

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2020

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2020
Quarter	3 Qtr
Quarterly report for the financial period ended	31 Mar 2020
The figures	have not been audited

Attachments

 [Q3 2020 Results.pdf](#)
491.4 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2020

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	98,058	95,158	236,565	283,339
2	Profit/(loss) before tax	-6,711	-6,426	-29,967	-13,930
3	Profit/(loss) for the period	-9,076	-5,987	-31,994	-18,017
4	Profit/(loss) attributable to ordinary equity holders of the parent	-10,128	-6,961	-34,977	-20,831
5	Basic earnings/(loss) per share (Subunit)	-1.51	-1.04	-5.22	-3.11
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 (\$\$)		1.8596		1.9318

Definition of Subunit:

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

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

 **Announcement Info**

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	18 May 2020
Category	Financial Results
Reference Number	FRA-18052020-00014

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	3 months ended		Period-to-date ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	98,058	95,158	236,565	283,339
Cost of sales	(73,567)	(71,873)	(173,042)	(211,060)
Gross profit	24,491	23,285	63,523	72,279
Selling and marketing expenses	(3,544)	(2,355)	(11,292)	(11,219)
Administrative expenses	(21,595)	(19,334)	(51,773)	(48,379)
Other net operating income	1,781	248	3,210	889
Profit from operations	1,133	1,844	3,668	13,570
Finance income	250	1,769	3,476	5,025
Finance costs	(11,839)	(10,870)	(34,634)	(33,336)
Share of results of associates and joint ventures	3,745	831	(2,477)	811
Loss before tax	(6,711)	(6,426)	(29,967)	(13,930)
Income tax	(2,365)	439	(2,027)	(4,087)
Loss for the period	(9,076)	(5,987)	(31,994)	(18,017)
Loss attributable to:				
Owners of the parent	(10,128)	(6,961)	(34,977)	(20,831)
Non-controlling interests	1,052	974	2,983	2,814
Loss for the period	(9,076)	(5,987)	(31,994)	(18,017)
Loss per share attributable to owners of the parent:				
a) Basic (sen)	(1.512)	(1.039)	(5.221)	(3.110)
b) Diluted (sen)	(1.512)	(1.039)	(5.221)	(3.110)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2020

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (cont'd)

	3 months ended		Period-to-date ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Loss for the period	(9,076)	(5,987)	(31,994)	(18,017)
Other comprehensive expense:				
Foreign currency translation	-	(2)	-	84
Total comprehensive loss for the period	(9,076)	(5,989)	(31,994)	(17,933)
Total comprehensive loss attributable to:				
Owners of the parent	(10,128)	(6,963)	(34,977)	(20,747)
Non-controlling interests	1,052	974	2,983	2,814
Total comprehensive loss for the period	(9,076)	(5,989)	(31,994)	(17,933)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 31 MARCH 2020

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Unaudited	Audited
	As at	As at
	31.03.2020	30.06.2019
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	340,526	349,175
Right-of-use assets	1,170	-
Investment properties	294,063	536,163
Land held for property development	253,261	302,489
Investments in associates	194,077	202,724
Investments in joint ventures	115,353	113,523
Goodwill	5,505	6,079
Deferred tax assets	18,924	17,454
	<u>1,222,879</u>	<u>1,527,607</u>
Current assets		
Inventories	801,155	912,817
Biological assets	413	360
Trade and other receivables	50,945	46,576
Contract assets	166,519	72,247
Contract cost assets	88,990	59,598
Other current assets	6,811	4,031
Tax recoverable	6,922	4,538
Other investments	15,000	8,900
Land held-for-sale	49,228	-
Asset held-for-sale	242,100	-
Cash and cash equivalents	127,007	208,116
	<u>1,555,090</u>	<u>1,317,183</u>
TOTAL ASSETS	<u>2,777,969</u>	<u>2,844,790</u>

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 31 MARCH 2020

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020 (cont'd)

	Unaudited	Audited
	As at	As at
	31.03.2020	30.06.2019
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	385,318	385,318
Reserves	884,261	932,636
Equity funds	1,269,579	1,317,954
Shares held by ESS Trust	(23,883)	(23,883)
	<u>1,245,696</u>	<u>1,294,071</u>
Non-controlling interests	141,099	138,116
TOTAL EQUITY	<u>1,386,795</u>	<u>1,432,187</u>
Non-current liabilities		
Trade and other payables	9,256	4,524
Loans and borrowings	932,404	878,042
Lease liabilities	939	-
Deferred tax liabilities	33,533	33,826
	<u>976,132</u>	<u>916,392</u>
Current liabilities		
Trade and other payables	137,347	137,003
Contract liabilities	29,328	14,391
Loans and borrowings	246,170	343,732
Lease liabilities	252	-
Tax payable	1,945	1,085
	<u>415,042</u>	<u>496,211</u>
TOTAL LIABILITIES	<u>1,391,174</u>	<u>1,412,603</u>
TOTAL EQUITY AND LIABILITIES	<u>2,777,969</u>	<u>2,844,790</u>
Net assets per share attributable to ordinary owners of the parent (RM)	1.8596	1.9318

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	←————— Attributable to owners of the parent —————→					Retained profits	Total	Non-controlling interests	Total equity
	Shares held		Merger reserve	Exchange reserve	Other reserve				
	Share capital	by ESS Trust							
	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 2019	385,318	(23,883)	(24,028)	106	27	956,531	1,294,071	138,116	1,432,187
Total comprehensive income/(loss) for the period	-	-	-	-	-	(34,977)	(34,977)	2,983	(31,994)
Dividend paid	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
As At 31 March 2020	385,318	(23,883)	(24,028)	106	27	908,156	1,245,696	141,099	1,386,795

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (cont'd)**

	←——— 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	Other reserve RM'000	Retained profits RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period									
At 1 July 2018	385,318	(23,883)	(24,028)	19	27	1,002,709	1,340,162	134,264	1,474,426
Total comprehensive income for the period	-	-	-	84	-	(20,831)	(20,747)	2,814	(17,933)
Dividend paid	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
As At 31 March 2019	385,318	(23,883)	(24,028)	103	27	968,480	1,306,017	137,078	1,443,095

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 31 MARCH 2020

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	Period-to-date ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(29,967)	(13,930)
Adjustments for:		
Loss on biological assets	319	(71)
Gain on investment in cash funds	(276)	(261)
Reversal of impairment loss on land held for development	(42)	-
Depreciation of property, plant and equipment	9,440	8,048
Depreciation of right-of-use assets	219	-
Gain on disposal of property, plant and equipment	(32)	-
Realisation of goodwill	574	2,640
Allowance for impairment on trade and other receivables	1,257	13
Dividend income	(20)	(41)
Interest expense	34,648	33,336
Interest income	(3,476)	(5,025)
Provision for foreseeable losses	188	-
Elimination of unrealised profit arising from transactions with an associate and joint ventures	1,192	-
Share of results of associates and joint ventures	2,477	(811)
Operating profit before working capital changes	16,501	23,898
Working capital changes:		
Inventories	(65,522)	123,997
Receivables	71,582	48,703
Payables	12,831	(127,032)
Joint ventures balances	(2,243)	77
Related company balances	864	(4,013)
Cash flow generated from operations	34,013	65,630
Interest received	199	53
Interest paid	(39,608)	(39,030)
Net cash flows (used in)/generated from operating activities	(10,713)	24,364

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 31 MARCH 2020

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (cont'd)

	Period-to-date ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(2,181)	(5,694)
Proceeds from disposal in land held for development	-	10
Dividend income from associate	3,148	2,492
Addition to investment securities	(6,080)	(3,259)
Proceeds from disposal of plant and equipment	32	-
Interest received	3,553	5,233
Net cash flows (used in)/generated from investing activities	<u>(13,798)</u>	<u>(1,218)</u>
Cash flows from financing activities		
Bank borrowings drawdown	92,398	150,439
Repayment of bank borrowings	(135,598)	(115,221)
Dividend paid	(13,398)	(13,398)
Net cash flow (used in)/generated from financing activities	<u>(56,598)</u>	<u>21,820</u>
Net (decrease)/increase in cash and cash equivalents	(81,109)	44,966
Effect of exchange rate changes on cash and cash equivalents	-	84
Cash and cash equivalents at beginning of the financial period	208,116	192,676
Cash and cash equivalents at end of the financial period	<u>127,007</u>	<u>237,726</u>

Cash and cash equivalents comprise the following:

	31.03.2020	31.03.2019
	RM'000	RM'000
Deposits, cash and bank balances	127,012	237,726
Bank overdrafts	(5)	-
	<u>127,007</u>	<u>237,726</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31
MARCH 2020

The figures have not been audited

NOTES

1. Basis of preparation

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019. 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 2019.

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 2019, except for the following:

Effective for financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendment to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendment to MFRS 3 and MFRS 11	Previously Held Interest in a Joint Arrangements (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendment to MFRS 112	Income on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendment to MFRS 123	Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRSs 2015-2017 Cycle)

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31
MARCH 2020

The figures have not been audited

1. Basis of preparation (continued)

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial

The adoption of the above do not have any significant impact to the Group other than as discussed below.

(a) MFRS 16: Leases

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees is also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The Group has adopted MFRS 16 using the modified retrospective method. Accordingly, the Group has not restated the comparative information. The Group has elected to apply the standard to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4. The Group therefore has not applied the standard to contracts that were not previously identified as containing a lease applying MFRS 117 and IC Interpretation 4.

The summary of the impact (increase/(decrease)) from MFRS 16 adoption on the statement of financial position as at 1 July 2019 is as follows:

	Note	RM'000
Assets		
Right-of-use assets	a	<u>1,390</u>
Liabilities		
Lease liabilities	b	<u>1,390</u>

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

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 2019, except for the following : (continued)

(b) MFRS 16: Leases (continued)

- a) Recognition of right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments immediately before the date of initial application.
- b) Recognition of lease liability at the date of initial application, measured at the present value of remaining lease payments, discounted at the Group's weighted average incremental borrowing rate of 5.00%.

Reconciliation of lease liabilities recognised from operating lease obligations:

	RM'000
Gross liabilities at 1 July 2019	1,565
Effect from discounting	(175)
Lease liabilities due to initial application of MFRS 16	<u>1,390</u>

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 period ended 31 March 2020.

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.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

The figures have not been audited

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.

As at the financial year ended 30 June 2019, 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 of 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 ended 30 June 2019 and ending 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.

7. Dividend paid

During the financial period ended 31 March 2020, a final dividend of 2 sen per ordinary share amounted to RM13.40 million in respect of the financial year ended 30 June 2019 was paid on 3 December 2019.

8. Segmental reporting

The Group's segmental report is as follows:

Financial Period Ended 31.03.2020

	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	168,755	23,298	31,706	8,281	4,525	-	236,565
Inter-segment sales	-	1,608	-	-	18,165	(19,773)	-
Total revenue	168,755	24,906	31,706	8,281	22,690	(19,773)	236,565
Results							
Segment results	15,120	7,166	(3,812)	3,070	(17,571)	-	3,973
Unallocated corporate expenses							(305)
Profit from operations							3,668
Interest income	1,446	388	557	758	327	-	3,476
Finance costs	(9,934)	(10,444)	(9,901)	(1)	(4,354)		(34,634)
Share of results of associates	-	1,352	-	(6,728)	-	-	(5,376)
Share of results of joint ventures	2,899	-	-	-	-	-	2,899
Income tax expense	(1,626)	(65)	-	(876)	540	-	(2,027)
Loss for the period							(31,994)

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31
MARCH 2020

The figures have not been audited

8. Segmental reporting (continued)

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

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

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

10. Material subsequent events not reflected in the financial statements

- (a) On 3 January 2020, GLM Emerald Industrial Park (Jasin) Sdn Bhd ("GLM EIPJ"), a 68%-owned indirect subsidiary of GLM, had entered into a conditional sale and purchase agreement with Parkland Avenue Sdn Bhd ("PASB") and IOI Corporation Berhad for the proposed disposal by GLM EIPJ to PASB of a parcel of land located in Mukim and District of Jasin, Melaka Darul Azim for a cash consideration of RM119,259,090.72.
- (b) On 2 March 2020, DC Offices Sdn Bhd ("DC Offices"), an indirect wholly-owned subsidiary of GLM, had entered into a conditional sale and purchase agreement with MTrustee Berhad ("MTrustee"), the trustee of Tower Real Estate Investment Trust, for the proposed disposal by DC Offices to MTrustee of an office building known as Menara Guoco for a cash consideration of RM242,100,000.00.

11. Changes in the composition of the Group

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

12. Review of performance

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

The Group's business operations has been impacted by the implementation of Movement Control Order ("MCO") by the Malaysian government in mid-March 2020 where it has inevitably disrupted its operations in the property development, property investment and hotel segments.

Nevertheless, the Group recorded revenue of RM98.1 million for the current quarter under review as compared to RM95.2 million in the preceding year corresponding quarter. The higher revenue for the current quarter was due to higher progressive revenue earned from its on-going project, Emerald Hills.

The selling and marketing expenses of RM3.5 million for the current quarter was higher by RM1.2 million as compared to the preceding year corresponding quarter mainly due to more sales and marketing activities on its on-going projects. The administrative expenses increased by RM2.2 million as compared to the preceding year corresponding quarter mainly due to one-off land contribution payment and increased staff expenses. The Group also incurred higher finance costs as compared to the preceding year corresponding quarter as a result of higher loan drawdown to finance its on-going projects.

As a result of the above, the Group recorded loss before tax of RM6.7 million as compared to a loss before tax of RM6.4 million in the preceding year corresponding quarter.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

The figures have not been audited

12. Review of performance (continued)

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

The Group recorded revenue of RM236.6 million for the current financial period as compared to RM283.3 million in the preceding year corresponding financial period mainly due to lower sales of completed units.

The administrative expenses increase by RM3.3 million as compared to the preceding year corresponding financial period. The increase was mainly due to one-off land contribution payment and increase in staff expenses. The share of loss of RM2.4 million in an associate company was mainly due to additional tax and tax penalty imposed by Inland Revenue Board of Malaysia.

The above resulted in a loss before tax of RM30.0 million compared to loss before tax of RM13.9 million of the preceding year corresponding financial period.

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

The Group's loss before tax in the current quarter of RM6.7 million was lower by approximately RM7.5 million as compared to the immediate preceding quarter of loss before tax RM14.2 million. The lower losses in the current quarter was mainly due to the higher revenue recognition from its on-going development project in Emerald Hills and the one-off share of tax expense in an associate company of approximately RM6.8 million incurred in the immediate preceding quarter.

14. Prospects

The Covid-19 outbreak has thrown the global and domestic economy into turmoil. The MCO implemented by the Malaysian government in response to the Covid-19 pandemic in March 2020 has inevitably caused disruption in the Group's business operations particularly in the property development, property investment and hotel segments.

The domestic property market is expected to be greatly affected by the Covid-19 pandemic and ensuing economic challenges and its performance is expected to remain lacklustre in the short to medium term. The overall momentum and prospects of the Group's property development segment is therefore expected to remain challenging.

Moving forward, the Group will continue to focus on monetising its inventories, and timely completion of its development projects. New product launches will be phased according to prevailing market sentiments.

15. Loss forecast/Loss guarantee

Not applicable.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

The figures have not been audited

16. Loss for the year

Included in loss for the financial period/year are:

	Current Quarter	Year-to-date
Depreciation of property, plant and equipment	3,259	9,440
Allowance for impairment on trade and other receivables	221	1,257
Gain on disposal of property, plant and equipment	-	(32)
	<u>-</u>	<u>(32)</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 31 March 2020.

17. Taxation

Taxation comprises:

	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	3,401	3,994
- Deferred taxation	(1,151)	(1,763)
- Real Property Gains Tax	36	(267)
Prior year		
- Malaysian income tax	79	63
	<u>2,365</u>	<u>2,027</u>

18. Corporate proposals

(a) On 3 January 2020, GLM Emerald Industrial Park (Jasin) Sdn Bhd ("GLM EIPJ"), a 68%-owned indirect subsidiary of GLM, had entered into a conditional sale and purchase agreement with Parkland Avenue Sdn Bhd ("PASB") and IOI Corporation Berhad for the proposed disposal by GLM EIPJ to PASB of a parcel of land located in Mukim and District of Jasin, Melaka Darul Azim for a cash consideration of RM119,259,090.72. As at 31 March 2020, the Group has received the 10% deposit payment amounting to RM11,925,909.07.

(b) On 2 March 2020, DC Offices Sdn Bhd ("DC Offices"), an indirect wholly-owned subsidiary of GLM, had entered into a conditional sale and purchase agreement with MTrustee Berhad ("MTrustee"), the trustee of Tower Real Estate Investment Trust, for the proposed disposal by DC Offices to MTrustee of an office building known as Menara Guoco for a cash consideration of RM242,100,000.00.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

The figures have not been audited

19. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 March 2020 are as follows:

	RM'000
Short term borrowings	
Secured	109,970
Unsecured	136,200
	<u>246,170</u>
Long term borrowings	
Secured	932,404
Total borrowings	<u>1,178,574</u>

The above borrowings are all denominated in Ringgit Malaysia.

20. Changes in material litigation

Not applicable.

21. Dividend

The Board does not recommend any interim dividend for the current financial period ended 31 March 2020.

22. 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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Net loss attributable to ordinary shareholders for the period (RM'000)	<u>(10,128)</u>	<u>(6,961)</u>	<u>(34,977)</u>	<u>(20,831)</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>
Loss per share (sen)	<u>(1.512)</u>	<u>(1.039)</u>	<u>(5.221)</u>	<u>(3.110)</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.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31
MARCH 2020

The figures have not been audited

23. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2019 was not subject to any qualification.

24. 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
Company Secretaries

Kuala Lumpur
18 May 2020