

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2018

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2018
Quarter	3 Qtr
Quarterly report for the financial period ended	31 Mar 2018
The figures	have not been audited

Attachments

 [Q3 2018 Results.pdf](#)
99.4 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	35,831	81,165	289,003	152,309
2 Profit/(loss) before tax	87,853	13,565	94,266	124,560
3 Profit/(loss) for the period	86,725	10,258	92,359	123,202
4 Profit/(loss) attributable to ordinary equity holders of the parent	55,690	8,341	57,715	119,417
5 Basic earnings/(loss) per share (Subunit)	8.31	1.25	8.62	17.83
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	2.0367		1.9885	

holders of the parent (\$\$)		
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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	23 Apr 2018
Category	Financial Results
Reference Number	FRA-20042018-00001

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2018

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	3 months ended		Year-to-date ended	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Revenue	35,831	81,165	289,003	152,309
Cost of sales	(26,581)	(52,739)	(207,405)	(93,090)
Gross profit	9,250	28,426	81,598	59,219
Selling and marketing expenses	(4,697)	(2,259)	(21,554)	(9,495)
Administrative expenses	(15,586)	(13,663)	(45,150)	(27,923)
Other net operating income	105,076	2,948	105,201	6,401
Profit from operations	94,043	15,452	120,095	28,202
Finance income	778	1,049	2,941	1,919
Finance costs	(13,393)	(9,716)	(38,010)	(27,619)
Share of results of associates and joint ventures	6,425	6,780	9,240	122,058
Profit before tax	87,853	13,565	94,266	124,560
Income tax	(3,472)	(4,230)	(8,389)	(5,515)
Profit from continuing operations, net of tax	84,381	9,335	85,877	119,045
Discontinued operation				
Profit from discontinuing operation, net of tax	2,344	923	6,482	4,157
Profit for the period	86,725	10,258	92,359	123,202
Profit attributable to:				
Owners of the parent	55,690	8,341	57,715	119,417
Non-controlling interests	31,035	1,917	34,644	3,785
Profit for the period	86,725	10,258	92,359	123,202
Earnings per share attributable to owners of the parent:				
a) Basic (sen)	8.313	1.245	8.616	17.827
b) Diluted (sen)	8.313	1.245	8.616	17.827

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2018

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (cont'd)

	3 months ended		Year-to-date ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period	86,725	10,258	92,359	123,202
Other comprehensive (loss)/income:				
Fair value (loss)/gain on available-for-sale investments	-	(137)	(769)	457
Foreign currency translation	6	(1)	14	(16)
Other comprehensive income/(loss) for the period	6	(138)	(755)	441
Total comprehensive income for the period	86,731	10,120	91,604	123,643
Total comprehensive income attributable to:				
Owners of the parent	55,696	8,203	56,960	119,858
Non-controlling interests	31,035	1,917	34,644	3,785
Total comprehensive income for the period	86,731	10,120	91,604	123,643

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

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ENDED 31 MARCH 2018

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	As at	(Audited)
	31.03.2018	As at
	RM'000	30.06.2017
		RM'000
Non-current assets		
Property, plant and equipment	361,925	523,832
Investment properties	544,673	544,318
Land held for property development	302,489	438,673
Investments in associates	202,829	197,916
Investments in joint ventures	110,995	110,873
Available-for-sale investments	-	1,566
Goodwill	8,140	11,813
Deferred tax assets	7,803	7,347
	<u>1,538,854</u>	<u>1,836,338</u>
Current assets		
Inventories	584,982	756,156
Property development costs	454,120	245,383
Trade and other receivables	331,683	108,308
Other current assets	1,277	894
Tax recoverable	10,879	7,548
Other investments	10,111	49
Derivative financial assets	59	118
Cash and cash equivalents	121,724	231,592
	<u>1,514,835</u>	<u>1,350,048</u>
TOTAL ASSETS	<u>3,053,689</u>	<u>3,186,386</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018 (cont'd)

	As at	(Audited)
	31.03.2018	As at
	RM'000	30.06.2017
		RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	385,318	385,318
Reserves	1,002,888	970,606
Equity funds	1,388,206	1,355,924
Shares held by ESS Trust	(23,883)	(23,883)
	1,364,323	1,332,041
Non-controlling interests	165,882	118,388
TOTAL EQUITY	1,530,205	1,450,429
Non-current liabilities		
Other payables	9,842	8,674
Loans and borrowings	959,305	1,162,110
Deferred tax liabilities	28,569	32,244
	997,716	1,203,028
Current liabilities		
Trade and other payables	170,178	271,122
Loans and borrowings	348,084	256,611
Derivative financial liabilities	25	103
Tax payable	7,481	5,093
	525,768	532,929
TOTAL LIABILITIES	1,523,484	1,735,957
TOTAL EQUITY AND LIABILITIES	3,053,689	3,186,386
Net assets per share attributable to ordinary owners of the parent (RM)	2.0367	1.9885

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

←----- Attributable to owners of the parent ----->
 ←----- Non-Distributable -----> Distributable

	Shares held							Non-		
	Share	by ESS	Merger	Exchange	Fair value	Other	Retained	Total	controlling	Total
	capital	Trust	reserve	reserve	reserve	reserve	profits	RM'000	interests	equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date										
At 1 July 2017	385,318	(23,883)	(24,028)	8	769	27	993,830	1,332,041	118,388	1,450,429
Total comprehensive income/(loss) for the period	-	-	-	14	(769)	-	57,715	56,960	34,644	91,604
Disposal of subsidiary	-	-	-	-	-	-	(10,669)	(10,669)	12,850	2,181
Dividend paid	-	-	-	-	-	-	(14,009)	(14,009)	-	(14,009)
As At 31 March 2018	385,318	(23,883)	(24,028)	22	-	27	1,026,867	1,364,323	165,882	1,530,205

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (cont'd)

	← Attributable to owners of the parent →										
	← Non-Distributable →						Distributable				
	Share capital	Share premium	Shares held by ESS Trust	Capital Merger reserve	Capital redemption reserve	Exchange reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period											
At 1 July 2016	350,229	35,089	(23,883)	(24,028)	27	23	388	885,419	1,223,264	113,733	1,336,997
Total comprehensive (loss)/income for the period	-	-	-	-	-	(16)	457	119,417	119,858	3,785	123,643
Dividend paid	-	-	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
As At 31 March 2017	350,229	35,089	(23,883)	(24,028)	27	7	845	991,438	1,329,724	117,518	1,447,242

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 31 MARCH 2018

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	9 months ended	
	31.03.2018	31.03.2017
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	94,266	124,560
Profit before tax from discontinuing operations	6,481	4,158
Profit before tax	100,747	128,718
Adjustments for:		
Mark-to-market loss on derivatives	(19)	(61)
Gain on disposal of marketable securities	(739)	-
Property, plant and equipment:		
- depreciation	9,239	4,341
- gain on disposal	(58)	(125)
Realisation of goodwill	3,673	221
Allowance for impairment on trade and other receivables	7	20
Dividend income	(3)	-
Interest expense	38,625	28,455
Interest income	(3,265)	(1,937)
Elimination of unrealised profit arising from transactions with an associate and joint ventures	525	4,047
Share of results of associates and joint ventures	(9,206)	(122,058)
Gain on disposal of subsidiaries	104,081	-
Operating profit before working capital changes carried forward	243,607	41,621
Working capital changes:		
Inventories	170,304	64,106
Receivables	(196,890)	(36,890)
Property development costs	(69,135)	(31,665)
Payables	(74,332)	(41,369)
Joint ventures balances	(162)	(394)
Related company balances	(99,762)	48,312
Cash flow (used in)/generated from operations	(26,370)	43,721
Interest received	80	16
Interest paid	(42,906)	(32,384)
Tax paid	(13,465)	(11,603)
Net cash flows used in operating activities	(82,661)	(250)

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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ENDED 31 MARCH 2018

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (cont'd)

	9 months ended	
	31.03.2018	31.03.2017
	RM'000	RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(10,243)	(84,467)
Additions in investment properties	(355)	(4,644)
Proceeds from disposal/(additions) in land held for development	862	(133,740)
Dividend income from associate	3,646	4,211
(Additional to)/proceeds from disposals of:		
- investment securities	(8,523)	6,697
- plant and equipment	59	125
Proceeds from disposal of subsidiaries	123,589	-
Interest received	3,185	1,921
Net cash flows generated from/(used in) investing activities	<u>112,220</u>	<u>(209,897)</u>
Cash flows from financing activities		
Bank borrowings drawdown	185,725	650,359
Repayment of bank borrowings	(311,251)	(514,366)
Dividend paid	(14,009)	(13,398)
Net cash flow (used in)/generated from financing activities	<u>(139,535)</u>	<u>122,595</u>
Net decrease in cash and cash equivalents	(109,976)	(87,552)
Effect of exchange rate changes on cash and cash equivalents	14	(16)
Cash and cash equivalents at beginning of the financial period	<u>231,592</u>	<u>211,958</u>
Cash and cash equivalents at end of the financial period	<u><u>121,630</u></u>	<u><u>124,390</u></u>

Cash and cash equivalents comprise the following:

	31.03.2018	31.03.2017
	RM'000	RM'000
Deposits, cash and bank balances	121,724	125,774
Bank overdrafts	(94)	(1,384)
	<u>121,630</u>	<u>124,390</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 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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31 MARCH 2018

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 2017. 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 2017.

2. Changes in accounting policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 30 June 2017 except for the adoption of the relevant new FRSS, amendments to FRSS and IC Interpretations that are effective for annual periods beginning on or after 1 January 2016 and 1 July 2016 respectively. The Group has not early adopted the standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the annual periods beginning on or after 1 July 2016.

The adoption of the new FRSS, amendments to FRSS and IC Interpretations does not have any material impact on the financial position and results of the Group.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and IC Interpretation 15 “Agreements for Construction of Real Estate”, including its parent, significant investor and venturer (herein called “Transitioning Entities”).

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the definition of “Transitioning Entities” and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2019.

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3. 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.

4. 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.

5. 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 31 March 2018.

6. 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.

7. 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") ("ESS Trust"). As at 31 March 2018, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

During the financial period ended 31 March 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. 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 ended 31 March 2018.

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8. Dividend paid

During the financial period ended 31 March 2018, a final dividend of 2 sen per ordinary share amounted to RM14.01 million in respect of the financial year ended 30 June 2017 was paid on 14 November 2017.

9. Segmental reporting

The Group's segmental report for the current financial period ended 31 March 2018 is as follows:

	Property development RM'000	Property investment RM'000	Hotels RM'000	Plantations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	229,234	18,107	17,464	15,855	8,343	-	289,003
Inter-segment sales	-	-	-	-	14,347	(14,347)	-
Total revenue	229,234	18,107	17,464	15,855	22,690	(14,347)	289,003
Results							
Segment results	24,829	4,472	(9,734)	8,690	92,723	-	120,980
Unallocated corporate expenses							(885)
Profit from operations							120,095
Interest income	1,536	581	24	576	224	-	2,941
Finance costs							(38,010)
Share of results of associates	-	2,741	-	5,853	-	-	8,594
Share of results of joint ventures	646	-	-	-	-	-	646
Profit from discontinuing operations, net of tax							6,482
Income tax expense	(1,484)	(212)	-	(2,194)	(4,499)	-	(8,389)
Profit for the period							92,359

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

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

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

12. Capital commitments

As at 31.03.2018
RM'000

Capital expenditure approved and contracted for:

- Property, plant and equipment 133

13. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, and restructuring other than as mentioned below:

- (i) The proposed disposals by Guoman Hotel & Resort Holdings Sdn Bhd, a 70%-owned subsidiary of the Company, of its entire interests in JB Parade Sdn Bhd (owns Thistle Johor Bahru) and PD Resort Sdn Bhd (owns Thistle Port Dickson) to GuocoLand Hotels Pte Ltd were completed on 5 April 2018 (collectively referred to as “Disposals of JBP and PDR”). Hence, JB Parade Sdn Bhd and PD Resort Sdn Bhd have ceased to be subsidiaries of the Company.
- (ii) Prophills Development Sdn Bhd, an indirect wholly-owned subsidiary of the Company, was dissolved by member’s voluntary liquidation on 1 February 2018.

14. Review of performance

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

The Group recorded revenue of RM35.8 million for the current quarter under review as compared to RM81.2 million in the preceding year corresponding quarter. The decrease in revenue was mainly due to lower contribution from residential project in Oval and no contribution from commercial project in PJ City Parcel A Phase 2 during the current quarter.

The Group recorded a profit before tax of RM87.9 million for the current quarter as compared to a profit of RM13.6 million in the preceding year corresponding quarter mainly due to the gain on Disposals of JBP and PDR of approximately RM104.8 million during the current quarter.

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14. Review of performance (Cont'd)

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

The Group recorded a revenue of RM289.0 million for the current financial year as compared to RM152.3 million in the preceding financial year. The increase was mainly due to the higher contribution from residential projects in DC Residensi and Oval during the current financial year. It was partly offset by a zero contribution from commercial project in PJ City Parcel A Phase 2 during the current financial year.

The Group recorded a profit before tax of RM94.3 million for the current financial year as compared to a profit before tax of RM124.6 million in the preceding financial year. The decrease was mainly due to the higher share of profits contributed by an associate, GLM Emerald (Sepang) Sdn Bhd (formerly known as Vintage Heights Sdn Bhd), arising from the disposal of land located in Sepang, Selangor in the preceding financial year.

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

The Group's current quarter profit before tax of RM87.9 million was approximately RM85.7 million higher than the immediate preceding quarter profit before tax of RM2.2 million. The higher performance of the current quarter was mainly due to the gain on Disposals of JBP and PDR.

16. Prospects

The domestic property market is expected to remain lacklustre in the subsequent period of year 2018 due to the continued weak market and consumer sentiments, more so with the latest Bank Negara interest rate hike by 25 basis point. The overall momentum and prospects of the property market in the next 1 to 2 years is expected to remain soft and challenging.

For the current quarter, the Group had completed the Disposals of JBP and PDR. As property development is the key driver to our business operations, moving forward, the Group will remain steadfast to launch its project according to prevailing market sentiments.

17. Profit forecast/profit guarantee

Not applicable.

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The figures have not been audited

18. Profit for the year

Included in profit for the financial period/year are:

	Current	
	Quarter	Year-to-date
	RM'000	RM'000
Depreciation of property, plant and equipment	2,595	9,239
Gain on disposal of property, plant and equipment	-	(58)
Gain on disposal of marketable securities	-	(739)
Gain on disposal of subsidiaries	104,081	104,081
Mark-to-market gain on derivatives	2	(19)

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 31 March 2018.

19. Taxation

Taxation comprises:

	Current	
	Quarter	Year-to-date
	RM'000	RM'000
Current taxation		
- Malaysian income tax	(269)	(9,312)
- Deferred taxation	93	4,129
- Real Property Gains Tax	(3,279)	(3,279)
Prior year		
- Malaysian income tax	(17)	73
	<u>(3,472)</u>	<u>(8,389)</u>

The Group's effective tax rate (excluding joint ventures and associates) is lower than the statutory tax rate for the current financial year mainly due to lower rate use for gain recognised on Disposals of JBP and PDR (RPGT rate of 5%).

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20. Corporate proposals

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

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 March 2018 are as follows:

	RM'000
Short term borrowings	
Secured	243,990
Unsecured	104,094
	<u>348,084</u>
Long term borrowings	
Secured	959,305
Total borrowings	<u>1,307,389</u>

The above borrowings are all denominated in Ringgit Malaysia.

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The figures have not been audited

22. Realised and unrealised profits disclosure

The breakdown of retained profits of the Group is as follows:

	As at 31.03.2018 RM'000	As at 30.06.2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	619,483	402,654
- Unrealised	133,806	122,487
	<u>753,289</u>	<u>525,141</u>
Total share of retained profits from associates:		
- Realised	29,637	36,602
- Unrealised	16,468	16,468
	<u>46,105</u>	<u>53,070</u>
Total share of retained profits from joint ventures:		
- Realised	35,122	35,001
	<u>35,122</u>	<u>35,001</u>
Add: Consolidation adjustments	192,351	380,618
Total Group retained profits as per consolidated accounts	<u>1,026,867</u>	<u>993,830</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

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23. Derivative financial instruments

Derivative financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

The Group has entered into interest rate swap contracts to hedge cash flow interest rate risk arising from floating rate bank loans and the details as at 31 March 2018 are as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value gain RM'000
Interest rate swaps	83,500	34

Interest rate swaps are used to reduce exposure to fluctuations in interest rates and are categorised as fair value through profit or loss and measured at their fair value with the changes in fair value being recognised in the profit or loss at each reporting date. During the current financial period ended 31 March 2018, the Group recognised a loss of approximately RM2,000 arising from fair values changes of financial derivative. The fair value changes are attributable to changes in floating and fixed interest rates.

There is minimal credit risk because the contracts are executed with established financial institution.

There is no significant change in the policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group or the related accounting policies. Other related information associated with the financial instruments is consistent with the disclosures in the audited financial statements for the financial period ended 31 March 2018.

24. Changes in material litigation

Not applicable.

25. Dividend

The Board does not recommend any interim dividend for the current financial period ended 31 March 2018.

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26. Earnings per share

Basic EPS

The basic earnings 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		Year-to-date ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Net profit attributable to ordinary shareholders for the period (RM'000)	55,690	8,341	57,715	119,417
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	8.313	1.245	8.616	17.827

Diluted EPS

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

27. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2017 was not subject to any qualification.

28. 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
 23 April 2018