

Annual Report 2021

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Form of Proxy

COMPANY PROFILE

GuocoLand (Malaysia) Berhad ("GuocoLand Malaysia" or the "Group") listed on the Main Market of Bursa Malaysia Securities Berhad, is the property arm of Hong Leong Group. The Group is an established property developer well-known for its community centric residential townships as well as innovative commercial and integrated development projects in Malaysia.

The Group is a subsidiary of the Singapore-based GuocoLand Limited, the multi award-winning premier regional property player with established operations in Malaysia, Singapore and China.

Currently, GuocoLand Malaysia has a sizeable land bank for residential, commercial and industrial developments in the Greater Kuala Lumpur and Melaka.

During the year under review, the Group launched North Tower C at Emerald Hills, an exclusive gated and guarded residential enclave in Alam Damai, Cheras. This 47-acre development sits amidst hilly greens with a calming 2.3 acres privately owned lake park at its heart.

The Group also unveiled Garland Residence 2 and Mallow Lakepark Homes, both at Emerald Rawang. Garland Residence 2 is a low-density neighbourhood with 336 homes built within a splendid garden, complete with a futsal court as well as a 5.39-acre playfield and jogging path. Mallow Lakepark Homes is a gated and guarded community of 196 homes, built within a meticulously landscaped 26.3-acre environment where every street come with the privacy of cul-de-sac.

The Group has also completed Damansara City ("DC"), a mixed-use development consisting of two office towers, serviced apartment towers, Sofitel Kuala Lumpur Damansara Hotel and DC Mall. Additionally, the Group also owns Emerald 9 at Cheras, a bold new mixed Transit-Oriented Development (TOD) that blends residential, retail, and office components.

Other property development within the Group's stable also include The Oval Kuala Lumpur, a unique luxury condominium in the heart of Kuala Lumpur City Centre; Emerald Sepang, a residential township in Sepang; as well as PJ City Corporate Hub, a commercial development located in Petaling Jaya.

GuocoLand Malaysia also has a portfolio of property investment assets through Tower Real Estate Investment Trust ("Tower REIT") which owns yield-accretive commercial buildings including Menara Guoco, Menara HLX and Plaza Zurich in strategic locations in Kuala Lumpur City Centre and Damansara Heights, Kuala Lumpur.



CORPORATE INFORMATION

DIRECTORS

Mr Tang Hong Cheong *(Chairman)*
Mr Tan Wee Bee *(Group Managing Director)*
Mr Cheng Hsing Yao (Zheng Xinyao)
Mr Peter Ho Kok Wai
Encik Zulkiflee bin Hashim
Ms Patricia Chua Put Moy
Mr Quek Kon Sean

COMPANY SECRETARIES

Ms Chin Min Yann
(MAICSA 7034011)
(SSM PC No. 202008002583)

Ms Lee Sow Yeang
(MAICSA 7020119)
(SSM PC No. 202008002989)

REGISTRAR

Hong Leong Share Registration Services Sdn Bhd
Level 25, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : 03-2088 8818
Fax : 03-2088 8990

REGISTERED OFFICE

Level 10, Wisma Hong Leong
No. 18, Jalan Perak
50450 Kuala Lumpur
Tel : 03-2164 1818
Fax : 03-2164 2476

AUDITORS

Ernst & Young PLT
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 03-7495 8000
Fax : 03-2095 9076/78

BOARD OF DIRECTORS

MR TANG HONG CHEONG

Chairman, Non-Executive Director/Non-Independent
Age 66, Male, Malaysian

Mr Tang Hong Cheong is a Member of The Malaysian Institute of Accountants. He has over 40 years of broad-based and C-suite expertise in finance, treasury, risk management, operations and strategic planning. He possesses in-depth knowledge in investment, manufacturing, financial services, property development, gaming and hospitality industry. He has held various senior management positions in different companies within the Hong Leong Group, prior to his retirement as President & Chief Executive Officer of Guoco Group Limited in December 2020.

Mr Tang is the Chairman of GuocoLand (Malaysia) Berhad ("GLM") and was appointed to the Board of Directors ("Board") of GLM on 1 July 2021. He does not sit on any committee of GLM.

Mr Tang is also the Chairman of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust which is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"); and a Director of Hong Leong Islamic Bank Berhad, a public company.

MR TAN WEE BEE

Group Managing Director/Non-Independent
Age 50, Male, Singaporean

Mr Tan Wee Bee graduated with a Bachelor of Engineering, Civil Engineering from National University of Singapore ("NUS") in 1995. He further obtained a Master of Science, Civil Engineering from NUS in 1998 and a Master of Business Administration from State University of New York at Buffalo, USA in 2004.

Mr Tan brings over 25 years of experience in property development and construction industry in Singapore and Malaysia as well as international. He held various senior positions within the Sunway Group before joining GLM in 2021.

Mr Tan was appointed as the Group Managing Director of GLM on 1 March 2021. He does not sit on any committee of GLM.

Mr Tan is also a Director of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust which is listed on the Main Market of Bursa Securities.

BOARD OF DIRECTORS
cont'd

MR CHENG HSING YAO (ZHENG XINYAO)

Non-Executive Director/Non-Independent
Age 50, Male, Singaporean

Mr Cheng Hsing Yao holds a Master in Design Studies from Harvard University, Bachelor of Architecture from Newcastle University, United Kingdom and a Bachelor of Arts from the National University of Singapore ("NUS").

Mr Cheng is the Chief Executive Officer of GuocoLand Limited ("GLL"), the Company's holding company listed on the Singapore Exchange. Mr Cheng has extensive experience in the real estate sector including developing integrated mixed-developments, Premium Grade A offices, high-end residential projects as well as in urban planning.

He has held various senior positions with GLL Group, most recently the Group Managing Director of GuocoLand Singapore. Prior to joining GLL Group in 2012, he was with the Singapore public service, where he held leadership positions at the Urban Redevelopment Authority (URA) and Centre for Liveable Cities under the Ministry of National Development.

Currently, Mr Cheng is a board member of Singapore's National Parks Board. He is also co-chairman of the Integrated Digital Delivery Steering Committee (IDDSC) and Central Procurers Panel (CPP) for the Building and Construction Authority (BCA), a member of the URA's Design Advisory Committee as well as the Heritage and Identity Partnership.

Besides serving as an executive committee member of the Urban Land Institute (ULI) Singapore, Mr Cheng is a member of the management board of the Institute of Real Estate and Urban Studies (IREUS) at the NUS. In addition, he is also a Director of the Business Improvement District (BID) association for Tanjong Pagar in Singapore. In January 2021, Mr Cheng was appointed by the President of the Republic of Singapore as a Nominated Member of Parliament.

Mr Cheng was appointed to the Board of GLM on 1 July 2021. He does not sit on any committee of GLM.

Mr Cheng is also a Director of Eco World International Berhad, a company listed on the Main Market of Bursa Securities as well as a Director of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust.

MR QUEK KON SEAN

Non-Executive Director/Non-Independent
Age 41, Male, Malaysian

Mr Quek obtained a Bachelor of Science degree and Master of Science in Economics from the London School of Economics and Political Science.

Mr Quek started his career in investment banking. Since joining the Hong Leong Group, he has held various positions including Executive Director of Hong Leong Financial Group Berhad and is currently the Managing Director of HL Management Co Sdn Bhd, a post held since 2016.

Mr Quek was appointed to the Board of GLM on 1 July 2021. He does not sit on any committee of GLM.

BOARD OF DIRECTORS
cont'd

MR PETER HO KOK WAI
Non-Executive Director/Independent
Age 62, Male, Malaysian

Mr Peter Ho Kok Wai is a Member of the Malaysian Institute of Accountants (MIA), Fellow of The Institute of Chartered Accountants in England and Wales (ICAEW), and Member of The Malaysian Institute of Certified Public Accountants (MICPA).

Mr Peter Ho forged his early career with Everett Pinto & Co., a central London Firm of Chartered Accountants, and qualified as a Chartered Accountant in 1984. Subsequently, in 1987, Mr Peter Ho joined KPMG Kuala Lumpur ("KPMG KL") where he progressed to Head of Department in 1992. He was transferred to KPMG Ipoh in 1993 to head the branch and was admitted as Partner in 1995. He was transferred back to KPMG KL in 2005 where he had, at various times, headed the Audit Technical Committee, Audit Function and Marketing Department. He has more than 30 years of auditing experience in a wide range of companies including public listed companies and multinationals, with particular emphasis in manufacturing, distribution and financial services. Mr Peter Ho retired from KPMG in December 2014.

Mr Peter Ho was appointed to the Board of GLM on 20 August 2015. He is the Chairman of the Board Audit & Risk Management Committee and Nominating Committee of GLM.

Mr Peter Ho is a Director of Hong Leong Industrial Berhad, Hong Leong Capital Berhad, HPMT Holdings Berhad and Allianz Malaysia Berhad, companies listed on the Main Market of Bursa Securities; and a Director of Allianz Life Insurance Malaysia Berhad, a public company.

ENCIK ZULKIFLEE BIN HASHIM
Non-Executive Director/Independent
Age 62, Male, Malayisian

Encik Zulkiflee bin Hashim graduated with a Diploma in Credit Management from the Institut Teknologi MARA (now known as Universiti Teknologi MARA).

Encik Zulkiflee has over 35 years' experience in the banking industry. He started his career with Citibank Malaysia in 1979 and left his position as Vice President in November 1991. From December 1991 to November 1997, Encik Zulkiflee was with Deutsche Bank Malaysia. He was the Deputy Managing Director responsible for Corporate Banking, International Trade Finance, Operations and Transaction Banking Services. From July 1998 to October 2011, Encik Zulkiflee was the Executive Director of Hong Leong Bank Berhad ("HLB"). Prior to his retirement in 2015, he was HLB's Chief Operating Officer, Group Strategic Support from November 2011 to January 2015. During the tenure with HLB, he was given the responsibility to oversee various areas such as Branch and Banking Operations, Integrated Risk Management, Credit Management, Information Technology, Islamic Banking, Wholesale Operations, Retail Operations, Legal and Corporate Communications & Public Relations.

Encik Zulkiflee was appointed to the Board of GLM on 4 December 2015. He is a member of the Board Audit & Risk Management Committee and Nominating Committee of GLM.

Encik Zulkiflee is a Director of Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank), Hong Leong MSIG Takaful Berhad and Al Rajhi Banking & Investment Corporation (Malaysia) Berhad (Al Rajhi Bank), all public companies.

BOARD OF DIRECTORS cont'd

MS PATRICIA CHUA PUT MOY

Non-Executive Director/Independent
Age 65, Female, Malaysian

Ms Patricia Chua Put Moy graduated with First Class Honours in Computational and Statistical Sciences from University of Liverpool, United Kingdom. She is a Member of the Malaysian Institute of Accountants (MIA) and The Institute of Chartered Accountants in England and Wales (ICAEW).

Ms Patricia Chua began her career in Ernst & Young, Liverpool and London, United Kingdom in October 1978. She subsequently served PricewaterhouseCoopers, Kuala Lumpur as Qualified Accountant in October 1982 prior to joining Genting Group where she served in various capacities, including as the Group Management Accountant, Head Office Personnel & Administration Manager, Senior Vice President of Corporate (Genting Sanyen) Human Resource and Information Technology and Member of the Remuneration & Compensation Committee for Genting Berhad/Resorts World Bhd/Asiatic Bhd.

Ms Patricia Chua was the Regional Project Advisor of Organization Renewal Inc. (Malaysia/Indonesia). She joined VXL Group from July 2004 to September 2005 and served as an Executive Director of Finance, Investment and Human Resource Division. She was the Associate Director of Tax and Advisory Business Development for PricewaterhouseCoopers, Beijing, China.

From October 2009 to July 2013, Ms Patricia Chua had held positions in Avery Dennison BV Hong Kong, Asia Pacific as a Human Resource Director; Paramount Corporation Berhad as the Special Project Director/Director of Business Services and Group Corporate Planner/Human Resource Director; and Kolej Damansara Utama, Petaling Jaya as Chief Executive Officer.

Ms Patricia Chua was appointed to the Board of GLM on 1 August 2016. She is a member of the Board Audit & Risk Management Committee and Nominating Committee of GLM.

She is a Director of HPMT Holdings Berhad and GDEX Berhad (formerly known as GD Express Carrier Berhad), both listed on the Main Market of Bursa Securities.

Notes:

1. **Family Relationship with Director and/or Major Shareholder**
   Mr Quek Kon Sean is the son of YBhg Tan Sri Quek Leng Chan, a major shareholder of GLM. Save as disclosed herein, none of the Directors has any family relationship with any other Directors and/or major shareholders of GLM.
2. **Conflict of Interest**
   None of the Directors has any conflict of interest with GLM.
3. **Conviction of Offences**
   None of the Directors has been convicted of any offences (excluding traffic offences) within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.
4. **Attendance of Directors**
   Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview, Risk Management and Internal Control Statement in the Annual Report.

KEY SENIOR MANAGEMENT

MR LEE WEE KEE

Executive Director, Projects
Age 56, Male, Malaysian

Mr Lee Wee Kee heads the Project Management Department, Design & Planning Department and Costs & Contracts Department in GLM, overseeing all development projects.

He has more than 31 years of experience in property development and project management. Of this, approximately 21 years were spent within the Hong Leong Group. He has extensive experience in condominium and township developments as well as integrated commercial developments.

From 2010 to 2013, Mr Lee was the Senior General Manager of Tropicana Corporation Berhad, in charge of high-end residential developments in Tropicana Golf and Country Resort and Tropicana Indah Resort. Subsequently, he joined Wing Tai Malaysia Berhad as Executive Director (Property Division) overseeing the Group's property development and investment business in Malaysia before re-joining GLM as the Executive Director, Projects on 18 July 2016.

Mr Lee holds a Bachelor of Engineering (Honours) degree in Civil Engineering from University of Malaya. He is a Graduate Member of The Institution of Engineers and The Board of Engineers, Malaysia.

MR CHUA SENG HOOI (ANDY)

Executive Director, Marketing & Sales
Age 56, Male, Malaysian

Mr Chua Seng Hooi (Andy) joined GLM in January 2019 and has been instrumental in driving marketing and sales initiatives for the Group. He oversees marketing, sales, sales administration, corporate branding, public relations and customer relationship management.

He has more than 26 years in property development. Prior to joining GLM, Mr Andy Chua was the Chief Operating Officer of Chun Fu Development Sdn Bhd, and before that, he held the same post with Mah Sing Group Berhad, which he was attached to for nine years.

Mr Andy Chua started his career in a Singaporean bank before embarking in the property development industry since 1994 with stints in Gasing Heights Sdn Bhd, IOI Properties Berhad and Mines Resort Berhad, among others.

He holds tertiary qualification in Marketing Management.

KEY SENIOR MANAGEMENT
cont'd

MR LEONG CHAIN HONG (ANDY)

Chief Financial Officer
Age 51, Male, Malaysian

Mr Leong Chain Hong (Andy) joined GLM as the Chief Financial Officer ("CFO") in January 2020.

He has more than 26 years of experience in both private and public listed companies operating in property, construction, manufacturing, hospitality and plantation industry. He has extensive management experience in financial reporting, profit and loss management, tax planning, debt and equity financing, corporate restructuring and etc. He also involved in other aspect of the business operations such as business planning and development, corporate branding and communication, information technology and etc.

Prior to joining GLM, Mr Andy Leong was the CFO of SkyWorld Development Group. He has also held various key positions in other private and public listed companies including Director of Property Division and Head of Business Development.

Mr Andy Leong is a Chartered Accountant with Malaysian Institute of Accountant and a member of Fellow of Association of Chartered Certified Accountants, United Kingdom.

Notes:

1. **Family Relationship with Director and/or Major Shareholder**
   None of the Key Senior Management has any family relationship with any other Directors and/or major shareholders of GLM.
2. **Conflict of Interest**
   None of the Key Senior Management has any conflict of interest with GLM.
3. **Conviction of Offences**
   None of the Key Senior Management has been convicted of any offences (excluding traffic offences) within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2021.

GROUP FINANCIAL HIGHLIGHTS

REVENUE

RM650.5 Million

2020: RM422.8 Million

54%

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT

RM77.4 Million

2020: -RM54.4 Million

242%

NET EARNINGS PER SHARE

11.6 Sen

2020: -8.1 Sen

243%

TOTAL ASSETS

RM2,371.8 Million

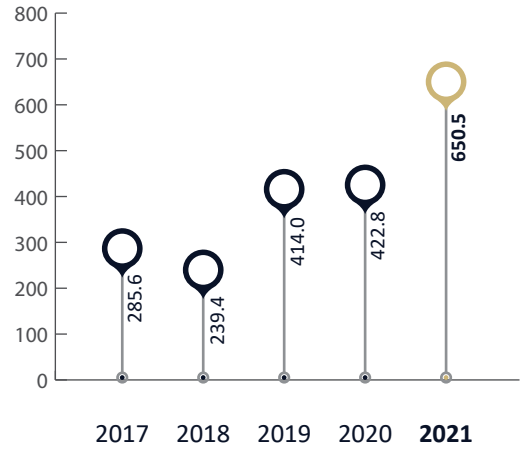
2020: RM2,844.0 Million

17%

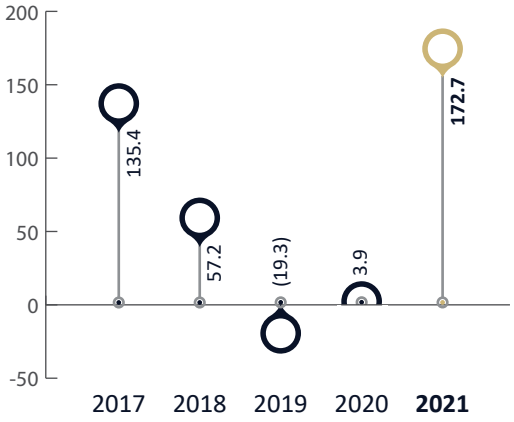
GROUP FINANCIAL HIGHLIGHTS
cont'd

YEAR ENDED (RM Million)	June '17	June '18	June '19	June '20	June '21
Revenue	285.6	239.4	414.0	422.8	**650.5**
Profit/(Loss) before tax	135.4	57.2	(19.3)	3.9	**172.7**
Profit/(Loss) attributable to owners of the parent	121.8	21.1	(32.8)	(54.4)	**77.4**
Net earnings per share (sen)	18.2	3.2	(4.9)	(8.1)	**11.6**
Net dividend per share (sen)	2.0	2.0	2.0	2.0	-
Gross dividend per share (sen)	2.0	2.0	2.0	2.0	-
Shareholders' funds	1,332.4	1,340.2	1,294.1	1,226.3	**1,303.7**
Total assets	3,186.9	2,960.9	2,844.8	2,844.0	**2,371.8**

REVENUE
(RM Million)



PROFIT/(LOSS) BEFORE TAX
(RM Million)



SHAREHOLDERS' FUNDS
(RM Million)



TOTAL ASSETS
(RM Million)



CHAIRMAN'S STATEMENT



On behalf of the Board of Directors, I am pleased to present to you the Annual Report and audited financial statements of GuocoLand (Malaysia) Berhad ("Group") for the financial year ended 30 June 2021 ("FY 2021").

THE YEAR UNDER REVIEW

The year under review witnessed the continuation of the disruption brought on by the Covid-19 pandemic which started at the turn of 2020. Economic and social activities were substantially curtailed as the Malaysian Government implemented mandatory lockdowns from time to time as infections re-emerged and surged once economic activities were resumed.

A nationwide vaccination programme is in place to manage the spread of the pandemic and to reduce the medical severity for those infected, thus allowing medical frontliners to better cope with the situation. At the time of writing, the situation appears to be improving as vaccination levels in Malaysia have reached above 80%.

Nonetheless the impact of the pandemic has been severe. In early 2021, it was announced by Bank Negara Malaysia (BNM) that our national full-year GDP shrank by 5.6% in 2020.[1] This is the biggest contraction since the 1998 Asian Financial Crisis. Unemployment rate stood at 4.8% at the end of 2020, the highest rate in three decades.

On a positive note, measures introduced by the Government have resulted in the country seeing signs of recovery. In the second quarter of 2021, the Malaysian economy grew by 16.1%, supported by improvement in domestic demand and continued robust exports performance. According to BNM, all economic sectors registered improvements, particularly the manufacturing sector.

On the property front, the industry's market performance for the first half of 2021 improved compared to a year ago, with a 21% increase in volume and 32.1% increase in value. In total, there were 139,754 transactions worth RM62.01 billion.[2] This growth in part was due to the stimulus packages introduced by the Government in 2020 to mitigate the impact of the pandemic.

As a whole, the property sector welcomed the reintroduction of the Home Ownership Campaign, stamp duty exemption, and the enactment of the COVID-19 Bill which allowed property developers to exclude the Movement Control Order (MCO) period in the calculation of the time for delivery of vacant possession and liquidated damages for late delivery of vacant possession.

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[1] *https://www.theedgemarkets.com/article/malaysias-4q-gdp-contracts%C2%A034-fullyear-56*
[2] *https://www.theedgemarkets.com/article/napic-significant-growth-property-market-first-half-2021*

CHAIRMAN'S STATEMENT
cont'd

These and other measures, including the low Overnight Policy Rate (OPR) that was reduced to 1.75% and the real property gains tax exemption unveiled in National Economic Recovery Plan (PENJANA), have helped to cushion the impact of the pandemic and also stimulated the market.

OPERATING PERFORMANCE

Amidst the foregoing market headwinds, we persisted with a more restrained approach to our development activities, choosing to selectively pace our new launches whilst placing more emphasis on effective marketing of our completed and on-going projects.

As a result, despite prevailing market conditions, the Group registered a higher revenue of RM650.5 million in FY 2021 as compared to RM422.8 million in FY 2020. Profit before tax for the financial year stood at RM172.7 million as compared to RM3.9 million in FY 2020.

A more detailed analysis of our financial performance can be found in the "Management's Discussion and Analysis" section of this Annual Report.

DIVIDENDS

In appreciation of our shareholders' undivided support, the Board has proposed a final single tier dividend of 2 sen per share for FY 2021 (FY 2020: Nil). This reflects the Group's stronger FY 2021 results as well as our commitment to grow and maintain shareholder value.

LOOKING AHEAD

In the upcoming financial year, the Group anticipates that the recovery of domestic economic and social activities will be slow as can be seen from countries which have been more advanced in Covid-19 vaccination programmes. The emergence of new and more infectious Covid variants, the prevailing weak consumer sentiments and the large property inventory overhang are further retardants to a more robust growth trajectory. The Malaysian property market is therefore expected to remain lacklustre in the financial year ending 2022. However, following recent acceleration in vaccine drive, we remain cautiously optimistic on the property market recovery.

The Group stands resilient against the upcoming risks and challenges but is also well-positioned to harness opportunities for a rebound.

Moving forward, the Group will continue to focus on monetising its inventories and timely completion of its development projects. New product launches will be phased according to prevailing market sentiments.

Needless to say, we remain steadfast in upholding our core value as a provider of quality homes. We will stay focused on surpassing our customers' expectations for homes that meet their requirements. We will continue on a steady path to create value and drive excellence in what we do.

APPRECIATION

On behalf of the Board, I welcome Mr Tan Wee Bee as the Group Managing Director of the Company, and Mr Cheng Hsing Yao (Zheng Xinyao) and Mr Quek Kon Sean as new Board members.

I would also like to convey our gratitude to Mr Raymond Choong Yee How who retired as Chairman of the Company on 1 July 2021, and YBhg Datuk Edmund Kong Woon Jun who resigned as the Group Managing Director of the Group on 1 January 2021, for their past services and invaluable contributions to the Group.

I am also grateful to my fellow Board members for their strong commitment, and for their sound advice and guidance offered during this difficult year. I would like to thank our employees who have helped us overcome unprecedented market turbulence and strengthened our foundation for sustained growth in the years ahead. Thank you for standing together with us during this extremely challenging season.

A special note of appreciation goes to all our customers, business partners, bankers, shareholders and the Government for their support. We look forward to strengthening our journey in the years ahead.

I assure our stakeholders that the Group will continue to build upon its strong foundation to support our future growth and to reinvent the ways in which we serve you.

TANG HONG CHEONG
Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS



Dear valued shareholders,

We are pleased to present to you the Management's Discussion and Analysis ("MD&A") of GuocoLand (Malaysia) Berhad ("GLM" or the "Group") for the financial year ended 30 June 2021 ("FY 2021").

While the Malaysian property industry continued to be impacted by the COVID-19 pandemic, our Group was able to remain resilient and perform to expectations during the year under review.

In this MD&A, we hope to provide you with insights into the Group's corporate strategy, initiatives undertaken in FY 2021 and our outlook moving forward.

BUSINESS OVERVIEW

GLM is an established and progressive property group that is involved in three core business streams – property development, property investment and hospitality.

As a property developer, the Group continues to leverage on its strong track record in building thriving residential townships as well as innovative commercial and integrated properties to deliver new benchmark for the industry.

Today, its flagship integrated development of Damansara City in the prime neighbourhood of Damansara Heights, Kuala Lumpur and Emerald 9 in Cheras 9th Mile, have bagged industry accolades and drawn positive reaction from the market.

The Group is also the master developer of a 1,000-acre mixed planned township known as Emerald Rawang in Selangor, as well as Emerald Hills, a freehold development at one of the highest points in Alam Damai, Cheras. Other notable property projects by GLM include The Oval in Kuala Lumpur and PJ City Corporate Hub in Petaling Jaya.

To date, GLM has a significant landbank for development of approximately 5,386 acres in total comprising 1,847 acres in Jasin, Melaka, 3,061 acres in Sepang, Selangor and approximately 478 acres in Rawang, Selangor.

MANAGEMENT'S DISCUSSION AND ANALYSIS
cont'd


The Oval at Kuala Lumpur

In the area of property investment, the Group manages the leasing of its DC Mall and invests in prime commercial office buildings through Tower Real Estate Investment Trust ("Tower REIT"). Tower REIT is also listed on the Main Market of Bursa Securities and its portfolio consists of Menara HLX in Kuala Lumpur City Centre, Plaza Zurich and Menara Guoco, both located in Damansara Heights, Kuala Lumpur.

The Group also owns Sofitel Kuala Lumpur Damansara under the hospitality segment.

REVIEW OF FINANCIAL PERFORMANCE

For the FY 2021, the Group recorded a revenue of RM650.5 million, which was 54% higher compared to revenue of RM422.8 million a year ago. This increase was mainly due to the sale of a parcel of land located in Jasin, Melaka amounting to RM260.2 million.

In addition, the improved revenue was also the result of better unit sales and construction progress recognition from the Group's on-going projects including Emerald Hills and Emerald 9 in Cheras.

In terms of expenditure, the Group's selling and marketing expense during the year under review fell by RM9.9 million, from RM13.8 million in the preceding year to RM3.9 million. This was because most marketing activities had to be curtailed due to the Movement Control Order (MCO) implemented by the Malaysian Government to curb the COVID-19 pandemic.

The Group also incurred lower finance cost at RM28.6 million compared to RM45.3 million last year due to the reduction in loan outstanding and lower interest rates.

Share of profit from associates and joint ventures was higher as a result of improved contribution from on-going projects.

In FY 2021, the Group profit before tax rose to RM172.7 million as compared to profit before tax of RM3.9 million registered in the previous corresponding year. This quick turnaround places the Group in an advantageous position to recover quickly from the impact of the pandemic and seize opportunities that may surface during this challenging period.

MANAGEMENT'S DISCUSSION AND ANALYSIS
cont'd

REVIEW OF OPERATIONS

PROPERTY DEVELOPMENT

Property development is the primary revenue contributor to GLM; making up approximately 93% of the total revenue generated by the Group during the financial year under review.

The on-going projects that are being undertaken by this segment include Emerald 9 @ Cheras, Emerald Hills @ Cheras, Emerald Rawang and Damansara City which include DC Residensi located in the prime Damansara Heights neighbourhood.

Emerald 9 @ Cheras

Emerald 9 is an award-wining project that has been conceptualised as a Transit Oriented Development (TOD) which maximises accessibility of its residents to public transport and as such, offer unparalleled conveniences while promoting sustainable urban growth.

The development is made up of serviced apartments, residential homes, contemporary offices as well as commercial shops and courtyards that are tailored around green spaces.

The development also celebrates contemporary communal living with facilities and amenities that are designed to bring people together. These include a fully-equipped shared kitchen space, amphitheater and sky communal lounge.

The first tower known as *Bruce On9 Residence*, and the second tower known as *Audrey On9 Residence*, were successfully launched in May 2019 and December 2019.

Bruce On9 Residence offers 477 freehold units in four types of configurations. It also features 48 fun and healthy facilities for residents to enjoy. Meanwhile, *Audrey on9 Residence* consists of 339 freehold units with five modern layout options that are thoughtfully weaved within its landscape and pedestrian boulevards.

In recognition of the quality and innovation that have embedded throughout this development, Emerald 9 @ Cheras was accorded two prestigious accolades at the StarProperty Awards 2021, namely The Skyline Award for Best High-Rise Residential Development (Excellence) and The Proximity Award for Best Integrated Transit-Oriented Development (Honours).



Emerald 9 @ Cheras comprises serviced residences, shops and office components, all masterfully tied together in a seamless whole

MANAGEMENT'S DISCUSSION AND ANALYSIS
cont'd

REVIEW OF OPERATIONS *cont'd*

PROPERTY DEVELOPMENT *cont'd*

Emerald Hills @ Cheras

Situated at the peak of Alam Damai, Emerald Hills offers a low-density guarded and gated enclave set within a naturally rich green environment and a beautiful lake.

In addition to its breathtaking vistas, residents of the condominium units and terrace homes can also enjoy the very best of recreational club life which comes with an Olympic length swimming pool, children's swimming pool, multipurpose hall and an amphitheater.

North Tower, Tower C, was launched in April 2021 and the response has been encouraging. The freehold tower is made up of 393 lakefront condominium units with built-ups from 840 square feet to 1,246 square feet. Prices start from RM570,000 onwards and completion is slated for quarter two 2025. *North Tower, Tower C* also offers a dual key concept that has been designed for multi-generational living and additional rental yield.



Lakefront condominiums with practical layout



Emerald Hills @ Cheras is a 47-acre freehold residential development that uses 21 acres for various facilities and amenities to enhance the quality of life of residents

MANAGEMENT'S DISCUSSION AND ANALYSIS
cont'd

REVIEW OF OPERATIONS *cont'd*

PROPERTY DEVELOPMENT *cont'd*

Emerald Rawang

Emerald Rawang has been developed from a carefully tailored masterplan centered on harmonious community living, convenience of the urban lifestyle and beauty of the natural environment. The development is made up of two precincts, namely Emerald East and Emerald West.

Developments in these two precincts include link, cluster, semi-detached houses, townhouses, condominiums, shoplots and bungalows, all designed with easy access to the developments' Central Park and lake as well as its recreational club.

During the year under review, *Mallow Lakepark Homes* was launched in September 2020 followed by *Garland Residence 2* in April 2021.

Mallow Lakepark Homes is a freehold gated–and-guarded community of 196 homes, all set within a meticulously landscaped 26.3-acre environment where every streets come with the privacy of cul-de-sac. The development is decoratively paved and linked by walking paths to an exclusive community park with breathtaking views of the lake and meadow.

Garland Residence 2 is a low-density neighbourhood of 336 homes set amidst the greenery of Emerald Rawang Central Park. Residents here can also enjoy the facilities of a fully-equipped clubhouse and waterfront lifestyle amenities that are just a stone's throw away.



Mallow Lakepark Homes, Double-Storey Link Semi-Ds



Garland Residence II, Double-Storey Terraces



Garland Residence II is practically a low-density neighbourhood of 336 homes within a splendid garden

MANAGEMENT'S DISCUSSION AND ANALYSIS
cont'd

REVIEW OF OPERATIONS *cont'd*

PROPERTY DEVELOPMENT *cont'd*

Emerald Sepang

Emerald Sepang is a freehold master-planned residential township nestled in Bagan Lalang, Sepang. The freehold development is surrounded by clusters of beautiful lakes, swaying palm trees, and lush greenery, a mere 60km from Kuala Lumpur.

Currently, there are two types of offerings at Emerald Sepang, namely *Areca*, which consists of 1 & 2-storey terrace homes with built up areas ranging from 1,138 to 2,239 square feet and *Palmera*, which are 2-storey Semi-D homes with built-up areas from 2,850 to 3,166 square feet.



Palmera, Double-Storey Semi-Ds



Areca, Single and Double-Storey Terraces



Emerald Sepang township is surrounded by vast greeneries and beautiful lakes

MANAGEMENT'S DISCUSSION AND ANALYSIS
cont'd

REVIEW OF OPERATIONS *cont'd*

PROPERTY DEVELOPMENT *cont'd*

Damansara City

Damansara City ("DC") is the first integrated TOD of Damansara Heights. DC is an 8.5-acre freehold mixed-use development, comprising two Grade A office blocks known as Menara Hong Leong and Menara Guoco, serviced apartments known as DC Residensi, a 5-star hotel known as Sofitel Kuala Lumpur Damansara and a 4.5-storey lifestyle mall that is wholly-owned by the Group known as DC Mall.

PROPERTY INVESTMENT

DC Mall

DC Mall features a wide range of food and beverage (F&B) outlets, lifestyle and essential services within its premises. The premier grocery chain, Jaya Grocer, and a unique food enclave called DC Food Village is expected to open by the end of 2021.

DC Parking

DC Parking Sdn Bhd, a wholly-owned subsidiary of the Group, manages a total of five basements within Damansara City that has been allocated for parking. All in all, there are 2,040 car park bays that are well lit and secure. In order to maximise convenience for users of our car parks, DC Parking recently installed a cashless and license plate recognition system.

DC Parking is expected to provide a steady and recurrent revenue for the Group, more so as commercial and retail businesses return to normal operations following the implementation of the National Recovery Plan.



Damansara City is an 8.5-acre freehold mixed-use development

MANAGEMENT'S DISCUSSION AND ANALYSIS
cont'd

REVIEW OF OPERATIONS *cont'd*

PROPERTY INVESTMENT *cont'd*

Tower REIT

In spite of the challenging operating landscape that was exacerbated by the COVID-19 pandemic, Tower REIT's performance in FY 2021 was within expectations. Tower REIT delivered gross revenue of RM31.8 million for the FY 2021. This marked a 47.4% increase compared to last year. The increase in gross revenue was due to additional revenue generated by Menara Guoco and higher occupancy in Plaza Zurich.

Nevertheless, realised income after taxation was lower at RM6.2 million compared to RM7.5 million in the preceding financial year. This was due to lower occupancy in Menara HLX. Rent rebates were also given to deserving tenants during the financial year to alleviate their difficulties resulting from the MCO.


Menara HLX



Plaza Zurich



Menara Guoco

MANAGEMENT'S DISCUSSION AND ANALYSIS
cont'd

REVIEW OF OPERATIONS *cont'd*

HOSPITALITY

Sofitel Kuala Lumpur Damansara

Sofitel Kuala Lumpur Damansara features 312 lavish rooms and suites in the opulent neighborhood of Damansara Heights. Since its launch in August 2017, the hotel has enjoyed a wide range of patronage from discerning tourists and corporate entities.

COVID-19 and subsequent MCOs had impacted the hospitality business significantly during the year under review. The team at the hotel is currently focused on ensuring the hotel is in a tip-top condition to receive guests and patrons as soon as the MCO is lifted.

MANAGING RISKS

We are continuously identifying, evaluating and addressing potential risks and challenges that relate to the sustainable growth of our businesses and we have measures in place to manage them adequately.

A detailed overview of our material risks can be found in the Sustainability Statement which has been included in this Annual Report.

MOVING FORWARD

The COVID-19 crisis has continued to weigh down the property industry in 2021. A nationwide MCO 3.0 dominated the front half of 2021 with Selangor and Kuala Lumpur in strict lockdown from 12 May to 10 September 2021. These areas are currently in Phase 3 of the National Recovery Plan at the date of this report.

The prolonged restriction on movement and operations has disrupted businesses and lives across Malaysia. Nevertheless, the Malaysian Government has introduced a series of stimulus packages ranging from PRIHATIN to PERMEKASA PLUS that are aimed to assist individuals and businesses affected by the pandemic. These stimuli will be critical towards facilitating Malaysia's economic recovery, improving both business and consumer sentiments and enabling the influx of foreign direct investments into our country.

The focus on economic recovery and the efforts towards achieving nationwide herd immunity as soon as possible may signal a brighter outlook for the property industry moving forward.



Sofitel Kuala Lumpur Damansara

GLM is cautiously optimistic that the worst of the pandemic is behind us, and Malaysia's property industry is poised for a rebound. While uncertainties still remain, the Group intends to focus on ensuring its property development projects are delivered in a timely manner and in accordance with expectations.

The Group will also continue to introduce innovative and quality offerings that are well-suited for the market in the new normal. We believe that the location of our developments and the thought and effort we have invested to fully unlock the value of these developments will augur well for the Group in the foreseeable future.

Concurrently, our financial strength and proven ability to withstand an unprecedented headwind brought about by the COVID-19 pandemic, have put us in an ideal position to tap attractively valued landbank that can deliver significant return on investment and build value for our shareholders. We are always looking to grow our landbank, especially in the high growth Klang Valley area.

On this note, the management team of GLM, with the support of the Board of Directors, is committed towards delivering an improved performance for the financial year ending 30 June 2022.