GuocoLand's half-year profit up 122% at S$325.2m

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GuocoLand

	H2 FY22	H2 FY21	Y-O-Y % CHANGE
	(S$ MILLION)		
Revenue	512.8	534.1	(4)
Net profit	325.2	146.2	122
EPS (¢)	28.45	3	

PROPERTY developer GuocoLand on Tuesday (Aug 30) posted a 122 per cent rise in net profit for the 6 months ended Jun 30, 2022.

Although revenue was down 4 per cent at S$512.8 million, the group narrowed its cost of sales to S$287.3 million, bringing its gross profit for the half-year period to S$225.5 million, which was 30 per cent higher than the year-ago period.

Net profit for the half-year period stood at S$325.2 million, up from S$146.2 million recorded the year before. The results translate to earnings per share (EPS) of S$0.2845, up from S$0.1233 a year ago.

The slide in revenue came as reduced revenue from the developer's Martin Modern project offset gains from the progressive recognition of sales from certain Singapore residential projects. The corresponding period last year also recognised a one-off gain from the disposal of a land parcel located in Melaka.

During the half-year period, the group recognised revenue from Meyer Mansion, Midtown Modern and the sale of a low-rise office block at Guoco Changfeng City in Shanghai. Revenue from the completed and fully-sold Martin Modern was substantially recognised in prior periods, the group said.

For the full year that ended Jun 30, GuocoLand recorded a 132 per cent rise in net profit to S$392.7 million, compared with S$169.1 million the year prior. The results translate to an EPS of S$0.3368, up from S$0.1352 the year before.

The board has proposed a final dividend of S$0.06 per share, unchanged from the year before. The dividend will be paid out on Nov 15, after the record date on Oct 27.

Revenue for the full-year period climbed 13 per cent to S$965.5 million from S$853.7 million a year ago, with Singapore contributing more than 70 per cent of group revenue. The China segment also saw a jump in revenue, while income from the Malaysia market dropped.

GuocoLand Singapore revenue rose 13 per cent to S$689.2 million, as sales and construction of Meyer Mansion, Midtown Modern and Midtown Bay continued to progress. The group's Singapore investment properties also advanced 8 per cent to S$114.3 million on higher rentals from Guoco Tower.

Higher capital values, primarily from Guoco Tower and Guoco Midtown, led to $253.8 million in net fair values gains, doubling profit for the Singapore segment to S$434.8 million.

In China, the group was back in the black with a profit of S$86.8 million, compared with a loss recorded last year. GuocoLand China recorded S$105.4 million in revenue, compared with S$12.6 million in the previous year.

Revenue from GuocoLand Malaysia was down 38 per cent at S$128.3 million, while profit fell 64 per cent to S$16.3 million, due to the impact of a land parcel disposal last year.

GuocoLand's chief executive Cheng Hsing Yao said the group's strategy to diversify its profit sources through growing its investment business, along with its development business, is delivering results.

Shares of GuocoLand closed at S$1.69 on Tuesday, up S$0.02 or 1.2 per cent.

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