

Financial ResultsReference No **GG-120117-67883**

Company Name : **GUOCOLAND (MALAYSIA) BERHAD**
 Stock Name : **GUOCO**
 Date Announced : **18/01/2012**
 Financial Year End : **30/06/2012**
 Quarter : **2**
 Quarterly report for the financial period ended : **31/12/2011**
 The figures : **have not been audited**

Converted attachment :

Please attach the full Quarterly Report here:

[GLM-Q2 Results.pdf](#)

Remark:

- DEFAULT CURRENCY
- OTHER CURRENCY

Currency : Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
31/12/2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	27,793	30,057	55,344	60,335
2 Profit/(loss) before tax	849	1,466	863	1,721
3 Profit/(loss) for the period	962	1,870	1,346	2,231

4 Profit/(loss) attributable to ordinary equity holders of the parent	40	1,037	314	1,267
5 Basic earnings/(loss) per share (Subunit)	0.01	0.15	0.05	0.19
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 holders of the parent (\$\$)		1.1269		1.1610
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Remarks :

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

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2011**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

	3 months ended		Year-to-date ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	27,793	30,057	55,344	60,335
Cost of sales	(14,675)	(21,225)	(34,333)	(45,761)
Gross profit	13,118	8,832	21,011	14,574
Other operating income	289	1,900	6,902	2,215
Operating expenses	(10,499)	(7,364)	(21,780)	(15,623)
Profit from operations	2,908	3,368	6,133	1,166
Interest income	48	246	109	260
Finance costs	(7,125)	(6,898)	(14,972)	(12,965)
Share of results of associates and jointly controlled entities	5,018	4,750	9,593	13,260
Profit before tax	849	1,466	863	1,721
Taxation	113	404	483	510
Profit for the period	962	1,870	1,346	2,231
Profit attributable to:				
Owners of the Company	40	1,037	314	1,267
Non-controlling interests	922	833	1,032	964
Profit for the period	962	1,870	1,346	2,231
Earnings per share attributable to owners of the Company:				
a) Basic (sen)	0.01	0.15	0.05	0.19
b) Diluted (sen)	0.01	0.15	0.05	0.19

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.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

	3 months ended		Year-to-date ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	962	1,870	1,346	2,231
Other comprehensive income/(loss):				
Fair value gain/(loss) on available-for-sale investments	7,180	1,031	(15,506)	1,584
Foreign currency translation	674	-	1,545	-
Total comprehensive income/(loss) for the period	8,816	2,901	(12,615)	3,815
Total comprehensive income/(loss) attributable to:				
Owners of the Company	7,894	2,068	(13,647)	2,851
Non-controlling interests	922	833	1,032	964
Total comprehensive income/(loss) for the period	8,816	2,901	(12,615)	3,815

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.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	As at 31.12.2011 RM'000	As at 30.06.2011 RM'000
Non-current assets		
Property, plant and equipment	227,845	228,626
Investment properties	246,431	241,256
Land held for property development	66,584	65,568
Investments in associates	102,272	102,148
Investments in jointly controlled entities	339,033	333,178
Available-for-sale investments	86,822	7,673
Goodwill on consolidation	15,017	15,118
Deferred tax assets	3,285	2,936
	<u>1,087,289</u>	<u>996,503</u>
Current assets		
Inventories	448,661	451,535
Property development costs	201,117	197,626
Trade and other receivables	46,310	42,511
Other current assets	5,444	1,241
Derivative asset	36	-
Tax recoverable	4,336	2,916
Deposits, cash and bank balances	39,893	132,123
	<u>745,797</u>	<u>827,952</u>
TOTAL ASSETS	<u>1,833,086</u>	<u>1,824,455</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	350,229	350,229
Reserves	428,542	451,401
Equity funds	<u>778,771</u>	<u>801,630</u>
Shares held by ESOS Trust	<u>(23,883)</u>	<u>(23,883)</u>
	754,888	777,747
Non-controlling interests	78,549	77,517
TOTAL EQUITY	<u>833,437</u>	<u>855,264</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 (cont'd)**

	As at 31.12.2011 RM'000	As at 30.06.2011 RM'000
Non-current liabilities		
Long term borrowings	526,815	544,264
Deferred tax liabilities	15,466	15,576
	<u>542,281</u>	<u>559,840</u>
Current liabilities		
Trade and other payables	68,451	61,486
Progress billings in respect of property development costs	8,057	9,853
Short term borrowings	380,860	337,688
Tax payable	-	324
	<u>457,368</u>	<u>409,351</u>
TOTAL LIABILITIES	<u>999,649</u>	<u>969,191</u>
TOTAL EQUITY AND LIABILITIES	<u>1,833,086</u>	<u>1,824,455</u>
Net assets per share attributable to ordinary owners of the Company (RM)	1.1269	1.1610

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.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

	← Attributable to owners of the Company →							Non-controlling interests	Total equity	
	← Non-Distributable →				Distributable					
	Shares held by		Share	Exchange	Fair	Retained	Total			
	Share capital	Share premium	ESOS Trust	option reserve	reserve	value reserve	profits			
	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 2011	350,229	35,089	(23,883)	-	(769)	2,610	414,471	777,747	77,517	855,264
Total comprehensive income/(loss) for the period	-	-	-	-	1,545	(15,506)	314	(13,647)	1,032	(12,615)
Transactions with owners:										
Share based payment	-	-	-	836	-	-	-	836	-	836
Dividend paid	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 December 2011	350,229	35,089	(23,883)	836	776	(12,896)	404,737	754,888	78,549	833,437
Preceding year corresponding period										
At 1 July 2010	350,229	35,089	(23,883)	-	-	-	404,560	765,995	76,387	842,382
Total comprehensive income for the period	-	-	-	-	-	1,584	1,267	2,851	964	3,815
Transaction with owners:										
Dividend paid	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 December 2010	350,229	35,089	(23,883)	-	-	1,584	395,779	758,798	77,351	836,149

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.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

	6 months ended	
	31.12.2011	31.12.2010
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	863	1,721
Adjustments for:		
Depreciation of property, plant and equipment	2,988	2,793
Gain on disposal of property, plant and equipment	(52)	(122)
Property, plant and equipment written off	4	-
Reversal of goodwill	113	340
Share of results of associates and jointly controlled entities	(9,109)	(13,087)
Share based payment	836	-
Net fair value gain on derivatives	(36)	-
Dividend income from investment securities	(1,367)	-
Interest expense	14,972	12,965
Interest income	(109)	(260)
Operating profit before changes in working capital	9,103	4,350
Working capital changes:		
Inventories	2,874	5,027
Receivables	(6,272)	7,186
Property development costs	(2,428)	14,977
Payables	5,587	(8,571)
Jointly controlled entities balances	(1,402)	7,219
Related company balances	(758)	(1,504)
Cash generated from operations	6,704	28,684
Interest paid	(17,380)	(15,631)
Tax paid	(1,720)	442
Net cash (used in)/generated from operating activities	(12,396)	13,495
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,959)	(4,508)
Proceeds from disposal of property, plant and equipment	132	235
Acquisition of additional interest in an associate	-	(5,103)
Dividend income from an associate	3,130	2,531
Purchase of investment securities	(93,991)	-
Expenditure on investment properties under construction	(5,175)	-
Additions in land held for property development	(3)	(3)
Dividend income from investment securities	1,367	-
Interest received	109	260
Net cash used in investing activities	(96,390)	(6,588)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011 (cont'd)**

	6 months ended	
	31.12.2011	31.12.2010
	RM'000	RM'000
Cash flows from financing activities		
Dividend paid	(10,048)	(10,048)
Net drawdown of bank borrowings	20,790	12,903
Net cash generated from financing activities	<u>10,742</u>	<u>2,855</u>
Net (decrease)/increase in cash and cash equivalents	(98,044)	9,762
Effect of exchange rate changes on cash and cash equivalents	881	-
Cash and cash equivalents at beginning of the period	<u>127,520</u>	<u>14,721</u>
Cash and cash equivalents at end of the period	<u><u>30,357</u></u>	<u><u>24,483</u></u>

Cash and cash equivalents comprise the following:

	31.12.2011	31.12.2010
	RM'000	RM'000
Deposits, cash and bank balances	39,893	30,746
Bank overdrafts	<u>(9,536)</u>	<u>(6,263)</u>
	<u><u>30,357</u></u>	<u><u>24,483</u></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 2011 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 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 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 2011.

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.



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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 quarter under review. The total number of shares purchased by the ESOS Trust as at 31 December 2011 was 30,578,100 shares.

At the Extraordinary General Meeting of GuocoLand (Malaysia) Berhad ("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. In view that the stipulated performance period is not completed yet, the VCIP Options have not yet been vested.

Except for the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 December 2011.

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 period ended 31 December 2011 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	16,824	4,026	28,996	-	5,498	-	55,344
Inter-segment sales	-	-	-	-	1,992	(1,992)	-
Total revenue	16,824	4,026	28,996	-	7,490	(1,992)	55,344
Results							
Segment results	6,378	1,942	3,581	-	(5,245)	-	6,656
Unallocated corporate expenses							(523)
Profit from operations							6,133
Interest income	57	-	15	-	37	-	109
Finance costs							(14,972)
Share of results of associates and jointly controlled entities	1,193	3,254	-	5,146	-	-	9,593
Income tax (expense)/benefit	(9)	-	2	-	490	-	483
Profit for the period							1,346

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 to be disclosed till 11 January 2012 (being the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statement).

12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at 31 December 2011.



13. Capital Commitments

As at 31.12.2011
RM'000

Capital expenditure approved and contracted for:

- Property, plant and equipment	4,794
- Investment properties	119,468
	<u>124,262</u>

14. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 December 2011, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, other than as mentioned below:

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.

15. Review of performance

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

For the current quarter under review, the Group recorded a revenue of RM27.8 million as compared to the revenue of RM30.1 million in the preceding year corresponding quarter. The lower revenue was due to lower contribution from the property development division of RM7.0 million as the previous corresponding quarter has the benefit of revenue generated from land sales. The reduction in the property development's contribution was mitigated by an increase in revenue from other businesses. In this respect, revenue from hotels operations has increased by RM2.2 million as a result of overall higher occupancy rate while revenue from property investment division has recorded higher rental revenue of approximately RM0.9 million for the current quarter due to improved occupancy rate. In addition, dividend income from investments also contributed additional RM1.0 million to the Group's revenue.

The Group has recorded a lower profit before tax of RM0.85 million for the current quarter as compared to the profit before tax of RM1.5 million in the preceding year corresponding quarter principally due to lower contribution from the property development activities and higher staff costs which were partly mitigated by improved profit contribution from the property investment and hotels divisions.

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

For the current financial period, the Group recorded a revenue of RM55.3 million as compared to preceding year corresponding period of RM60.3 million. The decrease in revenue is mainly attributable to factors mentioned in Note 15(a) above.



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The Group has recorded a lower profit before tax of RM0.86 million for the current financial period as compared to the profit before tax of RM1.7 million in the preceding year corresponding period. Profit contributed by the property development division has increased from RM1.9 million to RM6.3 million in the current financial period due to the write-back of the provision for foreseeable loss of RM6.4 million which resulted in higher other operating income. On the back of higher revenue, operating profits from property investment division and hotels division have increased by RM0.7 million and RM1.4 million respectively in the current financial period. The aforementioned higher profits contributions were 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 period has decreased by RM3.6 million mainly because the preceding year corresponding period had the benefit of a gain on disposal of land by a jointly controlled entity.

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 RM0.85 million in the current quarter as compared to RM0.01 million in the immediate preceding quarter. The increase in profit is mainly due to lower finance cost in the current quarter and increase in share of results of associates and jointly controlled entities in the current quarter due to higher contribution from an associate's investment properties portfolio on the back of higher occupancy rates.

17. Prospects

The property sector remained challenging. Notwithstanding, properties in good and selected locations are expected to continue to draw property buyers' and tenants' interests.

The hotel segment is expected to deliver better performance with higher occupancy rate. Profit contributed by jointly controlled entities is expected to be positive on the back of up trending CPO price as well as the expected completion of sale of plantation land.

Barring any unforeseen circumstances, the Group is of the view that based on the progress of the on-going development projects and performance from other operations, the Group's performance for the current financial year is expected to be satisfactory.

18. Profit forecast/profit guarantee

Not applicable.



19. Profit for the period

Included in profit for the period are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,514	2,988
Gain on disposal of property, plant and equipment	(48)	(52)
Reversal of goodwill	-	113
Interest expense	7,125	14,972
Interest income	(48)	(109)
Dividend income	(1,052)	(1,367)
Gain on derivatives	(43)	(36)

Other than the above items, there were no allowance for impairment and write off of receivables, allowance for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss and exceptional items for the current quarter and financial period ended 31 December 2011.

20. Taxation

Taxation comprises:

	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	65	-
- Deferred taxation	48	407
Prior year over/(under) provision		
- Malaysian income tax	-	24
- Deferred taxation	-	52
	<u>113</u>	<u>483</u>

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 certain deferred tax assets not recognised.



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21. Corporate proposals

There were no corporate proposals announced but not completed at the latest practicable date which was not earlier than 7 days from the date of issue of this quarterly report other than that disclosed below:

- (a) The Company had, on 8 November 2011, entered into the following conditional share sale agreements with:
- (i) GuoLine Asset Sdn Bhd for the proposed acquisition of the entire equity interest in PJ City Development Sdn Bhd, representing 5,000,002 ordinary shares of RM1.00 each, for a cash consideration of RM29,785,000; and
 - (ii) MPI Holdings Sdn Bhd for the proposed acquisition of the entire equity interest in PJ Corporate Park Sdn Bhd, representing 20,000,000 ordinary shares of RM1.00 each, for a cash consideration of RM258,000.

The above acquisitions are expected to be completed by the 1st quarter of year 2012.

- (b) Ace Acres Sdn Bhd ("AASB"), an indirect wholly-owned subsidiary of the Company, had, on 5 December 2011, entered into a conditional sale and purchase agreement with Bonds Corporation Sdn Bhd ("BCSB") for the proposed acquisition by AASB from BCSB of 9 parcels of contiguous land located in Mukim Petaling and District of Kuala Lumpur measuring in aggregate approximately 46.724 acres for a total purchase consideration of RM107,870,986.37 or RM53.00 per square foot to be satisfied by cash (the "Proposed Acquisition"). Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the 1st quarter of year 2012.

22. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 December 2011 are as follows:

	RM'000
Long term borrowings	
Secured	446,815
Unsecured	80,000
	<u>526,815</u>
Short term borrowings	
Secured	152,734
Unsecured	228,126
	<u>380,860</u>
Total borrowings	<u>907,675</u>

The above borrowings are all denominated in Ringgit Malaysia.



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23. Realised and unrealised profits/losses disclosure

The breakdown of retained profits of the Group

	As at 31.12.2011 RM'000	As at 30.06.2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	139,150	154,441
- Unrealised	(10,538)	(10,910)
	<u>128,612</u>	<u>143,531</u>
Total share of retained profits from associates:		
- Realised	4,365	4,298
- Unrealised	9,103	9,046
	<u>13,468</u>	<u>13,344</u>
Total share of retained profits from jointly controlled entities:		
- Realised	91,601	85,746
- Unrealised	-	-
	<u>91,601</u>	<u>85,746</u>
Add: Consolidated adjustments	171,056	171,850
Total group retained profits as per consolidated accounts	<u>404,737</u>	<u>414,471</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.



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24. Derivative financial instruments

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

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

As at 31 December 2011, the Group's outstanding foreign exchange forward contract entered into as hedges of anticipated future transactions is as follow:

Type of Derivative	Contract/ Notional value RM'000	Net fair value RM'000
Foreign exchange forward contract (less than 1 year)	26,698	36

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 period ended 31 December 2011, the Group recognised a profit of approximately RM36,000 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.

25. Changes in material litigation

Not applicable.

26. Dividend

The Board does not recommend any interim dividend for the current financial period ended 31 December 2011.



27. Earnings per share (“EPS”)

Basic EPS

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

	3 months		6 months	
	Ended 31.12.2011	Ended 31.12.2010	Ended 31.12.2011	Ended 31.12.2010
Net Profit attributable to ordinary shareholders for the period (RM'000)	<u>40</u>	<u>1,037</u>	<u>314</u>	<u>1,267</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>
Basic earnings per share (sen)	<u>0.01</u>	<u>0.15</u>	<u>0.05</u>	<u>0.19</u>

Diluted EPS

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

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
Secretary

Kuala Lumpur
18 January 2012