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	25-Aug-2015 20:42:39
Status	New
Announcement Sub Title	Announcement by subsidiary, GuocoLand (Malaysia) Berhad ("GLM")
Announcement Reference	SG150825OTHR5QKX
Submitted By (Co./ Ind. Name)	Mary Goh Swon Ping
Designation	Group Company Secretary
Effective Date and Time of the event	25/08/2015 20:15:00
Description (Please provide a detailed description of the event in the box below)	Announcement of results for the 4th quarter and full-year ended 30 June 2015 by GLM.

Attachments	GLMAnn4thqtr250815.pdf Total size =1034K

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Quarterly rpt on consolidated results for the financial period ended 30 Jun 2015

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2015
Quarter	4 Qtr
Quarterly report for the financial period ended	30 Jun 2015
The figures	have not been audited

Attachments

GLM-Q4 2015 Results.pdf
1.2 MB

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

SUMMARY OF KEY FINANCIAL INFORMATION
30 Jun 2015

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
		$$'000	$$'000	$$'000	$$'000
1	**Revenue**	59,010	57,968	195,563	236,554
2	**Profit/(loss) before tax**	185,648	119,361	214,357	172,141
3	**Profit/(loss) for the period**	172,866	113,054	193,257	156,423
4	**Profit/(loss) attributable to ordinary equity holders of the parent**	171,439	112,320	188,866	153,228
5	**Basic earnings/(loss) per share (Subunit)**	25.60	16.80	28.20	22.90
6	**Proposed/Declared dividend per share (Subunit)**	2.00	2.00	2.00	2.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	**Net assets per share attributable to ordinary equity**	1.6759		1.4220	

	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

Announcement Info

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	25 Aug 2015
Category	Financial Results
Reference Number	FRA-25082015-00081

GuocoLand Malaysia
A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2015

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	3 months ended		Year-to-date ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Revenue	59,010	57,968	195,563	236,554
Cost of sales	(33,160)	(32,884)	(113,580)	(135,117)
Gross profit	25,850	25,084	81,983	101,437
Selling and marketing expenses	(2,453)	(1,953)	(5,509)	(7,264)
Administrative expenses	(13,185)	(19,439)	(41,271)	(48,012)
Other net operating income	183,091	116,628	195,947	126,340
Profit from operations	193,303	120,320	231,150	172,501
Finance income	398	320	1,555	833
Finance costs	(11,366)	(5,726)	(31,930)	(23,060)
Share of results of associates and joint ventures	3,313	4,447	13,582	21,867
Profit before tax	185,648	119,361	214,357	172,141
Income tax expense	(12,782)	(6,307)	(21,100)	(15,718)
Profit for the year	**172,866**	**113,054**	**193,257**	**156,423**
Profit attributable to:				
Owners of the parent	171,439	112,320	188,866	153,228
Non-controlling interests	1,427	734	4,391	3,195
Profit for the year	**172,866**	**113,054**	**193,257**	**156,423**
Earnings per share attributable to owners of the parent:				
a) Basic (sen)	25.592	16.767	28.194	22.874
b) Diluted (sen)	25.592	16.748	28.194	22.850

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.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	3 months ended		Year-to-date ended	
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
Profit for the year	**172,866**	**113,054**	**193,257**	**156,423**
Other comprehensive (loss)/income:				
Fair value (loss)/gain on available-for-sale investments	(595)	491	(2,241)	1,831
Foreign currency translation	(33)	590	(2,454)	600
Other comprehensive (loss)/profit for the year	(628)	1,081	(4,695)	2,431
Total comprehensive income for the year	**172,238**	**114,135**	**188,562**	**158,854**
Total comprehensive income attributable to:				
Owners of the parent	170,811	113,401	184,171	155,659
Non-controlling interests	1,427	734	4,391	3,195
Total comprehensive income for the year	**172,238**	**114,135**	**188,562**	**158,854**

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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	As at 30.06.2015 RM'000	As at 30.06.2014 RM'000
Non-current assets		
Property, plant and equipment	270,874	233,767
Investment properties	421,210	453,500
Land held for property development	362,462	190,639
Investments in associates	197,194	311,073
Investments in joint ventures	113,480	116,711
Available-for-sale investments	1,876	4,431
Goodwill	13,638	13,638
Deferred tax assets	4,910	3,701
Derivative financial assets	637	2,517
	1,386,281	1,329,977
Current assets		
Inventories	444,289	458,602
Property development costs	532,675	267,100
Trade and other receivables	35,614	33,057
Other current assets	25,798	8,851
Tax recoverable	3,120	4,588
Cash and cash equivalents	50,414	60,967
	1,091,910	833,165
Assets of disposal group classified as held for sale	419,095	-
	1,511,005	833,165
TOTAL ASSETS	2,897,286	2,163,142
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	350,229	350,229
Reserves	796,302	626,213
Equity funds	1,146,531	976,442
Shares held by ESS Trust	(23,883)	(23,883)
	1,122,648	952,559
Non-controlling interests	109,077	88,495
TOTAL EQUITY	1,231,725	1,041,054

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015 (cont'd)

	As at 30.06.2015 RM'000	As at 30.06.2014 RM'000
Non-current liabilities		
Loans and borrowings	783,982	828,219
Deferred tax liabilities	32,797	18,115
	816,779	846,334
Current liabilities		
Trade and other payables	147,701	100,391
Derivative financial liabilities	243	-
Loans and borrowings	424,781	172,297
Tax payable	1,092	3,066
	573,817	275,754
Liabilities of disposal group classified as held for sale	274,965	-
TOTAL LIABILITIES	1,665,561	1,122,088
TOTAL EQUITY AND LIABILITIES	2,897,286	2,163,142
Net assets per share attributable to ordinary owners of the parent (RM)	1.6759	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 FOURTH QUARTER ENDED 30 JUNE 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	← 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
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 year	-	-	-	-	-	-	(2,454)	(2,241)	188,866	184,171	4,391	188,562
Transactions with owners:												
Share-based payments	-	-	-	(684)	-	-	-	-	-	(684)	-	(684)
Non-controlling interests arising on a business combination	-	-	-	-	-	-	-	-	-	-	16,191	16,191
Dividend paid	-	-	-	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
At 30 June 2015	350,229	35,089	(23,883)	-	(24,028)	17	3	434	784,787	1,122,648	109,077	1,231,725

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (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 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 year	-	-	-	-	-	-	600	1,831	153,228	155,659	3,195	158,854
Transactions with owners:												
Share-based payments	-	-	-	240	-	-	-	-	-	240	-	240
Dividend paid	-	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 30 June 2014	350,229	35,089	(23,883)	684	(24,028)	17	2,457	2,675	609,319	952,559	88,495	1,041,054

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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	12 months ended	
	30.06.2015	**30.06.2014**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	214,357	172,141
Adjustments for:		
Bad debts written off	28	196
Mark-to-market loss/(gain) on derivatives	1,689	(999)
Property, plant and equipment:		
- depreciation	6,450	5,832
- written off	1	22
- gain on disposal	-	(143)
Net gain from fair value adjustment of investment properties	(181,393)	(112,541)
Gain on disposal of available-for-sale investments	(504)	(1,215)
Reversal of allowance for impairment on trade and other receivables	(105)	(323)
Allowance for impairment on trade and other receivables	15	-
Realisation of goodwill	-	567
Impairment loss on land held for property development	-	340
Share-based payments	(684)	240
Dividend income	(234)	-
Interest expense	31,930	23,060
Interest income	(1,555)	(833)
Elimination of unrealised profit arising from transactions with joint ventures	815	1,610
Share of results of associates and joint ventures	(13,582)	(21,867)
Operating profit before working capital changes	57,228	66,087
Working capital changes:		
Inventories	14,465	(25,117)
Receivables	(25,253)	1,500
Property development costs	(123,808)	(7,303)
Payables	60,292	(9,214)
Associates balances	6	(11)
Joint ventures balances	7,400	4,199
Related company balances	875	227
Cash (used in)/generated from operations	(8,795)	30,368
Interest received	221	162
Interest paid	(55,906)	(41,063)
Tax paid	(15,367)	(7,069)
Net cash used in operating activities	(79,847)	(17,602)

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (cont'd)

	12 months ended	
	30.06.2015	**30.06.2014**
	RM'000	**RM'000**
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(37,828)	(11,020)
Acquisitions of equity and non-equity interest in a subsidiary	(30,783)	-
Acquisitions of equity and non-equity interest from non-controlling interest	(24,209)	-
Additions in:		
- land held for property development	(12,266)	(71)
- investment properties under construction	(190,938)	(54,287)
Dividend income from:		
- associates	4,272	30,043
- joint ventures	3,000	3,000
- investment securities	234	-
Proceeds from disposals of:		
- property, plant and equipment	-	199
- investment securities	818	2,588
Interest received	1,334	671
Net cash used in investing activities	(286,366)	(28,877)
Cash flows from financing activities		
Bank borrowings drawdown	458,759	149,576
Repayment of bank borrowings	(86,677)	(81,628)
Dividend paid	(13,398)	(10,048)
Net cash generated from financing activities	358,684	57,900
Net (decrease)/increase in cash and cash equivalents	(7,529)	11,421
Effect of exchange rate changes on cash and cash equivalents	(2,454)	600
Cash and cash equivalents at beginning of the financial year	55,793	43,772
Cash and cash equivalents at end of the financial year	45,810	55,793

Cash and cash equivalents comprise the following:

	30.06.2015	**30.06.2014**
	RM'000	**RM'000**
Deposits, cash and bank balances	49,964	60,967
Investment in short term funds	450	-
Bank overdrafts	(4,604)	(5,174)
	45,810	55,793

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.

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.

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 year ended 30 June 2015.

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 interim periods of the current financial year or prior financial years that have had a material effect in the current financial year.

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 30 June 2015, 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 year. As at 30 June 2015, the outstanding VCIP Options granted had been reduced from 3,150,000 to nil as the said options have lapsed during the financial year.

There were no share options granted during the current financial year ended 30 June 2015.

There were no issues, repurchases and repayments of debt and equity securities during the current financial year ended 30 June 2015.

8. **Dividend paid**

During the financial year ended 30 June 2015, 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.

9. Segmental reporting

The Group's segmental report for the current financial year ended 30 June 2015 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	112,991	454	60,507	13,380	8,231	-	195,563
Inter-segment sales	-	-	-	-	10,165	(10,165)	-
Total revenue	112,991	454	60,507	13,380	18,396	(10,165)	195,563
Results							
Segment results	46,817	175,602	7,069	7,110	(4,366)	-	232,232
Unallocated corporate expenses							(1,082)
Profit from operations							231,150
Finance income	662	177	25	198	493	-	1,555
Finance costs							(31,930)
Share of results of associates and joint ventures	583	10,047	-	2,952	-	-	13,582
Income tax expense	(7,970)	(8,824)	-	(1,777)	(2,529)	-	(21,100)
Profit for the financial year							193,257

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:

During the financial year under review, valuation exercises were undertaken by the Group on investment properties held to ascertain the current fair value of the investment properties for accounting purposes pursuant to FRS 140 Investment Property. Accordingly, a fair value gain of RM181.4 million was recognised and reflected in other net operating income.

The investment properties being valued are investment properties under construction in Damansara City mix-development project which comprises 2 blocks of office towers, a retail mall together with a 6-level elevated car parks situated on a freehold land located at Bukit Damansara, Kuala Lumpur, of which the market value as at 30 June 2015 (being the valuation date) is RM786.6 million. The valuation gain arising thereof amounting to approximately RM181.0 million. The valuation will increase the net assets per share of the Group. The valuation was carried out by Rahim & Co Charted Surveyors Sdn Bhd, an independent valuer.

10. **Valuations of property, plant and equipment and investment properties (cont'd)**

The other investment properties being valued are 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 30 June 2015 (being the valuation date) is RM48.0 million. The valuation loss arising thereof amounting to RM2 million. The valuation will increase the net assets per share of the Group. The valuation was carried out by Savills (Malaysia) Sdn Bhd ("Savills") (formerly known as CB Richard Ellis (Malaysia) Sdn Bhd), an independent valuer.

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 financial year under review. This investment property had been valued at RM4.0 million by Savills 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.

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

There were no material subsequent events.

12. **Capital commitments**

	As at 30.06.2015 RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	181,653
- Investment properties	187,172
	368,825

13. **Changes in the composition of the Group**

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

i) A 70%-owned subsidiary of the Company, Guoman International Sdn Bhd ("GISB"), 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 GISB will not have material impact on the Group;

ii) A wholly-owned subsidiary of the Company, Prophills Development Sdn Bhd ("PDSB"), 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 PDSB will not have material impact on the Group; and

iii) The Company had acquired the entire equity interests each comprising 2 ordinary shares of RM1.00 each in Suria Idaman Sdn Bhd and Tujuan Optima Sdn Bhd.

14. **Review of performance**

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

The Group recorded revenue of RM59.0 million for the current quarter under review as compared to RM58.0 million in the preceding year corresponding quarter.

The Group recorded higher profit before tax of RM185.6 million for the current quarter as compared to RM119.4 million in the preceding year corresponding quarter due to recognition of net fair value gain amounted to RM181.4 million arising from the valuation of investment properties.

(b) Performance of the current financial year against the preceding financial year

The Group recorded a revenue and profit before tax of RM195.6 million and RM214.4 million respectively for the current financial year as compared to RM236.6 million and RM172.1 million respectively in the preceding financial year.

The lower revenue recorded in the current financial year was mainly due to the completion of development projects at PJ City, Kajang and Old Klang Road in the preceding financial year. The current financial year's revenue was mainly contributed by residential project in Damansara City and PJ City Phase 2.

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 RM185.6 million for the current quarter as compared to RM16.2 million as reported in the immediate preceding quarter. The increase in current quarter was mainly due to the recognition of fair value gain on the Group's investment properties as mentioned in Note 14(a) above.

16. **Prospects**

The Group expects the property market outlook and sentiment to remain cautious amid credit tightening rules and 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 year are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,757	6,450
Write off of property, plant and equipment	-	1
Allowance for impairment on trade and other receivables	10	15
Mark-to-market loss on derivatives	478	1,689
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 year ended 30 June 2015.

19. Taxation

Taxation comprises:

	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(4,952)	(13,488)
- Deferred taxation	(7,940)	(7,736)
Prior year		
- Malaysian income tax	110	136
- Deferred taxation	-	(12)
	(12,782)	(21,100)

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

20. Corporate proposals

There is no other outstanding corporate proposal announced but not completed as at the date of this report, except for the following:

The proposed disposal by Hong Leong Real Estate Holdings Sdn Bhd, a wholly-owned subsidiary of the Company, of its entire issued and paid-up share capital in DC Tower Sdn Bhd to Hong Leong Bank Berhad, for an indicative cash consideration of RM189.3 million. The said proposed disposal is subject to shareholders' approval at an Extraordinary General Meeting of the Company to be convened.

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 June 2015 are as follows:

	RM'000
Short term borrowings	
Secured	262,394
Unsecured	162,387
	424,781
Long term borrowings	
Secured	777,752
Unsecured	6,230
	783,982
Total borrowings	1,208,763

The above borrowings are all denominated in Ringgit Malaysia.

22. Realised and unrealised profits disclosure

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

	As at 30.06.2015 RM'000	As at 30.06.2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	243,168	219,782
- Unrealised	275,774	101,557
	518,942	321,339
Total share of retained profits from associates:		
- Realised	35,943	33,524
- Unrealised	16,406	17,185
	52,349	50,709
Total share of retained profits from joint ventures:		
- Realised	37,608	40,839
- Unrealised	-	-
	37,608	40,839
Add: Consolidation adjustments	175,888	196,432
Total Group retained profits as per consolidated accounts	784,787	609,319

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 30 June 2015 are as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value gain RM'000
Interest rate swaps	236,000	394

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 year ended 30 June 2015, the Group recognised a loss of approximately RM1,689,000 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 2015.

24. Changes in material litigation

Not applicable.

25. Dividend

A proposed final single-tier dividend of 4% has been recommended for the financial year ended 30 June 2015:

i. Amount per share: 2.0 sen
ii. Previous year corresponding quarter: 2.0 sen
iii. Entitlement date: will be announced at a date to be determined by the Directors
iv. Payment date: will be announced at a date to be determined by the Directors.

Total dividend for the current financial year ended 30 June 2015: 2.0 sen per share (total for the previous corresponding year: 2.0 sen per share).

26. **Earnings per share ("EPS")**

Basic EPS

The basic earnings per share is 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	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Net profit attributable to ordinary shareholders for the period (RM'000)	171,439	112,320	188,866	153,228
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	25.592	16.767	28.194	22.874

Diluted EPS

The diluted earnings per share is 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	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Net profit attributable to ordinary shareholders for the period (RM'000)	171,439	112,320	188,866	153,228
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Effects of dilution of share options ('000)	-	774	-	702
Weighted average number of shares for diluted earnings per share computation ('000)	669,880	670,654	669,880	670,582
Diluted EPS (sen)	25.592	16.748	28.194	22.850

26. **Earning per share ("EPS") (cont'd)**

Diluted EPS (cont'd)

As at 30 June 2015, the outstanding VCIP options granted to selected key executives of the Group, which were included in the calculation of diluted earnings per share, have been reduced to nil (2014: 3,150,000) as the said options have lapsed.

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
CHIN MIN YANN
Secretaries

Kuala Lumpur
25 August 2015