

# Quarterly rpt on consolidated results for the financial period ended 30 Sep 2020

## GUOCOLAND (MALAYSIA) BERHAD

|   |                       |
|---|-----------------------|
| Financial Year End                              | 30 Jun 2021           |
| Quarter   | 1 Qtr                 |
| Quarterly report for the financial period ended | 30 Sep 2020           |
| The figures                                     | have not been audited |

### Attachments



[Q1 2021 Results.pdf](#)  
124.5 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2020

|   | INDIVIDUAL PERIOD            |                                      | CUMULATIVE PERIOD                  |                                     |
|---|------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
|   | CURRENT YEAR QUARTER         | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE               | PRECEDING YEAR CORRESPONDING PERIOD |
|   | 30 Sep 2020                  | 30 Sep 2019                          | 30 Sep 2020                        | 30 Sep 2019                         |
|   | \$\$'000                     | \$\$'000                             | \$\$'000                           | \$\$'000                            |
| 1 Revenue   | 90,932                       | 48,317                               | 90,932                             | 48,317                              |
| 2 Profit/(loss) before tax  | 5,250                        | -9,075                               | 5,250                              | -9,075                              |
| 3 Profit/(loss) for the period  | 9,369                        | -9,201                               | 9,369                              | -9,201                              |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent               | 8,552                        | -9,997                               | 8,552                              | -9,997                              |
| 5 Basic earnings/(loss) per share (Subunit)   | 1.28                         | -1.49                                | 1.28                               | -1.49                               |
| 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 (\$\$) |                              | 1.8434                               |                                    | 1.8306                              |

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   |

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 **Announcement Info**

|                         |                             |
|-------------------------|-----------------------------|
| <b>Company Name</b>     | GUOCOLAND (MALAYSIA) BERHAD |
| <b>Stock Name</b>       | GUOCO                       |
| <b>Date Announced</b>   | 06 Nov 2020                 |
| <b>Category</b>         | Financial Results           |
| <b>Reference Number</b> | FRA-06112020-00002          |

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

|   | Period-to-date ended |                |
|---|----------------------|----------------|
|   | 30.09.2020           | 30.09.2019     |
|   | RM'000               | RM'000         |
| <b>Revenue</b>  | 90,932               | 48,317         |
| Cost of sales   | (66,627)             | (30,424)       |
| <b>Gross profit</b>   | 24,305               | 17,893         |
| Selling and marketing expenses                                | (1,162)              | (2,774)        |
| Administrative expenses                                       | (13,890)             | (13,136)       |
| Other net operating income                                    | 2,292                | 273            |
| <b>Profit from operations</b>                                 | 11,545               | 2,256          |
| Finance income  | 810                  | 965            |
| Finance costs   | (9,154)              | (11,604)       |
| Share of results of associates and joint ventures             | 2,049                | (692)          |
| <b>Profit/(Loss) before tax</b>                               | 5,250                | (9,075)        |
| Income tax  | 4,119                | (126)          |
| <b>Profit/(Loss) for the period</b>                           | <b>9,369</b>         | <b>(9,201)</b> |
| <b>Profit/(Loss) attributable to:</b>                         |                      |                |
| Owners of the parent  | 8,552                | (9,997)        |
| Non-controlling interests                                     | 817                  | 796            |
| <b>Profit/(Loss) for the period</b>                           | <b>9,369</b>         | <b>(9,201)</b> |
| Profit/(Loss) per share attributable to owners of the parent: |                      |                |
| a) Basic (sen)  | 1.277                | (1.492)        |
| b) Diluted (sen)  | 1.277                | (1.492)        |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

**GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (cont'd)**

|   | <b>Period-to-date ended</b> |                   |
|---|-----------------------------|-------------------|
|   | <b>30.09.2020</b>           | <b>30.09.2019</b> |
|   | <b>RM'000</b>               | <b>RM'000</b>     |
| <b>Profit/(Loss) for the period</b>                       | <b>9,369</b>                | <b>(9,201)</b>    |
| <b>Other comprehensive income:</b>                        |                             |                   |
| Foreign currency translation                              | -                           | -                 |
| <b>Total comprehensive income/(loss) for the period</b>   | <b>9,369</b>                | <b>(9,201)</b>    |
| <b>Total comprehensive income/(loss) attributable to:</b> |                             |                   |
| Owners of the parent                                      | 8,552                       | (9,997)           |
| Non-controlling interests                                 | 817                         | 796               |
| <b>Total comprehensive income/(loss) for the period</b>   | <b>9,369</b>                | <b>(9,201)</b>    |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

**GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 SEPTEMBER 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

|                                    | <b>Unaudited</b>  | <b>Audited</b>    |
|------------------------------------|-------------------|-------------------|
|                                    | <b>As at</b>      | <b>As at</b>      |
|                                    | <b>30.09.2020</b> | <b>30.06.2020</b> |
|                                    | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>Non-current assets</b>          |                   |                   |
| Property, plant and equipment      | 333,593           | 336,588           |
| Right-of-use assets                | 10,821            | 1,450             |
| Investment properties              | 274,063           | 274,063           |
| Land held for property development | 150,823           | 150,823           |
| Investments in associates          | 194,463           | 194,655           |
| Investments in joint ventures      | 118,132           | 117,384           |
| Goodwill                           | 5,160             | 5,275             |
| Deferred tax assets                | 17,607            | 19,849            |
|                                    | <u>1,104,662</u>  | <u>1,100,087</u>  |
| <b>Current assets</b>              |                   |                   |
| Inventories                        | 945,572           | 956,338           |
| Biological assets                  | 385               | 670               |
| Trade and other receivables        | 71,177            | 159,863           |
| Contract assets                    | 101,971           | 99,310            |
| Contract cost assets               | 68,117            | 73,033            |
| Other current assets               | 8,469             | 6,119             |
| Tax recoverable                    | 1,605             | 1,528             |
| Other investments                  | 76,290            | 15,400            |
| Asset held-for-sale                | -                 | 242,100           |
| Cash and cash equivalents          | 158,306           | 189,620           |
|                                    | <u>1,431,892</u>  | <u>1,743,981</u>  |
| <b>TOTAL ASSETS</b>                | <u>2,536,554</u>  | <u>2,844,068</u>  |

**GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 SEPTEMBER 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020 (cont'd)**

|  | <b>Unaudited</b>  | <b>Audited</b>    |
|--|-------------------|-------------------|
|  | <b>As at</b>      | <b>As at</b>      |
|  | <b>30.09.2020</b> | <b>30.06.2020</b> |
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>EQUITY AND LIABILITIES</b>  |                   |                   |
| <b>Equity attributable to owners of the parent</b>                             |                   |                   |
| Share capital  | 385,318           | 385,318           |
| Reserves   | 873,433           | 864,881           |
| Equity funds   | 1,258,751         | 1,250,199         |
| Shares held by ESS Trust   | (23,883)          | (23,883)          |
|  | <u>1,234,868</u>  | <u>1,226,316</u>  |
| <b>Non-controlling interests</b>   | 126,627           | 149,151           |
| <b>TOTAL EQUITY</b>  | <u>1,361,495</u>  | <u>1,375,467</u>  |
| <b>Non-current liabilities</b>   |                   |                   |
| Trade and other payables   | 1,049             | 4,181             |
| Loans and borrowings   | 645,145           | 918,919           |
| Lease liabilities  | 914               | 1,085             |
| Deferred tax liabilities   | 22,167            | 32,420            |
|  | <u>669,275</u>    | <u>956,605</u>    |
| <b>Current liabilities</b>   |                   |                   |
| Trade and other payables   | 181,138           | 145,635           |
| Contract liabilities   | 24,671            | 12,354            |
| Loans and borrowings   | 274,322           | 331,378           |
| Lease liabilities  | 326               | 397               |
| Tax payable  | 25,327            | 22,232            |
|  | <u>505,784</u>    | <u>511,996</u>    |
| <b>TOTAL LIABILITIES</b>   | <u>1,175,059</u>  | <u>1,468,601</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <u>2,536,554</u>  | <u>2,844,068</u>  |
| <b>Net assets per share attributable to ordinary owners of the parent (RM)</b> | 1.8434            | 1.8306            |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

|   | Shares held    |                 | Attributable to owners of the parent |                  |               |                   | Retained profits | Total          | Non-controlling interests | Total equity |
|---|----------------|-----------------|--------------------------------------|------------------|---------------|-------------------|------------------|----------------|---------------------------|--------------|
|   | Share capital  | by ESS Trust    | Merger reserve                       | Exchange reserve | Other reserve | Non-Distributable |                  |                |                           |              |
|   | RM'000         | RM'000          | RM'000                               | RM'000           | RM'000        | RM'000            | RM'000           | RM'000         | RM'000                    |              |
| <b>Current period-to-date</b>             |                |                 |                                      |                  |               |                   |                  |                |                           |              |
| <b>At 1 July 2020</b>                     | 385,318        | (23,883)        | (24,028)                             | 106              | 27            | 888,776           | 1,226,316        | 149,151        | 1,375,467                 |              |
| Total comprehensive income for the period | -              | -               | -                                    | -                | -             | 8,552             | 8,552            | 817            | 9,369                     |              |
| Dividend paid                             | -              | -               | -                                    | -                | -             | -                 | -                | (23,341)       | (23,341)                  |              |
| <b>As At 30 September 2020</b>            | <b>385,318</b> | <b>(23,883)</b> | <b>(24,028)</b>                      | <b>106</b>       | <b>27</b>     | <b>897,328</b>    | <b>1,234,868</b> | <b>126,627</b> | <b>1,361,495</b>          |              |

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (cont'd)**

|  | ←——— Attributable to owners of the parent ———→ |  |                             |                               |                            |                               |                  | Non-<br>controlling<br>interests | Total<br>equity  |
|--|--|--|-----------------------------|-------------------------------|----------------------------|-------------------------------|------------------|----------------------------------|------------------|
|  | ←——— Non-Distributable ———→                    |  |                             | Distributable                 |                            |                               |                  |                                  |                  |
|  | Share<br>capital<br>RM'000                     | Shares held<br>by ESS<br>Trust<br>RM'000 | Merger<br>reserve<br>RM'000 | Exchange<br>reserve<br>RM'000 | Other<br>reserve<br>RM'000 | Retained<br>profits<br>RM'000 | Total<br>RM'000  | RM'000                           | RM'000           |
| <b>Preceding year corresponding period</b>       |  |  |                             |                               |                            |                               |                  |                                  |                  |
| <b>At 1 July 2019</b>                            | 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 | -  | -  | -                           | -                             | -                          | (9,997)                       | (9,997)          | 796                              | (9,201)          |
| <b>As At 30 September 2019</b>                   | <b>385,318</b>                                 | <b>(23,883)</b>                          | <b>(24,028)</b>             | <b>106</b>                    | <b>27</b>                  | <b>946,534</b>                | <b>1,284,074</b> | <b>138,912</b>                   | <b>1,422,986</b> |

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 2020 and the accompanying explanatory notes attached to the interim financial statements.



**GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 SEPTEMBER 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

|   | Period-to-date ended |                |
|---|----------------------|----------------|
|   | 30.09.2020           | 30.09.2019     |
|   | RM'000               | RM'000         |
| <b>Cash flows from operating activities</b>   |                      |                |
| <b>Profit/(Loss) before tax</b>   | <b>5,250</b>         | <b>(9,075)</b> |
| Adjustments for:  |                      |                |
| Loss on biological assets   | 285                  | (75)           |
| Gain on investment in cash funds  | (259)                | (52)           |
| Reversal of impairment loss on land held for development  | (140)                | (39)           |
| Depreciation of property, plant and equipment   | 3,058                | 3,101          |
| Depreciation of right-of-use assets   | 2,221                | -              |
| Gain on disposal of property, plant and equipment   | (32)                 | -              |
| Realisation of goodwill   | 115                  | -              |
| Reversal of allowance for impairment on other receivables                                       | -                    | 480            |
| Allowance for impairment on trade and other receivables   | (204)                | -              |
| Dividend income   | -                    | (10)           |
| Interest expense  | 9,154                | 11,601         |
| Interest income   | (810)                | (965)          |
| Elimination of unrealised profit arising from transactions with an associate and joint ventures | 777                  | -              |
| Share of results of associates and joint ventures   | (2,049)              | 692            |
| Operating profit before working capital changes   | 17,366               | 5,658          |
| Working capital changes:  |                      |                |
| Inventories   | 15,821               | (57,208)       |
| Receivables   | 84,286               | 64,884         |
| Payables  | 44,445               | 15,919         |
| Joint ventures balances   | 80                   | -              |
| Related company balances  | -                    | (6)            |
| Cash flow generated from operations   | 161,998              | 29,247         |
| Interest received   | 15                   | 58             |
| Interest paid   | (9,790)              | (15,422)       |
| Tax paid  | (874)                | (1,527)        |
| Net cash flows generated from operating activities  | 151,349              | 12,356         |

**GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 SEPTEMBER 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (cont'd)**

|  | <b>Period-to-date ended</b> |                   |
|--|-----------------------------|-------------------|
|  | <b>30.09.2020</b>           | <b>30.09.2019</b> |
|  | <b>RM'000</b>               | <b>RM'000</b>     |
| <b>Cash flows from investing activities</b>                    |                             |                   |
| Acquisitions of property, plant and equipment                  | (11,710)                    | (256)             |
| Additions in investment properties                             | -                           | (12,270)          |
| Proceeds from disposal of an investment property               | 242,100                     | -                 |
| Dividend income from associate                                 | 717                         | -                 |
| Additions in investment securities                             | (60,890)                    | (6,340)           |
| Proceeds from disposal of plant and equipment                  | 72                          | -                 |
| Proceeds from disposal of subsidiaries                         | 13                          | -                 |
| Dividend income from investment securities                     | 259                         | 62                |
| Interest received  | 1,054                       | 959               |
| Net cash flows generated/(used in) from investing activities   | <u>171,615</u>              | <u>(17,845)</u>   |
| <b>Cash flows from financing activities</b>                    |                             |                   |
| Bank borrowings drawdown                                       | -                           | 17,594            |
| Repayment of bank borrowings                                   | (330,723)                   | (32,679)          |
| Dividend paid to non-controlling interest                      | (23,341)                    | -                 |
| Net cash flow used in from financing activities                | <u>(354,064)</u>            | <u>(15,085)</u>   |
| Net decrease in cash and cash equivalents                      | (31,100)                    | (20,574)          |
| Cash and cash equivalents at beginning of the financial period | 189,406                     | 208,116           |
| Cash and cash equivalents at end of the financial period       | <u>158,306</u>              | <u>187,542</u>    |

Cash and cash equivalents comprise the following:

|                                  | <b>30.09.2020</b> | <b>30.09.2019</b> |
|----------------------------------|-------------------|-------------------|
|                                  | <b>RM'000</b>     | <b>RM'000</b>     |
| Deposits, cash and bank balances | 158,318           | 187,542           |
| Bank overdrafts                  | (12)              | -                 |
|                                  | <u>158,306</u>    | <u>187,542</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

**GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2020**

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*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 2020. 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 2020.

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 2020, except for the following:

***Effective for financial periods beginning on or after 1 January 2020:***

|  |                                 |
|--|---------------------------------|
| Amendment to MFRS 3                      | Definition of a Business        |
| Amendment to MFRS 9, MFRS 139 and MFRS 7 | Interest Rates Benchmark Reform |
| Amendment to MFRS 101 and 108            | Definition of Material          |

The adoption of the above do not have any significant impact to the Group.

**2. Qualification of audit report of the preceding annual financial statements**

The audit report for the preceding annual financial statements was not subject to any qualification.

**3. Seasonality or 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 30 September 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 FIRST QUARTER ENDED 30**  
**SEPTEMBER 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 period ended 30 September 2020, the balance options over GLM shares granted to eligible executives of the Company pursuant to the Company's Value Creation Incentive Plan is 18,000,000. 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 2020 and financial year ending 30 June 2021 respectively. The achievement of the performance targets and the numbers of shares (if any) to be vested shall be determined by the Board of Directors. There were no share options granted or vested during the

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**

No dividend was paid during the financial period ended 30 September 2020.

**8. Segmental reporting**

The Group’s segmental report is as follows:

**Financial Period Ended 30.09.2020**

|                                       | Property<br>development<br>RM'000 | Property<br>investment<br>RM'000 | Hotel<br>RM'000 | Plantations<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|---------------------------------------|-----------------------------------|----------------------------------|-----------------|-----------------------|------------------|-----------------------|------------------------|
| <b>Revenue</b>                        |                                   |                                  |                 |                       |                  |                       |                        |
| External sales                        | 76,154                            | 5,103                            | 2,169           | 3,046                 | 4,460            | -                     | 90,932                 |
| Inter-segment sales                   | -                                 | 386                              | -               | -                     | 6,178            | (6,564)               | -                      |
| Total revenue                         | 76,154                            | 5,489                            | 2,169           | 3,046                 | 10,638           | (6,564)               | 90,932                 |
| <b>Results</b>                        |                                   |                                  |                 |                       |                  |                       |                        |
| Segment results                       | 12,469                            | 2,429                            | (3,943)         | 1,444                 | (697)            | -                     | 11,702                 |
| Unallocated corporate<br>expenses     |                                   |                                  |                 |                       |                  |                       | (157)                  |
| Profit from operations                |                                   |                                  |                 |                       |                  |                       | 11,545                 |
| Interest income                       | 308                               | 94                               | 36              | 97                    | 275              | -                     | 810                    |
| Finance costs                         | (2,644)                           | (1,821)                          | (2,344)         | (1)                   | (2,344)          |                       | (9,154)                |
| Share of results of<br>associates     | -                                 | 365                              | -               | 203                   | -                | -                     | 568                    |
| Share of results of<br>joint ventures | 1,481                             | -                                | -               | -                     | -                | -                     | 1,481                  |
| Income tax                            | (2,170)                           | 7,426                            | -               | (438)                 | (699)            | -                     | 4,119                  |
| Profit for the period                 |                                   |                                  |                 |                       |                  |                       | 9,369                  |

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

**GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2020**

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*The figures have not been audited*

**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 13 August 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 Scientex Heights Sdn Bhd ("SHSB") and IOI Corporation Berhad, for the proposed disposal by GLM EIPJ to SHSB of two parcels of land located in Mukim and District of Jasin, State of Melaka for a cash consideration of RM260,174,594.

The disposal is expected to be completed in the first half of year 2021. An estimated net gain of RM78,690,595 is expected to be realised after taking into account attributable expenses.

- (b) On 12 October 2020, GLM Real Estate Holdings Sdn Bhd ("GLMREH"), a wholly-owned subsidiary of GLM, received from the Inland Revenue Board of Malaysia ("IRB") a notice of assessment for the year of assessment 2016 ("Notice") of RM82,589,751.74 comprising income tax of RM56,259,819.84 and penalty of RM26,329,931.90.

The income tax and penalty were imposed by the IRB pursuant to its view that the gains made by GLMREH from the disposal of its wholly-owned subsidiary (being shares in a real property company) ("Disposal") are chargeable under the Income Tax Act 1967 instead of the Real Property Gains Tax Act, 1976 ("RPGTA"). As GLMREH had previously paid real property gains tax totalling RM12,376,600, the potential net tax impact to the Company is RM70,213,151.74.

Upon consultation with our tax solicitors, the Company is of the view that there are reasonable grounds to challenge the basis and validity of the Notice and the penalty imposed as the Company takes the view that the Disposal is a capital transaction which falls under the purview of RPGTA.

GLMREH had submitted the notice of appeal to IRB on 26 October 2020.

Accordingly, no provision for this additional tax assessment has been made in the current quarter.

**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:

- BLV Fashions Sdn Bhd, an indirect wholly-owned subsidiary of GLM, was dissolved by member's voluntary liquidation on 17 October 2020.

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*The figures have not been audited*

## **12. Review of performance**

Performance of the current quarter/financial period against the preceding year corresponding quarter/financial period.

The Group recorded revenue of RM90.9 million for the current financial period as compared to RM48.3 million in the preceding year corresponding financial period mainly due to the increases in sales and recognition of percentage of completion from on-going projects. This has resulted in net profit of RM8.6 million compared to net loss of RM9.9 million of the preceding year corresponding financial period.

The Group incurred a lower expenses on selling and marketing for the current financial period by RM1.6 million due to lesser sales and marketing activities from on-going projects as a result of Movement Control Order implemented by Malaysian Government. The Group also marked a higher result on other net operating income in the current financial period by RM2.0 million, which the other income mainly derived from the forfeiture of

The Group incurred lower finance cost by RM2.4 million as compared to preceding year corresponding financial period ended mainly due to repayment of loan in the current financial period and interest rate reduction by Bank Negara Malaysia. The increase in share of profit from associates and joint ventures was mainly due to the contribution from its on-going projects.

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

The Group's net profit in the current quarter of RM8.6 million was improved by RM28.0 million as compared to the immediate preceding quarter of net loss of RM19.4 million. This significant increase was mainly due to the increases in sales as well as the increases in the revenue and profit recognised from its on-going projects.

Besides, there are exceptional and one-off items that were taken up by the Group in the immediate preceding quarter. The Group had provided a fair value loss on its investment in DC Mall amounted to RM20.0 million, and an additional tax amounted to RM21.8 million in the immediate preceding quarter. The additional provision of tax was arising from a tax investigation and it was made on a preliminary basis and does not constitute any admission of liability.

The Group had also disposed a parcel of land in Jasin in the immediate preceding quarter. The transaction was completed on 30 June 2020 and revenue of RM119.26 million was recognised on the same day of completion.

## **14. Prospects**

The Covid-19 pandemic continues to have a profound impact across the global business activities and the Malaysian economy. The unprecedented situation has caused the market to be challenging. With the weak consumer sentiments, the market is expected to remain lacklustre in financial year 2021. 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.

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**15. Loss forecast/Loss guarantee**

Not applicable.

**16. Profit before Tax for the period**

Included in profit for the financial period are:

|   | Period-to-date<br>RM'000 |
|---|--------------------------|
| Allowance for impairment on trade and other receivables | (204)                    |
| Depreciation of property, plant and equipment           | 3,058                    |
| Gain on disposal of property, plant and equipment       | (32)                     |
| Loss on biological assets                               | <u>285</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 financial period ended 30 September 2020.

**17. Taxation**

Taxation comprises:

|                        | Period-to-date<br>RM'000 |
|------------------------|--------------------------|
| Current taxation       |                          |
| - Malaysian income tax | 3,708                    |
| - Deferred taxation    | (7,800)                  |
| Prior year             |                          |
| - Malaysian income tax | (27)                     |
|                        | <u><u>(4,119)</u></u>    |

The Group's effective tax rate for the current quarter and current financial period were lower than the statutory tax rate mainly due to realisation of a deferred tax assets resulted from the disposal of Menara Guoco which was stated at fair value.

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**18. Corporate proposals**

On 13 August 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 Scientex Heights Sdn Bhd ("SHSB") and IOI Corporation Berhad, for the proposed disposal by GLM EIPJ to SHSB of two parcels of land located in Mukim and District of Jasin, State of Melaka for a cash consideration of RM260,174,594.

The disposal is expected to be completed in the first half of year 2021. An estimated net gain of RM78,690,595 is expected to be realised after taking into account attributable expenses.

**19. Group's borrowings and debt securities**

Particulars of the Group's borrowings as at 30 September 2020 are as follows:

|                              | RM'000         |
|------------------------------|----------------|
| <b>Short term borrowings</b> |                |
| Secured                      | 149,122        |
| Unsecured                    | 125,200        |
|                              | <u>274,322</u> |
| <b>Long term borrowings</b>  |                |
| Secured                      | 645,145        |
| <b>Total borrowings</b>      | <u>919,467</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 financial period ended 30 September 2020.



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*The figures have not been audited*

**22. Profit/(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:

|   | Period-to-date ended |                |
|---|----------------------|----------------|
|   | 30.09.2020           | 30.09.2019     |
| Net profit/(loss) attributable to ordinary shareholders for the period (RM'000) | <u>8,552</u>         | <u>(9,997)</u> |
| Weighted average number of shares ('000)  | <u>669,880</u>       | <u>669,880</u> |
| Basic Profit/(Loss) per share (sen)   | <u>1.277</u>         | <u>(1.492)</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.

**23. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 30 June 2020 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  
6 November 2020