Quarterly rpt on consolidated results for the financial period ended 31/3/2013

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30/06/2013
Quarter	3
Quarterly report for the financial period ended	31/03/2013
The figures	have not been audited

Attachments

Q3 Results.pdf
830 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION

	31/03/2013			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	$$'000	$$'000	$$'000	$$'000
1Revenue	106,028	21,966	188,464	77,301
2Profit/(loss) before tax	10,631	-775	33,976	326
3Profit/(loss) for the period	10,047	-1,771	31,773	-249
4Profit/(loss) attributable to ordinary equity holders of the parent	8,793	-2,305	27,825	-1,815
5Basic earnings/(loss) per share (Subunit)	1.31	-0.34	4.15	-0.27
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 ($$)	1.1740		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	16 Apr 2013
Category	Financial Results
Reference No	GG-130416-869FB

GuocoLand Malaysia
A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	3 months ended		Year-to-date ended	
	31.3.2013 RM'000	31.3.2012 RM'000 (restated)	31.3.2013 RM'000	31.3.2012 RM'000 (restated)
Revenue	106,028	21,966	188,464	77,301
Cost of sales	(86,227)	(15,295)	(137,424)	(49,628)
Gross profit	19,801	6,671	51,040	27,673
Selling and marketing expenses	(2,750)	(1,041)	(4,667)	(4,247)
Administrative expenses	(7,992)	(10,810)	(26,303)	(29,049)
Other net operating (expenses)/income	(557)	3,419	3,385	10,511
Profit/(loss) from operations	8,502	(1,761)	23,455	4,888
Finance income	379	2,769	874	2,929
Finance costs	(7,757)	(7,452)	(23,380)	(22,753)
Share of results of associates and jointly controlled entities	9,507	5,669	33,027	15,262
Profit/(loss) before tax	10,631	(775)	33,976	326
Taxation	(584)	(996)	(2,203)	(575)
Profit/(loss) for the period	**10,047**	**(1,771)**	**31,773**	**(249)**
Profit/(loss) attributable to:				
Owners of the Company	8,793	(2,305)	27,825	(1,815)
Non-controlling interests	1,254	534	3,948	1,566
Profit/(loss) for the period	**10,047**	**(1,771)**	**31,773**	**(249)**
Earnings/(loss) per share attributable to owners of the Company:				
a) Basic (sen)	1.31	(0.34)	4.15	(0.27)
b) Diluted (sen)	1.31	(0.34)	4.15	(0.27)

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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Cert. No. : AR 1625

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	3 months ended		Year-to-date ended	
	31.3.2013 RM'000	31.3.2012 RM'000 (restated)	31.3.2013 RM'000	31.3.2012 RM'000 (restated)
Profit/(loss) for the period	**10,047**	**(1,771)**	**31,773**	**(249)**
Other comprehensive income/(loss):				
Fair value (loss)/gain on available-for-sale investments	(3,016)	8,268	7,866	(7,238)
Foreign currency translation	2,398	(3,870)	(1,154)	(2,325)
Other comprehensive income/(loss) for the period	(618)	4,398	6,712	(9,563)
Total comprehensive income/(loss) for the period	**9,429**	**2,627**	**38,485**	**(9,812)**
Total comprehensive income/(loss) attributable to:				
Owners of the Company	8,175	2,093	34,537	(11,378)
Non-controlling interests	1,254	534	3,948	1,566
Total comprehensive income/(loss) for the period	**9,429**	**2,627**	**38,485**	**(9,812)**

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.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	As at 31.03.2013 RM'000	As at 30.06.2012 RM'000 (restated)
Non-current assets		
Property, plant and equipment	228,304	229,754
Investment properties	260,635	231,761
Land held for property development	185,649	185,782
Investments in associates	109,228	102,435
Investments in jointly controlled entities	326,055	338,667
Available-for-sale investments	16,284	89,158
Goodwill	14,548	14,891
Deferred tax assets	3,431	3,392
	1,144,134	1,195,840
Current assets		
Inventories	441,625	446,889
Property development costs	237,102	269,159
Trade and other receivables	34,724	30,326
Other current assets	6,076	2,977
Derivative financial asset	6	17
Tax recoverable	7,614	7,302
Cash and cash equivalents	97,264	40,700
	824,411	797,370
Non-current asset classified as held for sale	-	37,000
	824,411	834,370
TOTAL ASSETS	1,968,545	2,030,210
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	350,229	350,229
Reserves	460,126	436,460
Equity funds	810,355	786,689
Shares held by ESOS Trust	(23,883)	(23,883)
	786,472	762,806
Non-controlling interests	83,931	79,983
TOTAL EQUITY	870,403	842,789

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013 (cont'd)

	As at 31.03.2013 RM'000	As at 30.06.2012 RM'000 (restated)
Non-current liabilities		
Loans and borrowings	772,536	792,554
Deferred tax liabilities	14,637	14,925
	787,173	807,479
Current liabilities		
Trade and other payables	63,733	72,395
Progress billings in respect of property development costs	23,550	-
Loans and borrowings	223,686	307,304
Tax payable	-	243
	310,969	379,942
TOTAL LIABILITIES	1,098,142	1,187,421
TOTAL EQUITY AND LIABILITIES	1,968,545	2,030,210
Net assets per share attributable to ordinary owners of the Company (RM)	1.1740	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.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	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	-	-	-	-	-	(1,154)	7,866	27,825	34,537	3,948	38,485
Transactions with owners:											
Share-based payments	-	-	-	(823)	-	-	-	-	(823)	-	(823)
Transfer to retained profits	-	-	-	-	17	-	-	(17)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 March 2013	350,229	35,089	(23,883)	427	(24,011)	274	(3,648)	451,995	786,472	83,931	870,403

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013 (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 (loss)/income for the period	-	-	-	-	-	(2,325)	(7,238)	(1,815)	(11,378)	1,566	(9,812)
Transactions with owners:											
Pre-merger redemption of preference shares in a subsidiary	-	-	-	-	(14,850)	-	-	(150)	(15,000)	-	(15,000)
Share-based payments	-	-	-	1,463	-	-	-	-	1,463	-	1,463
Pre-merger dividend paid	-	-	-	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Dividend paid	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 March 2012 (as restated)	350,229	35,089	(23,883)	1,463	6,015	(3,094)	(4,628)	405,886	767,077	79,083	846,160

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.

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	9 months ended	
	31.3.2013 RM'000	31.3.2012 RM'000 (restated)
Cash flows from operating activities		
Profit before tax	33,976	326
Adjustments for:		
Mark-to-market gain on derivatives	(6)	(166)
Change in fair value of investment properties	10,000	-
Property, plant and equipment:		
- depreciation	4,567	4,484
- written off	-	672
- gain on disposal	(26)	(52)
Gain on disposal of available-for-sale investments	(9,242)	-
Loss on liquidation of subsidiaries	27	-
Allowance for impairment on trade and other receivables	1	-
Net gain on disposal of investment property	(194)	-
Reversal of goodwill	343	113
Net impairment loss on land held for property development	4,272	-
Share-based payments	(823)	1,463
Dividend income	(1,445)	(1,181)
Interest expense	23,093	22,258
Interest income	(874)	(2,874)
Elimination of unrealised profit arising from transactions with jointly controlled entities	1,099	834
Share of results of associates and jointly controlled entities	(33,027)	(15,262)
Operating profit before working capital changes	31,741	10,615
Working capital changes:		
Inventories	5,264	2,616
Receivables	(8,095)	(2,969)
Property development costs	38,823	(18,350)
Payables	13,753	10,486
Associates balances	119	-
Jointly controlled entities balances	454	(502)
Related company balances	1,132	30,719
Cash generated from operations	83,191	32,615
Interest received	381	-
Interest paid	(33,493)	(26,023)
Tax paid	(3,085)	(2,884)
Net cash generated from operating activities	46,994	3,708

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013 (cont'd)

	9 months ended	
	31.3.2013 RM'000	31.3.2012 RM'000 (restated)
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(3,116)	(3,254)
Additions in:		
- land held for property development	(506)	(6)
- investment properties under construction	(38,874)	(12,022)
Dividend income from:		
- associate	7,000	6,594
- jointly controlled entities	30,747	-
- investment securities	1,445	1,181
Purchase of investment securities	(2,419)	(93,991)
Proceeds from disposals of property, plant and equipment	26	132
Proceeds from disposals of investment property	37,194	-
Proceeds from disposals of available-for-sale investments	93,487	-
Interest received	493	2,874
Net cash generated from/(used in) investing activities	125,477	(98,492)
Cash flows from financing activities		
Bank borrowings drawdown	106,455	75,600
Repayment of bank borrowings	(219,492)	(28,481)
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 (used in)/generated from financing activities	(123,085)	7,071
Net increase/(decrease) in cash and cash equivalents	49,386	(87,713)
Effect of exchange rate changes on cash and cash equivalents	(2,223)	48
Cash and cash equivalents at beginning of the period	24,891	127,868
Cash and cash equivalents at end of the period	72,054	40,203

Cash and cash equivalents comprise the following:

	31.3.2013 RM'000	31.3.2012 RM'000 (restated)
Deposits, cash and bank balances	96,255	42,650
Investment in short term funds	1,009	-
Bank overdrafts	(25,210)	(2,447)
	72,054	40,203

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 annual periods beginning on or after 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	Effects of adopting Amendments 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)**

Consolidated statement of financial position (cont'd)

As at 30 June 2011	As previously reported RM'000	Effects of adopting Amendments to FRS 112 RM'000	As restated RM'000
Deferred tax liabilities	15,576	(427)	15,149
Retained profits	432,472	427	432,899

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 are 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 March 2013, except items as disclosed in Note 18.

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 March 2013, 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 March 2013, no VCIP option has been vested and 5,000,000 VCIP options granted are outstanding.

There were no share options granted during the current financial period ended 31 March 2013.

There were no issues, repurchases and repayments of debt and equity securities during the current financial period ended 31 March 2013.

8. Dividend paid

During the current financial period ended 31 March 2013, 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 March 2013 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	126,863	3,191	49,538	-	8,872	-	188,464
Inter-segment sales	-	-	-	-	3,893	(3,893)	-
Total revenue	126,863	3,191	49,538	-	12,765	(3,893)	188,464
Results							
Segment results	15,475	(8,225)	10,241	-	6,720	-	24,211
Unallocated corporate expenses							(756)
Profit from operations							23,455
Finance income	456	285	49	-	84	-	874
Finance costs							(23,380)
Share of results of associates and jointly controlled entities	5,557	13,793	-	13,677	-	-	33,027
Income tax expense	(1,856)	455	-	-	(802)	-	(2,203)
Profit for the financial period							31,773

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 current quarter under review, a revaluation exercise was undertaken by the Group on an investment property held to ascertain the current fair value of the investment property for accounting purposes pursuant to FRS 140: Investment Property and accordingly, a fair value loss of RM10.0 million was recognised and reflected in other operating expenses. The investment property being revalued is Menara Pandan C & D which comprises 2 blocks of 10-storey office tower 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 31 January 2013 (being the valuation date) is RM60.0 million. The revaluation will not have any material impact on the net assets per share of the Group.

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

The revaluation was carried out by CB Richard Ellis (Malaysia) Sdn Bhd, an independent valuer. The valuation report in relation to the revaluation is available for inspection at the registered office of GLM at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur during office hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

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

There were no material subsequent events.

12. **Capital commitments**

	As at 31.03.2013 RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	216,837
- Investment properties	408,207
	625,044

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 RM106.0 million for the current quarter under review as compared to RM22.0 million in the preceding year corresponding quarter. The significant increase in revenue was mainly due to increased revenue from the property development division, contributed mainly from the sale of vacant bungalow lots in Cheras and revenue recognised from the new industrial development project in PJ City. The other on-going development projects in Kajang and Old Klang Road have also contributed to the revenue achieved during the current quarter. Revenue from the hotels operations, property investment division and other businesses were fairly consistent with the preceding year corresponding quarter.

The Group recorded a profit before tax of RM10.6 million for the current quarter as compared to the loss before tax of RM0.8 million in the preceding year corresponding quarter. The improvement in result achieved was mainly due to higher profit contributed from the property development activities undertaken by the Group and increased share of results of jointly controlled entities as a result of profit recognised upon completion of disposal of land. During the current quarter, the Group had also recognised a gain on disposal of available-for-sale investments of approximately RM9.2 million which was however offset by a RM10.0 million fair value loss recognised on revaluation of investment properties held by the Group.

14. **Review of performance (cont'd)**

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

The Group recorded a revenue and profit before tax of RM188.5 million and RM34.0 million respectively for the current financial period as compared to RM77.3 million and RM0.3 million respectively in the preceding year corresponding financial period. The increase in revenue was mainly contributed by property development division due to factors as mentioned in Note 14(a) above and revenue contribution from hotel operations on the back of improved occupancy and room rate which have led to higher profits achieved by the Group during the current financial period. The higher shares of results of associated companies have contributed further to the increase in profits.

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 RM10.6 million in the current quarter as compared to RM18.4 million as reported in the immediate preceding quarter. The profit in the immediate preceding quarter was higher due to the inclusion of share of revaluation gain amounted to RM7.7 million arising from the revaluation carried out by an associate on its investment properties portfolio.

16. **Prospects**

The outlook of the local property sector appears to be fairly positive on the back of strong domestic demand and abundant liquidity. Properties in prime locations continue to enjoy good demand and increase in prices.

Based on the contribution from on-going development projects and planned property launches coupled with profits contributed by associated companies, the Group expects the property development division to achieve satisfactory results. As for hotels operations, the Group expects this business to continue to deliver good results.

Barring unforeseen circumstances, the Board expects the Group to continue to perform satisfactorily 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	1,510	4,567
Gain on disposal of property, plant and equipment	(26)	(26)
Gain on disposal of investment property	-	(194)
Gain on disposal of available-for-sale investments	(9,242)	(9,242)
Change in fair value of investment properties	10,000	10,000
Impairment loss on land held for property development	4,272	4,272
Allowance for impairment on other receivables	1	1
Reversal of goodwill	-	343
Net realised foreign exchange gain	(1,882)	(1,717)
Interest expense	7,383	23,093
Interest income	(379)	(874)
Dividend income	(310)	(1,445)
Mark-to-market gain on derivatives	(353)	(6)

Other than the above items, there were no write off of receivables, allowance for and write off of inventories and other exceptional items for the current quarter and financial period ended 31 March 2013.

19. Taxation

Taxation comprises:	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(1,027)	(2,643)
- Foreign income tax	(78)	(245)
- Deferred taxation	157	435
Prior year over/(under) provision		
- Malaysian income tax	364	364
- Deferred taxation	-	(114)
	(584)	(2,203)

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 the 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 March 2013 are as follows:

	RM'000
Long term borrowings	
Secured	747,612
Unsecured	24,924
	772,536
Short term borrowings	
Secured	10,710
Unsecured	212,976
	223,686
Total borrowings	996,222

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 31.03.2013 RM'000	As at 30.06.2012 RM'000 (restated)
Total retained profits of the Company and its subsidiaries:		
- Realised	194,403	143,964
- Unrealised	(8,798)	1,983
	185,605	145,947
Total share of retained profits from associates:		
- Realised	3,499	4,555
- Unrealised	16,926	9,076
	20,425	13,631
Total share of retained profits from jointly controlled entities:		
- Realised	78,623	91,235
- Unrealised	-	-
	78,623	91,235
Add: Consolidation adjustments	167,342	183,422
Total group retained profits as per consolidated accounts	451,995	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 March 2013, 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 gain RM'000
Foreign exchange forward contracts (less than 1 year)	11,637	6

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 March 2013, the Group recognised a gain of approximately RM6,000 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 March 2013.

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 ended		Year-to-date ended	
	31.3.2013	31.3.2012 (restated)	31.3.2013	31.3.2012 (restated)
Net profit/(loss) attributable to ordinary shareholders for the period (RM'000)	8,793	(2,305)	27,825	(1,815)
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	1.31	(0.34)	4.15	(0.27)

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
16 April 2013