

Type of investment properties	Valuation Method	Key unobservable inputs			Inter-relationship between key unobservable inputs and fair value measurement
		Singapore	China	Malaysia	
Commercial properties	<ul style="list-style-type: none"> Direct comparison method Income capitalisation method 	<ul style="list-style-type: none"> Sales prices of \$3,001 to \$3,212 (2022: \$2,850 to \$3,151) per square feet (psf) Capitalisation rate of 3.3% to 4.5% (2022: 3.3% to 4.5%) 	<ul style="list-style-type: none"> Capitalisation rate of 3.8% to 4.5% (2022: 3.8%) 	<ul style="list-style-type: none"> Capitalisation rate of 5.5% to 6.0% (2022: 5.5% to 6.0%) 	The estimated fair value increases when sales price and gross development value increases and capitalisation rate decreases

GuocoLand Limited And Its Subsidiaries

Type of investment properties	Valuation Method	Key unobservable inputs			Inter-relationship between key unobservable inputs and fair value measurement
		Singapore	China	Malaysia	
Commercial properties under development	• Residual land method	• Gross development value of \$3,040 to \$3,902 (2022: \$3,000 to \$3,800) psf	• 2023: Not applicable (2022: Gross development value of \$122 psf)		
Reversionary interest in freehold land and commercial properties	• Direct comparison method	• Sales prices of \$226 to \$926 (2022: \$201 to \$857) psf			
	• Residual land method	• Gross development value of \$3,450 (2022: \$3,220) psf			

12. Inventories

	Group As at	
	31/12/2023 \$'000	30/06/2023 \$'000
Development properties	3,137,956	3,117,365
Contract assets for development properties	805,079	491,742
Consumable stocks	766	914
	<u>3,943,801</u>	<u>3,610,021</u>

The Group adopts the percentage of completion method of revenue recognition for residential projects under the progressive payment scheme in Singapore. The Group relies on the experience and work of specialists.

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

13. Loans and Borrowings

	Group As at	
	31/12/2023 \$'000	30/06/2023 \$'000
Amount repayable within one year or on demand		
Secured	2,112,871	432,625
Unsecured	547,420	490,582
	<u>2,660,291</u>	<u>923,207</u>
Amount repayable after one year		
Secured	2,211,092	3,533,984
Unsecured	756,484	657,033
	<u>2,967,576</u>	<u>4,191,017</u>
Total loans and borrowings	<u>5,627,867</u>	<u>5,114,224</u>

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

	Group As at	
	31/12/2023 \$'000	30/06/2023 \$'000
At carrying amounts:-		
Property, plant and equipment	403,010	408,225
Investment properties	5,666,310	5,628,479
Development properties	2,357,103	2,858,549

14. Share Capital

	Company			
	2023		2022	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
Issued and fully paid ordinary shares, with no par value At 1 July and 31 December	1,183,373	1,926,053	1,183,373	1,926,053

	Company As at	
	2023 '000	2022 '000
(b) GuocoLand Limited Executive Share Scheme 2018 ("ESS 2018")		
(i) No. of share options At 1 July and 31 December	-	-
(ii) No. of share grant At 1 July	162	-
Granted	4,370	-
At 31 December	<u>4,532</u>	-

In December 2023, the Company granted 4,369,855 shares under the ESS 2018. Further details of the share grant were announced on 29 December 2023.

	Company As at	
	2023 '000	2022 '000
(c) At 1 July and 31 December		
No. of issued ordinary shares	1,183,373	1,183,373
Less: No. of shares acquired by the Trust for ESS 2018	(73,524)	(73,605)
	1,109,849	1,109,768
(d) No. of shares acquired by the Trust for ESS 2018		
At 1 July and 31 December	73,524	73,605

As at 31 December 2023, the Trust for the ESS 2018 held an aggregate of 73,523,737 (30 June 2023: 73,523,737) shares in the Company which had been acquired from the market for the purpose of satisfying outstanding share options and shares granted or to be granted to participants under the ESS 2018.

15. Earnings per share

	Group Half Year Ended	
	31/12/2023	31/12/2022
Earnings per ordinary share for the period based on the Group's profit attributable to equity holders of the Company ¹ :-		
(a) Based on weighted average number of ordinary shares in issue after adjusting for the shares held by the Trust for ESS (cents)	5.13	4.46
Weighted average number of ordinary shares ('000)	1,109,849	1,109,768
(b) On a fully diluted basis (cents)	5.11	4.46
Weighted average number of ordinary shares ² ('000)	1,114,381	1,109,768

¹ After deducting accrued distribution for perpetual securities for the half year ended 31 December 2023 of \$9.3 million (31 December 2022: \$9.6 million).

² After incorporating the effect of the shares grant, if any.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

16. Review

The condensed consolidated statement of financial position of GuocoLand Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month then ended and certain explanatory notes have not been audited or reviewed.

17. Review of performance of the Group

(i) Statement of profit or loss

Half Year Ended 31 December 2023

For the first half of the financial year ending 30 June 2024 (“1H FY24”), the Group achieved total revenue of \$1.07 billion, a 61% year-on-year (“y-o-y”) increase as compared to the previous corresponding period (“1H FY23”). Anchored by strong assets in Singapore, which accounted for approximately 75% of the Group’s total assets as at 31 December 2023, the Group continued to achieve strong growth in both its property development and property investment businesses in 1H FY24.

Revenue from the Property Development business grew by 67% y-o-y to \$918.0 million for 1H FY24, driven mainly by higher progressive recognition of sales from the Group’s substantially sold high-end Singapore residential developments Meyer Mansion, Midtown Modern and Lentor Modern. Property Development revenue from China of \$117.9 million for 1H FY24 saw a three-fold increase y-o-y, mainly contributed by sales of the Guoco 18T development in Chongqing.

Revenue from the Property Investment business increased 46% y-o-y to \$109.4 million for 1H FY24, supported mainly by higher recurring rental income. This was mainly due to the progressive commencement of leases at Guoco Midtown. The Group’s recurring income is expected to grow steadily as Guoco Midtown ramps up operations. Revenue from the Group’s Property Investment business in Shanghai, Guoco Changfeng City’s South Tower and basement retail, also increased by 66% y-o-y to \$9.3 million and contributed to stable recurring income growth in China.

Other income decreased by 55% y-o-y to \$21.3 million in 1H FY24 mainly due to the absence of fair value gains on interest rate hedges and foreign exchange gains recorded in 1H FY23.

Finance cost for 1H FY24 increased by 87% y-o-y to \$113.5 million. In accordance with accounting standards, the interest expense of Guoco Midtown which was capitalised prior to its completion, has been recognised in the profit or loss statement in the current period. This as well as the higher interest rate environment resulted in the increase in finance cost.

The Group’s share of results of associates and joint ventures recorded a profit of \$20.5 million in 1H FY24, compared to a share of loss recorded for 1H FY23. This was mainly due to the profit contribution from the progressive completion of The Avenir, a joint venture residential project in Singapore that is fully sold.

Overall, the Group’s 1H FY24 operating profit¹ grew by 42% y-o-y to \$93.1 million whilst the Group’s profit attributable to equity holders for 1H FY24 grew by 12% y-o-y to \$66.2 million.

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

(ii) Segments

Revenue from the GuocoLand Singapore segment, which accounted for approximately 75% of the Group's total assets grew by 57% to \$841.9 million in 1H FY24, mainly driven by revenue from the segment's Property Development business, which increased 59% y-o-y to \$744.2 million. In addition, revenue from the segment's Property Investment business also grew by 47% y-o-y to \$97.7 million, mainly contributed by the progressive commencement of leases at Guoco Midtown. Overall, the strong operational performance of the segment resulted in its net profit growing by 48% y-o-y to \$115.7 million.

The GuocoLand China segment accounted for 17% of the Group's total assets as at 31 December 2023. Revenue from the segment's Property Investment business, Guoco Changfeng City's South Tower and basement retail, increased by 66% y-o-y to \$9.3 million. Due to the challenging real estate environment prevailing in the Group's property development operations in China, the Group had actively taken steps to increase sales momentum by reducing selling prices and introducing sales incentives, which resulted in sales of RMB715 million for 1H FY24, as compared to RMB15 million in the previous corresponding period. Monetisation of the segment's residential development was done to improve the liquidity and reduce gearing in China, as the Group was mindful that many other developers continued to be saddled with slow-moving inventory in China. Hence, for the period ended 31 December 2023, the segment recorded a net loss of \$31.9 million.

GuocoLand Malaysia segment's revenue for 1H FY24 increased by 25% y-o-y to \$59.7 million, mainly attributable to the contribution from the Property Development business. Overall, net profit for the segment decreased by 12% y-o-y to \$3.8 million for 1H FY24.

(iii) Statement of financial position

The Group's equity attributable to ordinary equity holders was \$4.25 billion as at 31 December 2023, comparable to the \$4.27 billion as at 30 June 2023. This was mainly because profit recorded for 1H FY24 was largely offset by dividends of \$66.6 million paid during the period.

Total assets for the Group increased by 4% to \$12.45 billion as at 31 December 2023. This increase in assets was mainly due to the higher investment in joint venture projects in Singapore, the replenishment of the Group's residential development pipeline in Singapore with the acquisition of the Lentor Mansion site, and the increase in the Group's cash and cash equivalents. Accordingly, associates and joint ventures, inventories and cash and cash equivalents increased by 22%, 9% and 13% to \$635.0 million, \$3.94 billion and \$1.01 billion respectively as at 31 December 2023.

Total liabilities for the Group increased by 7% to \$6.90 billion as at 31 December 2023, mainly due to higher loans and borrowings, arising from financing of the new Lentor Mansion site. The Group's loans and borrowings of \$5.63 billion as at 31 December 2023 was backed by strong development and investment properties in Singapore, which will be progressively repaid with proceeds from the development property sales and the stable, growing recurring income from the investment properties. As at 31 December 2023, the Group's debt-to-assets² ratio was at 0.45 times, as compared to 0.43 times as at 30 June 2023.

² Refers to total loans and borrowings divided by total assets.

(iv) Statement of cash flows

For the half year ended 31 December 2023, net cash used in operating activities was \$97.1 million, mainly due to payments for the acquisition of the Lentor Mansion site. Cash used for land acquisition was partially offset by cash collection from sales proceeds from operations. As compared to the previous corresponding period, net cash generated from operating activities was \$586.1 million. Meanwhile, cash used in investing activities was mainly for the Group's equity contribution in the joint ventures. For financing activities, net cash of \$339.2 million was generated mainly from loans and borrowings for financing of the land acquisition, as compared to net cash of \$578.9 million used mainly for repayment of loans in the previous corresponding period.

18. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast has been previously disclosed to shareholders.

19. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

Singapore

URA's statistics indicate overall prices of non-landed private properties increased 2.3% quarter-on-quarter in 4th quarter 2023 and 6.6% year-on-year for the whole of 2023, moderating from the 8.1% year-on-year increase for 2022. Knight Frank estimates developers sold 6,452 new private homes in 2023, 9.1% lower than 2022. Analysts have attributed this to factors such as downbeat macroeconomic conditions, high interest rates, property cooling measures and more new housing options expected in 2024.

For 2024, analysts expect growth of residential property prices to moderate, rising between 3% and 6% for the year. In terms of home sales, the market expects take-up to improve as buyers return to the market.

CBRE estimates that gross effective rates for Core CBD (Grade A) office space grew 0.4% quarter-on-quarter and 1.7% year-on-year in 4th quarter 2023, while the vacancy rate increased marginally from 3.2% in 3rd quarter 2023 to 3.5% in 4th quarter 2023. While vacancy rates remain manageable, the office market is expected to face near term challenges such as economic uncertainty, fewer visible demand drivers and an above historical average completion pipeline in 2024. Nevertheless, CBRE expects Grade A office rents to increase by 2% to 3% in 2024.

China

New home prices in China for December 2023 logged their steepest drop since February 2015, while property sales measured by floor area fell 23% in December from a year earlier, according to official data. Data from the National Bureau of Statistics showed 62 out of the 70 cities reported month-on-month fall in new home prices for December, up from 59 in November. Due to the persistent weak sentiment and concerns in the property sector, official measures have been introduced to support the real estate sector, including easing of restrictions on property sales and the financial institutions to increase financing and liquidity in the sector.

Malaysia

Advance estimates indicate Malaysia's economic growth of 3.4% in the 4th quarter of 2023 and 3.8% for the full year were slower than expected, as weak global demand and low commodity prices drove a decline in exports. Knight Frank notes the cautiously optimistic outlook for Malaysia's residential property market is marked by increased sales volume, new property launches and successful completions. The office market in the Klang Valley area is expected to remain stable with modest recovery, underpinned by sustained demand from sectors such as technology, finance, and professional services, and driven by the flight-to-quality trend and growing awareness of ESG factors.

20. Dividend information

20.1 Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No

20.2 Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

20.3 Date Payable

Not applicable

20.4 Books Closure Date

Not applicable

21. Interested person transactions

The Company does not have a shareholders' mandate for interested person transactions.

22. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

GuocoLand Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

23. Confirmation Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited condensed interim consolidated financial statements of GuocoLand Limited for the half year ended 31 December 2023, to be false or misleading in any material aspect.

Signed by Mr Saw Kok Wei and Mr Cheng Hsing Yao on behalf of the Board of Directors.

24. Disclosure on acquisitions and realisations pursuant to Rule 706A

During the half year ended 31 December 2023, the following company was established in Singapore:

Date	Details	Announcement Reference No.
27 Sep 2023	<p>Name : Lentor Central Park Pte. Ltd. (“LCPPL”)</p> <p>Principal Activities : Real estate developers</p> <p>Issued & Paid-up Share Capital : S\$4,000,000.00</p> <p>Shareholders : <ul style="list-style-type: none"> • GuocoLand (Singapore) Pte. Ltd. (“GLS”) – 1,200,000 shares (30%) • Intrepid Investments Pte. Ltd. (“Intrepid”) – 2,000,000 shares (50%) • CSC Land Group (Singapore) Pte. Ltd. (“CSC Land”) – 800,000 shares (20%) <p>LCPPL was incorporated pursuant to the joint venture of the Company’s wholly-owned subsidiary, GLS with Intrepid and CSC Land, which was announced by the Company on 18 Sep 2023. The cash consideration paid by GLS for its 1,200,000 shares representing 30% shareholding in LCPPL was S\$1,200,000.00.</p> </p>	SG230918OTHR3EZI dated 18 Sep 2023

BY ORDER OF THE BOARD

Mary Goh Swon Ping
 Group Company Secretary
 31 January 2024