

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	3 months ended		Year-to-date ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	108,608	30,730	253,172	71,144
Cost of sales	(77,451)	(16,158)	(180,824)	(40,351)
Gross profit	<u>31,157</u>	<u>14,572</u>	<u>72,348</u>	<u>30,793</u>
Selling and marketing expenses	(1,740)	(3,355)	(16,857)	(7,236)
Administrative expenses	(16,562)	(7,938)	(29,564)	(14,260)
Other net operating (expenses)/income	(686)	1,749	125	3,453
Profit from operations	<u>12,169</u>	<u>5,028</u>	<u>26,052</u>	<u>12,750</u>
Finance income	1,126	373	2,163	870
Finance costs	(12,506)	(9,364)	(24,617)	(17,903)
Share of results of associates and joint ventures	1,402	114,371	2,815	115,278
Profit before tax	<u>2,191</u>	<u>110,408</u>	<u>6,413</u>	<u>110,995</u>
Income tax	(2,353)	(729)	(4,917)	(1,285)
(Loss)/profit from continuing operations, net of tax	<u>(162)</u>	<u>109,679</u>	<u>1,496</u>	<u>109,710</u>
Discontinued operation				
Profit from discontinuing operation, net of tax	3,016	2,129	4,138	3,234
Profit for the period	<u>2,854</u>	<u>111,808</u>	<u>5,634</u>	<u>112,944</u>
Profit attributable to:				
Owners of the parent	965	110,811	2,025	111,076
Non-controlling interests	1,889	997	3,609	1,868
Profit for the period	<u>2,854</u>	<u>111,808</u>	<u>5,634</u>	<u>112,944</u>
Earnings per share attributable to owners of the parent:				
a) Basic (sen)	0.144	16.542	0.302	16.581
b) Diluted (sen)	0.144	16.542	0.302	16.581

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017 (cont'd)

	3 months ended		Year-to-date ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,854	111,808	5,634	112,944
Other comprehensive (loss)/income:				
Fair value (loss)/gain on available-for-sale investments	(59)	-	(769)	594
Foreign currency translation	8	(10)	8	(15)
Other comprehensive (loss)/income for the period	(51)	(10)	(761)	579
Total comprehensive income for the period	2,803	111,798	4,873	113,523
Total comprehensive income attributable to:				
Owners of the parent	914	110,801	1,264	111,655
Non-controlling interests	1,889	997	3,609	1,868
Total comprehensive income for the period	2,803	111,798	4,873	113,523

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	As at 31.12.2017 RM'000	As at 30.06.2017 RM'000
Non-current assets		
Property, plant and equipment	363,625	523,832
Investment properties	544,673	544,318
Land held for property development	302,486	438,673
Investments in associates	197,409	197,916
Investments in joint ventures	111,887	110,873
Available-for-sale investments	-	1,566
Goodwill	8,140	11,813
Deferred tax assets	7,710	7,347
	<u>1,535,930</u>	<u>1,836,338</u>
Current assets		
Inventories	588,411	756,156
Property development costs	429,273	245,383
Trade and other receivables	229,764	108,308
Other current assets	648	894
Tax recoverable	14,042	7,548
Other investments	49	49
Derivative financial assets	61	118
Cash and cash equivalents	150,358	231,592
	<u>1,412,606</u>	<u>1,350,048</u>
Assets of disposal group classified as held for sale	178,651	-
	<u>178,651</u>	<u>-</u>
TOTAL ASSETS	<u>3,127,187</u>	<u>3,186,386</u>

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 (cont'd)

	As at 31.12.2017 RM'000	As at 30.06.2017 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	385,318	385,318
Reserves	957,861	970,606
Equity funds	1,343,179	1,355,924
Shares held by ESS Trust	(23,883)	(23,883)
	<u>1,319,296</u>	<u>1,332,041</u>
Non-controlling interests	121,997	118,388
TOTAL EQUITY	<u>1,441,293</u>	<u>1,450,429</u>
Non-current liabilities		
Other payables	9,720	8,674
Loans and borrowings	969,212	1,162,110
Deferred tax liabilities	28,569	32,244
	<u>1,007,501</u>	<u>1,203,028</u>
Current liabilities		
Trade and other payables	230,738	271,122
Loans and borrowings	410,418	256,611
Derivative financial liabilities	25	103
Tax payable	9,407	5,093
	<u>650,588</u>	<u>532,929</u>
Liabilities of disposal group classified as held for sale	27,805	-
	<u>27,805</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,685,894</u>	<u>1,735,957</u>
TOTAL EQUITY AND LIABILITIES	<u>3,127,187</u>	<u>3,186,386</u>
Net assets per share attributable to ordinary owners of the parent (RM)	1.9695	1.9885

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	← Attributable to owners of the parent →									
	← Non-Distributable →			Distributable						
	Shares held									
	Share capital	by ESS Trust	Merger reserve	Exchange reserve	Fair value reserve	Other reserve	Retained profits	Total	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date										
At 1 July 2017	385,318	(23,883)	(24,028)	8	769	27	993,830	1,332,041	118,388	1,450,429
Total comprehensive income/(loss) for the period	-	-	-	8	(769)	-	2,025	1,264	3,609	4,873
Dividend paid	-	-	-	-	-	-	(14,009)	(14,009)	-	(14,009)
At 31 December 2017	<u>385,318</u>	<u>(23,883)</u>	<u>(24,028)</u>	<u>16</u>	<u>-</u>	<u>27</u>	<u>981,846</u>	<u>1,319,296</u>	<u>121,997</u>	<u>1,441,293</u>

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017 (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	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 2016	350,229	35,089	(23,883)	(24,028)	27	23	388	885,419	1,223,264	113,733	1,336,997
Total comprehensive (loss)/income for the period	-	-	-	-	-	(15)	594	111,076	111,655	1,868	113,523
Dividend paid	-	-	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
At 31 December 2016	350,229	35,089	(23,883)	(24,028)	27	8	982	983,097	1,321,521	115,601	1,437,122

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	3 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	6,413	110,995
Profit before tax from discontinuing operations	4,137	3,235
Profit before tax	10,550	114,230
Adjustments for:		
Mark-to-market loss on derivatives	(21)	(95)
Gain on disposal of marketable securities	(739)	-
Property, plant and equipment:		
- depreciation	6,644	2,970
- gain on disposal	(58)	(28)
Realisation of goodwill	3,673	221
Allowance for impairment on trade and other receivables	-	20
Dividend income	(2)	-
Interest expense	25,175	18,487
Interest income	(2,359)	(883)
Elimination of unrealised profit arising from transactions with an associate and joint ventures	329	169
Share of results of associates and joint ventures	(2,781)	(115,278)
Operating profit before working capital changes carried forward	40,411	19,813
Working capital changes:		
Inventories	166,908	28,316
Receivables	(133,753)	(12,210)
Property development costs	(45,675)	(15,449)
Payables	4,602	(29,338)
Joint ventures balances	(484)	(337)
Related company balances	(31,369)	(3,951)
Cash flow generated from/(used in) operations	640	(13,156)
Interest received	73	20
Interest paid	(28,069)	(20,932)
Tax paid	(11,135)	(10,049)
Net cash flows used in operating activities	(38,491)	(44,117)

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017 (cont'd)

	3 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(9,224)	(19,117)
Additions in investment properties	(355)	-
Dividend income from associate	1,945	1,945
Proceeds from disposals of:		
- investment securities	1,538	6,697
- plant and equipment	59	28
Interest received	2,286	863
Net cash flows used in investing activities	<u>(3,751)</u>	<u>(9,584)</u>
Cash flows from financing activities		
Bank borrowings drawdown	160,250	239,965
Repayment of bank borrowings	(185,342)	(307,009)
Dividend paid	(14,009)	(13,398)
Net cash flow used in financing activities	<u>(39,101)</u>	<u>(80,442)</u>
Net decrease in cash and cash equivalents	(81,343)	(134,143)
Effect of exchange rate changes on cash and cash equivalents	8	(15)
Cash and cash equivalents at beginning of the financial period	231,592	211,958
Cash and cash equivalents at end of the financial period	<u>150,257</u>	<u>77,800</u>

Cash and cash equivalents comprise the following:

	31.12.2017	31.12.2016
	RM'000	RM'000
Deposits, cash and bank balances	150,358	89,446
Bank overdrafts	(101)	(11,646)
	<u>150,257</u>	<u>77,800</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

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 2017. 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 2017.

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 2017 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 2016 and 1 July 2016 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 2016.

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 2018.

The Group falls within the definition of “Transitioning Entities” and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2019.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

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 cyclicity of interim operations

The Group's interim operations were not materially affected by any seasonal or cyclical factors for the current quarter under review.

5. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period ended 31 December 2017.

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

During the current quarter under review, there were no additional shares purchased by the trust set up for the Executive Share Scheme ("ESS") ("ESS Trust"). As at 31 December 2017, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

On 11 December 2017, options over 20,000,000 GLM shares had been granted to eligible executives of the Company pursuant to the Company's Value Creation Incentive Plan. The options granted are subject to the achievement of certain performance criteria by the option holders over two performance periods concluding at the end of the financial years ending 30 June 2019 and 30 June 2021 respectively. The achievement of the performance targets and the numbers of shares (if any) to be vested shall be determined following the end of the respective performance periods.

Save as detailed above, there were no other issues, repurchases and repayments of debts and equity securities during the current financial period ended 31 December 2017.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

8. Dividend paid

During the financial period 31 December 2017, a final dividend of 2 sen per ordinary share amounted to RM14.009 million in respect of the financial year ended 30 June 2017 was paid on 14 November 2017.

9. Segmental reporting

The Group's segmental report for the current financial period ended 31 December 2017 is as follows:

	Property development RM'000	Property investment RM'000	Hotels RM'000	Plantations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	215,294	10,870	8,386	11,670	6,952	-	253,172
Inter-segment sales	-	-	-	-	5,484	(5,484)	-
Total revenue	215,294	10,870	8,386	11,670	12,436	(5,484)	253,172
Results							
Segment results	30,560	3,508	(8,998)	6,542	(5,080)	-	26,532
Unallocated corporate expenses							(480)
Profit from operations							26,052
Interest income	1,290	386	16	342	129	-	2,163
Finance costs							(24,617)
Share of results of associates	-	1,680	-	(207)	-	-	1,473
Share of results of joint ventures	1,342	-	-	-	-	-	1,342
Profit from discontinuing operations, net of tax							4,138
Income tax expense	(1,943)	(212)	-	(1,640)	(1,122)	-	(4,917)
Profit for the period							5,634

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.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

11. Material subsequent events not reflected in the financial statements

There were no material subsequent events not reflected in the financial statements.

12. Capital commitments

As at 31.12.2017
RM'000

Capital expenditure approved and contracted for:

- Property, plant and equipment 1,156

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, and restructuring other than as mentioned below:

The following indirect wholly-owned subsidiaries of the Company have been placed under members' voluntary liquidation:

- (i) BLV Fashions Sdn Bhd; and
- (ii) Guobena Development Sdn Bhd.

14. Review of performance

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

The Group recorded revenue of RM108.6 million for the current quarter under review as compared to RM30.7 million in the preceding year corresponding quarter. The increase in revenue was mainly due to the higher contribution from residential projects in Damansara City and Oval during the current quarter.

The Group recorded a profit before tax of RM2.2 million for the current quarter as compared to a profit of RM110.4 million in the preceding year corresponding quarter due to higher share of profits contributed by an associate, Vintage Heights Sdn Bhd, arising from the disposal of land located in Sepang, Selangor in preceding year corresponding quarter.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

14. Review of performance (Cont'd)

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

The Group recorded a revenue of RM253.2 million for the current financial year as compared to RM71.1 million in the preceding financial year. The increase was mainly due to the higher contribution from residential projects in Damansara City and Oval during the current financial year.

The Group recorded a profit before tax of RM6.4 million for the current financial year as compared to a profit before tax of RM111.0 million in the preceding financial year. The decrease was mainly due to the higher share of profits contributed by an associate, Vintage Heights Sdn Bhd, arising from the disposal of land located in Sepang, Selangor in the preceding financial year.

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

The Group's current quarter profit before tax of approximately RM2.2 million was 48.11% lower than the immediate preceding quarter profit before tax of RM4.2 million. The lower performance of the current quarter was mainly due to the operating expense incurred for Sofitel Kuala Lumpur which commenced the business operation in August 2017.

16. Prospects

The property market is showing signs of recovery. The increase in activities is attributed to the demand for affordable range of properties priced at RM500,000 and below. Despite higher gross domestic product in 2017 and recovery of crude oil prices which improves the overall consumer sentiment, key issues of rise in unsold high-end residential properties, oversupply of offices and tight financing will continue to have a dampening effect on the industry.

While the overall short term prospects for the industry are expected to remain challenging, the Group believes that there will still be demand for properties in prime locations with good accessibility to amenities and attractive pricing. The Group will continue to focus on monetising its inventories, leasing out vacant spaces and timely completion of its development projects. New product launches will be phased according to prevailing market sentiments.

17. Profit forecast/profit guarantee

Not applicable.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

18. Profit for the year

Included in profit for the financial period/year are:

	Current	
	Quarter	Year-to-date
	RM'000	RM'000
Depreciation of property, plant and equipment	4,907	6,644
Gain on disposal of property, plant and equipment	-	(58)
Gain on disposal of marketable securities	(55)	(739)
Mark-to-market gain on derivatives	(37)	(21)
	<u>4,815</u>	<u>5,826</u>

Other than the above items, there were no allowance for impairment and write off of inventories, gain or loss on disposal of investment properties, impairment of assets and other exceptional items for the current quarter and financial period ended 31 December 2017.

19. Taxation

Taxation comprises:

	Current	
	Quarter	Year-to-date
	RM'000	RM'000
Current taxation		
- Malaysian income tax	(4,328)	(9,043)
- Deferred taxation	1,885	4,036
Prior year		
- Malaysian income tax	90	90
	<u>(2,353)</u>	<u>(4,917)</u>

The Group's effective tax rate (excluding joint ventures and associates) is higher than the statutory tax rate for the current financial year mainly due to the deferred tax assets not recognised.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

20. Corporate proposals

There is no other outstanding corporate proposal announced but not completed as at the date of this report, except as follows:

The proposed disposal by Guoman Hotel & Resort Holdings Sdn Bhd, a 70%-owned subsidiary of the Company, of its entire issued and paid-up share capital in JB Parade Sdn Bhd and PD Resort Sdn Bhd to GuocoLand Hotels Pte Ltd, for an indicative cash consideration of RM107.9 million and RM116.0 million respectively.

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 December 2017 are as follows:

	RM'000
Short term borrowings	
Secured	300,417
Unsecured	110,001
	<u>410,418</u>
Long term borrowings	
Secured	969,212
Total borrowings	<u><u>1,379,630</u></u>

The above borrowings are all denominated in Ringgit Malaysia.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

22. Realised and unrealised profits disclosure

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

	As at 31.12.2017 RM'000	As at 30.06.2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	400,274	402,654
- Unrealised	133,808	122,487
	<u>534,082</u>	<u>525,141</u>
Total share of retained profits from associates:		
- Realised	36,095	36,602
- Unrealised	16,468	16,468
	<u>52,563</u>	<u>53,070</u>
Total share of retained profits from joint ventures:		
- Realised	36,014	35,001
	<u>36,014</u>	<u>35,001</u>
Add: Consolidation adjustments	359,187	380,618
Total Group retained profits as per consolidated accounts	<u>981,846</u>	<u>993,830</u>

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.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

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 31 December 2017 are as follows:

Type of Derivative	Contract/	
	Notional value RM'000	Net fair value gain RM'000
Interest rate swaps	83,500	36

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 31 December 2017, the Group recognised a gain of approximately RM21,000 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 period ended 31 December 2017.

24. Changes in material litigation

Not applicable.

25. Dividend

The Board does not recommend any interim dividend for the current financial period ended 31 December 2017.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER
ENDED 31 DECEMBER 2017

The figures have not been audited

26. Earnings per share

Basic EPS

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

	3 months ended		Year-to-date ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net profit attributable to ordinary shareholders for the period (RM'000)	965	110,811	2,025	111,076
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	0.144	16.542	0.302	16.581

Diluted EPS

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

By Order of the Board
GuocoLand (Malaysia) Berhad

CHIN MIN YANN
LEE SOW YEANG
Secretaries

Kuala Lumpur
25 January 2018