

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2019

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2019
Quarter	4 Qtr
Quarterly report for the financial period ended	30 Jun 2019
The figures	have not been audited

Attachments

 [Q4 2019 Results.pdf](#)
1.4 MB

Default Currency	Other Currency
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Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2019

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	131,021	-100,454	414,360	242,533
2	Profit/(loss) before tax	-4,888	-40,517	-18,818	57,156
3	Profit/(loss) for the period	-10,537	-34,210	-28,554	55,648
4	Profit/(loss) attributable to ordinary equity holders of the parent	-11,694	-35,725	-32,525	19,489
5	Basic earnings/(loss) per share (Subunit)	-1.75	-5.33	-4.86	2.91
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 (\$\$)		1.9297		1.9982

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	16 Aug 2019
Category	Financial Results
Reference Number	FRA-15082019-00004

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2019
The figures have not been audited
CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	3 months ended		Year-to-date ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	131,021	(100,454)	414,360	242,533
Cost of sales	(106,439)	88,733	(317,499)	(168,399)
Gross profit	<u>24,582</u>	<u>(11,721)</u>	<u>96,861</u>	<u>74,134</u>
Selling and marketing expenses	(3,298)	(8,212)	(14,517)	(21,555)
Administrative expenses	(25,804)	(13,412)	(74,183)	(66,129)
Other net operating income	8,249	3,070	9,138	107,068
Profit from operations	<u>3,729</u>	<u>(30,275)</u>	<u>17,299</u>	<u>93,518</u>
Finance income	2,104	1,567	7,129	4,832
Finance costs	(16,304)	(12,577)	(49,640)	(51,202)
Share of results of associates and joint ventures	5,583	768	6,394	10,008
(Loss)/Profit before tax	<u>(4,888)</u>	<u>(40,517)</u>	<u>(18,818)</u>	<u>57,156</u>
Income tax	(5,649)	6,307	(9,736)	(1,508)
(Loss)/Profit for the period	<u>(10,537)</u>	<u>(34,210)</u>	<u>(28,554)</u>	<u>55,648</u>
(Loss)/Profit attributable to:				
Owners of the parent	(11,694)	(35,725)	(32,525)	19,489
Non-controlling interests	1,157	1,515	3,971	36,159
(Loss)/Profit for the period	<u>(10,537)</u>	<u>(34,210)</u>	<u>(28,554)</u>	<u>55,648</u>
(Loss)/Profit per share attributable to owners of the parent:				
a) Basic (sen)	(1.746)	(5.333)	(4.855)	2.909
b) Diluted (sen)	(1.746)	(5.333)	(4.855)	2.909

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (cont'd)

	3 months ended		Year-to-date ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(10,537)	(34,210)	(28,554)	55,648
Other comprehensive income/(expense):				
Foreign currency translation	3	(3)	87	11
Total comprehensive (loss)/profit for the period	(10,534)	(34,213)	(28,467)	55,659
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(11,691)	(35,728)	(32,438)	19,500
Non-controlling interests	1,157	1,515	3,971	36,159
Total comprehensive (loss)/profit for the period	(10,534)	(34,213)	(28,467)	55,659

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Unaudited	Unaudited	Unaudited
	As at	As at	As at
	30.06.2019	30.06.2018	01.07.2017
	RM'000	RM'000	RM'000
Non-current assets			
Property, plant and equipment	349,175	375,519	523,832
Investment properties	536,163	540,563	544,318
Land held for property development	302,479	302,489	438,673
Investments in associates	202,724	203,745	197,895
Investments in joint ventures	113,523	110,018	110,873
Goodwill	6,079	9,747	11,813
Deferred tax assets	17,454	15,382	7,347
	<u>1,527,597</u>	<u>1,557,463</u>	<u>1,834,751</u>
Current assets			
Inventories	962,114	1,133,168	1,001,539
Biological assets	360	434	542
Trade and other receivables	64,325	72,330	108,308
Contract assets	81,132	3,563	-
Other current assets	2,180	581	1,012
Tax recoverable	4,642	10,827	7,548
Other investments	8,900	11,779	1,615
Cash and cash equivalents	208,098	192,101	231,592
	<u>1,331,751</u>	<u>1,424,783</u>	<u>1,352,156</u>
TOTAL ASSETS	<u>2,859,348</u>	<u>2,982,246</u>	<u>3,186,907</u>

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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ENDED 30 JUNE 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019 (cont'd)

	Unaudited As at 30.06.2019 RM'000	Unaudited As at 30.06.2018 RM'000	Unaudited As at 01.07.2017 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	385,318	385,318	385,318
Reserves	931,263	977,099	970,997
Equity funds	1,316,581	1,362,417	1,356,315
Shares held by ESS Trust	(23,883)	(23,883)	(23,883)
	<u>1,292,698</u>	<u>1,338,534</u>	<u>1,332,432</u>
Non-controlling interests	<u>138,261</u>	<u>134,290</u>	<u>118,388</u>
TOTAL EQUITY	<u>1,430,959</u>	<u>1,472,824</u>	<u>1,450,820</u>
Non-current liabilities			
Other payables	4,524	9,754	8,674
Loans and borrowings	875,758	930,193	1,162,110
Deferred tax liabilities	35,388	30,305	32,374
	<u>915,670</u>	<u>970,252</u>	<u>1,203,158</u>
Current liabilities			
Trade and other payables	135,249	204,958	271,225
Contract liabilities	32,653	46,483	-
Loans and borrowings	343,732	287,610	256,611
Tax payable	1,085	119	5,093
	<u>512,719</u>	<u>539,170</u>	<u>532,929</u>
TOTAL LIABILITIES	<u>1,428,389</u>	<u>1,509,422</u>	<u>1,736,087</u>
TOTAL EQUITY AND LIABILITIES	<u>2,859,348</u>	<u>2,982,246</u>	<u>3,186,907</u>
Net assets per share attributable to ordinary owners of the parent (RM)	1.9297	1.9982	1.9891

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2019

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	← Attributable to owners of the parent →					Total	Non-controlling interests	Total equity
	← Non-Distributable		→ Distributable					
	Share capital RM'000	Shares held by ESS Trust RM'000	Merger reserve RM'000	Exchange reserve RM'000	Retained profits RM'000	Total RM'000	RM'000	RM'000
Current year-to-date								
At 1 July 2018	385,318	(23,883)	(24,001)	19	1,001,081	1,338,534	134,290	1,472,824
Total comprehensive income/(loss) for the period	-	-	-	87	(32,525)	(32,438)	3,971	(28,467)
Dividend paid	-	-	-	-	(13,398)	(13,398)	-	(13,398)
As At 30 June 2019	385,318	(23,883)	(24,001)	106	955,158	1,292,698	138,261	1,430,959

GUOCOLAND (MALAYSIA) BERHAD (300-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2019

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (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	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Preceding year corresponding period								
At 1 July 2017	385,318	(23,883)	(24,001)	8	994,990	1,332,432	118,388	1,450,820
Total comprehensive income for the period	-	-	-	11	19,489	19,500	36,159	55,659
Dividend paid	-	-	-	-	(13,398)	(13,398)	(22,437)	(35,835)
Disposal of subsidiary	-	-	-	-	-	-	2,180	2,180
As At 30 June 2018	385,318	(23,883)	(24,001)	19	1,001,081	1,338,534	134,290	1,472,824

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Year-to-date ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(18,818)	57,156
Adjustments for:		
Gain on biological assets	74	108
Gain on investment in cash funds	(389)	(74)
Reversal of impairment loss on Land held for development	990	-
Depreciation of property, plant and equipment	11,501	12,234
Property, plant and equipment written off	5	45
Gain on disposal of property, plant and equipment	-	(58)
Realisation of goodwill	3,668	2,066
Net fair value loss on available-for-sale financial assets	-	769
Net loss/(gain) on fair value adjustments of investment properties	4,400	(487)
Allowance for impairment on trade and other receivables	2,521	931
Dividend income	(60)	(152)
Interest expense	49,640	51,202
Interest income	(7,129)	(4,832)
Provision for foreseeable losses	-	2,140
Share of results of associates and joint ventures	(5,978)	(9,216)
Gain on disposal of subsidiaries	-	(104,081)
Operating profit before working capital changes	41,489	7,751
Working capital changes:		
Inventories	176,949	13,890
Receivables	(59,521)	96,172
Payables	(100,026)	(31,626)
Joint ventures balances	(1,501)	(1,015)
Related company balances	(1,709)	(33,786)
Cash flow generated from operations	55,681	51,386
Interest received	104	87
Interest paid	(57,392)	(61,400)
Tax refund/(paid)	970	(19,863)
Net cash flows used in operating activities	(637)	(29,790)

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 (cont'd)

	Year-to-date ended	
	30.06.2019	30.06.2018
	RM'000	RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	14,838	(27,218)
Additions in investment properties	-	4,242
Proceeds from disposal in land held for development	-	862
Dividend income from associate	2,492	3,646
Addition to investment securities	2,939	(10,781)
Proceeds from disposal of plant and equipment	-	59
Proceeds from disposal of subsidiaries	-	228,960
Interest received	7,414	4,812
Net cash flows generated from investing activities	<u>27,683</u>	<u>204,582</u>
Cash flows from financing activities		
Bank borrowings drawdown	199,348	276,847
Repayment of bank borrowings	(197,661)	(477,743)
Dividend paid	(13,398)	(13,398)
Net cash flow used in financing activities	<u>(11,711)</u>	<u>(214,294)</u>
Net increase/(decrease) in cash and cash equivalents	15,335	(39,502)
Effect of exchange rate changes on cash and cash equivalents	87	11
Cash and cash equivalents at beginning of the financial period	192,676	231,592
Cash and cash equivalents at end of the financial period	<u>208,098</u>	<u>192,101</u>

Cash and cash equivalents comprise the following:

	30.06.2019	30.06.2018
	RM'000	RM'000
Deposits, cash and bank balances	<u>208,098</u>	<u>192,101</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30
JUNE 2019

The figures have not been audited

NOTES

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 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 2018. 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 the financial year ended 30 June 2018.

The Group has adopted the new Malaysian Financial Reporting Standard ("MFRS") Framework issued by Malaysian Accounting Standards Board ("MASB") with effect from 1 July 2018. For the periods up to, and including the year ended 30 June 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS") Framework as allowed by MASB as it includes transitioning entities. Except for certain differences, the requirements under FRS and MFRS are similar.

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 the financial year ended 30 June 2018, except for the following:

- (a) Adoption of MFRS 1 and Annual improvements to MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards"

The Group has consistently applied the same accounting policies in its opening MFRS statements of financial position at 1 January 2017 (transition date) and throughout all years presented, as if these policies had always been in effect. Except for the required presentation of three statements of financial position in the first MFRS financial statements, there is no other significant impact on the Group's financial results and position, and changes to the accounting policies of the Group arising from the adoption of this MFRS Framework (other than as included in (b), (c) and (d)), although there are some differences in relation to the transitional provisions and effective dates contained in certain of the MFRSs.

Subsequent to the transition in the financial reporting framework to MFRS on 1 January 2018, the restated comparative information has not been audited under MFRS. However, the comparative statements of financial position as at 30 June 2018, comparative statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended have been audited under the previous financial reporting framework, FRS.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30
JUNE 2019

The figures have not been audited

1. Basis of preparation (continued)

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 the financial year ended 30 June 2018, except for the following : (continued)

(b) MFRS 9: Financial Instruments

MFRS 9 retains but simplifies the mixed measurement model in FRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through loss or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the FRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main changes are:

- For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognised directly to OCI. There is no subsequent recycling to profit or loss.
- When a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognised immediately in profit or loss.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group and the Company have reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018. The financial assets held by the Group include:

- equity instruments currently classified as available-for-sale for which a FVOCI election is available;
- equity investments currently measured at FVTPL which will continue to be measured on the same basis under MFRS 9; and
- debt instruments currently classified as held-to-maturity and measured at amortised cost which meet the conditions for classification at amortised cost under MFRS 9.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30
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The figures have not been audited

1. Basis of preparation (continued)

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 the financial year ended 30 June 2018, except for the following : (continued)

(b) MFRS 9: Financial Instruments (continued)

Accordingly, the Group and the Company do not expect the new guidance to affect the classification and measurement of these financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through loss or loss. The derecognition rules have been transferred from FRS 139 'Financial Instruments: Recognition and Measurement' and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under FRS 139. It applies to financial assets classified at amortised cost, trade and other receivables, amounts due from subsidiaries, amounts due from associates and joint ventures. Based on the assessments undertaken to date, the Group and the Company do not expect a significant increase in the loss allowance.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

The Group and the Company will apply the new rules retrospectively from 1 January 2018 with the practical expenditures permitted under the standard.

(c) MFRS 15: Revenue from Contracts with Customers

MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018) replaces FRS 118 'Revenue' and FRS 111 'Construction contracts' and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30
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The figures have not been audited

1. Basis of preparation (continued)

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 the financial year ended 30 June 2018, except for the following : (continued)

(c) MFRS 15: Revenue from Contracts with Customers (continued)

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements;
- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal;
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa;
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few; and
- As with any new standard, there are also increased disclosures.

The Group and the Company have assessed the effects of applying the new standard on the Group's financial statements and have identified the following areas that will be affected:

- Accounting for customer contracts in relation to property development activities where customer credit assessment have not been performed;
- Accounting for certain costs incurred in fulfilling a contract such as sales and marketing expenses;
- Accounting for separate performance obligations in relation to property development activities which could affect the timing of the recognition of revenue going forward; and
- Presentation of contract assets and contract liabilities in the statement of financial position – MFRS 15 requires separate presentation of contract assets and contract liabilities in the statement of financial position.

The new standard also expands the disclosure movement in contract liability which relates to remaining performance obligations that has yet to be satisfied to the customers.

The Group intends to adopt the standard using full retrospective approach (with optional practical expedients) which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2017 and that comparatives will be restated.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30
JUNE 2019

The figures have not been audited

1. Basis of preparation (continued)

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 the financial year ended 30 June 2018, except for the following : (continued)

(d) MFRS 141: Agriculture

Key provisions of the new standard are as follows:

MFRS 141 'Agriculture' introduce a new category of biological asset, i.e. the bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce (except for incidental scrap sales).

Bearer plants are seen as similar to an item of machinery in a manufacturing plant, and therefore are treated the same way under MFRS 116 'Property, Plant and Equipment'. Therefore, bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses.

Agricultural produce growing on bearer plants are measured at fair value less costs to sell, with fair value changes recognised in loss or loss as the produce grows. However, there are two occasions where the standard permits departure from fair value: at the early stage of an asset's life; and when fair value cannot be measured reliably on initial recognition.

The Group intends to adopt the standard using full retrospective approach (with optional practical expedients) which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2017 and that comparatives will be restated.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30
JUNE 2019

The figures have not been audited

1. Basis of preparation (continued)

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 the financial year ended 30 June 2018, except for the following : (continued)

(e) MFRS 16: Leases

Under MFRS 16 which is effective from 1 July 2019, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on statement of financial position) or operating leases (off statement of financial position). MFRS 16 requires a lessee to recognise a “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 ‘Property, Plant and Equipment’ and the lease liability is accreted over time with interest expense recognised in loss or loss.

For lessors, MFRS 16 retains most of the requirements in FRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group and the Company are currently assessing the impact of the adoption of MFRS 16. The Group and the Company shall adopt MFRS 16 in its financial statements for the financial year ending 30 June 2020.

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The figures have not been audited
NOTES
1. Basis of preparation (continued)

(f) The effects of the new accounting policies and the restatement of comparative figures are as follows:

	Quarter ended 30 June 2018						Restatement of comparative figures Year to date ended 30 June 2018					
	As per previous accounting framework	MFRS 9	MFRS 15	MFRS 123	MFRS 141	As per current accounting framework	As per previous accounting framework	MFRS 9	MFRS 15	MFRS 123	MFRS 141	As per current accounting framework
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	(20,070)	-	(80,384)	-	-	(100,454)	310,541	-	(68,008)	-	-	242,533
Cost of sales	31,990	-	56,743	-	-	88,733	(209,877)	-	41,478	-	-	(168,399)
Selling and marketing expenses	(11,571)	-	3,359	-	-	(8,212)	(25,933)	-	4,378	-	-	(21,555)
Administrative expenses	(13,412)	-	-	-	-	(13,412)	(66,129)	-	-	-	-	(66,129)
Other net operating income	2,400	-	917	-	(247)	3,070	107,601	(769)	344	-	(108)	107,068
(Loss)/Profit from operations	(10,663)	-	(19,365)	-	(247)	(30,275)	116,203	(769)	(21,808)	-	(108)	93,518
Finance income	1,567	-	-	-	-	1,567	4,832	-	-	-	-	4,832
Finance costs	(12,451)	-	-	(126)	-	(12,577)	(51,076)	-	-	(126)	-	(51,202)
Share of results of associates and joint ventures	1,306	-	(570)	-	32	768	10,546	-	(570)	-	32	10,008
(Loss)/Profit before tax	(20,241)	-	(19,935)	(126)	(215)	(40,517)	80,505	(769)	(22,378)	(126)	(76)	57,156
Income tax	2,241	-	4,040	-	26	6,307	(6,147)	-	4,613	-	26	(1,508)
(Loss)/Profit for the period	(18,000)	-	(15,895)	(126)	(189)	(34,210)	74,358	(769)	(17,765)	(126)	(50)	55,648
(Loss)/Profit attributable to:												
Owners of the parent	(19,515)	-	(15,895)	(126)	(189)	(35,725)	38,199	(769)	(17,765)	(126)	(50)	19,489
Non-controlling interests	1,515	-	-	-	-	1,515	36,159	-	-	-	-	36,159
(Loss)/Profit for the period	(18,000)	-	(15,895)	(126)	(189)	(34,210)	74,358	(769)	(17,765)	(126)	(50)	55,648
Other comprehensive (loss)/income:												
Fair value (loss)/gain on available- for-sale investments	-	-	-	-	-	-	(769)	769	-	-	-	-
Foreign currency translation	(3)	-	-	-	-	(3)	11	-	-	-	-	11
Total comprehensive (loss) /income for the period	(18,003)	-	(15,895)	(126)	(189)	(34,213)	73,600	-	(17,765)	(126)	(50)	55,659

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The figures have not been audited

NOTES

1. Basis of preparation (continued)

(f) The effects of the new accounting policies and the restatement of comparative figures are as follows:

	Quarter ended 30 June 2018						Restatement of comparative figures Year to date ended 30 June 2018						
	As per previous accounting framework		MFRS 9	MFRS 15	MFRS 123	MFRS 141	As per previous accounting framework		MFRS 9	MFRS 15	MFRS 123	MFRS 141	As per current accounting framework
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total comprehensive (loss) /income for the period	(18,003)	-	(15,895)	(126)	(189)	(34,213)	73,600	-	(17,765)	(126)	(50)	55,659	
Total comprehensive (loss)/income attributable to:													
Owners of the parent	(19,518)	-	(15,895)	(126)	(189)	(35,728)	37,441	-	(17,765)	(126)	(50)	19,500	
Non-controlling interests	1,515	-	-	-	-	1,515	36,159	-	-	-	-	36,159	
Total comprehensive (loss)/income for the period	(18,003)	-	(15,895)	(126)	(189)	(34,213)	73,600	-	(17,765)	(126)	(50)	55,659	
(Loss)/Earnings per share attributable to owners of the parent:													
a) Basic (sen)	(2.913)					(5.333)	5.702					2.909	
b) Diluted (sen)	(2.913)					(5.333)	5.702					2.909	

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NOTES

1. Basis of preparation (continued)

(f) The effects of the new accounting policies and the restatement of comparative figures are as follows:

	Restatement of comparative figures						Restatement of comparative figures					
	As at 30 June 2018						As at 1 July 2017					
	As per previous accounting framework	MFRS 9	MFRS 15	MFRS 123	MFRS 141	As per current accounting framework	As per previous accounting framework	MFRS 9	MFRS 15	MFRS 123	MFRS 141	As per current accounting framework
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Non-current assets												
Property, plant and equipment	375,519	-	-	-	-	375,519	523,832	-	-	-	-	523,832
Investment properties	540,563	-	-	-	-	540,563	544,318	-	-	-	-	544,318
Land held for property development	302,489	-	-	-	-	302,489	438,673	-	-	-	-	438,673
Investments in associates	203,837	-	(139)	-	47	203,745	197,916	-	(36)	-	15	197,895
Investments in joint ventures	110,485	-	(467)	-	-	110,018	110,873	-	-	-	-	110,873
Available-for-sale investments	-	-	-	-	-	-	1,566	(1,566)	-	-	-	-
Goodwill	9,403	-	344	-	-	9,747	11,813	-	-	-	-	11,813
Deferred tax assets	10,425	-	4,927	30	-	15,382	7,347	-	-	-	-	7,347
	<u>1,552,721</u>	<u>-</u>	<u>4,665</u>	<u>30</u>	<u>47</u>	<u>1,557,463</u>	<u>1,836,338</u>	<u>(1,566)</u>	<u>(36)</u>	<u>-</u>	<u>15</u>	<u>1,834,751</u>
Current assets												
Inventories	621,909	-	511,385	(126)	-	1,133,168	756,156	-	245,383	-	-	1,001,539
Biological assets	-	-	-	-	434	434	-	-	-	-	542	542
Property development costs	469,907	-	(469,907)	-	-	-	245,383	-	(245,383)	-	-	-
Trade and other receivables	92,694	-	(20,364)	-	-	72,330	108,308	-	-	-	-	108,308
Contract assets	-	-	3,563	-	-	3,563	-	-	-	-	-	-
Other current assets	581	-	-	-	-	581	1,012	-	-	-	-	1,012
Tax recoverable	10,827	-	-	-	-	10,827	7,548	-	-	-	-	7,548
Other investments	11,779	-	-	-	-	11,779	49	1,566	-	-	-	1,615
Cash and cash equivalents	192,101	-	-	-	-	192,101	231,592	-	-	-	-	231,592
	<u>1,399,798</u>	<u>-</u>	<u>24,677</u>	<u>(126)</u>	<u>434</u>	<u>1,424,783</u>	<u>1,350,048</u>	<u>1,566</u>	<u>-</u>	<u>-</u>	<u>542</u>	<u>1,352,156</u>
TOTAL ASSETS	<u>2,952,519</u>	<u>-</u>	<u>29,342</u>	<u>(96)</u>	<u>481</u>	<u>2,982,246</u>	<u>3,186,386</u>	<u>-</u>	<u>(36)</u>	<u>-</u>	<u>557</u>	<u>3,186,907</u>

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The figures have not been audited

NOTES

1. Basis of preparation (continued)

(f) The effects of the new accounting policies and the restatement of comparative figures are as follows:

	Restatement of comparative figures						Restatement of comparative figures					
	As at 30 June 2018						As at 1 July 2017					
	As per previous accounting framework RM'000	MFRS 9 RM'000	MFRS 15 RM'000	MFRS 123 RM'000	MFRS 141 RM'000	As per current accounting framework RM'000	As per previous accounting framework RM'000	MFRS 9 RM'000	MFRS 15 RM'000	MFRS 123 RM'000	MFRS 141 RM'000	As per current accounting framework RM'000
EQUITY AND LIABILITIES												
Equity attributable to owners of the parent												
Share capital	385,318	-	-	-	-	385,318	385,318	-	-	-	-	385,318
Reserves	994,650	-	(17,832)	(96)	377	977,099	970,606	-	(36)	-	427	970,997
Equity funds	1,379,968	-	(17,832)	(96)	377	1,362,417	1,355,924	-	(36)	-	427	1,356,315
Shares held by ESS Trust	(23,883)	-	-	-	-	(23,883)	(23,883)	-	-	-	-	(23,883)
	1,356,085	-	(17,832)	(96)	377	1,338,534	1,332,041	-	(36)	-	427	1,332,432
Non-controlling interests	134,290	-	-	-	-	134,290	118,388	-	-	-	-	118,388
TOTAL EQUITY	1,490,375	-	(17,832)	(96)	377	1,472,824	1,450,429	-	(36)	-	427	1,450,820
Non-current liabilities												
Other payables	9,754	-	-	-	-	9,754	8,674	-	-	-	-	8,674
Loans and borrowings	930,193	-	-	-	-	930,193	1,162,110	-	-	-	-	1,162,110
Deferred tax liabilities	29,857	-	344	-	104	30,305	32,244	-	-	-	130	32,374
	969,804	-	344	-	104	970,252	1,203,028	-	-	-	130	1,203,158
Current liabilities												
Trade and other payables	204,612	-	347	-	-	204,959	271,225	-	-	-	-	271,225
Contract liabilities	-	-	46,482	-	-	46,482	-	-	-	-	-	-
Loans and borrowings	287,610	-	-	-	-	287,610	256,611	-	-	-	-	256,611
Tax payable	119	-	-	-	-	119	5,093	-	-	-	-	5,093
	492,341	-	46,829	-	-	539,170	532,929	-	-	-	-	532,929
TOTAL LIABILITIES	1,462,145	-	47,173	-	104	1,509,422	1,735,957	-	-	-	130	1,736,087
TOTAL EQUITY AND LIABILITIES	2,952,520	-	29,341	(96)	481	2,982,246	3,186,386	-	(36)	-	557	3,186,907

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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 cyclicity 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 2019.

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

During the current quarter under review, there were no additional shares purchased by the trust set up for the Executive Share Scheme ("ESS Trust"). As at reporting date, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

During the financial year ended 30 June 2018, options over 20,000,000 GLM shares had been granted to eligible executives of the Company pursuant to the Company's Value Creation Incentive Plan. There were no new options granted during the current quarter and the balance options for the financial period is 18,000,000 GLM shares. The options granted are subject to the achievement of certain performance criteria by the option holders over two performance periods concluding at the end of the financial years ending 30 June 2019 and 30 June 2021 respectively. The achievement of the performance targets and the numbers of shares (if any) to be vested shall be determined following the end of the respective performance periods.

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

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7. Dividend paid

During the financial period ended 30 June 2019, a final dividend of 2 sen per ordinary share amounted to RM13.398 million in respect of the financial year ended 30 June 2018 was paid on 13 December 2018.

8. Segmental reporting

The Group's segmental report for the current financial period ended 30 June 2019 is as follows:

Financial Period Ended 30.06.2019

	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	320,447	31,789	40,281	13,575	8,268	-	414,360
Inter-segment sales	-	2,146	-	-	38,254	(40,400)	-
Total revenue	320,447	33,935	40,281	13,575	46,522	(40,400)	414,360
Results							
Segment results	20,521	16,706	(6,863)	4,570	(16,884)	-	18,050
Unallocated corporate expenses							(752)
Profit from operations							17,298
Interest income	3,061	1,003	1,432	1,174	459	-	7,129
Finance costs	(16,434)	(15,209)	(13,091)	(1)	(4,905)		(49,640)
Share of results of associates	-	1,530	-	480	-	-	2,010
Share of results of joint ventures	4,384	-	-	-	-	-	4,384
Income tax expense	1,994	(6,918)	(1)	(747)	(4,064)	-	(9,736)
Loss for the period							(28,555)

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.

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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 other than as mentioned below:

- Megagrowth Limited (formerly known as HLL Overseas Limited), a wholly-owned subsidiary of the Company, was dissolved on 12 April 2019; and
- Positive Vision Labuan Limited, a wholly-owned subsidiary of the Company, had been placed under member's voluntary winding up on 13 June 2019, pursuant to Section 131(1) of the Labuan Companies Act 1990 applying Section 439(1)(b) of the Companies Act 2016.

12. Review of performance

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

The Group recorded revenue of RM131.3 million for the current quarter under review as compared to negative net revenue of RM100.5 million in the preceding year corresponding quarter. The higher revenue for the current quarter was due to revenue recognised from the launch of Emerald Hills in Cheras. However, it is mitigated by the lower sales of completed units of the Group's projects which have resulted in a loss before tax of RM4.9 million. The net negative revenue of the previous year corresponding quarter was due to cancellations of certain sale and purchase agreements during the period and the effects of MFRS 15 as disclosed in Note 1(f).

Selling and marketing expenses of RM3.2 million for the current quarter is lower by RM5.0 million compared to the corresponding quarter of preceding year of RM8.2 million. This was due to the marketing and launching events for Emerald Hills and higher marketing expenses incurred for Sofitel Kuala Lumpur Damansara in the corresponding quarter of preceding year.

Share of profits from associates of RM5.6 million increased compared to the corresponding quarter of the preceding year of RM0.8 million mainly due to higher revenue achieved.

- (b) Performance of the current financial period against the preceding financial period.

The Group recorded revenue of RM414.3 million for the current financial period under review as compared to RM242.5 million in the preceding financial period due to higher sales of on-going project, Emerald Hills in Cheras. The Group, however, recorded a loss before tax of RM18.8 million compared to profit before tax of RM57.2 million in the preceding financial period, mainly due to the gain on disposal of hotels of RM104.1 million in the preceding financial period.

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13. Prospects

The domestic property market is expected to remain lacklustre in the subsequent period of year 2019 due to the continued weak market and consumer sentiments. The overall momentum and prospects of the property market in the short term is expected to remain soft and challenging. Moving forward, the Group will launch its projects according to prevailing market sentiments.

14. Loss forecast/Loss guarantee

Not applicable.

15. Loss for the year

Included in loss for the financial period/year are:

	Current	
	Quarter	Year-to-date
	RM'000	RM'000
Depreciation of property, plant and equipment	3,453	11,501
Allowance for impairment on trade and other receivables	2,508	2,521
Loss on biological assets	145	74
Gain on investment in cash funds	<u>(128)</u>	<u>(389)</u>

Other than the above items, there were no allowance for impairment and write off of inventories, gain or loss on disposal of investment properties, impairment of assets and other exceptional items for the current quarter and financial period ended 30 June 2019.

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JUNE 2019

The figures have not been audited

16. Taxation

Taxation comprises:

	Current Quarter	Year-to-date
	RM'000	RM'000
Current taxation		
- Malaysian income tax	5,478	6,599
- Deferred taxation	345	3,116
Prior year		
- Malaysian income tax	(174)	21
	<u>5,649</u>	<u>9,736</u>

The Group's effective tax rate is lower than the statutory tax rate for the current financial year mainly due to overall losses of the Group.

17. Corporate proposals

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

18. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 June 2019 are as follows:

	RM'000
Short term borrowings	
Secured	221,732
Unsecured	122,000
	<u>343,732</u>
Long term borrowings	
Secured	875,758
Total borrowings	<u>1,219,490</u>

The above borrowings are all denominated in Ringgit Malaysia.

19. Changes in material litigation

Not applicable.

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20. Dividend

The Board does not recommend any interim dividend for the current financial period ended 30 June 2019.

21. Loss per share

Basic EPS

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

	3 months ended		Year-to-date ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Net (loss)/profit attributable to ordinary shareholders for the period (RM'000)	<u>(11,694)</u>	<u>(35,725)</u>	<u>(32,525)</u>	<u>19,489</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>
(Loss)/Earnings per share (sen)	<u>(1.746)</u>	<u>(5.333)</u>	<u>(4.855)</u>	<u>2.909</u>

Diluted EPS

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

22. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2018 was not subject to any qualification.

23. Comparative figures

Comparative figures, where applicable, have been modified to conform to the current year presentation.

By Order of the Board
GuocoLand (Malaysia) Berhad

CHIN MIN YANN
LEE SOW YEANG
Secretaries

Kuala Lumpur
16 August 2019