Quarterly rpt on consolidated results for the financial period ended 31/12/2012

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30/06/2013
Quarter	2
Quarterly report for the financial period ended	31/12/2012
The figures	have not been audited

Attachments

GLM -Q2 results.pdf
850 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION

	31/12/2012			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	$$'000	$$'000	$$'000	$$'000
1Revenue	44,446	27,789	82,436	55,335
2Profit/(loss) before tax	18,396	934	23,345	1,101
3Profit/(loss) for the period	17,283	1,024	21,726	1,522
4Profit/(loss) attributable to ordinary equity holders of the parent	15,132	102	19,032	490
5Basic earnings/(loss) per share (Subunit)	2.26	0.02	2.84	0.07
6Proposed/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	
7Net assets per share attributable to ordinary equity holders of the parent ($$)	1.1630		1.1387	

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	23 Jan 2013
Category	Financial Results
Reference No	GG-130123-52687

GuocoLand Malaysia
A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2012

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	3 months ended		Year-to-date ended	
	31.12.2012 RM'000	31.12.2011 RM'000 (restated)	31.12.2012 RM'000	31.12.2011 RM'000 (restated)
Revenue	44,446	27,789	82,436	55,335
Cost of sales	(24,130)	(14,675)	(51,197)	(34,333)
Gross profit	20,316	13,114	31,239	21,002
Selling and marketing expenses	(1,232)	(1,234)	(1,917)	(3,206)
Administrative expenses	(9,604)	(9,187)	(18,311)	(18,239)
Other net operating income	1,814	442	3,942	7,092
Profit from operations	11,294	3,135	14,953	6,649
Finance income	417	62	495	160
Finance costs	(7,708)	(7,281)	(15,623)	(15,301)
Share of results of associates and jointly controlled entities	14,393	5,018	23,520	9,593
Profit before tax	18,396	934	23,345	1,101
Taxation	(1,113)	90	(1,619)	421
Profit for the period	**17,283**	**1,024**	**21,726**	**1,522**
Profit attributable to:				
Owners of the Company	15,132	102	19,032	490
Non-controlling interests	2,151	922	2,694	1,032
Profit for the period	**17,283**	**1,024**	**21,726**	**1,522**
Earnings per share attributable to owners of the Company:				
a) Basic (sen)	2.26	0.02	2.84	0.07
b) Diluted (sen)	2.26	0.02	2.84	0.07

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

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Certified to ISO 9001:2008
Cert. No. : AR 1625

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	3 months ended		Year-to-date ended	
	31.12.2012 RM'000	31.12.2011 RM'000 (restated)	31.12.2012 RM'000	31.12.2011 RM'000 (restated)
Profit for the period	**17,283**	**1,024**	**21,726**	**1,522**
Other comprehensive income/(loss):				
Fair value gain/(loss) on available-for-sale investments	4,266	7,180	10,882	(15,506)
Foreign currency translation	(603)	674	(3,552)	1,545
Other comprehensive income/(loss) for the period	3,663	7,854	7,330	(13,961)
Total comprehensive income/(loss) for the period	**20,946**	**8,878**	**29,056**	**(12,439)**
Total comprehensive income/(loss) attributable to:				
Owners of the Company	18,795	7,956	26,362	(13,471)
Non-controlling interests	2,151	922	2,694	1,032
Total comprehensive income/(loss) for the period	**20,946**	**8,878**	**29,056**	**(12,439)**

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	As at 31.12.2012 RM'000	As at 30.06.2012 RM'000 (restated)
Non-current assets		
Property, plant and equipment	228,292	229,754
Investment properties	254,268	231,761
Land held for property development	188,739	185,782
Investments in associates	110,918	102,435
Investments in jointly controlled entities	349,480	338,667
Available-for-sale investments	97,203	89,158
Goodwill	14,548	14,891
Deferred tax assets	3,272	3,392
	1,246,720	1,195,840
Current assets		
Inventories	440,881	446,889
Property development costs	289,132	269,159
Trade and other receivables	44,826	30,326
Other current assets	3,229	2,977
Derivative financial asset	-	17
Tax recoverable	6,991	7,302
Cash and cash equivalents	68,497	40,700
	853,556	797,370
Non-current asset classified as held for sale	-	37,000
	853,556	834,370
TOTAL ASSETS	2,100,276	2,030,210
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	350,229	350,229
Reserves	452,749	436,460
Equity funds	802,978	786,689
Shares held by ESOS Trust	(23,883)	(23,883)
	779,095	762,806
Non-controlling interests	82,677	79,983
TOTAL EQUITY	861,772	842,789

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (cont'd)

	As at 31.12.2012 RM'000	As at 30.06.2012 RM'000 (restated)
Non-current liabilities		
Loans and borrowings	840,223	792,554
Deferred tax liabilities	14,637	14,925
	854,860	807,479
Current liabilities		
Trade and other payables	100,939	72,395
Progress billings in respect of property development costs	17,468	-
Derivative financial liabilities	330	-
Loans and borrowings	264,907	307,304
Tax payable	-	243
	383,644	379,942
TOTAL LIABILITIES	1,238,504	1,187,421
TOTAL EQUITY AND LIABILITIES	2,100,276	2,030,210
Net assets per share attributable to ordinary owners of the Company (RM)	1.1630	1.1387

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	← Attributable to owners of the Company →										
	← Non-Distributable →							Distributable			
	Share capital RM'000	Share premium RM'000	Shares held by ESOS Trust RM'000	Share option reserve RM'000	Merger 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 2012 (as previously stated)	350,229	35,089	(23,883)	1,250	(24,028)	1,428	(11,514)	433,808	762,379	79,983	842,362
Effect of adopting											
Amendments to FRS 112	-	-	-	-	-	-	-	427	427	-	427
At 1 July 2012 (as restated)	350,229	35,089	(23,883)	1,250	(24,028)	1,428	(11,514)	434,235	762,806	79,983	842,789
Total comprehensive											
(loss)/income for the period	-	-	-	-	-	(3,552)	10,882	19,032	26,362	2,694	29,056
Transactions with owners:											
Share-based payments	-	-	-	(25)	-	-	-	-	(25)	-	(25)
Dividend paid	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 December 2012	350,229	35,089	(23,883)	1,225	(24,028)	(2,124)	(632)	443,219	779,095	82,677	861,772

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012 (cont'd)

	← Attributable to owners of the Company →										
	← Non-Distributable →							Distributable			
	Share capital RM'000	Share premium RM'000	Shares held by ESOS Trust RM'000	Share option reserve RM'000	Merger 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 2011 (as previously stated)	350,229	35,089	(23,883)	-	20,865	(769)	2,610	432,472	816,613	77,517	894,130
Effect of adopting Amendments to FRS 112	-	-	-	-	-	-	-	427	427	-	427
At 1 July 2011 (as restated)	350,229	35,089	(23,883)	-	20,865	(769)	2,610	432,899	817,040	77,517	894,557
Total comprehensive income/(loss) for the period	-	-	-	-	-	1,545	(15,506)	490	(13,471)	1,032	(12,439)
Transactions with owners:											
Pre-merger redemption of preference shares in a subsidiary	-	-	-	-	(14,850)	-	-	(150)	(15,000)	-	(15,000)
Share-based payments	-	-	-	836	-	-	-	-	836	-	836
Pre-merger dividend paid	-	-	-	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Dividend paid	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 December 2011 (as restated)	350,229	35,089	(23,883)	836	6,015	776	(12,896)	408,191	764,357	78,549	842,906

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 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	6 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000 (restated)
Cash flows from operating activities		
Profit before tax	23,345	1,101
Adjustments for:		
Mark to market loss/(gain) on derivatives	347	(36)
Property, plant and equipment:		
- depreciation	3,057	2,988
- written off	-	4
- gain on disposal	-	(52)
Net gain on disposal of investment property	(194)	-
Reversal of goodwill	343	113
Share-based payments	(25)	836
Dividend income	(1,135)	(1,367)
Interest expense	15,410	14,972
Interest income	(495)	(160)
Elimination of unrealised profit arising from transactions with jointly controlled entities	894	484
Share of results of associates and jointly controlled entities	(23,520)	(9,593)
Operating profit before working capital changes	18,027	9,290
Working capital changes:		
Inventories	6,008	2,874
Receivables	(16,152)	(6,268)
Property development costs	(14,489)	(2,803)
Payables	45,613	5,565
Jointly controlled entities balances	1,272	(1,402)
Related company balances	527	30,616
Cash generated from operations	40,806	37,872
Interest received	268	-
Interest paid	(23,852)	(17,380)
Tax paid	(1,719)	(2,234)
Net cash generated from operating activities	15,503	18,258

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012 (cont'd)

	6 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000 (restated)
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(1,594)	(1,959)
Additions in:		
- land held for property development	-	(3)
- investment properties under construction	(22,507)	(5,175)
Dividend income from:		
- associate	3,330	3,130
- investment securities	1,135	1,367
Purchase of investment securities	-	(92,358)
Proceeds from disposals of property, plant and equipment	-	132
Proceeds from disposals of investment property	37,194	-
Interest received	227	160
Net cash generated from/(used in) investing activities	17,785	(94,706)
Cash flows from financing activities		
Bank borrowings drawdown	80,526	47,200
Repayment of bank borrowings	(70,452)	(26,410)
Pre-merger redemption of preference shares in a subsidiary	-	(15,000)
Pre-merger dividend paid by subsidiary	-	(15,000)
Dividend paid	(10,048)	(10,048)
Net cash generated from/(used in) financing activities	26	(19,258)
Net increase/(decrease) in cash and cash equivalents	33,314	(95,706)
Effect of exchange rate changes on cash and cash equivalents	(715)	(752)
Cash and cash equivalents at beginning of the period	24,891	127,868
Cash and cash equivalents at end of the period	57,490	31,410

Cash and cash equivalents comprise the following:

	31.12.2012 RM'000	31.12.2011 RM'000 (restated)
Deposits, cash and bank balances	67,489	40,946
Short term funds	1,008	-
Bank overdrafts	(11,007)	(9,536)
	57,490	31,410

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 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 2012. 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 2012.

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 2012 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 2012 and 1 July 2012 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 accounting periods beginning 1 July 2012.

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 except as disclosed below:

Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140: Investment Property should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciation assets that are measured using the revaluation model in FRS 116: Property, Plant and Equipment to be always measured on a sale basis of that asset.

The effects arising from the adoption of the amended FRS 112 has been accounted for retrospectively by adjusting the opening balance of retained profits as follows:

Consolidated statement of financial position

As at 30 June 2012	As previously reported RM'000	Effect of adopting the Amendment to FRS 112 RM'000	As restated RM'000
Deferred tax liabilities	15,352	(427)	14,925
Retained profits	433,808	427	434,235

2. **Changes in accounting policies (cont'd)**

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 referred to as "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the definition of "Transitioning Entities" and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2014.

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 December 2012.

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 Option Scheme ("ESOS Trust") during the current quarter under review. As at 31 December 2012, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESOS Trust.

During the previous financial year ended 30 June 2012, the Company has 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 will be satisfied through the transfer of existing GLM shares held under the ESOS 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 2012, no VCIP option has been vested and 10,500,000 VCIP options granted are outstanding.

There were no share options granted during the financial period ended 31 December 2012.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 December 2012.

8. Dividend paid

During the financial period ended 31 December 2012, a final dividend of 2 sen per ordinary share less tax at 25% amounted to RM10.048 million in respect of the financial year ended 30 June 2012 was paid on 31 October 2012.

9. Segmental reporting

The Group's segmental report for the current financial period ended 31 December 2012 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	40,558	2,229	34,251	-	5,398	-	82,436
Inter-segment sales	-	-	-	-	2,720	(2,720)	-
Total revenue	40,558	2,229	34,251	-	8,118	(2,720)	82,436
Results							
Segment results	12,034	1,230	7,065	-	(4,791)	-	15,538
Unallocated corporate expenses							(585)
Profit from operations							14,953
Finance income	138	283	31	-	43	-	495
Finance costs							(15,623)
Share of results of associates and jointly controlled entities	9,828	11,813	-	1,879	-	-	23,520
Income tax expense	(1,151)	-	-	-	(468)	-	(1,619)
Profit for the financial period							21,726

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

The valuations of property, plant and equipment were brought forward without any amendments from the previous annual financial statements.

11. Material events not reflected in the financial statements

There were no material subsequent events.

12. Capital Commitments

	As at 31.12.2012 RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	217,379
- Investment properties	420,377
	637,756

13. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

14. Review of performance

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

The Group recorded a revenue of RM44.4 million for the current quarter under review as compared to RM27.8 million in the preceding year corresponding quarter. The significant increase in revenue was mainly due to increased revenue from the property development division, which was contributed from the commercial project in Old Klang Road and the newly launched industrial development project in PJ City as well as sales of completed development properties.

Hotels operations also recorded higher revenue of RM19.7 million for the current quarter as compared to RM16.2 million in the preceding year corresponding quarter as a result of overall higher occupancy rate. Revenue from the property investment division and other businesses were fairly consistent with the preceding year corresponding quarter.

The Group recorded a profit before tax of RM18.4 million for the current quarter as compared to the profit before tax of RM0.9 million in the preceding year corresponding quarter, mainly due to higher profit contributed from the property development division and hotels operations which were in line with higher revenue. In addition, included in the share of results of associated companies for the current quarter was share of additional revaluation gain amounted to RM7.7 million arising from the revaluation carried out by an associate on its investment properties portfolio.

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

The Group recorded a revenue and profit before tax of RM82.4 million and RM23.3 million respectively for the current financial period as compared to RM55.3 million and RM1.1 million respectively in the preceding year corresponding financial period. The better results were mainly attributable to factors as mentioned in Note 14(a) above.

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 RM18.4 million in the current quarter as compared to RM4.9 million as reported in the immediate preceding quarter. The higher profit before tax recorded in the current quarter is mainly due to improved contributions from the property developments division as well as higher share of results from associated companies attributable to factors as mentioned in Note 14(a) above.

16. **Prospects**

The property sector remains challenging in view of the uncertain external environment. Nevertheless, properties in preferred locations will continue to attract good demand.

With the contributions from on-going development projects coupled with profits contributed by associated companies, the property development division is expected to perform satisfactorily. As for hotels operations, the Group expects this business to continue to deliver good results.

Barring unforeseen circumstances, the Board expects the Group to achieve satisfactory performance for the current financial year.

17. **Profit forecast/profit guarantee**

Not applicable.

18. **Profit for the period**

Included in profit for the period are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,567	3,057
Gain on disposal of investment property	-	(194)
Reversal of goodwill	113	343
Net realised on exchange loss	945	165
Interest expense	7,626	15,410
Interest income	(417)	(495)
Dividend income	(772)	(1,135)
Mark-to-market (gain)/ loss on derivatives	(622)	347

Other than the above items, there were no allowances for impairment and write off of receivables, allowance for and write off of inventories, gain or loss on disposal of property, plant and equipment, quoted or unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and financial period ended 31 December 2012.

19. Taxation

Taxation comprises:	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(989)	(1,616)
- Foreign income tax	-	(167)
- Deferred taxation	(45)	278
Prior year over/(under) provision		
- Malaysian income tax	22	-
- Deferred taxation	(101)	(114)
	(1,113)	(1,619)

The Group's effective tax rates (excluding jointly controlled entities and associates) are higher than the statutory tax rate for the current quarter and financial period mainly due to certain deferred tax assets not recognised.

20. Comparatives

The merger method of accounting was adopted by the Group in respect of the acquisition of the entire business and undertakings including all the assets and liabilities of PJ City Development Sdn Bhd ("PJCD") and PJ Corporate Park Sdn Bhd ("PJCP") during previous financial year. Accordingly, the results of the Group have been stated as if PJCD and PJCP have been combined with the Group throughout the previous accounting periods. The comparatives of the Group related to that of PJCD and PJCP for the previous financial period have been adjusted for the effects arising from using the merger method of accounting.

21. Corporate proposals

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

22. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 December 2012 are as follows:

	RM'000
Long term borrowings	
Secured	41,406
Unsecured	223,501
	264,907
Short term borrowings	
Secured	813,223
Unsecured	27,000
	840,223
Total borrowings	1,105,130

The above borrowings are all denominated in Ringgit Malaysia.

23. Realised and unrealised profits/losses disclosure

The breakdown of retained profits of the Group

	As at 31.12.2012 RM'000	As at 30.06.2012 RM'000 (restated)
Total retained profits of the Company and its subsidiaries:		
- Realised	136,443	143,964
- Unrealised	1,202	1,983
	137,645	145,947
Total share of retained profits from associates:		
- Realised	5,114	4,555
- Unrealised	17,000	9,076
	22,114	13,631
Total share of retained profits from jointly controlled entities:		
- Realised	102,048	91,235
- Unrealised	-	-
	102,048	91,235
Add: Consolidation adjustments	181,412	183,422
Total group retained profits as per consolidated accounts	443,219	434,235

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.

24. Derivative financial instruments

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

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

As at 31 December 2012, the Group's outstanding foreign exchange forward contracts entered into as hedges of anticipated future transactions are as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value RM'000
Foreign exchange forward contracts (less than 1 year)	51,232	(330)

Derivative financial instruments are categorised as fair value through profit or loss and measured at their fair value with the changes in fair value recognised in the profit or loss at each reporting date. During the current financial period ended 31 December 2012, the Group recognised a loss of approximately RM347,000 arising from fair value changes of financial derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

There is minimal credit risk because the contracts were 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 2012.

25. Changes in material litigation

Not applicable.

26. Dividend

The Board does not recommend any interim dividend for the current financial period ended 31 December 2012.

27. **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		6 months	
	Ended 31.12.2012	Ended 31.12.2011 (restated)	Ended 31.12.2012	Ended 31.12.2011 (restated)
Net profit attributable to ordinary shareholders for the period (RM'000)	15,132	102	19,032	490
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	2.26	0.02	2.84	0.07

Diluted EPS

The Group has no dilution in its EPS for the financial period under review as there are no dilutive potential ordinary shares.

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
Secretary

Kuala Lumpur
23 January 2013