

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

## GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2020
Quarter	4 Qtr
Quarterly report for the financial period ended	30 Jun 2020
The figures	have not been audited

### Attachments

 [Q4 2020 Results.pdf](#)  
491.7 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2020

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	186,223	130,613	422,788	413,952
2	Profit/(loss) before tax	40,504	-5,325	10,537	-19,255
3	Profit/(loss) for the period	-1,911	-10,911	-33,910	-28,928
4	Profit/(loss) attributable to ordinary equity holders of the parent	-19,375	-11,949	-54,357	-32,780
5	Basic earnings/(loss) per share (Subunit)	-2.89	-1.78	-8.11	-4.89
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 (\$\$)		1.8306		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**

<b>Company Name</b>	GUOCOLAND (MALAYSIA) BERHAD
<b>Stock Name</b>	GUOCO
<b>Date Announced</b>	19 Aug 2020
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-18082020-00046

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FORTH QUARTER ENDED  
30 JUNE 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

	3 months ended		Year-to-date ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	186,223	130,613	422,788	413,952
Cost of sales	(103,854)	(106,439)	(276,896)	(317,499)
<b>Gross profit</b>	<b>82,369</b>	<b>24,174</b>	<b>145,892</b>	<b>96,453</b>
Selling and marketing expenses	(2,483)	(3,301)	(13,775)	(14,520)
Administrative expenses	(15,870)	(24,813)	(67,643)	(73,192)
Other net operating (expenses)/income	(17,410)	6,881	(14,200)	7,770
<b>Profit from operations</b>	<b>46,606</b>	<b>2,941</b>	<b>50,274</b>	<b>16,511</b>
Finance income	1,557	2,455	5,033	7,480
Finance costs	(10,712)	(16,304)	(45,346)	(49,640)
Share of results of associates and joint ventures	3,053	5,583	576	6,394
<b>Profit/(Loss) before tax</b>	<b>40,504</b>	<b>(5,325)</b>	<b>10,537</b>	<b>(19,255)</b>
Income tax	(42,415)	(5,586)	(44,447)	(9,673)
<b>Loss for the period</b>	<b>(1,911)</b>	<b>(10,911)</b>	<b>(33,910)</b>	<b>(28,928)</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the parent	(19,375)	(11,949)	(54,357)	(32,780)
Non-controlling interests	17,464	1,038	20,447	3,852
<b>Loss for the period</b>	<b>(1,911)</b>	<b>(10,911)</b>	<b>(33,910)</b>	<b>(28,928)</b>
Loss per share attributable to owners of the parent:				
a) Basic (sen)	(2.892)	(1.784)	(8.114)	(4.893)
b) Diluted (sen)	(2.892)	(1.784)	(8.114)	(4.893)

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 FORTH QUARTER ENDED**  
**30 JUNE 2020**

*The figures have not been audited*

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

	<b>3 months ended</b>		<b>Year-to-date ended</b>	
	<b>30.06.2020</b>	<b>30.06.2019</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Loss for the period</b>	<b>(1,911)</b>	<b>(10,911)</b>	<b>(33,910)</b>	<b>(28,928)</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	-	3	-	87
<b>Total comprehensive loss for the period</b>	<b>(1,911)</b>	<b>(10,908)</b>	<b>(33,910)</b>	<b>(28,841)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	(19,375)	(11,946)	(54,357)	(32,693)
Non-controlling interests	17,464	1,038	20,447	3,852
<b>Total comprehensive loss for the period</b>	<b>(1,911)</b>	<b>(10,908)</b>	<b>(33,910)</b>	<b>(28,841)</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 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 FORTH QUARTER**  
**ENDED 30 JUNE 2020**

*The figures have not been audited*

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.2020</b>	<b>30.06.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	336,588	349,175
Right-of-use assets	1,450	-
Investment properties	274,063	536,163
Land held for property development	150,826	302,489
Investments in associates	194,517	202,724
Investments in joint ventures	117,523	113,523
Goodwill	5,275	6,079
Deferred tax assets	17,149	17,454
	<u>1,097,391</u>	<u>1,527,607</u>
<b>Current assets</b>		
Inventories	684,657	912,817
Biological assets	227	360
Trade and other receivables	160,927	46,576
Contract assets	252,571	72,247
Contract cost assets	88,990	59,598
Other current assets	5,592	4,031
Tax recoverable	1,528	4,538
Other investments	15,400	8,900
Land held-for-sale	102,460	-
Asset held-for-sale	242,100	-
Cash and cash equivalents	189,513	208,116
	<u>1,743,965</u>	<u>1,317,183</u>
<b>TOTAL ASSETS</b>	<u>2,841,356</u>	<u>2,844,790</u>

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

*The figures have not been audited*

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.2020</b>	<b>30.06.2019</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	864,881	932,636
Equity funds	1,250,199	1,317,954
Shares held by ESS Trust	(23,883)	(23,883)
	<u>1,226,316</u>	<u>1,294,071</u>
<b>Non-controlling interests</b>	149,151	138,116
<b>TOTAL EQUITY</b>	<u>1,375,467</u>	<u>1,432,187</u>
<b>Non-current liabilities</b>		
Trade and other payables	892	4,524
Loans and borrowings	918,919	878,042
Lease liabilities	1,115	-
Deferred tax liabilities	29,720	33,826
	<u>950,646</u>	<u>916,392</u>
<b>Current liabilities</b>		
Trade and other payables	149,206	137,003
Contract liabilities	12,354	14,391
Loans and borrowings	331,084	343,732
Lease liabilities	367	-
Tax payable	22,232	1,085
	<u>515,243</u>	<u>496,211</u>
<b>TOTAL LIABILITIES</b>	<u>1,465,889</u>	<u>1,412,603</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,841,356</u>	<u>2,844,790</u>
<b>Net assets per share attributable to ordinary owners of the parent (RM)</b>	1.8306	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 FORTH QUARTER ENDED 30 JUNE 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 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
<b>Current year-to-date</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	-	-	-	-	-	(54,357)	(54,357)	20,447	(33,910)
Dividend paid	-	-	-	-	-	(13,398)	(13,398)	(9,412)	(22,810)
<b>As At 30 June 2020</b>	<b>385,318</b>	<b>(23,883)</b>	<b>(24,028)</b>	<b>106</b>	<b>27</b>	<b>888,776</b>	<b>1,226,316</b>	<b>149,151</b>	<b>1,375,467</b>

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

*The figures have not been audited*

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

	←——— Attributable to owners of the parent ———→						Total	Non- controlling interests	Total equity
	Share capital	Shares held by ESS Trust	Merger reserve	Exchange reserve	Other reserve	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cash flow (used in)/generated from operations</b>									
<b>At 1 July 2018</b>	385,318	(23,883)	(24,028)	19	27	1,002,709	1,340,162	134,264	1,474,426
Total comprehensive income/(loss) for the period	-	-	-	87	-	(32,780)	(32,693)	3,852	(28,841)
Dividend paid	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
<b>As At 30 June 2019</b>	<b>385,318</b>	<b>(23,883)</b>	<b>(24,028)</b>	<b>106</b>	<b>27</b>	<b>956,531</b>	<b>1,294,071</b>	<b>138,116</b>	<b>1,432,187</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 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 FORTH QUARTER**  
**ENDED 30 JUNE 2020**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

	Year-to-date ended	
	30.06.2020	30.06.2019
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
<b>Profit/(Loss) before tax</b>	<b>10,537</b>	<b>(19,255)</b>
Adjustments for:		
Loss on biological assets	(310)	74
Gain on investment in cash funds	(446)	(389)
Reversal of impairment loss on land held for development	(508)	-
Depreciation of property, plant and equipment	10,710	11,501
Depreciation of right-of-use assets	2,184	-
Property, plant and equipment written off	11	5
Gain on disposal of property, plant and equipment	(34)	-
Realisation of goodwill	804	3,668
Net loss/(gain) on fair value adjustments of investment properties	20,000	(7,870)
Allowance for impairment on trade and other receivables	801	2,556
Dividend income	-	(60)
Interest expense	45,996	49,640
Interest income	(5,033)	(7,480)
Provision for foreseeable losses	1,298	990
Elimination of unrealised profit arising from transactions with an associate and joint ventures	1,635	1,418
Share of results of associates and joint ventures	(575)	(6,394)
Operating profit before working capital changes	87,070	28,404
Working capital changes:		
Inventories	53,569	88,468
Receivables	(146,674)	(3,207)
Payables	11,686	(34,075)
Joint ventures balances	(1,913)	(1,501)
Related company balances	4,872	(1,709)
Cash flow (used in)/generated from operations	8,610	76,380
Interest received	203	-
Interest paid	(52,913)	(56,166)
Tax paid	(17,493)	633
Net cash flows (used in)/generated from operating activities	(61,593)	20,847

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

*The figures have not been audited*

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

	<b>Year-to-date ended</b>	
	<b>30.06.2020</b>	<b>30.06.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Acquisitions of property, plant and equipment	(1,766)	(8,792)
Additions in investment properties	(12,270)	-
Proceeds from disposal in land held for development	49,203	-
Dividend income from associate	3,148	2,492
(Additions in)/Proceeds from disposals of:		
Investment securities	(6,500)	2,879
Proceeds from disposal of plant and equipment	34	-
Dividend income from investment securities	446	449
Interest received	5,276	7,480
Net cash flows generated from investing activities	<u>37,571</u>	<u>4,508</u>
<b>Cash flows from financing activities</b>		
Bank borrowings drawdown	283,085	262,848
Repayment of bank borrowings	(254,856)	(258,877)
Dividend paid	(22,810)	(13,398)
Net cash flow generated/(used in) from financing activities	<u>5,419</u>	<u>(9,427)</u>
Net (decrease)/increase in cash and cash equivalents	(18,603)	15,928
Effect of exchange rate changes on cash and cash equivalents	-	87
Cash and cash equivalents at beginning of the financial period	<u>208,116</u>	<u>192,101</u>
Cash and cash equivalents at end of the financial period	<u>189,513</u>	<u>208,116</u>

Cash and cash equivalents comprise the following:

	<b>30.06.2020</b>	<b>30.06.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits, cash and bank balances	189,620	208,116
Bank overdrafts	(107)	-
	<u>189,513</u>	<u>208,116</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 FORTH QUARTER ENDED 30 JUNE 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 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 FORTH QUARTER ENDED 30 JUNE 2020**

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*The figures have not been audited*

**1. Basis of preparation (cont'd)**

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 : (cont'd)

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>1,951</u>
Liabilities		
Lease liabilities	b	<u>1,951</u>

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

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*The figures have not been audited*

**1. Basis of preparation (cont'd)**

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 : (cont'd)

**(b) MFRS 16: Leases (cont'd)**

- 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 5.20%.

Reconciliation of lease liabilities recognised from operating lease obligations:

	RM'000
Gross liabilities at 1 July 2019	2,173
Effect from discounting	(222)
Lease liabilities due to initial application of MFRS 16	<u>1,951</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 year ended 30 June 2020, except for the additional provision for tax payable amounting to RM21.8 million arising from an on-going tax investigation for prior years of assessments. The provision was made on a preliminary basis and does not constitute any admission of the liability.

**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 FORTH QUARTER ENDED 30 JUNE 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 30 June 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 30.06.2020**

	Property development	Property investment	Hotel	Plantations	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
External sales	343,646	27,434	30,404	14,076	7,228	-	422,788
Inter-segment sales	-	2,132	-	-	22,832	(24,964)	-
Total revenue	<u>343,646</u>	<u>29,566</u>	<u>30,404</u>	<u>14,076</u>	<u>30,060</u>	<u>(24,964)</u>	<u>422,788</u>
<b>Results</b>							
Segment results	88,964	(11,228)	(10,838)	6,886	(22,930)	-	50,854
Unallocated corporate expenses							<u>(580)</u>
Profit from operations							50,274
Interest income	1,813	531	1,175	882	632	-	5,033
Finance costs	(13,406)	(13,454)	(11,882)	(1)	(6,603)		(45,346)
Share of results of associates	-	1,681	-	(6,642)	-	-	(4,961)
Share of results of joint ventures	5,537	-	-	-	-	-	5,537
Income tax expense	(23,968)	925	-	(18,003)	(3,401)	-	<u>(44,447)</u>
Loss for the period							<u>(33,910)</u>

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*The figures have not been audited*

**8. Segmental reporting (cont'd)**

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 adjusted during the financial year as per Note 16 which was determined based on valuation reports by accredited independent valuers.

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

- (a) On 2 March 2020, DC Offices Sdn Bhd ("DC Offices"), an indirect wholly-owned subsidiary of GLM, has 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.
- (b) On 13 August 2020, GLM Emerald Industrial Park (Jasin) Sdn Bhd ("GLM EIPJ"), a 68%-owned indirect subsidiary of GLM, has 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 2 parcels of land located in the Mukim and District of Jasin, State of Melaka for a cash consideration of RM260,174,594.

**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 immediate preceding year corresponding quarter.

The Group recorded revenue of RM186.2 million for the current quarter under review as compared to RM130.6 million in the immediate preceding year corresponding quarter. The higher revenue for the current quarter was mainly due to the disposal of a parcel of land in Jasin, Melaka.

The Group recorded profit before tax of RM40.5 million as compared to a loss of RM5.3 million in the immediate preceding year corresponding quarter. The Group has provided for a fair value loss of RM20 million on its investment in DC Mall, based on the valuation report accredited by an independent valuer. If the one-off fair value loss was excluded, the Group would record a profit before tax of RM60.5 million in the current quarter.

The Group incurred a lower selling and marketing expenses for the current quarter by RM0.8 million as compared to the immediate preceding year corresponding quarter mainly due to lesser sales and marketing activities on its on-going projects as a result of Movement Control Order ("MCO") implemented by the Malaysian Government. The administrative expenses reduced by RM8.9 million as compared to the immediate preceding year corresponding quarter due to lower staff expenses and lower site office and project related expenses in the current quarter. The finance costs incurred by the Group is lower as compared to the immediate preceding year corresponding quarter due to interest rate reduction which was announced by Bank Negara Malaysia in March 2020 and May 2020, respectively.

The Group has also made an additional provision for tax amounting to the total of RM21.8 million arising from an on-going tax investigation. The provision was made on a preliminary basis and does not constitute any admission of liability.

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**12. Review of performance (cont'd)**

- (b) Performance of the current financial year ended against the preceding year corresponding financial year ended 30 June 2020

The Group recorded revenue of RM422.8 million for the current financial year as compared to RM413.9 million in the preceding year corresponding financial year mainly due to recognition of revenue from on-going projects and disposal of a parcel of land located in Jasin, Melaka.

The Group recorded a profit before tax of RM10.5 million compared to loss before tax of RM19.3 million of the preceding year corresponding financial year. The Group would record a profit before tax of RM30.5 million in the current financial year if the provision of one-off fair value loss of RM20 million on investment in DC Mall was excluded.

The Group incurred a lower expenses on selling and marketing, and administrative for the current financial year by RM6.3 million due to lesser sales and marketing activities from on-going projects, lower site office and project related expenses as a result of MCO.

The Group incurred lower finance cost by RM4.3 million as compared to preceding year corresponding financial year ended due to interest rate reduction by Bank Negara Malaysia. The share of loss from associates was mainly due to the additional tax and penalty imposed by Inland Revenue Board of Malaysia.

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

The Group's profit before tax in the current quarter of RM40.5 million was higher by RM47.2 million as compared to the immediate preceding quarter of loss before tax of RM6.7 million. The increase in the profit generated in the current quarter was mainly due to the initial progressive revenue recognition from its on-going development project in Emerald 9 and disposal of a parcel of land in Jasin, Melaka.

The Group has also made an additional provision for tax amounting to the total of RM21.8 million arising from an on-going tax investigation. The provision was made on a preliminary basis and does not constitute any admission of the liability.

**14. Prospects**

The Covid-19 pandemic has inevitably caused disruption in global business activities and has added further pressure to the property market. The market will remain challenging and lacklustre in the subsequent period of financial year 2020 due to weak market and consumer sentiments. 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.



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**16. Loss before Tax for the year**

Included in loss for the financial period/year are:

	Current Quarter	Year-to-date
Allowance for impairment on trade and other receivables	(456)	801
Depreciation of property, plant and equipment	1,270	10,710
Gain on disposal of property, plant and equipment	-	(34)
Fair value loss of investment properties	20,000	20,000

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 year ended 30 June 2020.

**17. Taxation**

Taxation comprises:

	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	22,468	26,462
- Deferred taxation	(1,773)	(3,531)
- Real Property Gains Tax	356	89
Prior year		
- Malaysian income tax	21,397	21,460
- Deferred taxation	(33)	(33)
	<u>42,415</u>	<u>44,447</u>

The Group's effective tax rate for the current quarter and current financial period were higher than the statutory tax rate mainly due to additional tax provision arising from an on-going tax investigation. The provision was made on a preliminary basis and does not constitute any admission(s) of liability.

**18. Corporate proposals**

- (a) On 2 March 2020, DC Offices Sdn Bhd ("DC Offices"), an indirect wholly-owned subsidiary of GLM, has 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.
- (b) On 13 August 2020, GLM Emerald Industrial Park (Jasin) Sdn Bhd ("GLM EIPJ"), a 68%-owned indirect subsidiary of GLM, has 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 2 parcels of land located in the Mukim and District of Jasin, State of Melaka for a cash consideration of RM260,174,594.

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*The figures have not been audited*

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

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

	RM'000
<b>Short term borrowings</b>	
Secured	157,491
Unsecured	173,593
	<u>331,084</u>
<b>Long term borrowings</b>	
Secured	918,919
<b>Total borrowings</b>	<u>1,250,003</u>

The above borrowings are all denominated in Ringgit Malaysia.

**20. Dividend**

The Board does not recommend any interim dividend for the financial year ended 30 June 2020.

**21. Loss per share**

**Basic EPS**

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

	3 months ended		Year-to-date ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Net loss attributable to ordinary shareholders for the period (RM'000)	<u>(19,375)</u>	<u>(11,949)</u>	<u>(54,357)</u>	<u>(32,780)</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>
Basic Loss per share (sen)	<u>(2.892)</u>	<u>(1.784)</u>	<u>(8.114)</u>	<u>(4.893)</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.

The operational EPS after discounting the one-off and non-recurring additional provision for tax, of which is made on a preliminary basis and does not constitute any admission(s) of liability, that arising from an on-going tax investigation amounting to RM21.8 million, are as follows:

Basic Loss per share (sen)	<u>0.374</u>	<u>(1.784)</u>	<u>(4.848)</u>	<u>(4.893)</u>
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*The figures have not been audited*

**22. 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.

**23. Comparative figures**

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

By Order of the Board  
GuocoLand (Malaysia) Berhad

CHIN MIN YANN  
LEE SOW YEANG  
Company Secretaries

Kuala Lumpur  
19 August 2020