

REAL ESTATE

GuocoLand's H2 net profit falls 48% as China losses offset Singapore growth

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PROPERTY developer GuocoLand posted a 48 per cent drop in net profit to S\$32.4 million for its half year ended Jun 30, from S\$62.4 million in the corresponding period a year ago.

This comes despite a 20.3 per cent increase in revenue to S\$906.3 million for its second-half period, from S\$753.3 million, it reported in a Thursday (Aug 28) bourse filing.

The mainboard-listed company said this was due to losses in China offsetting growth in Singapore.

Noting that challenges in the Chinese residential market persist, the group said it recognised an allowance for foreseeable losses of S\$81.8 million in the second half of its fiscal year for development properties in China.

Earnings per share for the six-month period fell to S\$0.0256 from S\$0.0479 in the year-ago period.

A first and final dividend of S\$0.07 per share was declared for the period, up from S\$0.06 the year before. The dividend will be paid on Nov 19, after books closure on Nov 6.

For the full year, net profit fell 16.7 per cent to S\$107.1 million from S\$128.5 million in the year-ago period, while revenue rose 5.3 per cent to S\$1.9 billion from S\$1.8 billion.

Earnings per share was S\$0.0843 for the full year, compared with S\$0.099 in the previous corresponding period.

Revenue growth for the full year was underpinned by strong performance from Singapore for its twin engines of property development and property investment, said GuocoLand.

Its Singapore portfolio contributed more than 80 per cent of the group's property development revenue and 87 per cent of its investment revenue in FY2025, said the group.

China's property development revenue saw an increase due to the handover of some residential units at Guoco Cen-

tral Park in Chongqing to buyers beginning in H2 2025, it added.

Meanwhile, revenue from its Singapore property investment portfolio grew on the back of higher recurring rental revenue from Guoco Tower and Guoco Midtown, whose committed occupancy remained close to 100 per cent, said the company.

On its outlook, GuocoLand said the

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office market in Singapore displayed resilience, particularly in the core Central Business District.

In the Chinese office sector, it noted that Shanghai's vacancy rate edged up as new supply entered the market, pressuring rents.

More than 700,000 square metres of new office space is expected for the rest of the year, but the authorities are taking steps to address the issue, primarily by scaling back commercial land sales; encouraging developers to return plots which have not started development; and promoting conversion of existing office stock to alternative uses, said the group.

These actions will gradually reduce the volume of new office supply entering the market, it added.

As for Malaysia, GuocoLand noted the commercial office market in Greater Kuala Lumpur continues to face challenges.

Shares of GuocoLand closed S\$0.02 or 1.1 per cent lower at S\$1.86 on Friday.