

Quarterly rpt on consolidated results for the financial period ended 31/12/2014

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End 30/06/2015
 Quarter 2
 Quarterly report for the financial period ended 31/12/2014
 The figures have not been audited
 Attachments

[GLM-second quarter report.pdf](#)
 750 KB

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31/12/2014

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2014 \$\$'000	31/12/2013 \$\$'000	31/12/2014 \$\$'000	31/12/2013 \$\$'000
1 Revenue	55,304	59,103	83,805	120,146
2 Profit/(loss) before tax	8,033	16,190	12,479	33,644
3 Profit/(loss) for the period	4,351	13,883	7,854	27,868
4 Profit/(loss) attributable to ordinary equity holders of the parent	3,018	12,262	5,798	25,201
5 Basic earnings/(loss) per share (Subunit)	0.45	1.83	0.87	3.76
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 (\$\$)		1.4038		1.4220

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	22 Jan 2015
Category	Financial Results
Reference No	GG-150122-7C81D



GuocoLand Malaysia

A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

	3 months ended		Year-to-date ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	55,304	59,103	83,805	120,146
Cost of sales	(32,754)	(34,899)	(50,919)	(68,987)
Gross profit	22,550	24,204	32,886	51,159
Selling and marketing expenses	(1,640)	(2,119)	(2,164)	(3,638)
Administrative expenses	(10,867)	(9,786)	(18,722)	(18,591)
Other net operating income	4,836	3,700	9,949	7,484
Profit from operations	14,879	15,999	21,949	36,414
Finance income	477	146	957	218
Finance costs	(7,210)	(5,753)	(13,579)	(11,514)
Share of results of associates and joint ventures	(113)	5,798	3,152	8,526
Profit before tax	8,033	16,190	12,479	33,644
Income tax expense	(3,682)	(2,307)	(4,625)	(5,776)
Profit for the period	4,351	13,883	7,854	27,868
Profit attributable to:				
Owners of the parent	3,018	12,262	5,798	25,201
Non-controlling interests	1,333	1,621	2,056	2,667
Profit for the period	4,351	13,883	7,854	27,868
Earnings per share attributable to owners of the parent:				
a) Basic (sen)	0.451	1.830	0.866	3.762
b) Diluted (sen)	0.450	1.828	0.864	3.756

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

GLM/01

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

	3 months ended		Year-to-date ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	4,351	13,883	7,854	27,868
Other comprehensive (loss)/income:				
Fair value (loss)/gain on available-for-sale investments	(1,234)	298	(2,240)	248
Foreign currency translation	6	(5)	(2,451)	6
Other comprehensive (loss)/profit for the period	(1,228)	293	(4,691)	254
Total comprehensive income for the period	3,123	14,176	3,163	28,122
Total comprehensive income attributable to:				
Owners of the parent	1,790	12,555	1,107	25,455
Non-controlling interests	1,333	1,621	2,056	2,667
Total comprehensive income for the period	3,123	14,176	3,163	28,122

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	As at 31.12.2014 RM'000	As at 30.06.2014 RM'000
Non-current assets		
Property, plant and equipment	246,267	233,767
Investment properties	528,001	453,500
Land held for property development	489,116	190,639
Investments in associates	197,062	311,073
Investments in joint ventures	115,808	116,711
Available-for-sale investments	1,876	4,431
Goodwill	13,638	13,638
Deferred tax assets	3,963	3,701
Derivative financial assets	2,280	2,517
	<u>1,598,011</u>	<u>1,329,977</u>
Current assets		
Inventories	453,296	458,602
Property development costs	312,246	267,100
Trade and other receivables	40,562	33,057
Other current assets	10,431	8,851
Tax recoverable	3,825	4,588
Cash and cash equivalents	64,773	60,967
	<u>885,133</u>	<u>833,165</u>
TOTAL ASSETS	<u>2,483,144</u>	<u>2,163,142</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	350,229	350,229
Reserves	614,042	626,213
Equity funds	<u>964,271</u>	<u>976,442</u>
Shares held by ESS Trust	<u>(23,883)</u>	<u>(23,883)</u>
	940,388	952,559
Non-controlling interests	110,459	88,495
TOTAL EQUITY	<u>1,050,847</u>	<u>1,041,054</u>

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 (cont'd)

	As at 31.12.2014 RM'000	As at 30.06.2014 RM'000
Non-current liabilities		
Loans and borrowings	989,994	828,219
Deferred tax liabilities	32,340	18,115
	<u>1,022,334</u>	<u>846,334</u>
Current liabilities		
Trade and other payables	115,609	100,391
Loans and borrowings	291,554	172,297
Tax payable	2,800	3,066
	<u>409,963</u>	<u>275,754</u>
TOTAL LIABILITIES	<u>1,432,297</u>	<u>1,122,088</u>
TOTAL EQUITY AND LIABILITIES	<u>2,483,144</u>	<u>2,163,142</u>
Net assets per share attributable to ordinary owners of the parent (RM)	1.4038	1.4220

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	←----- Attributable to owners of the parent -----→											
	←----- Non-Distributable -----→										Distributable	
	Share capital	Share premium	Shares held by ESS Trust	Share option reserve	Merger reserve	Capital redemption reserve	Exchange reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date												
At 1 July 2014	350,229	35,089	(23,883)	684	(24,028)	17	2,457	2,675	609,319	952,559	88,495	1,041,054
Total comprehensive												
(loss)/income for the period	-	-	-	-	-	-	(2,451)	(2,240)	5,798	1,107	2,056	3,163
Transactions with owners:												
Share-based payments	-	-	-	120	-	-	-	-	-	120	-	120
Non-controlling interests arising on a business combination	-	-	-	-	-	-	-	-	-	-	19,908	19,908
Dividend paid	-	-	-	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
At 31 December 2014	350,229	35,089	(23,883)	804	(24,028)	17	6	435	601,719	940,388	110,459	1,050,847

GUOCOLAND (MALAYSIA) BERHAD (300-K)

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The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 (cont'd)**

	Attributable to owners of the parent											
	Non-Distributable							Distributable				
	Share capital	Share premium	Shares held by ESS Trust	Share option reserve	Merger reserve	Capital redemption reserve	Exchange reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period												
At 1 July 2013	350,229	35,089	(23,883)	444	(24,028)	17	1,857	844	466,139	806,708	85,300	892,008
Total comprehensive income for the period	-	-	-	-	-	-	6	248	25,201	25,455	2,667	28,122
Transactions with owners:												
Share-based payments	-	-	-	120	-	-	-	-	-	120	-	120
Dividend paid	-	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 December 2013	350,229	35,089	(23,883)	564	(24,028)	17	1,863	1,092	481,292	822,235	87,967	910,202

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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ENDED 31 DECEMBER 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

	6 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	12,479	33,644
Adjustments for:		
Bad debts written off	28	-
Mark-to-market loss/(gain) on derivatives	237	(899)
Property, plant and equipment:		
- depreciation	3,046	2,880
- written off	-	-
- gain on disposal	-	(57)
Net gain from fair value adjustment of investment properties	(2,417)	-
Gain on disposal of available-for-sale investments	(504)	-
Reversal of allowance for impairment		
other receivables	-	(106)
Allowance for impairment on trade and other receivables	5	-
Realisation of goodwill	-	340
Share-based payments	120	120
Interest expense	13,579	11,514
Interest income	(957)	(218)
Elimination of unrealised profit arising from		
transactions with joint ventures	222	498
Share of results of associates and joint ventures	(3,153)	(8,526)
Operating profit before working capital changes	22,686	39,190
Working capital changes:		
Inventories	5,458	(27,685)
Receivables	(8,652)	6,123
Property development costs	(43,020)	26,602
Payables	14,383	(10,400)
Associates balances	(11)	-
Joint ventures balances	1,029	3,644
Related company balances	221	749
Cash (used in)/generated from operations	(7,906)	38,223
Interest received	133	19
Interest paid	(25,800)	(17,351)
Tax paid	(2,871)	(3,994)
Net cash (used in)/generated from operating activities	(36,444)	16,897

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 (cont'd)

	6 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(10,335)	(2,899)
Acquisitions of equity and non-equity interest in a subsidiary	(33,795)	-
Additions in:		
- land held for property development	(5,567)	(185)
- investment properties under construction	(63,652)	(18,016)
Dividend income from:		
- associates	2,327	3,093
- joint ventures	-	16,194
Proceeds from disposals of:		
- property, plant and equipment	-	85
- investment securities	819	-
Interest received	824	199
Net cash used in investing activities	(109,379)	(1,529)
Cash flows from financing activities		
Bank borrowings drawdown	207,523	47,861
Repayment of bank borrowings	(42,380)	(52,260)
Dividend paid	(13,398)	(10,048)
Net cash generated from/(used in) financing activities	151,745	(14,447)
Net increase in cash and cash equivalents	5,922	921
Effect of exchange rate changes on cash and cash equivalents	(2,451)	6
Cash and cash equivalents at beginning of the financial period	55,793	43,772
Cash and cash equivalents at end of the financial period	59,264	44,699
Cash and cash equivalents comprise the following:		
	31.12.2014	31.12.2013
	RM'000	RM'000
Deposits, cash and bank balances	28,073	45,954
Investment in short term funds	36,700	-
Bank overdrafts	(5,509)	(1,255)
	59,264	44,699

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
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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 Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2014. 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 2014.

2. Changes in accounting policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 30 June 2014 except for the adoption of the relevant new FRSS, amendments to FRSS and IC Interpretations that are effective for annual periods beginning on or after 1 January 2014 and 1 July 2014 respectively. The Group has not early adopted the standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the annual periods beginning on or after 1 July 2014.

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

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

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

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the definition of “Transitioning Entities” and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2017.

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3. Qualification of audit report of the preceding annual financial statements

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

4. Seasonality or cyclicity of interim operations

The Group's interim operations were not materially affected by any seasonal or cyclical factors for the current quarter under review.

5. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period ended 31 December 2014.

6. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial period.

7. Issues, repurchases and repayments of debt and equity securities

There were no additional shares purchased by the trust set up for the Executive Share Scheme ("ESS Trust") during the current quarter under review. As at 31 December 2014, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

During the financial year ended 30 June 2012, GLM had established a Value Creation Incentive Plan ("VCIP") for selected key executives of the Group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options would be satisfied through the transfer of existing GLM shares held under the ESS Trust.

The vesting of the VCIP options is conditional upon the achievement of prescribed financial and performance targets/criteria over a stipulated performance period. As at 31 December 2014, 3,150,000 (30 June 2014: 3,150,000) VCIP options granted were outstanding.

There were no share options granted during the current financial period ended 31 December 2014.

There were no issues, repurchases and repayments of debt and equity securities during the current financial period ended 31 December 2014.

8. Dividend paid

During the financial period ended 31 December 2014, a final dividend of 2 sen per ordinary shares amounted to RM13.398 million in respect of the financial year ended 30 June 2014 was paid on 4 November 2014.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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9. Segmental reporting

The Group's segmental report for the current financial period ended 31 December 2014 is as follows:

	Property development RM'000	Property investment RM'000	Hotels RM'000	Plantations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	44,151	229	32,392	4,765	2,268	-	83,805
Inter-segment sales	-	-	-	-	2,168	(2,168)	-
Total revenue	44,151	229	32,392	4,765	4,436	(2,168)	83,805
Results							
Segment results	19,631	(1,040)	4,125	2,456	(2,665)	-	22,507
Unallocated corporate expenses							(558)
Profit from operations							21,949
Finance income	420	81	11	-	445	-	957
Finance costs							(13,579)
Share of results of associates and joint ventures	(682)	2,214	-	1,620	-	-	3,152
Income tax expense	(3,431)	-	-	(601)	(593)	-	(4,625)
Profit for the financial period							7,854

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

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

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

A piece of freehold land situated along Old Klang Road with a car park constructed thereon was reclassified from development property to investment property during the period under review. Pursuant to FRS 140 Investment Property, this investment property had been valued at RM4.0 million by CB Richard Ellis (Malaysia) Sdn Bhd, an independent valuer, against the book value of RM1.6 million. Accordingly, a fair value gain of RM2.4 million was recognised. The valuation will not have any material impact on the net assets per share of the Group.

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11. Material subsequent events not reflected in the financial statements

There were no material subsequent events.

12. Capital commitments

	As at 31.12.2014
	RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	209,414
- Investment properties	316,940
	<u>526,354</u>

13. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations except for the following:

A wholly owned subsidiary of the Company, Pembinaan Sri Jati Sdn Berhad, had completed the acquisition of additional 10.66% of the issued and paid-up ordinary shares and 13.48% of the issued and paid-up cumulative redeemable preference shares in Continental Estates Sdn Bhd ("CESB") for a total consideration of RM42,999,045.40. Upon the completion of this acquisition, the Group owns 60.66% of the equity interest in CESB and considers that it has obtained control of CESB. Provisional fair values of CESB's identifiable assets acquired and liabilities assumed have been recognised for the purpose of consolidation.

14. Review of performance

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

The Group recorded revenue of RM55.3 million for the current quarter under review as compared to RM59.1 million in the preceding year corresponding quarter. The decrease in revenue was mainly due to lower contribution from the Group's commercial projects in PJ City and Old Klang Road as well as the residential project in Kajang. These projects have contributed significantly in the previous year corresponding quarter. The reduction in the contribution from commercial projects was partly mitigated by an increase in the residential project in Damansara City.

The Group recorded lower profit before tax of RM8.0 million for the current quarter as compared to RM16.2 million in the preceding year corresponding quarter due principally to the reason mentioned above as well as lower contribution from associates and joint ventures.

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

The Group recorded a revenue and profit before tax of RM83.8 million and RM12.5 million respectively for the current financial period as compared to RM120.1 million and RM33.6 million respectively in the preceding year corresponding financial period. The decrease in revenue and profit were mainly contributed by property development division due to factors as mentioned in Note 14(a) above.

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

The Group recorded a profit before tax of RM8.0 million for the current quarter as compared to RM4.4 million as reported in the immediate preceding quarter. The increase in current quarter was due to higher profit contributed by Damansara City project.

16. Prospects

The property market outlook and sentiment continue to be cautious amid banks' credit tightening measures and volatile economic environment. Hence, the performance of the Group is expected to be challenging for the current financial year.

17. Profit forecast/profit guarantee

Not applicable.

18. Profit for the year

Included in profit for the financial period are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,618	3,046
Write off of property, plant and equipment	1	1
Allowance for impairment on trade and other receivables	-	5
Mark-to-market loss on derivatives	25	237
Gain on disposal of available-for-sale securities	-	(504)

Other than the above items, there were no allowance for impairment and write off of inventories, gain or loss on disposal of property, unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and financial period ended 31 December 2014.

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The figures have not been audited

19. Taxation

Taxation comprises:

	Current Quarter RM'000	Year-to- date RM'000
Current taxation		
- Malaysian income tax	(3,779)	(4,830)
- Deferred taxation	121	262
Prior year		
- Malaysian income tax	(24)	(45)
- Deferred taxation	-	(12)
	<u>(3,682)</u>	<u>(4,625)</u>

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

20. Corporate proposals

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

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 December 2014 are as follows:

	RM'000
Short term borrowings	
Secured	140,656
Unsecured	150,898
	<u>291,554</u>
Long term borrowings	
Secured	979,610
Unsecured	10,384
	<u>989,994</u>
Total borrowings	<u>1,281,548</u>

The above borrowings are all denominated in Ringgit Malaysia.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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The figures have not been audited

22. Realised and unrealised profits disclosure

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

	As at 31.12.2014 RM'000	As at 30.06.2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	226,503	219,782
- Unrealised	100,175	101,557
	<u>326,678</u>	<u>321,339</u>
Total share of retained profits from associates:		
- Realised	34,968	33,524
- Unrealised	17,249	17,185
	<u>52,217</u>	<u>50,709</u>
Total share of retained profits from joint ventures:		
- Realised	39,936	40,839
- Unrealised	-	-
	<u>39,936</u>	<u>40,839</u>
Add: Consolidation adjustments	182,888	196,432
Total Group retained profits as per consolidated accounts	<u>601,719</u>	<u>609,319</u>

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

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

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The figures have not been audited

23. Derivative financial instruments

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

The Group has entered into interest rate swap contracts to hedge cash flow interest rate risk arising from floating rate bank loans and the details as at 31 December 2014 are as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value gain RM'000
Interest rate swaps	332,000	2,280

Interest rate swaps are used to reduce exposure to fluctuations in interest rates and are categorised as fair value through profit or loss and measured at their fair value with the changes in fair value being recognised in the profit or loss at each reporting date. During the current financial period ended 31 December 2014, the Group recognised a loss of approximately RM 237,000 arising from fair value changes of financial derivative. The fair value changes are attributable to changes in floating and fixed interest rates.

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

There is no significant change in the policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group or the related accounting policies. Other related information associated with the financial instruments is consistent with the disclosures in the audited financial statements for the financial year ended 30 June 2014.

24. Changes in material litigation

Not applicable.

25. Dividend

The Board does not recommend any interim dividend for the current financial period ended 31 December 2014.

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26. Earnings per share ("EPS")

Basic EPS

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

	3 months ended		Year-to-date ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net profit attributable to ordinary shareholders for the period (RM'000)	<u>3,018</u>	<u>12,262</u>	<u>5,798</u>	<u>25,201</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>
Basic EPS (sen)	<u>0.451</u>	<u>1.830</u>	<u>0.866</u>	<u>3.762</u>

Diluted EPS

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

	3 months ended		Year-to-date ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net profit attributable to ordinary shareholders for the period (RM'000)	<u>3,018</u>	<u>12,262</u>	<u>5,798</u>	<u>25,201</u>
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Effects of dilution of share options ('000)	<u>1,195</u>	<u>1,039</u>	<u>1,360</u>	<u>943</u>
Weighted average number of shares for diluted earnings per share computation ('000)	<u>671,075</u>	<u>670,919</u>	<u>671,240</u>	<u>670,823</u>
Diluted EPS (sen)	<u>0.450</u>	<u>1.828</u>	<u>0.864</u>	<u>3.756</u>

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26. Earning per share (“EPS”) (cont’d)

Diluted EPS (cont’d)

3,150,000 (2014: 3,150,000) of the outstanding VCIP options granted to the selected key executives of the Group have been included in the calculation of diluted earnings per share.

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
CHIN MIN YANN
Secretaries

Kuala Lumpur
22 January 2015