General Announcement::Announcement by subsidiary, GuocoLand (Malaysia) Berhad ("GLM")

Issuer & Securities

Issuer/ Manager	GUOCOLAND LIMITED
Securities	GUOCOLAND LIMITED - SG1R95002270 - F17
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	12-Apr-2016 18:47:01
Status	New
Announcement Sub Title	Announcement by subsidiary, GuocoLand (Malaysia) Berhad ("GLM")
Announcement Reference	SG160412OTHR49DV
Submitted By (Co./ Ind. Name)	Mary Goh Swon Ping
Designation	Group Company Secretary
Effective Date and Time of the event	12/04/2016 18:20:00
Description (Please provide a detailed description of the event in the box below)	Announcement of results for the 3rd quarter ended 31 March 2016 by GuocoLand Limited's subsidiary, GLM.

Attachments	GLMAnnresults3rdqtr12Apr16.pdf Total size =2468K

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Quarterly rpt on consolidated results for the financial period ended 31 Mar 2016

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2016
Quarter	3 Qtr
Quarterly report for the financial period ended	31 Mar 2016
The figures	have not been audited

Attachments

GLM-Q3 Results.pdf
132.7 kB

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

SUMMARY OF KEY FINANCIAL INFORMATION
31 Mar 2016

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
		$$'000	$$'000	$$'000	$$'000
1	**Revenue**	143,468	52,748	250,280	136,553
2	**Profit/(loss) before tax**	20,089	16,230	38,161	28,709
3	**Profit/(loss) for the period**	13,982	12,537	30,092	20,391
4	**Profit/(loss) attributable to ordinary equity holders of the parent**	13,353	11,629	27,206	17,427
5	**Basic earnings/(loss) per share (Subunit)**	1.99	1.74	4.06	2.60
6	**Proposed/Declared dividend per share (Subunit)**	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	**Net assets per share attributable to ordinary equity**	1.6959		1.6759	

holders of the parent ($$)	

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

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	12 Apr 2016
Category	Financial Results
Reference Number	FRA-11042016-00003

GuocoLand Malaysia
A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	3 months ended		Year-to-date ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Revenue	143,468	52,748	250,280	136,553
Cost of sales	(97,296)	(29,501)	(169,522)	(80,420)
Gross profit	46,172	23,247	80,758	56,133
Selling and marketing expenses	(3,413)	(892)	(9,039)	(3,056)
Administrative expenses	(17,375)	(9,364)	(37,460)	(28,086)
Other net operating income	6,108	2,907	22,954	12,856
Profit from operations	31,492	15,898	57,213	37,847
Finance income	274	200	565	1,157
Finance costs	(10,719)	(6,985)	(23,863)	(20,564)
Share of results of associates and joint ventures	(958)	7,117	4,246	10,269
Profit before tax	20,089	16,230	38,161	28,709
Income tax expense	(6,107)	(3,693)	(8,069)	(8,318)
Profit for the period	**13,982**	**12,537**	**30,092**	**20,391**
Profit attributable to:				
Owners of the parent	13,353	11,629	27,206	17,427
Non-controlling interests	629	908	2,886	2,964
Profit for the period	**13,982**	**12,537**	**30,092**	**20,391**
Earnings per share attributable to owners of the parent:				
a) Basic (sen)	1.993	1.736	4.061	2.602
b) Diluted (sen)	1.993	1.733	4.061	2.597

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

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GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	3 months ended		Year-to-date ended	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Profit for the period	**13,982**	**12,537**	**30,092**	**20,391**
Other comprehensive gain/(loss):				
Fair value gain/(loss) on available-for-sale investments	23	594	(434)	(1,646)
Foreign currency translation	(22)	30	15	(2,421)
Other comprehensive gain/(loss) for the period	1	624	(419)	(4,067)
Total comprehensive income for the period	**13,983**	**13,161**	**29,673**	**16,324**
Total comprehensive income attributable to:				
Owners of the parent	13,354	12,253	26,787	13,360
Non-controlling interests	629	908	2,886	2,964
Total comprehensive income for the period	**13,983**	**13,161**	**29,673**	**16,324**

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	As at 31.03.2016 RM'000	As at 30.06.2015 RM'000
Non-current assets		
Property, plant and equipment	291,346	270,874
Investment properties	424,028	421,210
Land held for property development	301,015	362,462
Investments in associates	197,536	197,194
Investments in joint ventures	112,854	113,480
Available-for-sale investments	1,418	1,876
Goodwill	13,178	13,638
Deferred tax assets	9,046	4,910
Derivative financial assets	302	637
	1,350,723	1,386,281
Current assets		
Inventories	427,913	444,289
Property development costs	639,426	532,675
Trade and other receivables	139,497	35,614
Other current assets	35,648	25,798
Tax recoverable	7,209	3,120
Cash and cash equivalents	40,604	50,414
	1,290,297	1,091,910
Assets of disposal group classified as held for sale	470,914	419,095
	1,761,211	1,511,005
TOTAL ASSETS	3,111,934	2,897,286

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016 (cont'd)

	As at 31.03.2016 RM'000	As at 30.06.2015 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	350,229	350,229
Reserves	809,691	796,302
Equity funds	1,159,920	1,146,531
Shares held by ESS Trust	(23,883)	(23,883)
	1,136,037	1,122,648
Non-controlling interests	111,963	109,077
TOTAL EQUITY	1,248,000	1,231,725
Non-current liabilities		
Loans and borrowings	857,389	783,982
Deferred tax liabilities	36,022	32,797
Derivative financial liabilities	241	243
	893,652	817,022
Current liabilities		
Trade and other payables	175,770	147,701
Loans and borrowings	455,810	424,781
Tax payable	5,280	1,092
	636,860	573,574
Liabilities of disposal group classified as held for sale	333,422	274,965
TOTAL LIABILITIES	1,863,934	1,665,561
TOTAL EQUITY AND LIABILITIES	3,111,934	2,897,286
Net assets per share attributable to ordinary owners of the parent (RM)	1.6959	1.6759

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	← Attributable to owners of the parent →										
	← Non-Distributable →							Distributable			
	Share capital RM'000	Share premium RM'000	Shares held by ESS Trust RM'000	Merger reserve RM'000	Capital redemption reserve RM'000	Exchange reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Current year-to-date											
At 1 July 2015	350,229	35,089	(23,883)	(24,028)	17	3	434	784,787	1,122,648	109,077	1,231,725
Total comprehensive income/(loss) for the period	-	-	-	-	-	15	(434)	27,206	26,787	2,886	29,673
Transactions with owners:											
Dividend paid	-	-	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
At 31 March 2016	350,229	35,089	(23,883)	(24,028)	17	18	-	798,595	1,136,037	111,963	1,248,000

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016 (cont'd)

	← Attributable to owners of the parent →											
	← Non-Distributable →								Distributable			
	Share capital RM'000	Share premium RM'000	Shares held by ESS Trust RM'000	Share option reserve RM'000	Merger reserve RM'000	Capital redemption reserve RM'000	Exchange reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Preceding year corresponding period												
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	-	-	-	-	-	-	(2,421)	(1,646)	17,427	13,360	2,964	16,324
Transactions with owners:												
Share-based payments	-	-	-	180	-	-	-	-	-	180	-	180
Non-controlling interests arising on a business combination	-	-	-	-	-	-	-	-	-	-	19,908	19,908
Dividend paid	-	-	-	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
At 31 March 2015	350,229	35,089	(23,883)	864	(24,028)	17	36	1,029	613,348	952,701	111,367	1,064,068

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	9 months ended	
	31.03.2016	31.03.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	38,161	28,709
Adjustments for:		
Bad debts written off	6	28
Mark-to-market (gain)/loss on derivatives	(335)	1,211
Property, plant and equipment:		
- depreciation	4,722	4,693
- written off	2	1
Realisation of goodwill	460	-
Net gain on fair value adjustments of investment properties	(16,680)	(2,417)
Gain on disposal of available-for-sale investments	-	(504)
Allowance for impairment on trade and other receivables	-	5
Share-based payments	-	180
Interest expense	23,863	20,564
Interest income	(565)	(1,157)
Elimination of unrealised profit arising from transactions with joint ventures	319	222
Share of results of associates and joint ventures	(4,246)	(10,269)
Operating profit before working capital changes	45,707	41,266
Working capital changes:		
Inventories	16,376	11,881
Receivables	(115,222)	(20,057)
Property development costs	(35,853)	(81,739)
Payables	18,960	32,754
Associates balances	-	(11)
Joint ventures balances	(774)	6,435
Related company balances	996	(323)
Cash used in operations	(69,810)	(9,794)
Interest received	-	211
Interest paid	(45,660)	(37,044)
Tax paid	(8,883)	(3,689)
Net cash used in operating activities	(124,353)	(50,316)

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016 (cont'd)

	9 months ended	
	31.03.2016	**31.03.2015**
	RM'000	**RM'000**
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(24,354)	(17,415)
Acquisitions of equity and non-equity interest in a subsidiary	-	(33,985)
Additions in:		
- land held for property development	(292)	(5,862)
- investment properties under construction	(87,778)	(114,926)
Dividend income from associates	4,211	4,272
Proceeds from disposals of:		-
- investment properties classified as held for sale	64,680	-
Proceeds from disposals of investment securities	-	819
Interest received	565	946
Net cash used in investing activities	(42,968)	(166,151)
Cash flows from financing activities		
Bank borrowings drawdown	380,182	276,305
Repayment of bank borrowings	(240,707)	(57,161)
Dividend paid	(13,398)	(13,398)
Net cash generated from financing activities	126,077	205,746
Net decrease in cash and cash equivalents	(41,244)	(10,721)
Effect of exchange rate changes on cash and cash equivalents	15	(2,421)
Cash and cash equivalents at beginning of the financial period	45,810	55,793
Cash and cash equivalents at end of the financial period	4,581	42,651

Cash and cash equivalents comprise the following:

	31.03.2016	**31.03.2015**
	RM'000	**RM'000**
Deposits, cash and bank balances	40,604	38,824
Investment in short term funds	-	6,700
Bank overdrafts	(36,023)	(2,873)
	4,581	42,651

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

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 2015. 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 2015.

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 2015 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 2015 and 1 July 2015 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 2015.

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.

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 cyclicality 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 March 2016.

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

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

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

There were no additional shares purchased by the trust set up for the Executive Share Scheme ("ESS")("ESS Trust") during the current quarter under review. As at 31 March 2016, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

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

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

On 7 July 2015, an option over 10,000,000 GLM shares (representing 1.43% of the existing issued and paid-up ordinary share capital of GLM) had been granted to the former Managing Director of the Company pursuant to the ESS. On 31 December 2015, the said option had lapsed.

There were no issues, repurchases and repayments of debt and equity securities during the current financial period ended 31 March 2016.

8. Dividend paid

During the financial period ended 31 March 2016, a final dividend of 2 sen per ordinary share amounted to RM13.398 million in respect of the financial year ended 30 June 2015 was paid on 2 December 2015.

9. Segmental reporting

The Group's segmental report for the current financial period ended 31 March 2016 is as follows:

	Property development	Property investment	Hotels	Plantations	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	194,600	709	41,303	9,946	3,722	-	250,280
Inter-segment sales	-	-	-	-	5,909	(5,909)	-
Total revenue	194,600	709	41,303	9,946	9,631	(5,909)	250,280
Results							
Segment results	43,146	16,490	4,244	4,840	(10,603)	-	58,117
Unallocated corporate expenses							(904)
Profit from operations							57,213
Interest income	180	143	18	178	46	-	565
Finance costs							(23,863)
Share of results of associates	-	4,566	-	(13)	-	-	4,553
Share of results of joint ventures	(307)	-	-	-	-	-	(307)
Income tax expense	(6,572)	5	-	(1,001)	(501)	-	(8,069)
Profit for the financial period							30,092

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 valuation exercises undertaken by the Group during the financial period under review for accounting purposes pursuant to FRS 140 Investment Property to ascertain the current fair value of the investment properties. Accordingly, a fair value gain of RM16.7 million was recognised as other net operating income.

The investment properties being valued were Menara Pandan C & D which comprise 2 blocks of 10-storey office towers together with a 2-level elevated car parks situated on a leasehold land located at Persiaran MPAJ, Jalan Pandan Utama, Pandan Indah, 55100 Kuala Lumpur, of which the market value as at 10 September 2015 was RM64.7 million. The valuation had increased the net assets per share of the Group. The sale and purchase transactions were announced on 10 September 2015, pursuant to Chapter 10 of Bursa Malaysia Securities Berhad Listing Requirements and was completed on 16 February 2016.

11. Material subsequent events not reflected in the financial statements

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

Vintage Heights Sdn Bhd ("VHSB"), an associated company of GLM, had on 16 October 2015, entered into a conditional sale and purchase agreement with Putrajaya Properties Sdn Bhd ("PPSB") and Hap Seng Consolidated Berhad for the proposed disposal by VHSB to PPSB of a parcel of land located in Mukim and District of Sepang, Selangor for a cash consideration of RM474,992,765. This transaction was announced to Bursa Malaysia Securities Berhad on 19 October 2015.

12. Capital commitments

	As at 31.03.2016 RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	158,710
- Investment properties	87,624
	246,334

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 GLM, HL Bandar Sdn Bhd ("HLB"), had been placed under member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965. The voluntary winding-up of HLB will not have material impact on the Group.

14. Review of performance

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

The Group recorded revenue of RM143.5 million for the current quarter under review as compared to RM52.7 million in the preceding year corresponding quarter. The increase in revenue was mainly due to the disposal of Changkat Kia Peng land coupled with a major increase in contribution from the residential project in Damansara City. This is partly mitigated by the lower contributions from the Group's projects in Commerce One, Amandarii Kajang, and PJ City.

The Group recorded a profit before tax of RM20.1 million for the current quarter as compared to profit before tax of RM16.2 million in the preceding year corresponding quarter due principally to the reasons mentioned above.

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

The Group recorded a revenue and profit before tax of RM250.3 million and RM38.2 million respectively for the current financial period as compared to RM136.6 million and RM28.7 million respectively in the preceding year corresponding financial period. The increase in revenue was due to the disposal of Changkat Kia Peng land, higher contributions from the Group's residential project in Damansara City and sales from the Group's project in Oval in the financial period. The increase in profit before tax was mainly due to the reasons mentioned above.

The figures have not been audited

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 RM20.1 million for the current quarter as compared to a loss before tax of RM6.6 million as reported in the immediate preceding quarter. The increase in current quarter was mainly due to the disposal of Changkat Kia Peng land and higher contribution from the Group's residential project in Damansara City.

16. Prospects

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

17. Profit forecast/profit guarantee

Not applicable.

18. Profit for the year

Included in profit for the financial period are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,711	4,722
Mark-to-market loss/(gain) on derivatives	652	(335)
Bad debt written off	6	6
Property, plant and equipment written off	-	2

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 March 2016.

19. Taxation

Taxation comprises:

	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(6,612)	(8,979)
- Deferred taxation	505	910
	(6,107)	(8,069)

The Group's effective tax rate (excluding joint ventures and associates) is higher than the statutory tax rate for the current quarter mainly due to certain deferred tax assets not recognised. The Group's effective tax rate (excluding joint ventures and associates) is lower than the statutory tax rate for the current financial period mainly due to fair value gain not subjected to tax.

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 March 2016 are as follows:

	RM'000
Short term borrowings	
Secured	190,512
Unsecured	265,298
	455,810
Long term borrowings	
Secured	856,507
Unsecured	882
	857,389
Total borrowings	1,313,199

The above borrowings are all denominated in Ringgit Malaysia.

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 31.03.2016 RM'000	As at 30.06.2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	259,486	243,168
- Unrealised	280,432	275,774
	539,918	518,942
Total share of retained profits from associates:		
- Realised	32,324	35,943
- Unrealised	20,367	16,406
	52,691	52,349
Total share of retained profits from joint ventures:		
- Realised	36,982	37,608
- Unrealised	-	-
	36,982	37,608
Add: Consolidation adjustments	169,004	175,888
Total Group retained profits as per consolidated accounts	798,595	784,787

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.

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 March 2016 are as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value gain RM'000
Interest rate swaps	236,000	61

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 March 2016, the Group recognised a gain of approximately RM335,000 arising from fair values 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 2015.

24. Changes in material litigation

Not applicable.

25. Dividend

The Board does not recommend any interim dividend for the current financial period ended 31 March 2016.

26. Earnings per share

Basic EPS

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

	3 months ended		Year-to-date ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net profit attributable to ordinary shareholders for the period (RM'000)	13,353	11,629	27,206	17,427
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	1.993	1.736	4.061	2.602

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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net profit attributable to ordinary shareholders for the period (RM'000)	13,353	11,629	27,206	17,427
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Effects of dilution of share options ('000)	-*	1,195^	-*	1,360^
Weighted average number of shares for diluted earnings per share computation ('000)	669,880	671,075	669,880	671,240
Diluted EPS (sen)	1.993	1.733	4.061	2.597

* The ESS options had no dilutive effect in the current financial period as the options had lapsed on 31 December 2015.

^ In the previous financial period, 3,150,000 of the outstanding VCIP options granted to selected key executives of the Group have been included in the calculation of diluted earnings per share. The said options had lapsed during the previous financial year end.

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The figures have not been audited

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
CHIN MIN YANN
Secretaries

Kuala Lumpur
12 April 2016