

MEDIA RELEASE**GuocoLand Reports Profit Attributable to Equity Holders of S\$114.1 million for FY2020**

- *Revenue increased by 2% to S\$941.8 million; Profit attributable to equity holders decreased 55% to S\$114.1 million in FY2020*
- *Proposed ordinary dividend of 6 cents per share*
- *Remain focused on delivering quality developments with attractive value propositions and increasing recurrent income from property investments*

Singapore, 24 August 2020 – GuocoLand Limited (“GuocoLand”) and its subsidiaries (the “Group”) today announced revenue of S\$941.8 million and profit attributable to equity holders of S\$114.1 million for the full year ended 30 June 2020 (“FY2020”).

Revenue increased 2% year-on-year to S\$941.8 million in FY2020. This was mainly attributable to an increase in revenue from the property development business, and partially offset by a decline in revenue from the hotels business as the Coronavirus Disease 2019 (“COVID-19”) pandemic adversely impacted the demand for travel and hotel accommodation. Revenue from the Group’s investment properties decreased marginally.

Profit attributable to equity holders in FY2020 was S\$114.1 million, compared to S\$255.7 million in the previous financial year. The decrease in other income was mainly due to the absence of fair value gain on investment properties compared to the prior year, partially offset by the gain from the sale of Guoman Hotel in Shanghai. There was an increase in other expenses mainly attributable to the impairment loss provided on the Group’s joint venture investment and higher fair value losses on the interest rate swaps. In view of the economic uncertainties ahead, the Group took a more prudent approach and provided for an impairment loss on its joint venture investment in EcoWorld International Berhad during the period.

As at 30 June 2020, the Group’s financial position remains healthy with net debt of S\$4.3 billion and gearing of 1.0 time. Total loans and borrowings increased by 17.3% from a year ago mainly due to the financing of new land acquisitions.

Equity attributable to ordinary equity holders as at 30 June 2020 increased marginally to S\$3.85 billion from S\$3.83 billion a year ago. The increase was partially offset by dividends payment of S\$77.7 million in November 2019.

The Board of Directors is pleased to recommend a first and final one-tier exempt ordinary dividend of 6 cents per share for FY2020.

Mr. Raymond Choong (鍾义豪), GuocoLand Group President and Chief Executive Officer said, “We are pleased to deliver a set of resilient results in spite of the challenging macroeconomic conditions. We will continue to leverage on our expertise in property development, property management and placemaking to support sales of our residential projects and maintain healthy occupancy rates at our investment properties. As we continue to scale up our business, we seek to evolve our offerings and will invest in new technologies while exercising financial prudence at all times.”

Operations Highlights

Despite challenging market conditions in the second half of FY2020, the Group achieved healthy residential sales in Singapore and Malaysia during the financial year. In Singapore, 86% of Martin Modern and approximately 20% of the units at Meyer Mansion and Midtown Bay have been sold as at 30 June 2020. Wallich Residence is 54% sold and continues to register sales with prices remaining firm.

In the Greater Kuala Lumpur area in Malaysia, our ongoing projects have registered creditable sales as at 30 June 2020 amid intense competition. At Emerald Hills, a freehold low-density residential development, 91% of the first phase of condominium units and 96% of the garden terrace houses, have been sold. At Emerald 9, an integrated mixed-use development, 56% of the 816 units have been sold. In Selangor, Garland Residence, which is part of the 1,000 acre master-planned township of Emerald Rawang, is 96% sold.

The Group’s portfolio of investment properties continued to contribute to its recurrent income. As at 30 June 2020, the committed occupancies of the office space at Guoco Tower and 20 Collyer Quay in Singapore were 99% and 95% respectively. Both properties enjoyed positive rental reversions for new and renewed leases in FY2020.

GuocoLand continues to pay close attention to the COVID-19 situation and manage its impact on its property development and investment activities while leveraging on technology to ensure business continuity. This includes diversification of its supply chain, conducting virtual tours of its properties for both sales and leasing, live streaming webinars for property agents, and increasing its online presence.

The COVID-19 pandemic impacted the construction progress of the Group's development projects in the second half of FY2020 but construction of the Group's ongoing development projects in Singapore, China and Malaysia have since resumed. Nonetheless, construction delays and increased construction costs are expected due to supply chain disruptions and compliance with stricter requirements for work sites and workers. GuocoLand remains committed to minimising risks of further outbreaks by providing a safe work and business environment for its customers, employees and business partners.

The Group has implemented measures to support its tenants at its investment properties. These include passing on the property tax rebates in full to its office and retail tenants in Singapore and rolling out marketing programmes. The Group also developed an online food order and delivery platform for its food & beverage tenants at Guoco Tower, absorbing the costs for delivery, logistics and the setting up of the platform.

Outlook

GuocoLand has a pipeline of mixed-use, commercial and residential developments in key gateway cities. In Singapore, construction of Guoco Midtown, the Group's latest flagship mega mixed-use development on Beach Road, is ongoing. Guoco Midtown includes premium Grade A offices, retail space, two condominiums – Midtown Bay and Midtown Modern – with more than 700 luxury apartments, and a five-storey Network Hub building, which is a first-of-its-kind purpose-built business and social networking club.

In Malaysia, the subsequent phases of Emerald Hills and Emerald 9, will be launched according to prevailing market sentiments. In China, construction for Guoco Changfeng City in Shanghai is ongoing and scheduled to be completed in 2022. Further west in Chongqing, we broke ground on the first phase of our 18T development in Jiefangbei area of Yuzhong District which comprises residential and commercial components. The first phase of development featuring over 1,000 luxurious modern apartments is expected to be completed in 2023. In the Liangjiang New Area of Chongqing Yubei District, the Group plans to build a residential development with a total gross floor area of approximately 2.1 million square feet on the four land parcels that were awarded to us in December 2019.

“Against a backdrop of elevated market uncertainty, we remain focused on delivering innovative and quality developments with attractive value propositions. We will also proactively manage our investment properties to grow our recurrent income. We continue to look for suitable opportunities to acquire land sites and property investments and seek to scale up our business in a sustainable manner,” added Mr Choong.

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About GuocoLand Limited

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

GuocoLand and its subsidiaries (“the GuocoLand Group”) have established property operations in their geographical markets of Singapore, China, Malaysia and Vietnam, comprising residential, hospitality, commercial and retail developments. In 2017, GuocoLand marked its expansion beyond Asia into the new markets of the United Kingdom and Australia through a strategic partnership with Eco World Development Group Berhad in Eco World International Berhad. 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. Guoco Group Limited is a member of the Hong Leong group of companies.

As at 30 June 2020, the GuocoLand Group had total assets of S\$11.1 billion and total equity attributable to equity holders of S\$4.3 billion.

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