

MEDIA RELEASE**GuocoLand Reports Profit Attributable to Equity Holders of S\$22.9 million for 1H 2021**

- *Revenue and profit attributable to equity holders amounted to S\$319.6 million and S\$22.9 million respectively*
- *Gross profit margin remained stable at approximately 30%*
- *Remain focused on delivering quality developments and increasing recurrent income from property investments*

Singapore, 4 February 2021 – GuocoLand Limited (“GuocoLand”) and its subsidiaries (the “Group”) today announced financial results for the half year ended 31 December 2020 (“1H 2021”).

GuocoLand registered revenue of S\$319.6 million in 1H 2021, compared to S\$572.1 million a year ago. This was mainly due to lower progressive recognition of sales from its Singapore residential projects, as construction of Martin Modern reaches its tail end and is expected to achieve its temporary occupation permit in 2021. While revenue from the Group’s investment properties remained stable compared to the previous corresponding period, revenue from the hotel business fell by 75% as the Coronavirus Disease 2019 (“COVID-19”) pandemic adversely impacted the demand for travel and hotel accommodation. Gross profit margin for the Group remained stable at approximately 30%.

Profit attributable to equity holders in 1H 2021 was S\$22.9 million, compared to S\$74.5 million a year ago. The decrease was mainly due to higher tax expense of S\$31.9 million in 1H 2021, arising from related taxes for the disposal of the cultural building within the Guoco Changfeng City project in Shanghai, China. Higher tax expenses were partially offset by a 58% increase in other income to S\$25.2 million partly due to the fair value gain on derivative financial instruments and the completion of the disposal of the cultural building within the Guoco Changfeng City project. Other expenses decreased by 93% to S\$1.1 million due to the fair value gain on derivative financial instruments, compared to a fair value loss in the previous corresponding period. Finance costs decreased 17% to S\$42.8 million mainly due to lower borrowing costs.

As at 31 December 2020, the Group’s financial position remains healthy with gearing remaining at approximately 1.0 time. Net debt stands at S\$4.2 billion with a 2% reduction in total loans and borrowings from 30 June 2020 mainly due to repayments made during the period. Cash and cash equivalents increased by 7% to S\$998.3 million. Equity attributable to ordinary equity holders as at 31 December 2020 stood at S\$3.82 billion and net asset value per share was S\$3.44.

Mr. Raymond Choong (鍾义豪), GuocoLand Group President and Chief Executive Officer said, “Even as the COVID-19 pandemic continues to cast a shadow on our business, we remain focused on delivering our current pipeline of residential and integrated developments and boosting sales. We will also proactively manage our investment properties to optimise operational efficiency.”

Operations Highlights

In 1H 2021, GuocoLand achieved healthy sales at its residential developments in Singapore, China and Malaysia.

In Singapore, Martin Modern, Meyer Mansion and Midtown Bay have sold 90%, 24% and 26% of their units respectively as at 31 December 2020. Wallich Residence is 63% sold and continues to register sales with prices remaining firm.

The Group launched the sales of its 18T development in Jiefangbei area of Yuzhong District, Chongqing, China, in September 2020. As at 31 December 2020, 33% of the launched units have been sold.

Within Greater Kuala Lumpur, Malaysia, 96% of the first phase of condominium units and 98% of the garden terrace houses at Emerald Hills have been sold as at 31 December 2020. 76% of the 816 units at Emerald 9 have been sold. In Selangor, Garland Residence, which is part of the 1,000 acre master-planned township of Emerald Rawang, is fully sold.

The Group’s investment properties continued to contribute to its recurrent income. As at 31 December 2020, Guoco Tower registered committed occupancies of 91% for its office component and 99% for its retail component, while occupancy of 20 Collyer Quay stood at 95%.

Outlook

The Singapore residential market is expected to remain strong, supported by low interest rates, bright spots in the economy and long-term confidence in the market. Demand for office space is expected to remain subdued as business evaluate space requirements amid the COVID-19 pandemic. New office supply is expected to remain benign until 2022. Both the residential and office sectors are expected to benefit from an economic recovery and the vaccination roll-out.

China's housing market is expected to remain resilient in 2021, underpinned by deferred purchases, upgrader demand and confidence in the property market. Notwithstanding the excess office supply, demand for the office sector is expected to increase. This is supported by demand from domestic technology and financial firms, digitalisation of workplaces and relocations arising from cost-savings considerations.

Malaysia's residential property market continues to struggle with large overhang of completed properties. The property market is likely to remain soft, with the pace of recovery dependent on domestic and external factors such as political stability, and COVID-19-related developments.

"Despite the headwinds, we remain in a strong position to deploy our balance sheet towards strategic land acquisition opportunities. We will continue to leverage on our real estate expertise to develop properties that support future work and lifestyle trends while building our portfolio of recurring income for sustainable growth," 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 and Malaysia, 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 31 December 2020, the GuocoLand Group had total assets of S\$11.0 billion and total equity attributable to equity holders of S\$4.2 billion.

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