Quarterly rpt on consolidated results for the financial period ended 30 Sep 2015

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2016
Quarter	1 Qtr
Quarterly report for the financial period ended	30 Sep 2015
The figures	have not been audited

Attachments

1st Quarter Results.pdf
1.2 MB

Default Currency | **Other Currency** Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
30 Sep 2015

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Sep 2015	30 Sep 2014	30 Sep 2015	30 Sep 2014
		$$'000	$$'000	$$'000	$$'000
1	**Revenue**	70,806	28,501	70,806	28,501
2	**Profit/(loss) before tax**	24,641	4,446	24,641	4,446
3	**Profit/(loss) for the period**	22,464	3,503	22,464	3,503
4	**Profit/(loss) attributable to ordinary equity holders of the parent**	21,332	2,780	21,332	2,780
5	**Basic earnings/(loss) per share (Subunit)**	3.18	0.42	3.18	0.42
6	**Proposed/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
7	**Net assets per share attributable to ordinary equity**	1.7070	1.6759

holders of the parent ($$)

Definition of Subunit:

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

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

Announcement Info

Company Name	GUOCOLAND (MALAYSIA) BERHAD
Stock Name	GUOCO
Date Announced	11 Nov 2015
Category	Financial Results
Reference Number	FRA-11112015-00012

GuocoLand Malaysia
A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	3 months ended		Year-to-date ended	
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue	70,806	28,501	70,806	28,501
Cost of sales	(48,909)	(18,165)	(48,909)	(18,165)
Gross profit	21,897	10,336	21,897	10,336
Selling and marketing expenses	(3,757)	(524)	(3,757)	(524)
Administrative expenses	(8,692)	(7,855)	(8,692)	(7,855)
Other net operating income	18,106	5,113	18,106	5,113
Profit from operations	27,554	7,070	27,554	7,070
Finance income	129	480	129	480
Finance costs	(3,603)	(6,369)	(3,603)	(6,369)
Share of results of associates and joint ventures	561	3,265	561	3,265
Profit before tax	24,641	4,446	24,641	4,446
Income tax expense	(2,177)	(943)	(2,177)	(943)
Profit for the period	**22,464**	**3,503**	**22,464**	**3,503**
Profit attributable to:				
Owners of the parent	21,332	2,780	21,332	2,780
Non-controlling interests	1,132	723	1,132	723
Profit for the period	**22,464**	**3,503**	**22,464**	**3,503**
Earnings per share attributable to owners of the parent:				
a) Basic (sen)	3.184	0.415	3.184	0.415
b) Diluted (sen)	3.184	0.414	3.184	0.414

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 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 FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	3 months ended		Year-to-date ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	**22,464**	**3,503**	**22,464**	**3,503**
Other comprehensive loss:				
Fair value loss on available-for-sale investments	(503)	(1,006)	(503)	(1,006)
Foreign currency translation	37	(2,457)	37	(2,457)
Other comprehensive loss for the period	(466)	(3,463)	(466)	(3,463)
Total comprehensive income for the period	**21,998**	**40**	**21,998**	**40**
Total comprehensive income/(loss) attributable to:				
Owners of the parent	20,866	(683)	20,866	(683)
Non-controlling interests	1,132	723	1,132	723
Total comprehensive income for the period	**21,998**	**40**	**21,998**	**40**

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	As at 30.09.2015 RM'000	As at 30.06.2015 RM'000
Non-current assets		
Property, plant and equipment	286,946	270,874
Investment properties	390,464	421,210
Land held for property development	362,543	362,462
Investments in associates	196,404	197,194
Investments in joint ventures	112,886	113,480
Available-for-sale investments	1,373	1,876
Goodwill	13,178	13,638
Deferred tax assets	6,434	4,910
Derivative financial assets	1,520	637
	1,371,748	1,386,281
Current assets		
Inventories	427,056	444,289
Property development costs	579,268	532,675
Trade and other receivables	50,696	35,614
Other current assets	47,574	25,798
Tax recoverable	4,609	3,120
Cash and cash equivalents	41,853	50,414
	1,151,056	1,091,910
Investment properties classified as held for sale	64,680	-
Assets of disposal group classified as held for sale	435,548	419,095
	1,651,284	1,511,005
TOTAL ASSETS	3,023,032	2,897,286

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015 (cont'd)

	As at 30.09.2015 RM'000	As at 30.06.2015 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	350,229	350,229
Reserves	817,168	796,302
Equity funds	1,167,397	1,146,531
Shares held by ESS Trust	(23,883)	(23,883)
	1,143,514	1,122,648
Non-controlling interests	110,209	109,077
TOTAL EQUITY	1,253,723	1,231,725
Non-current liabilities		
Loans and borrowings	815,519	783,982
Deferred tax liabilities	33,917	32,797
Derivative financial liabilities	252	243
	849,688	817,022
Current liabilities		
Trade and other payables	186,226	147,701
Progress billings in respect of property development costs	1,433	-
Loans and borrowings	438,960	424,781
Tax payable	1,368	1,092
	627,987	573,574
Liabilities of disposal group classified as held for sale	291,634	274,965
TOTAL LIABILITIES	1,769,309	1,665,561
TOTAL EQUITY AND LIABILITIES	3,023,032	2,897,286
Net assets per share attributable to ordinary owners of the parent (RM)	1.7070	1.6759

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	← Attributable to owners of the parent →										
	← Non-Distributable →							Distributable			
	Share capital RM'000	Share premium RM'000	Shares held by ESS Trust 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 2015	350,229	35,089	(23,883)	(24,028)	17	3	434	784,787	1,122,648	109,077	1,231,725
Total comprehensive income/(loss) for the period	-	-	-	-	-	37	(503)	21,332	20,866	1,132	21,998
At 30 September 2015	350,229	35,089	(23,883)	(24,028)	17	40	(69)	806,119	1,143,514	110,209	1,253,723

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (cont'd)

	← Attributable to owners of the parent →											
	← Non-Distributable →								Distributable			
	Share capital RM'000	Share premium RM'000	Shares held by ESS Trust RM'000	Share option reserve RM'000	Merger reserve RM'000	Capital redemption reserve RM'000	Exchange reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Preceding year corresponding period												
At 1 July 2014	350,229	35,089	(23,883)	684	(24,028)	17	2,457	2,675	609,319	952,559	88,495	1,041,054
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(2,457)	(1,006)	2,780	(683)	723	40
Transactions with owners:												
Share-based payments	-	-	-	60	-	-	-	-	-	60	-	60
Non-controlling interests arising on a business combination	-	-	-	-	-	-	-	-	-	-	19,908	19,908
At 30 September 2014	350,229	35,089	(23,883)	744	(24,028)	17	-	1,669	612,099	951,936	109,126	1,061,062

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 2015 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	3 months ended	
	30.09.2015	**30.09.2014**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before tax	24,641	4,446
Adjustments for:		
Bad debts written off	-	28
Mark-to-market gain on derivatives	(1,609)	212
Property, plant and equipment:		
- depreciation	1,432	1,428
- written off	2	-
Realisation of goodwill	460	-
Net gain on fair value adjustments of investment properties	(16,680)	-
Gain on disposal of available-for-sale investments	-	(504)
Allowance for impairment on trade and other receivables	-	5
Share-based payments	-	60
Interest expense	3,603	6,369
Interest income	(129)	(480)
Elimination of unrealised profit arising from transactions with joint ventures	-	98
Share of results of associates and joint ventures	(561)	(3,265)
Operating profit before working capital changes	11,159	8,397
Working capital changes:		
Inventories	17,233	990
Receivables	(36,359)	4,363
Property development costs	(43,599)	(20,814)
Payables	41,022	3,090
Associates balances	-	(11)
Joint ventures balances	(20)	1,697
Related company balances	(1,229)	114
Cash generated from/(used in) operations	(11,793)	(2,174)
Interest received	-	130
Interest paid	(19,235)	(14,903)
Tax paid	(3,793)	(2,506)
Net cash generated from/(used in) operating activities	(34,821)	(19,453)

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (cont'd)

	3 months ended	
	30.09.2015	**30.09.2014**
	RM'000	**RM'000**
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(16,664)	(2,211)
Acquisitions of equity and non-equity interest in a subsidiary	-	(30,783)
Additions in:		
- land held for property development	(81)	(5,282)
- investment properties under construction	(21,490)	(23,574)
Dividend income from:		
- associates	1,945	2,327
Proceeds from disposals of investment securities	-	819
Interest received	129	350
Net cash used in investing activities	(36,161)	(58,354)
Cash flows from financing activities		
Bank borrowings drawdown	74,896	137,336
Repayment of bank borrowings	(20,335)	(24,277)
Net cash generated from financing activities	54,561	113,059
Net (decrease)/increase in cash and cash equivalents	(16,421)	35,252
Effect of exchange rate changes on cash and cash equivalents	37	(2,457)
Cash and cash equivalents at beginning of the financial period	45,810	55,793
Cash and cash equivalents at end of the financial period	29,426	88,588

Cash and cash equivalents comprise the following:

	30.09.2015	**30.09.2014**
	RM'000	**RM'000**
Deposits, cash and bank balances	41,403	100,692
Bank overdrafts	(12,427)	(12,104)
	29,426	88,588

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 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 2015. 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 2015.

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 2015 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 2015 and 1 July 2015 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 2015.

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.

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. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the definition of "Transitioning Entities" and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2017.

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 30 September 2015.

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 Scheme ("ESS Trust") during the current quarter under review. As at 30 September 2015, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

During the financial year ended 30 June 2012, GLM had 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 would be satisfied through the transfer of existing GLM shares held under the ESS Trust.

The vesting of the VCIP options is conditional upon the achievement of prescribed financial and performance targets/criteria over a stipulated performance period. All unvested VCIP Options granted had lapsed during the previous financial year. No VCIP Option had been granted during the current financial period.

On 7 July 2015, option over 10,000,000 GLM shares (representing 1.43% of the existing issued and paid-up ordinary share capital of GLM) had been granted to the Managing Director of the Company pursuant to the ESS. The underlying 7,004,585 GLM shares under the said option are within the 1% limit stipulated by The Stock Exchange of Hong Kong Limited ("HKSE") Listing Rules and the ESS. The option in respect of the remaining 2,995,415 GLM shares were offered conditional on the approval of shareholders of Guoco Group Limited in a general meeting to be convened as required under the HKSE Listing Rules and the ESS.

There were no issues, repurchases and repayments of debt and equity securities during the current financial period ended 30 September 2015.

8. Dividend paid

There was no dividend paid during the current quarter ended 30 September 2015.

9. Segmental reporting

The Group's segmental report for the current financial period ended 30 September 2015 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	51,374	161	14,381	4,001	889	-	70,806
Inter-segment sales	-	-	-	-	2,929	(2,929)	-
Total revenue	51,374	161	14,381	4,001	3,818	(2,929)	70,806
Results							
Segment results	8,130	17,893	1,288	2,188	(1,671)	-	27,828
Unallocated corporate expenses							(274)
Profit from operations							27,554
Finance income	60	3	6	53	7	-	129
Finance costs							(3,603)
Share of results of associates and joint ventures	(594)	1,048	-	107	-	-	561
Income tax expense	(1,286)	(1)	-	(529)	(361)	-	(2,177)
Profit for the financial period							22,464

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 valuation exercises undertaken by the Group during the financial period under review for accounting purposes pursuant to FRS 140 Investment Property to ascertain the current fair value of the investment properties. Accordingly, a fair value gain of RM16.7 million was recognised as other net operating income.

The investment properties being valued were Menara Pandan C & D which comprise 2 blocks of 10-storey office towers together with a 2-level elevated car parks situated on a leasehold land located at Persiaran MPAJ, Jalan Pandan Utama, Pandan Indah, 55100 Kuala Lumpur, of which the market value as at 10 September 2015 was RM64.7 million. The valuation will increase the net assets per share of the Group. The sale and purchase transactions had been announced on 10 September 2015, pursuant to Chapter 10 of Bursa Malaysia Securities Berhad Listing Requirements.

11. Material subsequent events not reflected in the financial statements

There were no material subsequent events not reflected in the financial statements except for the following:

a) Vintage Heights Sdn Bhd ("VHSB"), an associated company of GLM, had on 16 October 2015, entered into a conditional sale and purchase agreement with Putrajaya Properties Sdn Bhd ("PPSB") and Hap Seng Consolidated Berhad for the proposed disposal by VHSB to PPSB of a parcel of land located in Mukim and District of Sepang, Selangor for a cash consideration of RM475.0 million. This transaction was announced to Bursa Malaysia Securities Berhad on 19 October 2015; and

b) Sabna Development Sdn Bhd ("SDSB"), an indirect wholly-owned subsidiary of GLM, had on 30 October 2015, entered into a sale and purchase agreement with Kumpulan Wang Persaraan (Diperbadankan) (Retirement Fund (Incorporated)) ("KWAP") for the proposed disposal by SDSB to KWAP of a parcel of land located in the District and State of Wilayah Persekutuan Kuala Lumpur for a cash consideration of RM87,915,229. This transaction was announced to Bursa Malaysia Securities Berhad on 30 October 2015.

12. Capital commitments

	As at 30.09.2015 RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	195,809
- Investment properties	309,187
	504,996

13. Changes in the composition of the Group

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

14. **Review of performance**

Performance of the current quarter against the preceding year corresponding quarter

The Group recorded revenue of RM70.8 million for the current quarter under review as compared to RM28.5 million in the preceding year corresponding quarter. The increase in revenue was mainly due to higher contribution from the Group's residential project in Damansara City and commercial project in PJ City Corporate Hub.

The Group recorded higher profit before tax of RM24.6 million for the current quarter as compared to RM4.4 million in the preceding year corresponding quarter due to the reasons mentioned above and recognition of fair value gain amounted to RM16.7 million arising from the valuation of investment properties.

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 RM24.6 million for the current quarter as compared to RM185.6 million as reported in the immediate preceding quarter. The decrease in current quarter was mainly due to higher recognition of fair value on the Group's investment properties in the immediate preceding quarter.

16. **Prospects**

The Group expects the property market outlook and sentiment to remain cautious amid uncertain economic environment. The Board foresees a challenging year ahead. The Group will continue to focus on timely completion of its development projects and to monetize its inventories.

17. **Profit forecast/profit guarantee**

Not applicable.

18. **Profit for the year**

Included in profit for the financial period are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,432	1,432
Mark-to-market gain on derivatives	(1,609)	(1,609)
Property, plant and equipment written off	2	2

Other than the above items, there were no allowance for impairment and write off of inventories, gain or loss on disposal of property, unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and financial period ended 30 September 2015.

19. **Taxation**

Taxation comprises:

	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(2,582)	(2,582)
- Deferred taxation	405	405
	(2,177)	(2,177)

The Group's effective tax rate (excluding joint ventures and associates) is lower than the statutory tax rate for the current quarter mainly due to the gain from revaluation not subjected to tax.

20. Corporate proposals

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

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 September 2015 are as follows:

	RM'000
Short term borrowings	
Secured	255,798
Unsecured	183,162
	438,960
Long term borrowings	
Secured	811,366
Unsecured	4,153
	815,519
Total borrowings	1,254,479

The above borrowings are all denominated in Ringgit Malaysia.

22. Realised and unrealised profits disclosure

The breakdown of retained profits of the Group is as follows:

	As at 30.09.2015 RM'000	As at 30.06.2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	270,876	243,168
- Unrealised	248,106	275,774
	518,982	518,942
Total share of retained profits from associates:		
- Realised	35,090	35,943
- Unrealised	16,469	16,406
	51,559	52,349
Total share of retained profits from joint ventures:		
- Realised	37,014	37,608
- Unrealised	-	-
	37,014	37,608
Add: Consolidation adjustments	198,564	175,888
Total Group retained profits as per consolidated accounts	806,119	784,787

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

23. Derivative financial instruments

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

The Group has entered into interest rate swap contracts to hedge cash flow interest rate risk arising from floating rate bank loans and the details as at 30 September 2015 are as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value gain RM'000
Interest rate swaps	236,000	1,268

Interest rate swaps are used to reduce exposure to fluctuations in interest rates and are categorised as fair value through profit or loss and measured at their fair value with the changes in fair value being recognised in the profit or loss at each reporting date. During the current financial period ended 30 September 2015, the Group recognised a gain of approximately RM1,609,000 arising from fair values changes of financial derivative. The fair value changes are attributable to changes in floating and fixed interest rates.

There is minimal credit risk because the contracts are executed with established financial institution.

There is no significant change in the policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group or the related accounting policies. Other related information associated with the financial instruments is consistent with the disclosures in the audited financial statements for the financial year ended 30 June 2015.

24. Changes in material litigation

Not applicable.

25. Dividend

The Board does not recommend any interim dividend for the current financial period ended 30 September 2015.

26. **Earnings per share**

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	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Net profit attributable to ordinary shareholders for the period (RM'000)	21,332	2,780	21,332	2,780
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	3.184	0.415	3.184	0.415

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	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Net profit attributable to ordinary shareholders for the period (RM'000)	21,332	2,780	21,332	2,780
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Effects of dilution of share options ('000)	-*	1,504^	-*	1,504^
Weighted average number of shares for diluted earnings per share computation ('000)	669,880	671,384	669,880	671,384
Diluted EPS (sen)	3.184	0.414	3.184	0.414

* The ESS options had no dilutive effect in the current financial period as the market price of ordinary shares did not exceed the exercise price of the options.

^ In the previous financial period, 3,150,000 of the outstanding VCIP options granted to the selected key executives of the Group have been included in the calculation of diluted earnings per share. The said options had lapsed during the previous financial year end.

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The figures have not been audited

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
CHIN MIN YANN
Secretaries

Kuala Lumpur
11 November 2015