# Quarterly rpt on consolidated results for the financial period ended 30 Jun 2023

## GUOCOLAND (MALAYSIA) BERHAD

| | |
|---|---|
| **Financial Year End** | 30 Jun 2023 |
| **Quarter** | 4 Qtr |
| **Quarterly report for the financial period ended** | 30 Jun 2023 |
| **The figures** | have not been audited |

**Attachments**

Q4 2023 Results.pdf
*823.9 kB*

**Default Currency** | Other Currency

Currency: **Malaysian Ringgit (MYR)**

### SUMMARY OF KEY FINANCIAL INFORMATION
### 30 Jun 2023

| | | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|---|---|---|---|---|
| | | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | | 30 Jun 2023 | 30 Jun 2022 | 30 Jun 2023 | 30 Jun 2022 |
| | | $$'000 | $$'000 | $$'000 | $$'000 |
| 1 | Revenue | 138,284 | 172,079 | 434,349 | 434,066 |
| 2 | Profit/(loss) before tax | 27,525 | 39,697 | 56,066 | 50,007 |
| 3 | Profit/(loss) for the period | 19,062 | 24,665 | 38,875 | 28,129 |
| 4 | Profit/(loss) attributable to ordinary equity holders of the parent | 15,795 | 23,788 | 34,606 | 26,299 |
| 5 | Basic earnings/(loss) per share (Subunit) | 2.36 | 3.55 | 5.17 | 3.93 |
| 6 | Proposed/Declared dividend per share (Subunit) | 2.00 | 2.00 | 2.00 | 2.00 |
| | | AS AT END OF CURRENT QUARTER | | AS AT PRECEDING FINANCIAL YEAR END | |
| 7 | Net assets per share attributable to ordinary equity holders of the parent ($$) | 1.9971 | | 1.9655 | |

*Definition of Subunit:*

*In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:*

| Country | Base Unit | Subunit |
|---|---|---|
| Malaysia | Ringgit | Sen |
| United States | Dollar | Cent |

| | | |
|---|---|---|
| United Kingdom | Pound | Pence |

## Announcement Info

| | |
|---|---|
| **Company Name** | GUOCOLAND (MALAYSIA) BERHAD |
| **Stock Name** | GUOCO |
| **Date Announced** | 18 Aug 2023 |
| **Category** | Financial Results |
| **Reference Number** | FRA-18082023-00010 |

GuocoLand (Malaysia) Berhad (192001000022 (300-K))
A Member of the Hong Leong Group

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

*The figures have not been audited*

**CONDENSED CONSOLIDATED INCOME STATEMENT**
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | **30.06.2023** | **30.06.2022** | **30.06.2023** | **30.06.2022** |
| | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| **Revenue** | 138,284 | 172,079 | 434,349 | 434,066 |
| Cost of sales | (87,822) | (113,785) | (297,848) | (313,264) |
| **Gross profit** | 50,463 | 58,294 | 136,501 | 120,802 |
| Selling and marketing expenses | (2,313) | (3,143) | (7,854) | (5,491) |
| Administrative expenses | (19,118) | (25,549) | (63,985) | (68,755) |
| Other net operating income | 3,385 | 4,583 | 5,543 | 8,491 |
| **Profit from operations** | 32,416 | 34,185 | 70,205 | 55,047 |
| Finance income | 1,415 | 962 | 2,972 | 2,044 |
| Finance costs | (7,026) | (7,628) | (27,693) | (27,418) |
| Share of results of associates and joint ventures | 720 | 12,178 | 10,582 | 20,334 |
| **Profit before tax** | 27,525 | 39,697 | 56,066 | 50,007 |
| Income tax | (8,463) | (15,032) | (17,191) | (21,878) |
| **Profit for the year** | **19,062** | **24,665** | **38,875** | **28,129** |
| **Profit attributable to:** | | | | |
| Owners of the parent | 15,795 | 23,788 | 34,606 | 26,299 |
| Non-controlling interests | 3,267 | 877 | 4,269 | 1,830 |
| **Profit for the year** | **19,062** | **24,665** | **38,875** | **28,129** |
| Profit per share attributable to owners of the parent: | | | | |
| a) Basic (sen) | 2.358 | 3.551 | 5.166 | 3.926 |
| b) Diluted (sen) | 2.358 | 3.551 | 5.166 | 3.926 |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**GuocoLand (Malaysia) Berhad** (192001000022 (300-K))
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SIRIM QUALITY SYSTEM UKAS
Certified to ISO 9001:2008
Cert No. : AR 1625

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (cont'd)

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | 30.06.2023 RM'000 | 30.06.2022 RM'000 | 30.06.2023 RM'000 | 30.06.2022 RM'000 |
| **Profit for the year, representing total comprehensive income for the year** | **19,062** | **24,665** | **38,875** | **28,129** |
| **Total comprehensive profit attributable to:** | | | | |
| Owners of the parent | 15,795 | 6,728 | 34,606 | 26,299 |
| Non-controlling interests | 3,267 | 398 | 4,269 | 1,830 |
| **Total comprehensive income for the year** | **19,062** | **7,126** | **38,875** | **28,129** |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

| | Unaudited As at 30.06.2023 RM'000 | Audited As at 30.06.2022 RM'000 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 301,239 | 312,253 |
| Right-of-use assets | 15,841 | 7,488 |
| Investment properties | 281,663 | 276,063 |
| Land held for property development | 103,493 | 109,488 |
| Investments in associates | 189,847 | 195,229 |
| Investments in joint ventures | 135,478 | 136,528 |
| Other non-current asset | 3,333 | 3,500 |
| Goodwill | 3,898 | 4,357 |
| Deferred tax assets | 15,012 | 14,229 |
| | 1,049,804 | 1,059,135 |
| **Current assets** | | |
| Inventories | 769,347 | 812,597 |
| Biological assets | 269 | 516 |
| Trade and other receivables | 82,911 | 61,216 |
| Contract assets | 124,375 | 244,153 |
| Contract cost assets | 44,575 | 48,213 |
| Other current assets | 3,740 | 5,929 |
| Tax recoverable | 1,728 | 3,011 |
| Cash and cash equivalents | 169,207 | 103,309 |
| | 1,196,152 | 1,278,944 |
| **TOTAL ASSETS** | 2,245,956 | 2,338,079 |

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 (cont'd)

| | Unaudited As at 30.06.2023 RM'000 | Audited As at 30.06.2022 RM'000 |
|---|---|---|
| **EQUITY AND LIABILITIES** | | |
| **Equity attributable to owners of the parent** | | |
| Share capital | 385,318 | 385,318 |
| Reserves | 976,401 | 955,193 |
| Equity funds | 1,361,719 | 1,340,511 |
| Shares held by ESS Trust | (23,883) | (23,883) |
| | 1,337,836 | 1,316,628 |
| **Non-controlling interests** | 76,250 | 75,021 |
| **TOTAL EQUITY** | 1,414,086 | 1,391,649 |
| **Non-current liabilities** | | |
| Trade and other payables | 1,505 | 648 |
| Loans and borrowings | 344,137 | 418,399 |
| Lease liabilities | 14,700 | 5,920 |
| Deferred tax liabilities | 14,960 | 16,867 |
| | 375,302 | 441,834 |
| **Current liabilities** | | |
| Trade and other payables | 181,115 | 168,608 |
| Contract liabilities | 12,490 | 8,318 |
| Loans and borrowings | 258,542 | 319,768 |
| Lease liabilities | 1,741 | 2,178 |
| Tax payable | 2,680 | 5,724 |
| | 456,568 | 504,596 |
| **TOTAL LIABILITIES** | 831,870 | 946,430 |
| **TOTAL EQUITY AND LIABILITIES** | 2,245,956 | 2,338,079 |
| **Net assets per share attributable to ordinary owners of the parent (RM)** | 1.9971 | 1.9655 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))**
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

| | ← Attributable to owners of the parent → | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | ← Non-Distributable → | | | | | Distributable | | | |
| | Share capital RM'000 | Shares held by ESS Trust RM'000 | Merger reserve RM'000 | Exchange reserve RM'000 | Other reserve RM'000 | Retained profits RM'000 | Total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
| **Current year-to-date** | | | | | | | | | |
| **At 1 July 2022** | 385,318 | (23,883) | (24,028) | 106 | 27 | 979,088 | 1,316,628 | 75,021 | 1,391,649 |
| Total comprehensive income for the year | - | - | - | - | - | 34,606 | 34,606 | 4,269 | 38,875 |
| Redemption of RPS in a subsidiary | - | - | - | - | - | - | - | (3,040) | (3,040) |
| Dividend paid | - | - | - | - | - | (13,398) | (13,398) | - | (13,398) |
| **As At 30 June 2023** | 385,318 | (23,883) | (24,028) | 106 | 27 | 1,000,296 | 1,337,836 | 76,250 | 1,414,086 |

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (cont'd)

| | ← Attributable to owners of the parent → | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | ← Non-Distributable → | | | | | Distributable | | | |
| | Share capital RM'000 | Shares held by ESS Trust RM'000 | Merger reserve RM'000 | Exchange reserve RM'000 | Other reserve RM'000 | Retained profits RM'000 | Total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
| **Preceding year corresponding year** | | | | | | | | | |
| **At 1 July 2021** | 385,318 | (23,883) | (24,028) | 106 | 27 | 966,187 | 1,303,727 | 141,923 | 1,445,650 |
| Total comprehensive income for the year | - | - | - | - | - | 26,299 | 26,299 | 1,830 | 28,129 |
| Reduction of ordinary shares in a subsidiary | - | - | - | - | - | - | - | (68,732) | (68,732) |
| Dividend paid | - | - | - | - | - | (13,398) | (13,398) | - | (13,398) |
| **As At 30 June 2022** | 385,318 | (23,883) | (24,028) | 106 | 27 | 979,088 | 1,316,628 | 75,021 | 1,391,649 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Year-to-date ended | |
|---|---|---|
| | **30.06.2023** | **30.06.2022** |
| | **RM'000** | **RM'000** |
| **Cash flows from operating activities** | | |
| **Profit before tax** | **56,066** | **50,007** |
| Adjustments for: | | |
| Loss/(gain) on fair value on biological assets | 247 | (381) |
| Amortisation of fit out contribution | 167 | - |
| Dividend income | - | (1,047) |
| Depreciation of property, plant and equipment | 10,424 | 12,563 |
| Depreciation of right-of-use assets | 2,136 | 4,038 |
| Gain on disposal of property, plant and equipment | (2) | - |
| Realisation of goodwill | 459 | 459 |
| Impairment loss on inventories | 4,130 | - |
| Provision for foreseeable losses of property development activities | - | 87 |
| Net (gain)/loss on fair value adjustments of investment properties | (5,595) | 1,440 |
| Reversal of allowance for impairment on trade and other receivables | (4) | (1,992) |
| Allowance for impairment on trade and other receivables | 108 | 100 |
| Bad debts written off | - | 1,368 |
| Interest expense | 27,693 | 27,418 |
| Interest income | (2,972) | (2,044) |
| Unrealised profit arising from transactions with joint ventures and associates | (1,069) | 4,678 |
| Share of results of associates and joint ventures | (10,582) | (20,334) |
| Operating profit before working capital changes | 81,206 | 76,360 |
| Working capital changes: | | |
| Inventories | (25,929) | (30,335) |
| Trade and other receivables | (20,440) | (22,013) |
| Contract assets | 119,778 | (79,675) |
| Contract cost assets | 74,929 | 71,312 |
| Trade and other payables | 19,477 | 42,936 |
| Contract liabilities | 4,172 | (518) |
| Associates and joint ventures balances | 435 | 700 |
| Related company balances | (3,935) | 733 |
| Cash flow generated from operations | 249,693 | 59,500 |
| Interest received | 252 | 284 |
| Interest paid | (27,300) | (26,971) |
| Interest paid on lease liabilities | (393) | (447) |
| Tax paid | (21,642) | (27,632) |
| Net cash flows generated from operating activities | 200,610 | 4,734 |

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (cont'd)

| | Year-to-date ended | |
|---|---|---|
| | **30.06.2023** | **30.06.2022** |
| | **RM'000** | **RM'000** |
| **Cash flows from investing activities** | | |
| Acquisitions of property, plant and equipment | (1,057) | (1,823) |
| Additions in investment properties | (5) | (3,440) |
| Additions in fit-out contribution | - | (4,000) |
| Dividend income from associate | 583 | 1,434 |
| Dividend income from joint ventures | 3,509 | - |
| Dividend income from investment securities | - | 1,047 |
| Disposals of other investments | - | 119,387 |
| Proceeds from disposal of plant and equipment | 2 | 1 |
| Interest received | 2,720 | 1,760 |
| Net cash flows generated from investing activities | 5,752 | 114,366 |
| **Cash flows from financing activities** | | |
| Bank borrowings drawdown | 203,755 | 503,491 |
| Repayment of bank borrowings | (339,243) | (523,635) |
| Repayment of principal portion of lease liabilities | (2,529) | (2,035) |
| Redemption of redeemable preference shares ("RPS") to non-controlling interest | (3,040) | - |
| Redemption of RPS from a joint venture | 13,991 | - |
| Reduction of ordinary shares paid to non-controlling interest | - | (68,732) |
| Dividend paid to shareholders of the company | (13,398) | (13,398) |
| Net cash flow used in financing activities | (140,464) | (104,309) |
| Net increase in cash and cash equivalents | 65,898 | 14,791 |
| Cash and cash equivalents at beginning of the financial year | 103,309 | 88,518 |
| Cash and cash equivalents at end of the financial year | 169,207 | 103,309 |

Cash and cash equivalents comprise the following:

| | **30.06.2023** | **30.06.2022** |
|---|---|---|
| | **RM'000** | **RM'000** |
| Deposits, cash and bank balances | 169,207 | 103,309 |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

*The figures have not been audited*

## NOTES

### 1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022 ("FY2022"). The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since FY2022.

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for FY2022.

The standards, amendments to MFRSs and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group intend to adopt these standards, if applicable, when they become effective.

***Effective for financial periods beginning on or after 1 January 2022:***

| | |
|---|---|
| Amendments to MFRS 1 | First-time Adoption of MFRS-Subsidiary as a First-time Adopter |
| Amendments to MFRS 3 | Reference to the Conceptual Framework |
| Amendments to MFRS 9 | Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities |
| Amendments to MFRS 116 | Property, Plant and Equipment - Proceeds before Intended Use |
| Amendments to MFRS 137 | Onerous Contracts - Cost of Fulfilling a Contract |
| Amendments to MFRS 141 | Agriculture - Taxation in Fair Value Measurements |

*The figures have not been audited*

**1. Basis of preparation (cont'd)**

***Effective for financial periods beginning on or after 1 January 2023:***

| | |
|---|---|
| MFRS 17 | Insurance Contracts |
| Amendments to MFRS 17 | Initial Application of MFRS 17 and MFRS 9 - Comparative Information |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current |
| Amendments to MFRS 101 | Disclosure of Accounting Policies |
| Amendments to MFRS 108 | Definition of Accounting Estimates |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 112 | International Tax Reform - Pillar Two Model Rules |

***Effective for financial periods beginning on or after 1 January 2024:***

| | |
|---|---|
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants |
| Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements |

***Effective date deferred to a date to be determined by MASB:***

| | |
|---|---|
| Amendments to MFRS 10 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |

The adoption of the above do not have any significant impact to the Group.

**2. Qualification of audit report of the preceding annual financial statements**

The audit report for the preceding annual financial statements was not subject to any qualification.

**3. Seasonality or cyclicality of interim operations**

The Group’s interim operations were not materially affected by any seasonal or cyclical factors for the current quarter under review.

**4. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial year ended 30 June 2023.

## 5. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial year.

## 6. Issues, repurchases and repayments of debt and equity securities

There were no additional shares purchased by the trust set up for the Executive Share Scheme ("ESS Trust") during the current financial year under review. As at reporting date, a total of 30,578,100 shares of the Company were held by the ESS Trust.

Save as detailed above, there were no other issues, repurchases and repayments of debts and equity securities during the current financial year.

## 7. Dividend paid

During the financial year ended 30 June 2023, a final dividend of 2 sen per ordinary share amounted to RM13.4 million in respect of FY2022 was paid on 15 November 2022.

## 8. Segmental reporting

The Group's segmental report is as follows:

**Financial Year Ended 30.06.2023**

| | Property development RM'000 | Property investment RM'000 | Hotel RM'000 | Plantations RM'000 | Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| External sales | 354,668 | 16,735 | 45,846 | 8,914 | 8,186 | - | 434,349 |
| Inter-segment sales | - | 199 | - | - | 19,505 | (19,704) | - |
| Total revenue | 354,668 | 16,934 | 45,846 | 8,914 | 27,691 | (19,704) | 434,349 |
| **Results** | | | | | | | |
| Segment results | 77,834 | 7,769 | (3,907) | 3,639 | 86,747 | (101,877) | 70,205 |
| Interest income | 1,886 | 190 | 67 | 242 | 3,708 | (3,121) | 2,972 |
| Finance costs | (9,938) | (5,458) | (6,680) | (1) | (8,732) | 3,116 | (27,693) |
| Share of results of associates | (542) | (4,097) | - | (72) | - | - | (4,711) |
| Share of results of joint ventures | 15,293 | - | - | - | - | - | 15,293 |
| Income tax | (14,555) | (584) | - | (172) | (1,880) | - | (17,191) |
| Profit for the year | | | | | | | 38,875 |

Segmental reporting by geographical location has not been prepared as the Group's operations are substantially carried out in Malaysia.

*The figures have not been audited*

## 9. Valuations of property, plant and equipment and investment properties

The valuations of property, plant and equipment and investment properties were adjusted during the financial year as per Note 16 which was determined based on valuation reports by accredited independent valuers.

## 10. Material subsequent events not reflected in the financial statements

There were no material subsequent events not reflected in the financial statements.

## 11. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, and restructuring.

## 12. Review of performance

(a) Performance of the current quarter against the immediate preceding year corresponding quarter.

The Group reported revenue of RM138.3 million and profit before tax of RM27.5 million for the current quarter under review as compared to revenue of RM172.1 million and profit before tax of RM39.7 million in the preceding year's corresponding quarter.

The lower Group revenue and profit before tax reported this quarter were primarily due to lower contribution from the property development division which were partially offset by better performance in the hospitality division and one-off land disposal located in Mukim and District of Jasin, Melaka that contributed revenue of RM19.0 million and profit before tax of RM12.7 million to the current quarter.

The lower performance from property development division was mainly due to lower percentage of completion achieved for the first phase of Emerald 9 in Cheras as it nears completion and fewer ongoing projects as the vacant possession of Garden Terrace and South Tower phases of Emerald Hills in Cheras had been delivered in the first quarter of the financial year ended 30 June 2023.

The performance of the hospitality division has improved with higher occupancy and better average room rates recorded from the increase in tourist arrivals and enhanced domestic commercial and social activities.

The Group incurred lower administrative expenses as compared to the previous corresponding period due to lower operational expenses incurred in the current quarter. The lower share of results of associates and joint ventures was mainly due to a share of loss in an associated company resulting from fair value loss on its investment properties.

**12. Review of performance (cont'd)**

(b) Performance of the current financial year against the preceding financial year.

The Group recorded revenue of RM434.4 million and profit before tax of RM56.1 million for the current financial year as compared to revenue of RM434.1 million and profit before tax of RM50.0 million in the preceding financial year.

The improved performance was mainly attributed to one-off land disposal as mentioned in note 12(a) above, lower losses from hospitality and property investment divisions but partially offset by lower contribution from property development division.

The lower performance from property development division was mainly due to lower percentage of completion in Emerald 9 in Cheras and fewer ongoing projects in Emerald Hills in Cheras as explained in note 12(a) above.

The better performance in the property investment division in the current financial year came largely from the increased occupancy in our DC Mall as activities and business confidence were boosted by the recovery momentum post pandemic. The performance of the hospitality division also saw improvement with higher occupancy and better average room rates in line with the encouraging rebound in social and travel activities.

The Group incurred higher selling and marketing expenses in the current financial year due to increased marketing activities for its residential projects and hospitality division. The Group also incurred lower administrative expenses as compared to the preceding financial year due to lower operational expenses incurred in the current financial year. The lower share of results of associates and joint ventures was mainly due to a share of loss in an associated company resulting from fair value loss on its investment properties.

**13. Material change in profit before tax for the current quarter compared with the immediate preceding quarter**

The Group recorded a profit before tax in the current quarter of RM27.5 million as compared to a profit before tax of RM12.1 million in the immediate preceding quarter. The increase was mainly attributed to the sale of a parcel of land located in Mukim and District of Jasin, Melaka that contributed profit before tax of RM12.7 million recognised in the current quarter.

**14. Prospects**

Malaysia’s gross domestic product grew 5.6% in the first quarter of 2023 compared to last year, signalling continuous economic recovery from the COVID-19 pandemic. Nevertheless, the domestic property sector outlook remains overcast amid the higher interest rates, persistent inflation reducing the purchasing power and an overhang of excess property inventory in several market centres and property classes. The Group will continue to focus on monetising its inventories and progressing its development projects for timely completion. New product launches will be phased according to prevailing market conditions. The Group remains alert to seek out opportunities to increase its landbank.

*The figures have not been audited*

## 15. Profit forecast/Profit guarantee

Not applicable.

## 16. Profit before tax for the year

| Included in profit for the financial year are: | 3 months ended | | Year-to-date | |
|---|---|---|---|---|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Allowance/(Reversal) for impairment on trade and other receivables | (121) | 56 | 108 | 100 |
| Depreciation of property, plant and equipment | 2,477 | 3,327 | 10,424 | 12,563 |
| Depreciation of right-of-use assets | 589 | 581 | 2,136 | 4,038 |
| (Gain)/Loss on fair value of investment properties | (5,595) | 360 | (5,595) | 1,440 |
| Impairment of inventories | 4,130 | - | 4,130 | - |
| (Gain)/Loss on fair value on biological assets | (81) | (106) | 247 | (381) |

Other than the above items, there were no gain or loss on disposal of investment properties, impairment of assets and other exceptional items for the financial year ended 30 June 2023.

## 17. Taxation

Taxation comprises:

| | 3 months ended | | Year-to-date | |
|---|---|---|---|---|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current taxation | | | | |
| - Malaysian income tax | 11,594 | 10,808 | 21,978 | 17,324 |
| - Deferred taxation | (3,532) | 2,567 | (3,148) | 3,178 |
| - Real Property Gain Tax | 394 | - | 394 | - |
| Prior year | | | | |
| - Malaysian income tax | 7 | 154 | (1,561) | (127) |
| - Deferred taxation | - | 1,503 | (472) | 1,503 |
| | 8,463 | 15,032 | 17,191 | 21,878 |

The Group's effective tax rate for the current quarter and current financial year were higher than the statutory tax rate is mainly due to certain expenses not deductible for tax purposes and losses incurred by certain subsidiary companies which were not available to set off against taxable profits in other companies within the Group.

*The figures have not been audited*

## 18. Corporate proposals

There is no other outstanding corporate proposal announced but not completed as at the date of this report.

## 19. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 June 2023 are as follows:

| | RM'000 |
|---|---|
| **Short term borrowings** | |
| Secured | 48,242 |
| Unsecured | 210,300 |
| | 258,542 |
| **Long term borrowings** | |
| Secured | 344,137 |
| **Total borrowings** | 602,679 |

The above borrowings are all denominated in Ringgit Malaysia.

## 20. Changes in material litigation

Not applicable.

## 21. Dividend

A proposed final single-tier dividend has been recommended for the financial year ended 30 June 2023:

i. Amount per share: 2 sen
ii. Previous year corresponding quarter : 2 sen
iii. Entitlement date: 31 October 2023
iv. Payment date: 15 November 2023

Total dividend for the current financial year ended 30 June 2023: 2 sen per share (30 June 2022: 2 sen per share).

*The figures have not been audited*

## 22. Profit per share

### Basic EPS

The basic profit per share are calculated based on the net profit attributable to ordinary shareholders for the financial year divided by the weighted average number of ordinary shares:

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Net profit attributable to ordinary shareholders for the year (RM'000) | 15,795 | 23,788 | 34,606 | 26,299 |
| Weighted average number of shares ('000) | 669,880 | 669,880 | 669,880 | 669,880 |
| Basic profit per share (sen) | 2.358 | 3.551 | 5.166 | 3.926 |

### Diluted EPS

The Group has no dilution in its EPS for the financial year under review as there are no dilutive potential ordinary shares.

## 23. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2022 was not subject to any qualification.

By Order of the Board
GuocoLand (Malaysia) Berhad

CHIN MIN YANN
LEE SOW YEANG
Company Secretaries

Kuala Lumpur
18 August 2023