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

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2024
Quarter	1 Qtr
Quarterly report for the financial period ended	30 Sep 2023
The figures	have not been audited

Attachments

Q1 2024 Results.pdf
344.5 kB

Default Currency | Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
30 Sep 2023

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
		$$'000	$$'000	$$'000	$$'000
1	Revenue	119,153	102,499	119,153	102,499
2	Profit/(loss) before tax	8,993	3,756	8,993	3,756
3	Profit/(loss) for the period	5,129	1,967	5,129	1,967
4	Profit/(loss) attributable to ordinary equity holders of the parent	4,788	1,573	4,788	1,573
5	Basic earnings/(loss) per share (Subunit)	0.72	0.24	0.72	0.24
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		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 ($$)	2.0043		1.9971	

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	10 Nov 2023
Category	Financial Results
Reference Number	FRA-09112023-00007

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	3 months ended		Period-to-date ended	
	30.09.2023	**30.09.2022**	**30.09.2023**	**30.09.2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	119,153	102,499	119,153	102,499
Cost of sales	(90,931)	(76,768)	(90,931)	(76,768)
Gross profit	28,222	25,731	28,222	25,731
Selling and marketing expenses	(1,479)	(1,608)	(1,479)	(1,608)
Administrative expenses	(15,344)	(14,652)	(15,344)	(14,652)
Other net operating income	1,062	368	1,062	368
Profit from operations	12,461	9,839	12,461	9,839
Finance income	993	342	993	342
Finance costs	(6,528)	(7,094)	(6,528)	(7,094)
Share of results of associates and joint ventures	2,067	669	2,067	669
Profit before tax	8,993	3,756	8,993	3,756
Income tax	(3,864)	(1,789)	(3,864)	(1,789)
Profit for the period	**5,129**	**1,967**	**5,129**	**1,967**
Profit attributable to:				
Owners of the parent	4,788	1,573	4,788	1,573
Non-controlling interests	341	394	341	394
Profit for the period	**5,129**	**1,967**	**5,129**	**1,967**
Profit per share attributable to owners of the parent:				
a) Basic (sen)	0.715	0.235	0.715	0.235
b) Diluted (sen)	0.715	0.235	0.715	0.235

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (cont'd)

	3 months ended		Period-to-date ended	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Profit for the period, representing total comprehensive income for the period	**5,129**	**1,967**	**5,129**	**1,967**
Total comprehensive profit attributable to:				
Owners of the parent	4,788	26,299	4,788	26,299
Non-controlling interests	341	1,830	341	1,830
Total comprehensive income for the period	**5,129**	**28,129**	**5,129**	**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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Unaudited As at 30.09.2023 RM'000	Audited As at 30.06.2023 RM'000
Non-current assets		
Property, plant and equipment	298,905	301,239
Right-of-use assets	15,480	15,969
Investment properties	281,663	281,663
Land held for property development	103,493	103,493
Investments in associates	189,873	189,847
Investments in joint ventures	137,645	135,478
Other non-current asset	3,250	3,333
Goodwill	3,898	3,898
Deferred tax assets	15,834	15,012
	1,050,041	1,049,932
Current assets		
Inventories	760,747	768,441
Biological assets	269	269
Trade and other receivables	68,330	82,911
Contract assets	197,977	124,375
Contract cost assets	38,698	45,482
Other current assets	2,154	3,318
Tax recoverable	1,772	1,728
Cash and cash equivalents	122,453	169,207
	1,192,400	1,195,731
TOTAL ASSETS	2,242,441	2,245,663

The figures have not been audited

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

	Unaudited As at 30.09.2023 RM'000	Audited As at 30.06.2023 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	385,318	385,318
Reserves	981,189	976,401
Equity funds	1,366,507	1,361,719
Shares held by ESS Trust	(23,883)	(23,883)
	1,342,624	1,337,836
Non-controlling interests	70,438	76,250
TOTAL EQUITY	1,413,062	1,414,086
Non-current liabilities		
Trade and other payables	1,459	1,505
Loans and borrowings	390,688	343,835
Lease liabilities	14,320	14,610
Deferred tax liabilities	14,542	14,960
	421,009	374,910
Current liabilities		
Trade and other payables	191,875	181,098
Contract liabilities	17,985	12,490
Loans and borrowings	191,710	258,422
Lease liabilities	1,866	1,977
Tax payable	4,934	2,680
	408,370	456,667
TOTAL LIABILITIES	829,379	831,577
TOTAL EQUITY AND LIABILITIES	2,242,441	2,245,663
Net assets per share attributable to ordinary owners of the parent (RM)	2.0043	1.9971

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 period-to-date									
At 1 July 2023	385,318	(23,883)	(24,028)	106	27	1,000,296	1,337,836	76,250	1,414,086
Total comprehensive income for the period	-	-	-	-	-	4,788	4,788	341	5,129
Dividend paid	-	-	-	-	-	-	-	(6,153)	(6,153)
As At 30 September 2023	385,318	(23,883)	(24,028)	106	27	1,005,084	1,342,624	70,438	1,413,062

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 period									
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 period	-	-	-	-	-	1,573	1,573	394	1,967
As At 30 September 2022	385,318	(23,883)	(24,028)	106	27	980,661	1,318,201	75,415	1,393,616

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 2023 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 PERIOD ENDED 30 SEPTEMBER 2023

	Period-to-date ended	
	30.09.2023	**30.09.2022**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	**8,993**	**3,756**
Adjustments for:		
Loss on fair value on biological assets	-	177
Depreciation of property, plant and equipment	2,407	2,774
Depreciation of right-of-use assets	545	429
Allowance for impairment on trade and other receivables	74	83
Interest expense	6,528	7,094
Interest income	(993)	(342)
Unrealised profit arising from transactions with joint ventures and associates	(126)	(160)
Share of results of associates and joint ventures	(2,068)	(669)
Operating profit before working capital changes	15,360	13,142
Working capital changes:		
Inventories	7,694	2,579
Trade and other receivables	16,947	(103,264)
Contract assets	(73,602)	141,807
Contract cost assets	6,784	1,368
Trade and other payables	10,857	8,006
Contract liabilities	5,495	1,066
Associates and joint ventures balances	(636)	(475)
Related company balances	(619)	(371)
Cash flow (used in)/generated from operations	(11,720)	63,858
Interest received	46	45
Interest paid	(6,329)	(7,022)
Interest paid on lease liabilities	(199)	(72)
Tax paid	(2,894)	(8,803)
Net cash flows generated (used in)/from operating activities	(21,096)	48,006

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (cont'd)

	Period-to-date ended	
	30.09.2023	**30.09.2022**
	RM'000	**RM'000**
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(78)	(32)
Dividend income from associate	-	395
Interest received	947	297
Net cash flows generated from investing activities	869	660
Cash flows from financing activities		
Bank borrowings drawdown	46,471	80,289
Repayment of bank borrowings	(66,330)	(99,197)
Repayment of principal portion of lease liabilities	(515)	(507)
Dividend paid to non-controlling interest	(6,153)	-
Net cash flow used in financing activities	(26,527)	(19,415)
Net (decrease)/increase in cash and cash equivalents	(46,754)	29,251
Cash and cash equivalents at beginning of the financial period	169,207	103,309
Cash and cash equivalents at end of the financial period	122,453	132,560

Cash and cash equivalents comprise the following:

	30.09.2023	**30.09.2022**
	RM'000	**RM'000**
Deposits, cash and bank balances	122,453	132,560

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 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 2023 ("FY2023"). 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 FY2023.

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 FY2023.

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 2023:

Amendments to MFRS 17	Insurance Contracts - 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

1. Basis of preparation (cont'd)

Effective for financial periods beginning on or after 1 January 2025:

Amendments to MFRS 121	Lack of Exchangeability

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 expect to have significant impact on the financial statements 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 period ended 30 September 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 period.

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 period 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 period.

The figures have not been audited

7. Dividend paid

No dividend was paid during the financial period ended 30 September 2023.

8. Segmental reporting

The Group's segmental report is as follows:

Financial Period Ended 30.09.2023

	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	96,804	3,974	13,550	2,648	2,177	-	119,153
Inter-segment sales	-	295	-	-	5,167	(5,462)	-
Total revenue	96,804	4,269	13,550	2,648	7,344	(5,462)	119,153
Results							
Segment results	24,125	952	138	1,247	11,872	(25,873)	12,461
Interest income	576	48	13	167	769	(580)	993
Finance costs	(1,904)	(1,466)	(1,770)	-	(1,965)	577	(6,528)
Share of results of associates	114	33	-	(121)	-	-	26
Share of results of joint ventures	2,041	-	-	-	-	-	2,041
Income tax	(3,679)	367	-	(347)	(205)	-	(3,864)
Profit for the period							5,129

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

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

The valuations of property, plant and equipment and investment properties were brought forward without any amendments from the previous annual financial statements.

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.

The figures have not been audited

12. Review of performance

Performance of the current quarter against the immediate preceding year corresponding quarter.

The Group reported revenue of RM119.2 million and profit before tax of RM9.0 million for the current quarter under review as compared to revenue of RM102.5 million and profit before tax of RM3.8 million in the preceding year's corresponding quarter.

The higher Group revenue reported this quarter were primarily due to higher contribution from the property development division following the completion of the first phase of Emerald 9 projects in Cheras in the current quarter.

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 finance cost mainly due to lower outstanding loans and borrowings despite the rise in interest rates. The share of results of associates and joint ventures reported a higher profit recognition from the construction progress of our active projects in Rawang and the completion of Mallow Lakepark Homes in the current quarter.

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 RM9.0 million as compared to a profit before tax of RM27.5 million in the immediate preceding quarter. The decrease 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 immediate preceding quarter.

14. Prospects

In the second quarter of 2023, Malaysia's economy showed a 2.9% year-on-year growth, attributed to an improving labour market, heightened domestic demand and increased tourism activities. However, challenges persist in the domestic property sector from higher interest rates, ongoing inflation and an oversupply of properties in different markets and segments. The Group's strategies remain on monetising its inventories, advancing development projects for timely completion and introducing new products in line with prevailing market conditions. Furthermore, the Group remains vigilant in seeking opportunities to expand its landbanks.

The figures have not been audited

15. Profit forecast/Profit guarantee

Not applicable.

16. Profit before tax for the period

Included in profit for the financial period are:	3 months ended		Period-to-date	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on trade and other receivables	74	83	74	83
Depreciation of property, plant and equipment	2,407	2,774	2,407	2,774
Depreciation of right-of-use assets	545	429	545	429
Loss on fair value on biological assets	-	177	-	177

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 period ended 30 September 2023.

17. Taxation

Taxation comprises:

	3 months ended		Period-to-date	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	3,957	2,467	3,957	2,467
- Under/(over)provision in prior financial period	218	(7)	218	(7)
	4,175	2,460	4,175	2,460
Deferred tax:				
- Relating to origination and reversal of temporary differences	(69)	69	(69)	69
- Overprovision in prior financial period	(242)	(740)	(242)	(740)
	(311)	(671)	(311)	(671)
Income tax expense for the period	3,864	1,789	3,864	1,789

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

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 September 2023 are as follows:

	RM'000
Short term borrowings	
Secured	29,710
Unsecured	162,000
	191,710
Long term borrowings	
Secured	390,688
Total borrowings	582,398

The above borrowings are all denominated in Ringgit Malaysia.

20. Changes in material litigation

Not applicable.

21. Dividend

The Board does not recommend any interim dividend for the financial period ended 30 September 2023.

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 period divided by the weighted average number of ordinary shares:

	3 months ended		Period-to-date ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Net profit attributable to ordinary shareholders for the period (RM'000)	4,788	1,573	4,788	1,573
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic profit per share (sen)	0.715	0.235	0.715	0.235

Diluted EPS

The Group has no dilution in its EPS for the financial period 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 2023 was not subject to any qualification.

By Order of the Board
GuocoLand (Malaysia) Berhad

CHIN MIN YANN
LEE SOW YEANG
Company Secretaries

Kuala Lumpur
10 November 2023