Quarterly rpt on consolidated results for the financial period ended 30/6/2013

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30/06/2013
Quarter	4
Quarterly report for the financial period ended	30/06/2013
The figures	have not been audited

Attachments

Q4 Results (2013).pdf
2604 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
30/06/2013

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	$$'000	$$'000	$$'000	$$'000
1Revenue	74,793	39,027	263,257	116,328
2Profit/(loss) before tax	18,402	28,662	52,378	28,988
3Profit/(loss) for the period	15,513	29,249	47,286	29,000
4Profit/(loss) attributable to ordinary equity holders of the parent	14,144	28,349	41,969	26,534
5Basic earnings/(loss) per share (Subunit)	2.11	4.23	6.27	3.96
6Proposed/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
7Net assets per share attributable to ordinary equity holders of the parent ($$)	1.2043	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	26 Aug 2013
Category	Financial Results
Reference No	GG-130826-52401

GuocoLand Malaysia
A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	3 months ended		Year ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Revenue	74,793	39,027	263,257	116,328
Cost of sales	(46,079)	(23,547)	(183,503)	(73,175)
Gross profit	28,714	15,480	79,754	43,153
Selling and marketing expenses	(1,498)	(4,878)	(6,165)	(9,125)
Administrative expenses	(10,244)	(9,832)	(36,547)	(38,881)
Other net operating income	1,164	18,350	4,549	28,861
Profit from operations	18,136	19,120	41,591	24,008
Finance income	468	266	1,342	3,195
Finance costs	(6,350)	(8,160)	(29,730)	(30,913)
Share of results of associates and jointly controlled entities	6,148	17,436	39,175	32,698
Profit before tax	18,402	28,662	52,378	28,988
Taxation	(2,889)	587	(5,092)	12
Profit for the period	**15,513**	**29,249**	**47,286**	**29,000**
Profit attributable to:				
Owners of the Company	14,144	28,349	41,969	26,534
Non-controlling interests	1,369	900	5,317	2,466
Profit for the period	**15,513**	**29,249**	**47,286**	**29,000**
Earnings per share attributable to owners of the Company:				
a) Basic (sen)	2.11	4.23	6.27	3.96
b) Diluted (sen)	2.11	4.23	6.25	3.96

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.

GuocoLand (Malaysia) Berhad (300-K)
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Cert. No.: AR 1625

GUOCOLAND (MALAYSIA) BERHAD (300-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	3 months ended		Year ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	**15,513**	**29,249**	**47,286**	**29,000**
Other comprehensive income/(loss):				
Fair value gain/(loss) on available-for-sale investments	4,492	(6,886)	12,358	(14,124)
Foreign currency translation	1,583	4,522	429	2,197
Other comprehensive income/(loss) for the period	6,075	(2,364)	12,787	(11,927)
Total comprehensive income for the period	**21,588**	**26,885**	**60,073**	**17,073**
Total comprehensive income attributable to:				
Owners of the Company	20,219	25,985	54,756	14,607
Non-controlling interests	1,369	900	5,317	2,466
Total comprehensive income for the period	**21,588**	**26,885**	**60,073**	**17,073**

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 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 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000 (restated)
Non-current assets		
Property, plant and equipment	228,602	229,754
Investment properties	279,823	231,761
Land held for property development	187,071	185,782
Investments in associates	111,103	102,435
Investments in jointly controlled entities	329,467	338,667
Available-for-sale investments	3,973	89,158
Goodwill	14,205	14,891
Deferred tax assets	3,483	3,392
Derivative financial assets	1,518	-
	1,159,245	1,195,840
Current assets		
Inventories	433,485	446,889
Property development costs	252,738	269,159
Trade and other receivables	44,132	30,326
Other current assets	4,532	2,977
Derivative financial assets	-	17
Tax recoverable	8,232	7,302
Cash and cash equivalents	45,609	40,700
	788,728	797,370
Non-current asset classified as held for sale	-	37,000
	788,728	834,370
TOTAL ASSETS	1,947,973	2,030,210
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	350,229	350,229
Reserves	480,362	436,460
Equity funds	830,591	786,689
Shares held by ESOS Trust	(23,883)	(23,883)
	806,708	762,806
Non-controlling interests	85,300	79,983
TOTAL EQUITY	892,008	842,789

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013 (cont'd)

	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000 (restated)
Non-current liabilities		
Loans and borrowings	792,015	792,554
Deferred tax liabilities	14,294	14,925
	806,309	807,479
Current liabilities		
Trade and other payables	78,031	72,395
Progress billings in respect of property development costs	32,745	-
Loans and borrowings	137,216	307,304
Tax payable	1,664	243
	249,656	379,942
TOTAL LIABILITIES	1,055,965	1,187,421
TOTAL EQUITY AND LIABILITIES	1,947,973	2,030,210
Net assets per share attributable to ordinary owners of the Company (RM)	1.2043	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.

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 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	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 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 income for the period	-	-	-	-	-	-	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 figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 income/(loss) for the period	-	-	-	-	-	2,197	(14,124)	26,534	14,607	2,466	17,073
Transactions with owners:											
Pre-merger redemption of preference shares in a subsidiary	-	-	-	-	(14,850)	-	-	(150)	(15,000)	-	(15,000)
Share-based payments	-	-	-	1,250	-	-	-	-	1,250	-	1,250
Pre-merger dividend paid	-	-	-	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Acquisitions of subsidiaries	-	-	-	-	(30,043)	-	-	-	(30,043)	-	(30,043)
Dividend paid	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 30 June 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

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.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	12 months ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	52,378	28,988
Adjustments for:		
Bad debts written off	3	5
Mark-to-market gain on derivatives	(1,501)	(17)
Property, plant and equipment:		
- depreciation	5,889	6,050
- written off	51	480
- (gain)/loss on disposal	(26)	108
Net loss from fair value adjustment of investment properties	10,000	-
Gain on disposal of non-current asset held for sale	(194)	-
Gain on disposal of available-for-sale investments	(6,310)	-
Loss on liquidation of subsidiaries	27	-
Inventories written down	-	1,812
Reversal for allowance for impairment on trade and other receivables	(3)	(21)
Allowance for impairment on trade and other receivables	67	522
Realisation of goodwill	686	227
Reversal of impairment loss on property development costs	-	(1,618)
Impairment loss on land held for property development	4,253	-
Write-back provision for foreseeable loss	-	(21,801)
Share-based payments	(806)	1,250
Dividend income	(1,818)	(3,752)
Interest expense	29,730	30,913
Interest income	(1,342)	(3,195)
Elimination of unrealised profit arising from transactions with jointly controlled entities	1,960	1,868
Share of results of associates and jointly controlled entities	(39,175)	(32,698)
Operating profit before working capital changes	53,869	9,121
Working capital changes:		
Inventories	13,404	5,134
Receivables	(14,688)	11,087
Property development costs	24,989	(36,422)
Payables	38,562	21,091
Associates balances	(3)	11
Jointly controlled entities balances	(1,061)	(1,014)
Related company balances	116	3,996
Cash generated from operations	115,188	13,004
Interest received	601	2,912
Interest paid	(43,262)	(42,766)
Tax paid	(5,323)	(5,200)
Net cash generated from/(used in) operating activities	67,204	(32,050)

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013 (cont'd)

	12 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(4,748)	(8,095)
Acquisitions of subsidiaries	-	(30,043)
Additions in:		
- land held for property development	(621)	(109,932)
- investment properties under construction	(58,062)	(25,462)
Dividend income from:		
- associate	7,000	6,594
- jointly controlled entities	30,747	18,460
- investment securities	1,818	3,447
Purchase of investment securities	(2,419)	(92,431)
Proceeds from disposals of:		
- property, plant and equipment	29	276
- non-current asset classified as held for sale	37,194	-
- available-for-sale investments	107,380	-
Interest received	741	283
Net cash generated from/(used in) investing activities	119,059	(236,903)
Cash flows from financing activities		
Bank borrowings drawdown	131,913	375,324
Repayment of bank borrowings	(288,568)	(168,624)
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	(166,703)	166,652
Net increase/(decrease) in cash and cash equivalents	19,560	(102,301)
Effect of exchange rate changes on cash and cash equivalents	(679)	(676)
Cash and cash equivalents at beginning of the financial year	24,891	127,868
Cash and cash equivalents at end of the financial year	43,772	24,891

Cash and cash equivalents comprise the following:

	30.06.2013 RM'000	30.06.2012 RM'000
Deposits, cash and bank balances	44,459	39,696
Investment in short term funds	1,150	1,004
Bank overdrafts	(1,837)	(15,809)
	43,772	24,891

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.

The figures have not been audited

NOTES

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 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 called "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 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 2013, except for 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 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 Option Scheme ("ESOS Trust") during the current financial year under review. As at 30 June 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 30 June 2013, no VCIP option has been vested and 4,500,000 VCIP options granted are outstanding.

There were no share options granted during the current financial year ended 30 June 2013.

There were no issues, repurchases and repayments of debt and equity securities during the current financial year ended 30 June 2013.

8. Dividend paid

During the current financial year ended 30 June 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 year ended 30 June 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	180,023	4,166	65,766	-	13,302	-	263,257
Inter-segment sales	-	-	-	-	7,722	(7,722)	-
Total revenue	180,023	4,166	65,766	-	21,024	(7,722)	263,257
Results							
Segment results	32,316	(5,862)	13,568	-	2,712	-	42,734
Unallocated corporate expenses							(1,143)
Profit from operations							41,591
Finance income	853	285	62	-	142	-	1,342
Finance costs							(29,730)
Share of results of associates and jointly controlled entities	9,102	15,668	-	14,405	-	-	39,175
Income tax expense	(4,161)	(4)	-	-	(927)	-	(5,092)
Profit for the financial year							47,286

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 financial year 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.

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

There were no material subsequent events.

12. **Capital commitments**

	As at 31.06.2013 RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	218,697
- Investment properties	407,013
	625,710

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, other than as mentioned below:

(i) Bedford Excel Venture Sdn Bhd, a wholly-owned subsidiary of the Company, had been dissolved by member's voluntary liquidation on 26 July 2012; and

(ii) Orifour Sdn Bhd and Orifive Sdn Bhd, both indirect wholly-owned subsidiaries of the Company, had been dissolved by member's voluntary liquidation on 27 June 2013.

14. **Review of performance**

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

The Group recorded a revenue of RM74.8 million for the current quarter under review as compared to RM39.0 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 revenue recognised from the new industrial development project in PJ City and more units of completed properties sold. 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 segment 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 RM28.7 million in the preceding year corresponding quarter. The lower result achieved for the current quarter was mainly because the preceding year corresponding quarter had the benefits of a write-back of provision for foreseeable loss amounted to RM15.4 million and gain recognised on sales of land by a joint venture company.

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

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

The Group recorded a revenue and profit before tax of RM263.3 million and RM52.4 million respectively for the current financial year as compared to RM116.3 million and RM29.0 million respectively in the preceding financial year. 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 year. The higher shares of results of associated and joint venture companies have contributed further to the increase in profit.

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 RM10.6 million as reported in the immediate preceding quarter. The profit in the current quarter was higher due to higher profit contributed from property development division.

16. **Prospects**

The outlook of the property market is expected to be cautious but steady amid volatile economic environment. Notwithstanding the challenging environment, properties in selected segments and good location will continue to attract interest.

The prospects of the Group are expected to be positive on the back of the impending and planned property launches and contribution from associated and joint venture companies as well as continued good performance of the hotel segment.

Barring unforeseen circumstances, the Board expects the Group to perform satisfactorily for the next financial year.

17. **Profit forecast/profit guarantee**

Not applicable.

18. Profit for the year

Included in profit for the year are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,322	5,889
Gain on disposal of property, plant and equipment	-	(26)
Gain on disposal of non-current asset classified as held for sale	-	(194)
Gain on disposal of available-for-sale investments	(2,933)	(6,310)
Change in fair value of investment properties	-	10,000
Impairment loss on land held for property development	-	4,253
Allowance for impairment on trade and other receivables	66	67
Realisation of goodwill	343	686
Net realised foreign exchange gain	1,047	(670)
Dividend income	(373)	(1,818)
Mark-to-market gain on derivatives	(1,495)	(1,501)

Other than the above items, there were no write off of inventories and other exceptional items for the current quarter and financial year ended 30 June 2013.

19. Taxation

Taxation comprises:	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(2,691)	(5,334)
- Foreign tax	(90)	(335)
- Deferred taxation	517	952
Prior year under provision		
- Malaysian income tax	(509)	(145)
- Deferred taxation	(116)	(230)
	(2,889)	(5,092)

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 year mainly due to certain deferred tax assets not recognised.

20. Corporate proposals

There is no 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 2013 are as follows:

	RM'000
Short term borrowings	
Secured	11,437
Unsecured	125,779
	137,216
Long term borrowings	
Secured	761,294
Unsecured	30,721
	792,015
Total borrowings	929,231

The above borrowings are all denominated in Ringgit Malaysia.

22. Realised and unrealised profits/losses disclosure

The breakdown of retained profits of the Group

	As at 30.06.2013 RM'000	As at 30.06.2012 RM'000 (restated)
Total retained profits of the Company and its subsidiaries:		
- Realised	194,678	143,964
- Unrealised	(7,474)	1,983
	187,204	145,947
Total share of retained profits from associates:		
- Realised	5,267	4,555
- Unrealised	17,032	9,076
	22,299	13,631
Total share of retained profits from jointly controlled entities:		
- Realised	82,035	91,235
- Unrealised	-	-
	82,035	91,235
Add: Consolidation adjustments	174,601	183,422
Total group retained profits as per consolidated accounts	466,139	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.

23. Derivative financial instruments

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange and interest rates swap. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by the 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 30 June 2013, 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 are as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value gain RM'000
Interest rate swap	120,000	1,518

Derivative financial instruments 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 2013, the Group recognised a gain of approximately RM1,501,000 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 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.

24. Changes in material litigation

Not applicable.

25. Dividend

(a) A proposed final dividend of 4% less tax at 25% has been recommended for the current quarter:

i. Amount per share: 2.0 sen less tax at 25%
ii. Previous 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 2013: 2.0 sen per share less tax at 25% (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	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Net profit attributable to ordinary shareholders for the period (RM'000)	14,144	28,349	41,969	26,534
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	2.11	4.23	6.27	3.96

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	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Net profit attributable to ordinary shareholders for the period (RM'000)	14,144	28,349	41,969	26,534
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Effects of dilution of share options^ ('000)	1,209	-	1,209	-
Weighted average number of shares for diluted earnings per share computation ('000)	671,089	669,880	671,089	669,880
Diluted EPS (sen)	2.11	4.23	6.25	3.96

^ The VCIP options had no dilutive effect in the previous financial year as the average market price of ordinary shares did not exceed the exercise price of the options.

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

Diluted EPS (cont'd)

4,500,000 (2012: 27,500,000) of the outstanding VCIP options granted to selected key executives of the Group have been included in the calculation of diluted earnings per share.

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
CHIN MIN YANN
Secretaries

Kuala Lumpur
26 August 2013