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

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-2014 20:58:09 |
| **Status** | New |
| **Announcement Sub Title** | Announcement by subsidiary, GuocoLand (Malaysia) Berhad |
| **Announcement Reference** | SG140825OTHRKXAO |
| **Submitted By (Co./ Ind. Name)** | Dawn Pamela Lum |
| **Designation** | Group Company Secretary |
| **Effective Date and Time of the event** | 25/08/2014 20:55:00 |
| **Description (Please provide a detailed description of the event in the box below)** | Announcement of 4th quarter results by GuocoLand Limited's subsidiary, GuocoLand (Malaysia) Berhad |
| **Attachments** | GLMQ4results250814.pdf<br>Total size =1033K |

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# Quarterly rpt on consolidated results for the financial period ended 30/6/2014

GUOCOLAND (MALAYSIA) BERHAD

| | |
|---|---|
| Financial Year End | 30/06/2014 |
| Quarter | 4 |
| Quarterly report for the financial period ended | 30/06/2014 |
| The figures | have not been audited |

**Attachments**

GLM 2014Q4 Results.pdf
917 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

## SUMMARY OF KEY FINANCIAL INFORMATION
## 30/06/2014

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|---|---|---|---|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | 30/06/2014 | 30/06/2013 | 30/06/2014 | 30/06/2013 |
| | $$'000 | $$'000 | $$'000 | $$'000 |
| 1 Revenue | 57,968 | 74,793 | 236,554 | 263,257 |
| 2 Profit/(loss) before tax | 119,361 | 18,402 | 172,141 | 52,378 |
| 3 Profit/(loss) for the period | 113,054 | 15,513 | 156,423 | 47,286 |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent | 112,320 | 14,144 | 153,228 | 41,969 |
| 5 Basic earnings/(loss) per share (Subunit) | 16.77 | 2.11 | 22.87 | 6.27 |
| 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 | 1.4220 | 1.2043 |

**to ordinary equity 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 2014 |
| Category | Financial Results |
| Reference No | GG-140825-51527 |

GuocoLand Malaysia
A Member of the Hong Leong Group

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2014

*The figures have not been audited*

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | 30.06.2014 RM'000 | 30.06.2013 RM'000 | 30.06.2014 RM'000 | 30.06.2013 RM'000 |
| **Revenue** | 57,968 | 74,793 | 236,554 | 263,257 |
| Cost of sales | (32,884) | (46,079) | (135,117) | (183,503) |
| **Gross profit** | 25,084 | 28,714 | 101,437 | 79,754 |
| Selling and marketing expenses | (1,953) | (1,498) | (7,264) | (6,165) |
| Administrative expenses | (19,439) | (10,244) | (48,012) | (36,547) |
| Other net operating income | 116,628 | 1,164 | 126,340 | 4,549 |
| **Profit from operations** | 120,320 | 18,136 | 172,501 | 41,591 |
| Finance income | 320 | 468 | 833 | 1,342 |
| Finance costs | (5,726) | (6,350) | (23,060) | (29,730) |
| Share of results of associates and joint ventures | 4,447 | 6,148 | 21,867 | 39,175 |
| **Profit before tax** | 119,361 | 18,402 | 172,141 | 52,378 |
| Taxation | (6,307) | (2,889) | (15,718) | (5,092) |
| **Profit for the year** | **113,054** | **15,513** | **156,423** | **47,286** |
| **Profit attributable to:** | | | | |
| Owners of the Company | 112,320 | 14,144 | 153,228 | 41,969 |
| Non-controlling interests | 734 | 1,369 | 3,195 | 5,317 |
| **Profit for the year** | **113,054** | **15,513** | **156,423** | **47,286** |
| Earnings per share attributable to owners of the Company: | | | | |
| a) Basic (sen) | 16.767 | 2.111 | 22.874 | 6.265 |
| b) Diluted (sen) | 16.748 | 2.108 | 22.850 | 6.254 |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 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 FOURTH QUARTER ENDED 30 JUNE 2014**

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | 30.06.2014 | 30.06.2013 | 30.06.2014 | 30.06.2013 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Profit for the year** | **113,054** | **15,513** | **156,423** | **47,286** |
| **Other comprehensive income:** | | | | |
| Fair value gain on available-for-sale investments | 491 | 4,492 | 1,831 | 12,358 |
| Foreign currency translation | 590 | 1,583 | 600 | 429 |
| **Other comprehensive income for the year** | 1,081 | 6,075 | 2,431 | 12,787 |
| **Total comprehensive income for the year** | **114,135** | **21,588** | **158,854** | **60,073** |
| **Total comprehensive income attributable to:** | | | | |
| Owners of the Company | 113,607 | 20,219 | 155,659 | 54,756 |
| Non-controlling interests | 528 | 1,369 | 3,195 | 5,317 |
| **Total comprehensive income for the year** | **114,135** | **21,588** | **158,854** | **60,073** |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 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 2014**

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

| | As at 30.06.2014 RM'000 | As at 30.06.2013 RM'000 (Restated) |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 233,767 | 228,602 |
| Investment properties | 453,500 | 279,823 |
| Land held for property development | 190,639 | 187,071 |
| Investments in associates | 311,073 | 332,276 |
| Investments in joint ventures | 116,711 | 108,294 |
| Available-for-sale investments | 4,431 | 3,973 |
| Goodwill | 13,638 | 14,205 |
| Deferred tax assets | 3,701 | 3,483 |
| Derivative financial assets | 2,517 | 1,518 |
| | 1,329,977 | 1,159,245 |
| **Current assets** | | |
| Inventories | 458,602 | 433,485 |
| Property development costs | 267,100 | 252,738 |
| Trade and other receivables | 33,057 | 44,132 |
| Other current assets | 8,851 | 4,532 |
| Tax recoverable | 4,588 | 8,232 |
| Cash and cash equivalents | 60,967 | 45,609 |
| | 833,165 | 788,728 |
| **TOTAL ASSETS** | 2,163,142 | 1,947,973 |
| **EQUITY AND LIABILITIES** | | |
| **Equity attributable to owners of the Company** | | |
| Share capital | 350,229 | 350,229 |
| Reserves | 626,213 | 480,362 |
| Equity funds | 976,442 | 830,591 |
| Shares held by ESS Trust | (23,883) | (23,883) |
| | 952,559 | 806,708 |
| Non-controlling interests | 88,495 | 85,300 |
| **TOTAL EQUITY** | 1,041,054 | 892,008 |

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014 (cont'd)

| | As at 30.06.2014 RM'000 | As at 30.06.2013 RM'000 (Restated) |
|---|---|---|
| **Non-current liabilities** | | |
| Loans and borrowings | 828,219 | 792,015 |
| Deferred tax liabilities | 18,115 | 14,294 |
| | 846,334 | 806,309 |
| **Current liabilities** | | |
| Trade and other payables | 100,391 | 78,031 |
| Progress billings in respect of property development costs | - | 32,745 |
| Loans and borrowings | 172,297 | 137,216 |
| Tax payable | 3,066 | 1,664 |
| | 275,754 | 249,656 |
| **TOTAL LIABILITIES** | 1,122,088 | 1,055,965 |
| **TOTAL EQUITY AND LIABILITIES** | 2,163,142 | 1,947,973 |
| **Net assets per share attributable to ordinary owners of the Company (RM)** | 1.4220 | 1.2043 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 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 YEAR ENDED 30 JUNE 2014

| | ← Attributable to owners of the Company → | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ← 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 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 figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (cont'd)

| | ← Attributable to owners of the Company → | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ← 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 2012** | 350,229 | 35,089 | (23,883) | 1,250 | (24,028) | - | 1,428 | (11,514) | 434,235 | 762,806 | 79,983 | 842,789 |
| Total comprehensive income for the year | - | - | - | - | - | - | 429 | 12,358 | 41,969 | 54,756 | 5,317 | 60,073 |
| Transactions with owners: | | | | | | | | | | | | |
| Share-based payments | - | - | - | (806) | - | - | - | - | - | (806) | - | (806) |
| Transfer to retained profits | - | - | - | - | - | 17 | - | - | (17) | - | - | - |
| Dividend paid | - | - | - | - | - | - | - | - | (10,048) | (10,048) | - | (10,048) |
| **At 30 June 2013** | 350,229 | 35,089 | (23,883) | 444 | (24,028) | 17 | 1,857 | 844 | 466,139 | 806,708 | 85,300 | 892,008 |

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

| | 12 months ended | |
|---|---|---|
| | 30.06.2014 | 30.06.2013 |
| | RM'000 | RM'000 |
| **Cash flows from operating activities** | | |
| Profit before tax | 172,141 | 52,378 |
| Adjustments for: | | |
| Bad debts written off | 196 | 3 |
| Mark-to-market gain on derivatives | (999) | (1,501) |
| Property, plant and equipment: | | |
| - depreciation | 5,832 | 5,889 |
| - written off | 22 | 51 |
| - gain on disposal | (143) | (26) |
| Net (gain)/loss from fair value adjustment of investment properties | (112,541) | 10,000 |
| Gain on disposal of non-current asset held for sale | - | (194) |
| Gain on disposal of available-for-sale investments | (1,215) | (6,310) |
| Loss on liquidation of subsidiaries | - | 27 |
| Reversal of allowance for impairment on trade and other receivables | (323) | (3) |
| Allowance for impairment on trade and other receivables | - | 67 |
| Realisation of goodwill | 567 | 686 |
| Impairment loss on land held for property development | - | 4,253 |
| Share-based payments | 240 | (806) |
| Dividend income | - | (1,818) |
| Interest expense | 23,060 | 29,730 |
| Interest income | (833) | (1,342) |
| Elimination of unrealised profit arising from transactions with joint ventures | 1,610 | 1,960 |
| Share of results of associates and joint ventures | (21,867) | (39,175) |
| Operating profit before working capital changes | 65,747 | 53,869 |
| Working capital changes: | | |
| Inventories | (25,117) | 13,404 |
| Receivables | 1,500 | (14,688) |
| Property development costs | (7,303) | 24,989 |
| Payables | (9,214) | 38,562 |
| Associates balances | - | (3) |
| Joint ventures balances | 4,271 | (1,061) |
| Related company balances | 144 | 116 |
| Cash generated from operations | 30,028 | 115,188 |
| Interest received | 162 | 601 |
| Interest paid | (41,063) | (43,262) |
| Tax paid | (7,069) | (5,323) |
| Net cash (used in)/generated from operating activities | (17,942) | 67,204 |

*The figures have not been audited*

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (cont'd)

| | 12 months ended | |
|---|---|---|
| | 30.06.2014 RM'000 | 30.06.2013 RM'000 |
| **Cash flows from investing activities** | | |
| Acquisitions of property, plant and equipment | (11,020) | (4,748) |
| Additions in: | | |
| - land held for property development | 269 | (621) |
| - investment properties under construction | (54,287) | (58,062) |
| Dividend income from: | | |
| - associates | 30,043 | 7,000 |
| - joint ventures | 3,000 | 30,747 |
| - investment securities | - | 1,818 |
| Purchase of investment securities | - | (2,419) |
| Proceeds from disposals of: | | |
| - property, plant and equipment | 199 | 29 |
| - non-current asset classified as held for sale | - | 37,194 |
| - available-for-sale investments | 2,588 | 107,380 |
| Interest received | 671 | 741 |
| Net cash (used in)/generated from investing activities | (28,537) | 119,059 |
| **Cash flows from financing activities** | | |
| Bank borrowings drawdown | 149,576 | 131,913 |
| Repayment of bank borrowings | (81,628) | (288,568) |
| Dividend paid | (10,048) | (10,048) |
| Net cash generated from/(used in) financing activities | 57,900 | (166,703) |
| Net increase in cash and cash equivalents | 11,421 | 19,560 |
| Effect of exchange rate changes on cash and cash equivalents | 600 | (679) |
| Cash and cash equivalents at beginning of the financial year | 43,772 | 24,891 |
| Cash and cash equivalents at end of the financial year | 55,793 | 43,772 |

Cash and cash equivalents comprise the following:

| | 30.06.2014 RM'000 | 30.06.2013 RM'000 |
|---|---|---|
| Deposits, cash and bank balances | 60,967 | 44,459 |
| Investment in short term funds | - | 1,150 |
| Bank overdrafts | (5,174) | (1,837) |
| | 55,793 | 43,772 |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 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 2013. 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 2013.

### 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 2013 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 2013 and 1 July 2013 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 2013.

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:

FRS 10: Consolidated Financial Statements and FRS 11: Joint Arrangements

In the course of its business, the Group has entered into various shareholders' agreements with business partners of the Group and the Group's share of equity interest ranges from 40% to 50%. Based on the guiding principles of both FRS 10 and FRS 11, the Group has re-assessed the terms as set out in the shareholders' agreements. Resulting therefrom, certain entities that were previously accounted for as joint ventures, namely Continental Estates Sdn Bhd and Vintage Heights Sdn Bhd, have now being reclassified as associates of the Group as the Group concluded that it does not have joint control over key decisions affecting the relevant activities of the entities, but rather, the Group has significant influence over those key decisions.

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

The reclassification does not affect the net profit of the Group. The effects of the reclassification, which have been adjusted for retrospectively, are as follows:

**Consolidated statement of financial position**

| As at 30 June 2013 | As previously reported RM'000 | Adjustments RM'000 | As restated RM'000 |
|---|---|---|---|
| Investments in associates | 111,103 | 221,173 | 332,276 |
| Investments in joint ventures | 329,467 | (221,173) | 108,294 |
| Amounts due from associates | - | 72 | 72 |
| Amounts due from joint ventures | 12,718 | (72) | 12,646 |

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 MFRS Framework for additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the definition of "Transitioning Entities" and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2015.

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 financial year 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 2014.

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

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial 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 2014, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

During the financial year ended 30 June 2012, GLM 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 ESS Trust.

The vesting of the VCIP options is conditional upon the achievement of prescribed financial and performance targets/criteria over a stipulated performance period. As at 30 June 2014, 3,150,000 (30 June 2013: 4,500,000) VCIP options granted are outstanding.

There were no share options granted during the current financial year ended 30 June 2014.

There were no issues, repurchases and repayments of debt and equity securities during the current financial year ended 30 June 2014.

8. **Dividend paid**

During the financial year ended 30 June 2014, a final dividend of 2 sen per ordinary shares less tax at 25% amounted RM10.048 million in respect of the financial year ended 30 June 2013 was paid on 12 November 2013.

*The figures have not been audited*

## 9. Segmental reporting

The Group's segmental report for the current financial year ended 30 June 2014 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 | 164,307 | 3,320 | 63,180 | - | 5,747 | - | 236,554 |
| Inter-segment sales | - | - | - | - | 9,630 | (9,630) | - |
| Total revenue | 164,307 | 3,320 | 63,180 | - | 15,377 | (9,630) | 236,554 |
| **Results** | | | | | | | |
| Segment results | 63,645 | 114,884 | 8,795 | - | (14,079) | - | 173,245 |
| Unallocated corporate expenses | | | | | | | (744) |
| Profit from operations | | | | | | | 172,501 |
| Finance income | 732 | - | 19 | - | 82 | - | 833 |
| Finance costs | | | | | | | (23,060) |
| Share of results of associates and jointly controlled entities | 13,027 | 5,870 | - | 2,970 | - | - | 21,867 |
| Income tax expense | (10,346) | (4,790) | - | - | (582) | - | (15,718) |
| Profit for the financial year | | | | | | | 156,423 |

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, 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 net fair value gain of RM112.5 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, 50490 Kuala Lumpur, of which the market value as at 30 June 2014 (being the valuation date) is RM403.5 million. The valuation gain arising thereof amounting to approximately RM122.5 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.

The other investment property being valued is Menara Pandan C & D which comprises 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 2014 (being the valuation date) is RM50.0 million. The valuation loss arising thereof amounting to RM10 million. The valuation will not have any material impact on the net assets per share of the Group. The valuation was carried out by CB Richard Ellis (Malaysia) Sdn Bhd, an independent valuer.

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

Pembinaan Sri Jati Sdn Berhad ("PSJ"), an indirect subsidiary of GLM, had on 18 July 2014 and 31 July 2014, accepted offers from Symphony Life Berhad to acquire the following additional shares in Continental Estates Sdn Bhd ("CESB"), an associate of GLM:

- 5,391,583 ordinary shares in CESB, representing 10.66% of the issued and paid-up ordinary shares in CESB, for a cash consideration of RM5,391,583; and

- 23,504,664 cumulative redeemable preference shares ("CRPS") in CESB, representing 13.48% of the issued and paid-up CRPS in CESB, for a cash consideration of RM37,607,462.40.

## 12. Capital commitments

| | As at 30.06.2014 RM'000 |
|---|---|
| Capital expenditure approved and contracted for: | |
| - Property, plant and equipment | 214,299 |
| - Investment properties | 370,592 |
| | 584,891 |

## 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.

## 14. Review of performance

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

The Group recorded revenue of RM58.0 million for the current quarter under review as compared to RM74.8 million in the preceding year corresponding quarter. The decrease in revenue was mainly due to lower contribution from the Group's commercial project in Old Klang Road. The on-going development projects in PJ City and Damansara City had contributed to the revenue achieved during the current quarter.

The Group recorded higher profit before tax of RM119.4 million for the current quarter as compared to RM18.4 million in the preceding year corresponding quarter due mainly to recognition of net fair value gain amounted to RM112.5 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 RM236.6 million and RM172.1 million respectively for the current financial year ended 30 June 2014 as compared to RM263.3 million and RM52.4 million respectively in the preceding financial year. The variation in revenue and profit were mainly due 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 RM119.4 million for the current quarter as compared to RM19.1 million as reported in the immediate preceding quarter. The profit for the current quarter was higher mainly due to the recognition of fair value gain on the Group's investment properties as mentioned in Note 14 above.

## 16. Prospects

Property market outlook and sentiment are expected to continue to be cautious amid Bank Negara Malaysia's credit tightening rules and rate increases. Notwithstanding the challenging operating environment, properties in selected segments and good locations continue to attract interest.

Barring unforeseen circumstances, the Board expects the Group to perform satisfactorily for the next financial year on the back of continued contributions from the property development segment, and the associates and joint ventures as well as the hotel segment.

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 | 1,501 | 5,832 |
| Gain on disposal of property, plant and equipment | (86) | (143) |
| Realisation of goodwill | - | 567 |
| Mark-to-market gain on derivatives | (281) | (999) |

Other than the above items and those as disclosed in this report, there were no allowances for impairment and write off of receivables, allowance for impairment and write off of inventories, quoted or unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and financial year ended 30 June 2014.

19. **Taxation**

| Taxation comprises: | Current Quarter RM'000 | Year-to-date RM'000 |
|---|---|---|
| Current taxation | | |
| - Malaysian income tax | (2,046) | (12,090) |
| - Deferred taxation | (4,265) | (3,613) |
| Prior year | | |
| - Malaysian income tax | 4 | (25) |
| - Deferred taxation | - | 10 |
| | (6,307) | (15,718) |

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**

Save as disclosed in Note 11 above, 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 30 June 2014 are as follows:

| | RM'000 |
|---|---|
| **Short term borrowings** | |
| Secured | 28,914 |
| Unsecured | 143,383 |
| | 172,297 |
| **Long term borrowings** | |
| Secured | 813,681 |
| Unsecured | 14,538 |
| | 828,219 |
| **Total borrowings** | 1,000,516 |

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 30.06.2014 RM'000 | As at 30.06.2013 RM'000 Restated |
|---|---|---|
| Total retained profits of the Company and its subsidiaries: | | |
| - Realised | 219,782 | 194,678 |
| - Unrealised | 101,557 | (7,474) |
| | 321,339 | 187,204 |
| Total share of retained profits from associates: | | |
| - Realised | 33,524 | 54,880 |
| - Unrealised | 17,185 | 17,032 |
| | 50,709 | 71,912 |
| Total share of retained profits from jointly controlled entities: | | |
| - Realised | 40,839 | 32,422 |
| - Unrealised | - | - |
| | 40,839 | 32,422 |
| Add: Consolidation adjustments | 196,432 | 174,601 |
| **Total Group retained profits as per consolidated accounts** | 609,319 | 466,139 |

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 2014 are as follows:

| Type of Derivative | Contract/ Notional value RM'000 | Net fair value gain RM'000 |
|---|---|---|
| Interest rate swaps | 120,000 | 2,517 |

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 2014, the Group recognised a gain of approximately RM999,000 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 2013.

## 24. Changes in material litigation

Not applicable.

## 25. Dividend

(a) A proposed final dividend of 4% single-tier has been recommended for the financial year ended 30 June 2014:

i. Amount per share: 2.0 sen
ii. Previous year corresponding quarter: 2.0 sen less tax at 25%
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.

(b) Total dividend for the current financial year ended 30 June 2014: 2.0 sen per share (total for the previous corresponding year: 2.0 sen per share less tax at 25%).

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

### Basic EPS

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

| | 3 months ended | | Year-to-date ended | |
|---|---|---|---|---|
| | 30.06.2014 | 30.06.2013 | 30.06.2014 | 30.06.2013 |
| Net profit attributable to ordinary shareholders for the period (RM'000) | 112,320 | 14,144 | 153,228 | 41,969 |
| Weighted average number of shares ('000) | 669,880 | 669,880 | 669,880 | 669,880 |
| Basic EPS (sen) | 16.767 | 2.111 | 22.784 | 6.265 |

### 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 | |
|---|---|---|---|---|
| | 30.06.2014 | 30.06.2013 | 30.06.2014 | 30.06.2013 |
| Net profit attributable to ordinary shareholders for the period (RM'000) | 112,320 | 14,144 | 153,228 | 41,969 |
| Weighted average number of shares ('000) | 669,880 | 669,880 | 669,880 | 669,880 |
| Effects of dilution of share options ('000) | 774 | 1,209 | 702 | 1,209 |
| Weighted average number of shares for diluted earnings per share computation ('000) | 670,654 | 671,089 | 670,582 | 671,089 |
| Diluted EPS (sen) | 16.748 | 2.108 | 22.850 | 6.254 |

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

**Diluted EPS (cont'd)**

3,150,000 (2013: 4,500,000) of the outstanding VCIP options granted to the selected key executives of the Group have been included in the calculation of diluted earnings per share.

By Order of the Board
**GuocoLand (Malaysia) Berhad**

LIM YEW YOKE
CHIN MIN YANN
Secretaries

Kuala Lumpur
25 August 2014