

Quarterly rpt on consolidated results for the financial period ended 30 Sep 2016

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2017
Quarter	1 Qtr
Quarterly report for the financial period ended	30 Sep 2016
The figures	have not been audited

Attachments

 [GLM-Q1 2017 Results.pdf](#)
94.2 kB

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

SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2016

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	53,526	70,806	53,526	70,806
2	Profit/(loss) before tax	1,692	24,641	1,692	24,641
3	Profit/(loss) for the period	1,136	22,464	1,136	22,464
4	Profit/(loss) attributable to ordinary equity holders of the parent	265	21,332	265	21,332
5	Basic earnings/(loss) per share (Subunit)	0.04	3.18	0.04	3.18
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		1.8274		1.8261

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	17 Nov 2016
Category	Financial Results
Reference Number	FRA-17112016-00007

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016**

The figures have not been audited

**CONDENSED CONSOLIDATED OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

	3 months ended		Year-to-date ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	53,526	70,806	53,526	70,806
Cost of sales	(33,066)	(48,909)	(33,066)	(48,909)
Gross profit	<u>20,460</u>	<u>21,897</u>	<u>20,460</u>	<u>21,897</u>
Selling and marketing expenses	(4,111)	(3,757)	(4,111)	(3,757)
Administrative expenses	(12,640)	(11,458)	(12,640)	(11,458)
Other net operating income	5,421	20,872	5,421	20,872
Profit from operations	<u>9,130</u>	<u>27,554</u>	<u>9,130</u>	<u>27,554</u>
Finance income	502	129	502	129
Finance costs	(8,847)	(3,603)	(8,847)	(3,603)
Share of results of associates and joint ventures	907	561	907	561
Profit before tax	<u>1,692</u>	<u>24,641</u>	<u>1,692</u>	<u>24,641</u>
Income tax expense	(556)	(2,177)	(556)	(2,177)
Profit for the period	<u>1,136</u>	<u>22,464</u>	<u>1,136</u>	<u>22,464</u>
(Loss)/profit attributable to:				
Owners of the parent	265	21,332	265	21,332
Non-controlling interests	871	1,132	871	1,132
Profit for the period	<u>1,136</u>	<u>22,464</u>	<u>1,136</u>	<u>22,464</u>
Earnings per share attributable to owners of the parent:				
a) Basic (sen)	0.040	3.184	0.040	3.184
b) Diluted (sen)	0.040	3.184	0.040	3.184

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016 (CONT'D)

	3 months ended		Year-to-date ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,136	22,464	1,136	22,464
Other comprehensive income/(loss):				
Fair value gain/(loss) on available-for-sale investments	594	(503)	594	(503)
Foreign currency translation	(5)	37	(5)	37
Other comprehensive income/(loss) for the period	589	(466)	589	(466)
Total comprehensive income for the period	1,725	21,998	1,725	21,998
Total comprehensive income attributable to:				
Owners of the parent	854	20,866	854	20,866
Non-controlling interests	871	1,132	871	1,132
Total comprehensive income for the period	1,725	21,998	1,725	21,998

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	As at 30.09.2016 RM'000	As at 30.06.2016 RM'000
Non-current assets		
Property, plant and equipment	344,937	336,524
Investment properties	528,550	528,500
Land held for property development	303,322	303,322
Investments in associates	199,423	200,183
Investments in joint ventures	112,367	112,645
Available-for-sale investments	2,424	1,830
Goodwill	13,076	13,297
Deferred tax assets	6,799	6,361
Derivative financial assets	10	255
	<u>1,510,908</u>	<u>1,502,917</u>
Current assets		
Inventories	807,902	823,914
Property development costs	246,975	235,689
Trade and other receivables	108,807	77,370
Other current assets	2,208	18,582
Tax recoverable	4,346	3,408
Other investments	4,159	6,746
Cash and cash equivalents	79,772	218,061
	<u>1,254,169</u>	<u>1,383,770</u>
TOTAL ASSETS	<u>2,765,077</u>	<u>2,886,687</u>

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016 (cont'd)

	As at 30.09.2016 RM'000	As at 30.06.2016 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	350,229	350,229
Reserves	897,772	896,918
Equity funds	1,248,001	1,247,147
Shares held by ESS Trust	(23,883)	(23,883)
	<u>1,224,118</u>	<u>1,223,264</u>
Non-controlling interests	114,604	113,733
TOTAL EQUITY	<u>1,338,722</u>	<u>1,336,997</u>
Non-current liabilities		
Loans and borrowings	867,647	869,894
Deferred tax liabilities	33,407	33,629
Derivative financial liabilities	435	307
	<u>901,489</u>	<u>903,830</u>
Current liabilities		
Trade and other payables	224,530	236,081
Loans and borrowings	298,017	404,226
Tax payable	2,319	5,553
	<u>524,866</u>	<u>645,860</u>
TOTAL LIABILITIES	<u>1,426,355</u>	<u>1,549,690</u>
TOTAL EQUITY AND LIABILITIES	<u>2,765,077</u>	<u>2,886,687</u>
Net assets per share attributable to ordinary owners of the parent (RM)	1.8274	1.8261

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

	←——— Attributable to owners of the parent ———→										
	←——— Non-Distributable ———→						Distributable				
	Share capital	Share premium	Shares held by ESS Trust	Merger redemption reserve	Capital 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
Current year-to-date											
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	-	-	-	-	-	(5)	594	265	854	871	1,725
At 30 September 2016	350,229	35,089	(23,883)	(24,028)	27	18	982	885,684	1,224,118	114,604	1,338,722

GUOCOLAND (MALAYSIA) BERHAD (300-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016 (cont'd)**

	<div style="display: flex; justify-content: space-between; align-items: center;"> ← Attributable to owners of the parent → </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> ← Non-Distributable → Distributable </div>										
	Share capital	Share premium	Shares held by ESS Trust	Merger redemption reserve	Capital 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 2015	350,229	35,089	(23,883)	(24,028)	17	3	434	784,787	1,122,648	109,077	1,231,725
Total comprehensive income/(loss) for the period	-	-	-	-	-	37	(503)	21,332	20,866	1,132	21,998
At 30 September 2015	350,229	35,089	(23,883)	(24,028)	17	40	(69)	806,119	1,143,514	110,209	1,253,723

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

	3 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,692	24,641
Adjustments for:		
Mark-to-market loss/(gain) on derivatives	373	(1,609)
Property, plant and equipment:		
- depreciation	1,509	1,432
- written off	-	2
- gain on disposal	(28)	-
Realisation of goodwill	221	460
Net gain on fair value adjustments of investment properties	-	(16,680)
Allowance for impairment on trade and other receivables	20	-
Interest expense	8,847	3,603
Interest income	(502)	(129)
Share of results of associates and joint ventures	(907)	(561)
Operating profit before working capital changes	11,225	11,159
Working capital changes:		
Inventories	16,012	17,233
Receivables	(10,209)	(36,359)
Property development costs	(9,513)	(43,599)
Payables	(14,032)	41,022
Joint ventures balances	-	(20)
Related company balances	(2,392)	(1,229)
Cash flow used in operations	(8,909)	(11,793)
Interest received	7	-
Interest paid	(10,622)	(19,235)
Tax paid	(5,387)	(3,793)
Net cash flows used in operating activities	(24,911)	(34,821)

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016 (cont'd)

	3 months ended	
	30.09.2016	30.09.2015
	RM'000	RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(9,922)	(16,664)
Additions in:		
- land held for property development	-	(81)
- investment properties	(50)	(21,490)
Dividend income from associates	1,945	1,945
Proceeds from disposals of:		
- investment securities	2,587	-
- plant and equipment	28	-
Interest received	495	129
Net cash flows used in investing activities	<u>(4,917)</u>	<u>(36,161)</u>
Cash flows from financing activities		
Bank borrowings drawdown	24,428	74,896
Repayment of bank borrowings	(129,534)	(20,335)
Net cash flow (used in)/generated from financing activities	<u>(105,106)</u>	<u>54,561</u>
Net decrease in cash and cash equivalents	(134,934)	(16,421)
Effect of exchange rate changes on cash and cash equivalents	(5)	37
Cash and cash equivalents at beginning of the financial period	211,958	45,810
Cash and cash equivalents at end of the financial period	<u>77,019</u>	<u>29,426</u>

Cash and cash equivalents comprise the following:

	30.09.2016	30.09.2015
	RM'000	RM'000
Deposits, cash and bank balances	79,772	41,403
Investment in short term funds	-	450
Bank overdrafts	(2,753)	(12,427)
	<u>77,019</u>	<u>29,426</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 2016 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

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 2016. 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 2016.

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 2016 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 2018.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

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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 30 September 2016.

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

There were no additional shares purchased by the trust set up for the Executive Share Scheme ("ESS")("ESS Trust") during the current quarter under review. As at 30 September 2016, 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 2012, GLM had established a Value Creation Incentive Plan ("VCIP") for selected key executives of the Group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options would be satisfied through the transfer of existing GLM shares held under the ESS Trust.

The vesting of the VCIP options is conditional upon the achievement of prescribed financial and performance targets/criteria over a stipulated performance period. All unvested VCIP Options granted had lapsed during the previous financial year. No VCIP Option had been granted during the current financial year.

During the financial year ended 30 June 2016, options over 10,000,000 shares of the Company, which was granted pursuant to the ESS, had lapsed arising from the resignation of the grantee in December 2015.

There were no issues, repurchases and repayments of debt and equity securities during the current financial period ended 30 September 2016.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

The figures have not been audited

8. Dividend paid

There was no dividend paid during the current quarter ended 30 September 2016.

9. Segmental reporting

The Group's segmental report for the current financial period ended 30 September 2016 is as follows:

	Property development	Property investment	Hotels	Plantations	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	34,804	643	13,112	3,310	1,657	-	53,526
Inter-segment sales	-	-	-	-	(403)	403	-
Total revenue	<u>34,804</u>	<u>643</u>	<u>13,112</u>	<u>3,310</u>	<u>1,254</u>	<u>403</u>	<u>53,526</u>
Results							
Segment results	7,253	(543)	1,145	1,572	(75)	-	9,352
Unallocated corporate expenses							<u>(222)</u>
Profit from operations							9,130
Interest income	183	58	5	-	256	-	502
Finance costs							(8,847)
Share of results of associates	-	1,126	-	59	-	-	1,185
Share of results of joint ventures	(278)	-	-	-	-	-	(278)
Income tax expense	(244)	570	(1)	(377)	(504)	-	<u>(556)</u>
Profit for the period							<u>1,136</u>

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

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

The figures have not been audited

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.

11. Material subsequent events not reflected in the financial statements

There were no material subsequent events not reflected in the financial statements except for the following:

Tujuan Optima Sdn Bhd, a subsidiary of GLM, had on 5 July 2016, entered into a sale and purchase agreement with MV Properties Sdn Bhd for the proposed acquisition of two parcels of land located in Mukim Cheras, Daerah Hulu Langat, Negeri Selangor, for a total cash consideration of RM128.0 million. This transaction was announced to Bursa Malaysia Securities Berhad on 5 July 2016.

12. Capital commitments

As at 30.09.2016
RM'000

Capital expenditure approved and contracted for:

- Property, plant and equipment 119,175

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, restructuring and discontinuing operations.

14. Review of performance

Performance of the current quarter against the preceding year corresponding quarter

The Group recorded revenue of RM53.5 million for the current quarter under review as compared to RM70.8 million in the preceding year corresponding quarter. The decrease in revenue was mainly due to the lower contribution from the residential projects in Damansara City, Oval and Amandarii. It was partly offset by higher contribution from the commercial projects in Old Klang Road and PJ City.

The Group recorded lower profit before tax of RM1.7 million for the current quarter as compared to RM24.6 million in the preceding year corresponding quarter due to the recognition of fair value gain amounted to RM16.7 million arising from the valuation of investment properties in the preceding year corresponding quarter.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

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

Comparing against profit before tax of RM109.1 million for the immediate preceding quarter, profit before tax for current quarter is lower by RM107.4 million. The higher profit in the immediate preceding quarter was mainly due to gain on disposal of a subsidiary of RM78.9 million and fair value gain on investment properties of RM24.6 million, mainly relating to Damansara City.

16. Prospects

The Group expects the property market outlook and sentiment to remain cautious amid uncertain economic environment. The Board foresees a challenging year ahead. The Group will continue to focus on timely completion of its development projects and to monetize its inventories.

17. Profit forecast/profit guarantee

Not applicable.

18. Profit for the year

Included in profit for the financial period/year are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,509	1,509
Mark-to-market loss on derivatives	373	373

Other than the above items, there were no allowance for impairment and write off of inventories, gain or loss on disposal of property, unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and financial period ended 30 September 2016.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

The figures have not been audited

19. Taxation

Taxation comprises:

	Current Quarter	Year-to-date
	RM'000	RM'000
Current taxation		
- Malaysian income tax	(1,241)	(1,241)
- Deferred taxation	659	659
Prior year		
- Malaysian income tax	26	26
	<u>(556)</u>	<u>(556)</u>

The Group's effective tax rate (excluding joint ventures and associates) is higher than the statutory tax rate for the current financial year mainly due to the deferred tax assets not recognised.

20. Corporate proposals

There is no other outstanding corporate proposal as at the date of this report.

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 September 2016 are as follows:

	RM'000
Short term borrowings	
Secured	84,511
Unsecured	213,506
	<u>298,017</u>
Long term borrowings	
Secured	867,647
Unsecured	-
	<u>867,647</u>
Total borrowings	<u>1,165,664</u>

The above borrowings are all denominated in Ringgit Malaysia.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

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22. Realised and unrealised profits disclosure

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

	As at 30.09.2016 RM'000	As at 30.06.2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	487,853	369,236
- Unrealised	126,774	242,915
	<u>614,627</u>	<u>612,151</u>
Total share of retained profits from associates:		
- Realised	34,211	34,971
- Unrealised	20,367	20,367
	<u>54,578</u>	<u>55,338</u>
Total share of retained profits from joint ventures:		
- Realised	36,495	36,773
- Unrealised	-	-
	<u>36,495</u>	<u>36,773</u>
Add: Consolidation adjustments	179,984	181,157
Total Group retained profits as per consolidated accounts	<u>885,684</u>	<u>885,419</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.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

The figures have not been audited

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 30 September 2016 are as follows:

Type of Derivative	Contract/ Notional value	Net fair value loss
	RM'000	RM'000
Interest rate swaps	236,000	(425)

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 30 September 2016, the Group recognised a loss of approximately RM373,000 arising from fair value 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 year ended 30 June 2016.

24. Changes in material litigation

Not applicable.

25. Dividend

The Board does not recommend any interim dividend for the current financial period ended 30 September 2016.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2016

The figures have not been audited

26. Earnings per share

Basic EPS

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

	3 months ended		Year-to-date ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Net profit attributable to ordinary shareholders for the period (RM'000)	<u>265</u>	<u>21,332</u>	<u>265</u>	<u>21,332</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>
Basic EPS (sen)	<u>0.040</u>	<u>3.184</u>	<u>0.040</u>	<u>3.184</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.

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
CHIN MIN YANN
Secretaries

Kuala Lumpur
17 November 2016