

## GuocoLand more than doubles 12-month attributable profit to equity holders to S\$392.7 million in FY 2022

- Revenue rose 13% to S\$965.5 million, supported by growth in the Group’s property development and property investment businesses
  - Strategy to develop property investment business showing results
- Strong interest from companies for its premium Grade A office space at Guoco Midtown

(S\$ million)	FY 2022	FY 2021	Variance (%)
Revenue	965.5	853.7	13
Gross profit <sup>1</sup>	365.7	268.4	36
Profit before tax <sup>1</sup>	525.5	239.9	119
Profit attributable to equity holders	392.7	169.1	132

**SINGAPORE, 30 August 2022** – GuocoLand Limited (“GuocoLand”) and its subsidiaries (the “Group”) has more than doubled its profit attributable to equity holders to S\$392.7 million for its full year ended 30 June 2022 (“FY 2022”) from a year ago, demonstrating the Group’s strategy of growing its Property Investment business while maintaining its strong Property Development business is delivering positive results.

Revenue for the 12 months increased 13% year-on-year to S\$965.5 million from S\$853.7 million, mainly due to the strong performance of the Group’s two engines of growth – Property Development and Property Investment businesses, which grew by 12% and 10%, respectively.

Mr. Cheng Hsing Yao (郑馨尧), Chief Executive Officer of GuocoLand Group, said, “Our strategy to diversify the Group’s profit sources through growing our investment business in addition to development business is delivering results. As Guoco Midtown completes in stages, it will further boost our recurrent income.”

The Board of Directors is pleased to recommend a first and final one-tier tax exempt ordinary dividend of 6 cents per share for FY 2022, after considering various factors including the Group’s financial performance, working capital requirements, future investment plans and the softer economic outlook.

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<sup>1</sup> Gross profit and Profit before tax from continuing operations.

## **FY 2022 KEY HIGHLIGHTS**

The Group recorded fair value gain in its portfolio of investment properties for the year of S\$328.1 million<sup>2</sup> as compared to S\$71.5 million a year ago. GuocoLand's portfolio includes its flagship developments in Singapore – Guoco Tower, and the upcoming Guoco Midtown.

As at 30 June 2022, the Group's financial position remained strong with total assets growing by 9% to S\$12.33 billion. Equity attributable to ordinary equity holders increased to S\$4.28 billion, mainly due to profit for the year.

The Group's gearing remains at approximately 1 time. The majority of the Group's total loans and borrowings, which increased 10% during the year, were related to its assets in Singapore. The increase was mainly a result of financing the acquisition of the site for the upcoming Lentor Modern.

## **SEGMENTAL PERFORMANCE**

For the year ended 30 June 2022, GuocoLand Singapore contributed more than 70% of the Group's revenue, buoyed by progressive sales and construction of Meyer Mansion, Midtown Modern and Midtown Bay. GuocoLand China recorded revenue of S\$105.4 million in FY 2022 due to the sale of two low-rise office blocks in Guoco Changfeng City in Shanghai. Revenue from GuocoLand Malaysia saw a decrease to S\$128.3 million, as there was a land parcel disposal in the previous financial year.

The Group's Property Development business continued to form a steady base for its revenue, contributing 83% or S\$803.4 million to total revenue for the year. This was mainly driven by the higher progressive recognition of sales from its residential developments in Singapore, contributing 60% of the Group's total revenue for the year.

Strong capital appreciation on the Group's investment properties, mainly from Guoco Tower and Guoco Midtown, further drove the profit for the year for GuocoLand Singapore from S\$222.8 million to S\$434.8 million. Meanwhile, the Group continues to grow its recurring income from its Property Investment business which contributed 26% to the Group's gross profits, growing 11% to S\$94.4 million as compared to the previous financial year.

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<sup>2</sup> Fair value gains on investment properties included a fair value of S\$79.3 million recognised in cost of sales for the transfer of Guoco Changfeng City's South Tower from development properties to investment properties.

## OPERATIONAL HIGHLIGHTS

- **Strong Performance In Property Development Business**

In FY 2022, the Group's residential developments in Singapore saw very strong performance. GuocoLand's luxury development in District 9, Martin Modern, sold the last of its 450 units, which have since been handed over to the home owners. The ultra-luxury development Wallich Residence, located at the top of Guoco Tower, has sold 85% of its 181 units as at 30 June 2022.

Meanwhile, GuocoLand's freehold development Meyer Mansion has already sold 79% of its 200 units as at 30 June 2022. Meyer Mansion is expected to receive Temporary Occupation Permit ("TOP") by 2024. GuocoLand's two condominiums at the Beach Road-Bugis area, the 558-unit Midtown Modern and the 219-unit Midtown Bay, were 75% and 38% sold, respectively. The Avenir, another luxury development jointly developed with Hong Leong Holdings Limited and Hong Realty (Private) Limited, has also achieved strong sales, having sold 76% of its 376 units as at 30 June 2022.

- **Guoco Midtown To Further Boost Property Investment Business**

At Guoco Tower in Singapore, the premium Grade A offices and retail units continued to record positive lease reversions. As at 30 June 2022, the occupancy rates for Guoco Tower's offices and retail units (including pre-committed leases) stood at 100%.

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

Guoco Midtown has seen strong interest for its premium Grade A office space, with 60% pre-commitment take up, including several deals in advanced stages of negotiation<sup>3</sup>. Secured and prospective tenants include major multinational companies across a highly diversified group of industries, including technology, banking and finance, private equity, life sciences, trading, reinsurance, chemical, energy, maritime, consumer as well as professional services.

GuocoLand's other commercial development in Singapore, 20 Collyer Quay, also achieved a healthy occupancy rate of 92%. For the newly completed Guoco Changfeng City in Shanghai, the investment property components, comprising an 18-storey Grade A office tower and a basement

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<sup>3</sup> As at 30 August 2022.

retail mall directly linked to the Changfeng Park metro station, have achieved a commitment rate of approximately 85% for the office whilst the retail mall has been fully leased out.

- **Robust Pipeline In Singapore**

Lentor Modern, the Group's latest transit-oriented mixed-use development in the affluent Lentor estate is expected to be launched in the third quarter of 2022. Lentor Modern comprises 605 residential units and a 96,000 sq ft retail mall that will include F&B and retail outlets, a supermarket and a childcare centre. The entire mixed-use development will be directly connected to the Lentor MRT station on the Thomson-East Coast Line ("TEL") offering hyper convenience to future residents. Amongst various reasons for the retail mall to perform strongly is the trend of hybrid work arrangement, which is expected to generate healthy and continuous traffic and footfall in the mall on weekdays as well as weekends. The retail mall is expected to be accretive to the Group's investment portfolio and recurrent income, when operative upon completion.

In January 2022, a consortium comprising GuocoLand, Intrepid Investments Pte. Ltd. (a wholly-owned subsidiary of Hong Leong Holdings Limited) and TID Residential Pte. Ltd. (a joint venture between Hong Leong Holdings Limited and Mitsui Fudosan), bought the neighbouring 184,460 sq ft Lentor Hills Road site (Parcel A) for \$586.6 million. The site is designated for residential development purposes and will further boost our pipeline with another 595 units.

- **Capability-Driven Growth Prospects**

Mr. Cheng said, "Over the years, we have built up a strong track record of delivering exceptional integrated mixed-use developments and premium homes from Singapore to Shanghai. Meanwhile, we have developed strong end-to-end capabilities that has allowed us to stay resilient and perform well amidst a highly volatile business environment. This end-to-end capability will also allow us to take on new complex projects or enter new market segments."

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## **About GuocoLand Limited**

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

GuocoLand and its subsidiaries ("the Group") have established property operations in their geographical markets of Singapore, China and Malaysia, comprising residential, commercial, retail and hospitality developments. As a premier property company, GuocoLand is focused on achieving scalability, sustainability and growth in its core markets through its property development, investment and management businesses.

The parent company of GuocoLand is Guoco Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. The ultimate holding company of GuocoLand is GuoLine Capital Assets Limited. Both Guoco Group Limited and GuoLine Capital Assets Limited are members of the Hong Leong group of companies. As of 30 June 2022, the Group has total assets of S\$12.3 billion and total equity attributable to ordinary equity holders of S\$4.3 billion.