Quarterly rpt on consolidated results for the financial period ended 30/6/2012

GUOCOLAND (MALAYSIA) BERHAD
23/08/2012 07:06:20 PM

Financial Year End	30/06/2012
Quarter	4
Quarterly report for the financial period ended	30/06/2012
The figures	have not been audited

Attachments

Q4 Results (2012).pdf
3540 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION

	30/06/2012			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	$$'000	$$'000	$$'000	$$'000
1Revenue	39,027	58,005	116,328	141,480
2Profit/(loss) before tax	28,662	27,432	28,988	27,694
3Profit/(loss) for the period	29,249	26,118	29,000	25,831
4Profit/(loss) attributable to ordinary equity holders of the parent	28,349	25,784	26,534	24,701
5Basic earnings/(loss) per share (Subunit)	4.23	3.85	3.96	3.69
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 ($$)	1.1381		1.2190	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	23 Aug 2012
Category	Financial Results
Reference No	GG-120823-3450B

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2012

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	3 months ended		Year ended	
	30.06.2012 RM'000	30.06.2011 RM'000 (restated)	30.06.2012 RM'000	30.06.2011 RM'000 (restated)
Revenue	39,027	58,005	116,328	141,480
Cost of sales	(23,547)	(34,181)	(73,175)	(96,716)
Gross profit	15,480	23,824	43,153	44,764
Other net operating income	18,350	5,715	28,861	8,870
Selling and marketing expenses	(4,878)	(1,228)	(9,125)	(3,602)
Administrative expenses	(9,832)	(12,626)	(38,881)	(35,083)
Profit from operations	19,120	15,685	24,008	14,949
Finance income	266	157	3,195	2,183
Finance costs	(8,160)	(6,833)	(30,913)	(25,916)
Share of results of associates and jointly controlled entities	17,436	18,423	32,698	36,478
Profit before tax	28,662	27,432	28,988	27,694
Taxation	587	(1,314)	12	(1,863)
Profit for the period	**29,249**	**26,118**	**29,000**	**25,831**
Profit attributable to:				
Owners of the Company	28,349	25,784	26,534	24,701
Non-controlling interests	900	334	2,466	1,130
Profit for the period	**29,249**	**26,118**	**29,000**	**25,831**
Earnings per share attributable to owners of the Company:				
a) Basic (sen)	4.23	3.85	3.96	3.69
b) Diluted (sen)	4.23	3.85	3.96	3.69

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	3 months ended		Year ended	
	30.06.2012 RM'000	30.06.2011 RM'000 (restated)	30.06.2012 RM'000	30.06.2011 RM'000 (restated)
Profit for the period	**29,249**	**26,118**	**29,000**	**25,831**
Other comprehensive income/(loss):				
Fair value (loss)/gain on available-for-sale investments	(6,886)	948	(14,124)	2,610
Foreign currency translation	4,522	(769)	2,197	(769)
Total comprehensive income for the period	**26,885**	**26,297**	**17,073**	**27,672**
Total comprehensive income attributable to:				
Owners of the Company	25,985	25,963	14,607	26,542
Non-controlling interests	900	334	2,466	1,130
Total comprehensive income for the period	**26,885**	**26,297**	**17,073**	**27,672**

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	As at 30.06.2012 RM'000	As at 30.06.2011 RM'000 (restated)
Non-current assets		
Property, plant and equipment	229,754	228,626
Investment properties	231,761	241,256
Land held for property development	185,782	65,568
Investments in associates	102,435	102,148
Investments in jointly controlled entities	338,667	333,178
Available-for-sale investments	89,158	7,673
Goodwill	14,891	15,118
Deferred tax assets	3,392	2,936
	1,195,840	996,503
Current assets		
Inventories	446,889	453,835
Property development costs	269,159	232,206
Trade and other receivables	30,326	46,980
Other current assets	2,977	1,241
Derivative financial asset	17	-
Tax recoverable	7,302	2,917
Cash and cash equivalents	40,700	132,471
	797,370	869,650
Non-current asset classified as held for sale	37,000	-
	834,370	869,650
TOTAL ASSETS	2,030,210	1,866,153
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	350,229	350,229
Reserves	436,033	490,267
Equity funds	786,262	840,496
Shares held by ESOS Trust	(23,883)	(23,883)
	762,379	816,613
Non-controlling interests	79,983	77,517
TOTAL EQUITY	842,362	894,130

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012 (cont'd)

	As at 30.06.2012 RM'000	As at 30.06.2011 RM'000 (restated)
Non-current liabilities		
Loans and borrowings	792,554	544,264
Deferred tax liabilities	15,352	15,576
	807,906	559,840
Current liabilities		
Trade and other payables	72,395	64,252
Progress billings in respect of property development costs	-	9,853
Loans and borrowings	307,304	337,688
Tax payable	243	390
	379,942	412,183
TOTAL LIABILITIES	1,187,848	972,023
TOTAL EQUITY AND LIABILITIES	2,030,210	1,866,153
Net assets per share attributable to ordinary owners of the Company (RM)	1.1381	1.2190

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	← Attributable to owners of the Company →										
	← Non-Distributable →							Distributable			
	Share capital RM'000	Share premium RM'000	Shares held by ESOS Trust RM'000	Share option reserve RM'000	Capital and other 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 2011	350,229	35,089	(23,883)	-	-	(769)	2,610	414,471	777,747	77,517	855,264
Effect of adopting merger method of accounting	-	-	-	-	20,865	-	-	18,001	38,866	-	38,866
At 1 July 2011 (restated)	350,229	35,089	(23,883)	-	20,865	(769)	2,610	432,472	816,613	77,517	894,130
Total comprehensive income/(loss) for the period	-	-	-	-	-	2,197	(14,124)	26,534	14,607	2,466	17,073
Transactions with owners:											
Acquisitions of subsidiaries	-	-	-	-	(30,043)	-	-	-	(30,043)	-	(30,043)
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)
Dividend paid	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 30 June 2012	350,229	35,089	(23,883)	1,250	(24,028)	1,428	(11,514)	433,808	762,379	79,983	842,362
Preceding year corresponding period											
At 1 July 2010	350,229	35,089	(23,883)	-	-	-	-	404,560	765,995	76,387	842,382
Effect of adopting merger method of accounting	-	-	-	-	80,265	-	-	13,859	94,124	-	94,124
At 1 July 2010 (restated)	350,229	35,089	(23,883)	-	80,265	-	-	418,419	860,119	76,387	936,506
Total comprehensive (loss)/income for the period	-	-	-	-	-	(769)	2,610	24,701	26,542	1,130	27,672
Transactions with owners:											
Pre-merger redemption of preference shares in a subsidiary	-	-	-	-	(59,400)	-	-	(600)	(60,000)	-	(60,000)
Dividend paid	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 30 June 2011 (restated)	350,229	35,089	(23,883)	-	20,865	(769)	2,610	432,472	816,613	77,517	894,130

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	12 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000 (restated)
Cash flows from operating activities		
Profit before tax	28,988	27,694
Adjustments for:		
Bad debts written off	5	-
Mark to market gain on derivatives	(17)	-
Property, plant and equipment:		
- depreciation	6,050	6,023
- written off	480	98
- loss/(gain) on disposal	108	(246)
Inventories written down	1,812	-
Reversal for allowance for impairment on trade and other receivables	(21)	(442)
Allowance for impairment on trade and other receivables	522	86
Reversal of goodwill	227	797
Reversal of impairment loss on property development costs	(1,618)	(13,696)
Write-back provision for foreseeable loss	(21,801)	-
Share-based payments	1,250	-
Dividend income	(3,752)	-
Finance costs	30,913	25,916
Interest income	(3,195)	(2,183)
Elimination of unrealised profit arising from transactions with jointly controlled entities	1,868	1,581
Share of results of associates and jointly controlled entities	(32,698)	(36,478)
Operating profit before working capital changes	9,121	9,150
Working capital changes:		
Inventories	5,134	19,771
Due from contract customers	-	280
Receivables	11,087	(3,875)
Property development costs	(36,422)	35,673
Payables	21,091	(11,381)
Associates balances	11	(4)
Jointly controlled entities balances	(1,014)	5,571
Related company balances	3,996	60,403
Cash generated from operations	13,004	115,588
Interest received	2,912	580
Interest paid	(42,766)	(33,149)
Tax paid	(5,200)	(3,257)
Net cash (used in)/generated from operating activities	(32,050)	79,762

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012 (cont'd)

	12 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000 (restated)
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(8,095)	(6,539)
Acquisitions of additional interest in an associate	-	(5,103)
Acquisitions of subsidiaries	(30,043)	-
Additions in:		
- land held for property development	(109,932)	(246)
- investment properties under construction	(25,462)	-
Dividend income from:		
- associate	6,594	5,873
- jointly controlled entities	18,460	-
- investment securities	3,447	-
Purchase of investment securities	(92,431)	(74)
Proceeds from disposals of property, plant and equipment	276	487
Interest received	283	1,603
Net cash used in investing activities	(236,903)	(3,999)
Cash flows from financing activities		
Bank borrowings drawdown	375,324	524,110
Repayment of bank borrowings	(168,624)	(416,181)
Pre-merger redemption of preference shares in a subsidiary	(15,000)	(60,000)
Pre-merger dividend paid by subsidiary	(15,000)	-
Dividend paid	(10,048)	(10,048)
Net cash generated from financing activities	166,652	37,881
Net (decrease)/increase in cash and cash equivalents	(102,301)	113,644
Effect of exchange rate changes on cash and cash equivalents	(676)	(769)
Cash and cash equivalents at beginning of the period	127,868	14,993
Cash and cash equivalents at end of the period	24,891	127,868

Cash and cash equivalents comprise the following:

	30.06.2012 RM'000	30.06.2011 RM'000 (restated)
Deposits, cash and bank balances	39,696	132,471
Investment in short term funds	1,004	-
Bank overdrafts	(15,809)	(4,603)
	24,891	127,868

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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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 2011. 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 2011.

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 2011 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 2011 and 1 July 2011 respectively. 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.

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 2012.

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

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial year.

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7. **Issuance and repayment 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 2012, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESOS Trust.

At the Extraordinary General Meeting of GLM held on 11 October 2011, the shareholders had approved the following:

(a) Termination of the existing Executive Share Option Scheme ("Existing ESOS") established on 23 January 2006; and

(b) Establishment of a new Executive Share Option Scheme ("New ESOS") for the benefit of eligible executives. The New ESOS will enable the Company to have a fresh duration of 10 years to implement the scheme.

The Company has not offered any option pursuant to the Existing ESOS. However, during the period under review, 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. Pursuant to the VCIP, options over 27,500,000 existing GLM shares have been granted to selected key executives of the Group ("VCIP Options").

The vesting of the VCIP Options is conditional upon the achievement of prescribed financial and performance targets/criteria over a stipulated performance period. No VCIP Option has been vested during the financial year.

Except for the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year ended 30 June 2012.

8. **Dividend paid**

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 2011 was paid on 1 November 2011.

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9. Segmental reporting

The Group's segmental report for the current financial year ended 30 June 2012 is as follows:

	Property development	Property investment	Hotels	Plantations	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	39,758	5,102	58,226	-	13,242	-	116,328
Inter-segment sales	194,000	-	-	-	8,890	(202,890)	-
Total revenue	233,758	5,102	58,226	-	22,132	(202,890)	116,328
Results							
Segment results	24,326	2,205	8,022	-	(9,343)	-	25,210
Unallocated corporate expenses							(1,202)
Profit from operations							24,008
Finance income	3,080	-	45	-	70	-	3,195
Finance costs							(30,913)
Share of results of associates and jointly controlled entities	16,255	6,881	-	9,562	-	-	32,698
Income tax (expense)/benefit	(397)	-	2	-	407	-	12
Profit for the year							29,000

Segmental reporting by geographical location has not been prepared as the Group's operations are substantially carried out in Malaysia.

10. Valuations of property, plant and equipment

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

11. Material events not reflected in the financial statements

There were no material subsequent events.

12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at 30 June 2012.

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13. Capital Commitments

	As at 30.06.2012 RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	5,041
- Investment properties	107,167
	112,208

14. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year ended 30 June 2012, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations, other than as mentioned below:

(i) The Group had, on 9 December 2011, acquired 2 ordinary shares of RM1.00 each, being the entire equity interest in Wonderful Space Sdn Bhd, for a cash consideration of RM2.00;

(ii) The Group had, on 16 January 2012, acquired 2 ordinary shares of RM1.00 each, being the entire equity interest in Tegas Jejaka Sdn Bhd, for a cash consideration of RM2.00;

(iii) The Group had, on 23 April 2012, completed the acquisitions of the entire equity interests in:
   (a) PJ City Development Sdn Bhd, representing 5,000,002 ordinary shares of RM1.00 each, for a cash consideration of RM29,785,000; and
   (b) PJ Corporate Park Sdn Bhd, representing 20,000,000 ordinary shares of RM1.00 each, for a cash consideration of RM258,000; and

(iv) The Group had, on 13 June 2012, acquired the entire equity interests in each of the following new companies representing 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00 each:
   (a) Impressive Genesis Sdn Bhd;
   (b) Intelligent Circle Sdn Bhd;
   (c) Hikmat Gembira Sdn Bhd; and
   (d) Famous Moments Sdn Bhd.

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15. Review of performance

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

The Group recorded revenue of RM39.0 million for current quarter under review as compared to RM58.0 million in the preceding year corresponding quarter.

Property development division has contributed revenue of RM17.8 million for the current quarter as compared to RM39.8 million in the preceding year corresponding quarter. The decrease is mainly due to more units of completed properties sold in the preceding year corresponding quarter and the preceding year corresponding quarter has the benefit of land sales. Revenue for property development division for the current quarter mainly contributed from the on-going residential development project in Kajang and commercial development project in Old Klang Road.

The reduction in the property development's contribution was mitigated by an increase in revenue from hotels operations. Hotels operations have recorded revenue of RM15.1 million for the current quarter as compared to RM13.7 million in the preceding year corresponding quarter as a result of overall higher occupancy rate.

Revenue from property investment division and other businesses are fairly consistent with preceding year corresponding quarter.

The Group has recorded higher profit before tax of RM28.7 million for the current quarter as compared to the profit before tax of RM27.4 million in the preceding year corresponding quarter principally due to higher profit contributed from property development division. The improved result from property development division is mainly due to write-back of provision for foreseeable loss which resulted in higher income for the current quarter.

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

For the current financial year, the Group recorded revenue of RM116.3 million as compared to preceding financial year of RM141.5 million. The decrease in revenue is mainly attributable to factors mentioned in Note 15(a) above.

The Group has recorded profit before tax of RM29.0 million for the current financial year as compared to the profit before tax of RM27.7 million in the preceding financial year. The improvement in the results is mainly attributed to the write-back of the provision for foreseeable loss which resulted in higher income recorded by property development division. The aforementioned higher profit contribution was, however, offset by lower contribution from share of results of associates and jointly controlled entities as well as higher staff costs and finance costs. Contribution from the share of results of associates and jointly controlled entities for the current financial year has decreased by RM3.8 million mainly because the preceding financial year had the benefit of a gain on disposal of land by a jointly controlled entity.

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16. **Material change in profit before tax for the current quarter compared with the immediate preceding quarter**

The Group recorded a profit before tax of RM28.7 million in the current quarter as compared to loss before tax of RM0.86 million as reported in the immediate preceding quarter. The profit for current quarter is contributed substantially by the write-back of the provision for foreseeable loss of RM15.4 million and profit recognised on completion of sale of land by a jointly controlled entity amounted to RM7.1 million.

17. **Prospects**

The property market is expected to be challenging in view of the volatile economic environment. Notwithstanding the uncertain external economic factors, properties in selected and prime locations are expected to continue to attract property buyers' and tenants' interests.

The prospects of the Group are expected to be positive with the impending launch of the Group's property development projects and the profits contributed from associated companies. For hotels operations, the Board expects good performance in view of the continued improvement in occupancy rate.

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

18. **Profit forecast/profit guarantee**

Not applicable.

19. **Profit for the period**

Included in profit for the period are:

	Current Quarter RM'000	Current Financial Year RM'000
Depreciation of property, plant and equipment	1,566	6,050
Loss on disposal of property, plant and equipment	160	108
Reversal of goodwill	114	227
Net realised on exchange gain	(860)	(860)
Allowance for impairment on trade and other receivables	522	501
Inventories written down	1,812	1,812
Interest expense	8,160	30,913
Interest income	(266)	(3,195)
Dividend income	(2,256)	(3,752)
Mark to market gain on derivatives	149	(17)
Write-back of provision for foreseeable loss	(15,394)	(21,801)

Other than the above items, there were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and financial period ended 30 June 2012.

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20. Taxation

Taxation comprises:	Current Quarter RM'000	Current Financial Year RM'000
Current taxation		
- Malaysian income tax	(671)	47
- Deferred taxation	(577)	(747)
Prior year over/(under) provision		
- Malaysian income tax	661	621
- Deferred taxation	-	67
	(587)	(12)

The Group's effective tax benefit rates (excluding jointly controlled entities and associates) are lower than the statutory tax rate for the current quarter and financial period mainly due to utilisation of previously unrecognised deferred tax assets.

21. 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"). Accordingly, the results of the Group have been stated as if PJCD and PJCP have been combined with the Group throughout the current and previous accounting periods. The comparatives of the Group related to that of PJCD and PJCP for the previous financial year have been adjusted for the effects arising from using the merger method of accounting.

22. Corporate proposals

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

23. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 June 2012 are as follows:

	RM'000
Long term borrowings	
Secured	84,061
Unsecured	223,243
	307,304
Short term borrowings	
Secured	765,554
Unsecured	27,000
	792,554
Total borrowings	1,099,858

The above borrowings are all denominated in Ringgit Malaysia.

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24. Realised and unrealised profits/losses disclosure

The breakdown of retained profits of the Group

	As at 30.06.2012 RM'000	As at 30.06.2011 RM'000 (restated)
Total retained profits of the Company and its subsidiaries:		
- Realised	143,964	152,707
- Unrealised	1,983	(10,910)
	145,947	141,797
Total share of retained profits from associates:		
- Realised	4,555	4,298
- Unrealised	9,076	9,046
	13,631	13,344
Total share of retained profits from jointly controlled entities:		
- Realised	91,235	85,746
- Unrealised	-	-
	91,235	85,746
Add: Consolidation adjustments	182,995	191,585
Total group retained profits as per consolidated accounts	433,808	434,472

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.

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25. 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 30 June 2012, the Group's outstanding foreign exchange forward contract entered into as hedges of anticipated future transactions is as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value RM'000
Foreign exchange forward contract (less than 1 year)	35,184	17

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 income statement at each reporting date. During the current financial year ended 30 June 2012, the Group recognised a profit of approximately RM17,000 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 and market risk because the contract was 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 2011.

26 Changes in material litigation

Not applicable.

27. 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 2012: 2.0 sen per share less tax at 25% (Total for the previous corresponding year: 2.0 sen per share less tax at 25%).

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28. **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		12 months	
	Ended 30.06.2012	Ended 30.06.2011 (restated)	Ended 30.06.2012	Ended 30.06.2011 (restated)
Net profit attributable to ordinary shareholders for the period (RM'000)	28,349	25,784	26,534	24,701
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	4.23	3.85	3.96	3.69

Diluted EPS

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

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
Secretary

Kuala Lumpur
23 August 2012

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