

Quarterly rpt on consolidated results for the financial period ended 31/3/2014

GUOCOLAND (MALAYSIA) BERHAD

Financial Year End 30/06/2014
 Quarter 3
 Quarterly report for the financial period 31/03/2014 ended
 The figures have not been audited
 Attachments

[GLM-Q3'14 Results.pdf](#)
 4807 KB

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION

	31/03/2014		31/03/2013	
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/03/2014 \$\$'000	31/03/2013 \$\$'000	31/03/2014 \$\$'000	31/03/2013 \$\$'000
1Revenue	58,440	106,028	178,586	188,464
2Profit/(loss) before tax	19,136	10,631	52,780	33,976
3Profit/(loss) for the period	15,501	10,047	43,369	31,773
4Profit/(loss) attributable to ordinary equity holders of the parent	15,707	8,793	40,908	27,825
5Basic earnings/(loss) per share (Subunit)	2.35	1.31	6.11	4.15
6Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
7Net assets per share attributable to ordinary equity holders of the parent (\$\$)	AS AT END OF CURRENT QUARTER	1.2526	AS AT PRECEDING FINANCIAL YEAR END	1.2043

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 21 Apr 2014
 Category Financial Results
 Reference No GG-140421-44331



GuocoLand Malaysia

A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2014

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	3 months ended		Year-to-date ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	58,440	106,028	178,586	188,464
Cost of sales	(33,246)	(86,227)	(102,233)	(137,424)
Gross profit	25,194	19,801	76,353	51,040
Selling and marketing expenses	(1,673)	(2,750)	(5,311)	(4,667)
Administrative expenses	(9,982)	(7,992)	(28,573)	(26,303)
Other net operating income/(expenses)	2,228	(557)	9,712	3,385
Profit from operations	15,767	8,502	52,181	23,455
Finance income	295	379	513	874
Finance costs	(5,820)	(7,757)	(17,334)	(23,380)
Share of results of associates and jointly controlled entities	8,894	9,507	17,420	33,027
Profit before tax	19,136	10,631	52,780	33,976
Taxation	(3,635)	(584)	(9,411)	(2,203)
Profit for the period	15,501	10,047	43,369	31,773
Profit attributable to:				
Owners of the Company	15,707	8,793	40,908	27,825
Non-controlling interests	(206)	1,254	2,461	3,948
Profit for the period	15,501	10,047	43,369	31,773
Earnings per share attributable to owners of the Company:				
a) Basic (sen)	2.345	1.313	6.107	4.154
b) Diluted (sen)	2.342	1.313	6.098	4.154

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	3 months ended		Year-to-date ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	15,501	10,047	43,369	31,773
Other comprehensive income/(loss):				
Fair value gain/(loss) on available-for-sale investments	1,092	(3,016)	1,340	7,866
Foreign currency translation	4	2,398	10	(1,154)
Other comprehensive income/(loss) for the period	1,096	(618)	1,350	6,712
Total comprehensive income for the period	16,597	9,429	44,719	38,485
Total comprehensive income attributable to:				
Owners of the Company	16,803	8,175	42,258	34,537
Non-controlling interests	(206)	1,254	2,461	3,948
Total comprehensive income for the period	16,597	9,429	44,719	38,485

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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ENDED 31 MARCH 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	As at 31.03.2014 RM'000	As at 30.06.2013 RM'000
Non-current assets		
Property, plant and equipment	230,520	228,602
Investment properties	310,255	279,823
Land held for property development	190,404	187,071
Investments in associates	109,310	111,103
Investments in jointly controlled entities	317,317	329,467
Available-for-sale investments	5,313	3,973
Goodwill	13,638	14,205
Deferred tax assets	3,568	3,483
Derivative financial assets	2,236	1,518
	<u>1,182,561</u>	<u>1,159,245</u>
Current assets		
Inventories	451,868	433,485
Property development costs	242,760	252,738
Trade and other receivables	38,174	44,132
Other current assets	1,579	4,532
Tax recoverable	5,073	8,232
Cash and cash equivalents	63,259	45,609
	<u>802,713</u>	<u>788,728</u>
TOTAL ASSETS	<u>1,985,274</u>	<u>1,947,973</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	350,229	350,229
Reserves	512,752	480,362
Equity funds	862,981	830,591
Shares held by ESOS Trust	(23,883)	(23,883)
	<u>839,098</u>	<u>806,708</u>
Non-controlling interests	87,761	85,300
TOTAL EQUITY	<u>926,859</u>	<u>892,008</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (cont'd)

	As at 31.03.2014 RM'000	As at 30.06.2013 RM'000
Non-current liabilities		
Loans and borrowings	790,939	792,015
Deferred tax liabilities	13,718	14,294
	<u>804,657</u>	<u>806,309</u>
Current liabilities		
Trade and other payables	83,185	78,031
Progress billings in respect of property development costs	10,018	32,745
Loans and borrowings	153,858	137,216
Tax payable	6,697	1,664
	<u>253,758</u>	<u>249,656</u>
TOTAL LIABILITIES	<u>1,058,415</u>	<u>1,055,965</u>
TOTAL EQUITY AND LIABILITIES	<u>1,985,274</u>	<u>1,947,973</u>
Net assets per share attributable to ordinary owners of the Company (RM)	1.2526	1.2043

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	Share capital		Shares held by ESOS Trust		Share option reserve	Capital			Distributable			Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000		Merger reserve	Exchange reserve	Fair value reserve	Retained profits	RM'000	RM'000		
Current year-to-date													
At 1 July 2013	350,229	35,089	(23,883)	444	17	1,857	844	466,139	85,300	806,708	85,300	892,008	
Total comprehensive income for the period	-	-	-	-	-	10	1,340	40,908	2,461	42,258	2,461	44,719	
Transactions with owners:													
Share-based payments	-	-	-	180	-	-	-	-	-	180	-	180	
Dividend paid	-	-	-	-	-	-	-	(10,048)	-	(10,048)	-	(10,048)	
At 31 March 2014	350,229	35,089	(23,883)	624	17	1,867	2,184	496,999	87,761	839,098	87,761	926,859	

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014 (cont'd)

Preceding year corresponding period	←		← Attributable to owners of the Company →				← Distributable →		←			
	Share capital RM'000	Share premium RM'000	Shares held by ESOS Trust RM'000	Share option reserve RM'000	Merger reserve RM'000	Capital redemption reserve RM'000	Exchange reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	Total equity RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 July 2012	350,229	35,089	(23,883)	1,250	(24,028)	-	1,428	(11,514)	434,235	762,806	79,983	842,789
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(1,154)	7,866	27,825	34,537	3,948	38,485
Transactions with owners:												
Share-based payments	-	-	-	(823)	-	-	-	-	-	(823)	-	(823)
Transfer to retained profits	-	-	-	-	-	17	-	-	(17)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 March 2013	350,229	35,089	(23,883)	427	(24,028)	17	274	(3,648)	451,995	786,472	83,931	870,403

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014

	9 months ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	52,780	33,976
Adjustments for:		
Mark-to-market gain on derivatives	(718)	(6)
Property, plant and equipment:		
- depreciation	4,331	4,567
- gain on disposal	(57)	(26)
Net loss from fair value adjustment of investment properties	-	10,000
Gain on disposal of non-current asset held for sale	-	(194)
Gain on disposal of available-for-sale investments	-	(9,242)
Loss on liquidation of subsidiaries	-	27
Reversal of allowance for impairment on trade and other receivables	(106)	-
Allowance for impairment on trade and other receivables	-	1
Realisation of goodwill	567	343
Impairment loss on land held for property development	-	4,272
Share-based payments	180	(823)
Dividend income	-	(1,445)
Interest expense	17,334	23,093
Interest income	(513)	(874)
Elimination of unrealised profit arising from transactions with jointly controlled entities	821	1,099
Share of results of associates and jointly controlled entities	(17,420)	(33,027)
Operating profit before working capital changes	57,199	31,741
Working capital changes:		
Inventories	(18,383)	5,264
Receivables	3,701	(8,095)
Property development costs	13,933	38,823
Payables	(17,664)	13,753
Associates balances	-	119
Jointly controlled entities balances	5,024	454
Related company balances	382	1,132
Cash generated from operations	44,192	83,191
Interest received	86	381
Interest paid	(24,330)	(33,493)
Tax paid	(1,880)	(3,085)
Net cash generated from operating activities	18,068	46,994

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014 (cont'd)

	9 months ended	
	31.03.2014	31.03.2013
	RM'000	RM'000
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(6,126)	(3,116)
Additions in:		
- land held for property development	(443)	(506)
- investment properties under construction	(30,432)	(38,874)
Dividend income from:		
- associate	6,502	7,000
- jointly controlled entities	24,041	30,747
- investment securities	-	1,445
Purchase of investment securities	-	(2,419)
Proceeds from disposals of:		
- property, plant and equipment	85	26
- non-current asset classified as held for sale	-	37,194
- available-for-sale investments	-	93,487
Interest received	427	493
Net cash (used in)/generated from investing activities	(5,946)	125,477
Cash flows from financing activities		
Bank borrowings drawdown	69,990	106,455
Repayment of bank borrowings	(56,337)	(219,492)
Dividend paid	(10,048)	(10,048)
Net cash generated from/(used in) financing activities	3,605	(123,085)
Net increase in cash and cash equivalents	15,727	49,386
Effect of exchange rate changes on cash and cash equivalents	10	(2,223)
Cash and cash equivalents at beginning of the financial period	43,772	24,891
Cash and cash equivalents at end of the financial period	59,509	72,054
Cash and cash equivalents comprise the following:		
	31.03.2014	31.03.2013
	RM'000	RM'000
Deposits, cash and bank balances	63,259	96,255
Investment in short term funds	-	1,009
Bank overdrafts	(3,750)	(25,210)
	59,509	72,054

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

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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 2013. 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 2013.

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 2013 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 2013 and 1 July 2013 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 2013.

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 MFRS Framework for additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the definition of “Transitioning Entities” and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2015.

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.

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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 March 2014.

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 Option Scheme ("ESOS Trust") during the current quarter under review. As at 31 March 2014, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESOS Trust.

During the financial year ended 30 June 2012, GLM has established a Value Creation Incentive Plan ("VCIP") for selected key executives of the Group to incentivise them towards achieving long term performance targets through the grant of options over GLM shares, which options will be satisfied through the transfer of existing GLM shares held under the ESOS Trust.

The vesting of the VCIP options is conditional upon the achievement of prescribed financial and performance targets/criteria over a stipulated performance period. As at 31 March 2014, no VCIP option has been vested and 4,500,000 VCIP options granted are outstanding.

There were no share options granted during the current financial period ended 31 March 2014.

There were no issues, repurchases and repayments of debt and equity securities during the current financial period ended 31 March 2014.

8. Dividend paid

During the financial period ended 31 March 2014, a final dividend of 2 sen per ordinary shares less tax at 25% amounted RM10.048 million in respect of the financial year ended 30 June 2013 was paid on 12 November 2013.

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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9. Segmental reporting

The Group's segmental report for the current financial period ended 31 March 2014 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	124,048	2,931	47,830	-	3,777	-	178,586
Inter-segment sales	-	-	-	-	4,862	(4,862)	-
Total revenue	124,048	2,931	47,830	-	8,639	(4,862)	178,586
Results							
Segment results	51,571	2,163	7,010	-	(7,867)	-	52,877
Unallocated corporate expenses							(696)
Profit from operations							52,181
Finance income	443	-	15	-	55	-	513
Finance costs							(17,334)
Share of results of associates and jointly controlled entities	9,178	4,709	-	3,533	-	-	17,420
Income tax expense	(9,175)	4	-	-	(240)	-	(9,411)
Profit for the financial year							43,369

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.

11. Material events not reflected in the financial statements

There were no material subsequent events.

12. Capital commitments

	As at 31.03.2014 RM'000
Capital expenditure approved and contracted for:	
- Property, plant and equipment	218,209
- Investment properties	392,042
	<u>610,251</u>

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13. Changes in the composition of the Group

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

14. Review of performance

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

The Group recorded a revenue of RM58.4 million for the current quarter under review as compared to RM106.0 million in the preceding year corresponding quarter. The decrease in revenue was mainly due to the preceding year corresponding quarter had the benefit of the sale of lands situated in Cheras amounting to RM68.6 million. The on-going development projects in PJ City and Damansara City had contributed to the revenue achieved during the current quarter. Revenue from the property investment segment and other businesses were fairly in line with the preceding year corresponding quarter.

The Group recorded a profit before tax of RM19.1 million for the current quarter as compared to RM10.6 million in the preceding year corresponding quarter. The higher profit achieved for the current quarter as compared to the previous corresponding quarter was mainly due to higher profit recognised from the on-going project in PJ City as well as the newly launched development project in Damansara City.

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

The Group recorded a revenue and profit before tax of RM178.6 million and RM52.8 million respectively for the current financial period ended 31 March 2014 as compared to RM188.5 million and RM34.0 million respectively in the preceding year corresponding financial period. The variation in revenue and profit were mainly contributed by property development division due to factors as mentioned in Note 14(a) above.

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 RM19.1 million for the current quarter as compared to RM16.2 million as reported in the immediate preceding quarter. The profit for the current quarter was higher mainly due to higher contribution from the property development segment.

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16. Prospects

Bank Negara Malaysia's credit tightening rules and the various cooling measures announced in the 2014 Budget to curb property speculation have affected market sentiment and sales. Notwithstanding the reduction in property transactions, prices of properties in good locations are still holding up and these properties continue to attract interest.

Barring unforeseen circumstances, the Board expects the Group to perform better for the current financial year as compared to the previous financial year on the back of good performance of the property development segment and continued contribution from the associates and jointly controlled entities as well as the hotel segment.

17. Profit forecast/profit guarantee

Not applicable.

18. 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	1,451	4,331
Gain on disposal of property, plant and equipment	-	(57)
Reversal of allowance for impairment on other receivables	-	(106)
Realisation of goodwill	227	567
Mark-to-market loss/(gain) on derivatives	181	(718)

Other than the above items, there were no allowances for impairment and write off of receivables, allowance for impairment and write off of inventories, quoted or unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and financial period ended 31 March 2014.

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The figures have not been audited

19. Taxation

Taxation comprises:	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(3,910)	(10,044)
- Deferred taxation	259	652
Prior year		
- Malaysian income tax	93	(29)
- Deferred taxation	(77)	10
	<u>(3,635)</u>	<u>(9,411)</u>

The Group's effective tax rates (excluding jointly controlled entities and associates) are lower than the statutory tax rate for the current quarter and financial year to-date mainly due to utilisation of deferred tax assets previously not recognised.

20. Corporate proposals

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

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 March 2014 are as follows:

	RM'000
Short term borrowings	
Secured	8,999
Unsecured	144,859
	<u>153,858</u>
Long term borrowings	
Secured	774,324
Unsecured	16,615
	<u>790,939</u>
Total borrowings	<u>944,797</u>

The above borrowings are all denominated in Ringgit Malaysia.

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The figures have not been audited

22. Realised and unrealised profits disclosure

The breakdown of retained profits of the Group

	As at 31.03.2014 RM'000	As at 30.06.2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	248,102	194,678
- Unrealised	(6,747)	(7,474)
	<u>241,355</u>	<u>187,204</u>
Total share of retained profits from associates:		
- Realised	3,344	5,267
- Unrealised	17,162	17,032
	<u>20,506</u>	<u>22,299</u>
Total share of retained profits from jointly controlled entities:		
- Realised	69,885	82,035
- Unrealised	-	-
	<u>69,885</u>	<u>82,035</u>
Add: Consolidation adjustments	165,253	174,601
Total group retained profits as per consolidated accounts	<u><u>496,999</u></u>	<u><u>466,139</u></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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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.

As at 31 March 2014, the Group has entered into interest rate swap contracts to hedge cash flow interest rate risk arising from floating rate bank loans and the details are as follows:

Type of Derivative	Contract/ Notional value RM'000	Net fair value gain RM'000
Interest rate swaps	<u>120,000</u>	<u>2,236</u>

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 March 2014, the Group recognised a gain of approximately RM718,000 arising from fair value changes of financial derivative. The fair value changes are attributable to changes in floating and fixed interest rates.

There is minimal credit risk because the contracts 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 2013.

24. Changes in material litigation

Not applicable.

25. Dividend

The Board does not recommend any interim dividend for the current financial period ended 31 March 2014.

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26. Earnings per share ("EPS")

Basic EPS

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

	3 months ended		Year-to-date ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Net profit attributable to ordinary shareholders for the period (RM'000)	<u>15,707</u>	<u>8,793</u>	<u>40,908</u>	<u>27,825</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>
Basic EPS (sen)	<u>2.345</u>	<u>1.313</u>	<u>6.107</u>	<u>4.154</u>

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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Net profit attributable to ordinary shareholders for the period (RM'000)	<u>15,707</u>	<u>8,793</u>	<u>40,908</u>	<u>27,825</u>
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Effects of dilution of share options^ ('000)	<u>849</u>	<u>-</u>	<u>965</u>	<u>-</u>
Weighted average number of shares for diluted earnings per share computation ('000)	<u>670,729</u>	<u>669,880</u>	<u>670,845</u>	<u>669,880</u>
Diluted EPS (sen)	<u>2.342</u>	<u>1.313</u>	<u>6.098</u>	<u>4.154</u>

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

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

Diluted EPS (cont'd)

4,500,000 (2013: 4,500,000) 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.

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
CHIN MIN YANN
Secretaries

Kuala Lumpur
21 April 2014