

# Quarterly rpt on consolidated results for the financial period ended 30 Sep 2018

## GUOCOLAND (MALAYSIA) BERHAD

Financial Year End	30 Jun 2019
Quarter	1 Qtr
Quarterly report for the financial period ended	30 Sep 2018
The figures	have not been audited

### Attachments

 [Q1 2019 Results.pdf](#)  
622.9 kB

<b>Default Currency</b>	<b>Other Currency</b>
-------------------------	-----------------------

Currency: **Malaysian Ringgit (MYR)**

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2018

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	77,766	173,566	77,766	173,566
2	Profit/(loss) before tax	5	12,049	5	12,049
3	Profit/(loss) for the period	32	9,485	32	9,485
4	Profit/(loss) attributable to ordinary equity holders of the parent	-1,166	7,765	-1,166	7,765
5	Basic earnings/(loss) per share (Subunit)	-0.17	1.16	-0.17	1.16
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 (\$\$)	2.0067		2.0090	

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**

<b>Company Name</b>	GUOCOLAND (MALAYSIA) BERHAD
<b>Stock Name</b>	GUOCO
<b>Date Announced</b>	23 Nov 2018
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-20112018-00002

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2018**
*The figures have not been audited*
**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

	<b>3 months ended</b>	
	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	77,766	173,566
Cost of sales	(53,300)	(120,096)
<b>Gross profit</b>	<u>24,465</u>	<u>53,470</u>
Selling and marketing expenses	(5,225)	(15,705)
Administrative expenses	(12,059)	(16,075)
Other net operating income	1,547	165
<b>Profit from operations</b>	<u>8,729</u>	<u>21,855</u>
Finance income	1,249	1,276
Finance costs	(9,456)	(12,495)
Share of results of associates and joint ventures	(517)	1,413
<b>Profit before tax</b>	<u>5</u>	<u>12,049</u>
Income tax	27	(2,564)
<b>Profit for the period</b>	<u><b>32</b></u>	<u><b>9,485</b></u>
<b>(Loss)/Profit attributable to:</b>		
Owners of the parent	(1,166)	7,765
Non-controlling interests	1,198	1,720
<b>Profit for the period</b>	<u><b>32</b></u>	<u><b>9,485</b></u>
(Loss)/Earnings per share attributable to owners of the parent:		
a) Basic (sen)	(0.174)	1.159
b) Diluted (sen)	(0.174)	1.159

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**GuocoLand (Malaysia) Berhad** (300-K)

Level 13, Menara Guoco, Damansara City, No.6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur  
Tel: 03-2726 1000 Fax: 03-2726 1001

[www.guocoland.com.my](http://www.guocoland.com.my)

Certified to ISO 9001:2008  
Cert No. : AR 1625

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018 (cont'd)**

	<b>3 months ended</b>	
	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the period</b>	<b>32</b>	<b>9,485</b>
<b>Other comprehensive loss:</b>		
Foreign currency translation	(9)	-
	<hr/>	<hr/>
<b>Other comprehensive loss for the period</b>	<b>(9)</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>23</b>	<b>9,485</b>
	<hr/>	<hr/>
<b>Total comprehensive (loss)/income attributable to:</b>		
Owners of the parent	(1,175)	7,765
Non-controlling interests	1,198	1,720
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>23</b>	<b>9,485</b>
	<hr/>	<hr/>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 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 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018**

	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30.09.2018</b>	<b>30.06.2018</b>	<b>01.07.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	374,848	375,519	523,832
Investment properties	540,563	540,563	544,318
Land held for property development	302,479	302,489	438,673
Investments in associates	204,261	203,837	197,916
Investments in joint ventures	109,544	110,485	110,873
Goodwill	9,403	9,403	11,813
Deferred tax assets	12,470	10,425	7,347
	<u>1,553,568</u>	<u>1,552,721</u>	<u>1,834,772</u>
<b>Current assets</b>			
Inventories	1,074,704	1,108,924	1,016,008
Biological assets	363	434	542
Trade and other receivables	72,428	92,694	108,308
Contract assets	120	1,421	340
Other current assets	1,813	581	894
Tax recoverable	11,389	10,827	7,548
Other investments	11,779	11,779	1,615
Derivative financial assets	-	-	118
Cash and cash equivalents	215,192	192,101	231,592
	<u>1,387,788</u>	<u>1,418,761</u>	<u>1,366,965</u>
<b>TOTAL ASSETS</b>	<u>2,941,356</u>	<u>2,971,482</u>	<u>3,201,737</u>

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018 (cont'd)**

	<b>Unaudited</b> <b>As at</b> <b>30.09.2018</b> <b>RM'000</b>	<b>Unaudited</b> <b>As at</b> <b>30.06.2018</b> <b>RM'000</b>	<b>Unaudited</b> <b>As at</b> <b>01.07.2017</b> <b>RM'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	385,318	385,318	385,318
Reserves	982,839	984,374	959,430
Equity funds	1,368,157	1,369,692	1,344,748
Shares held by ESS Trust	(23,883)	(23,883)	(23,883)
	<u>1,344,274</u>	<u>1,345,809</u>	<u>1,320,865</u>
<b>Non-controlling interests</b>	<u>135,488</u>	<u>134,290</u>	<u>118,388</u>
<b>TOTAL EQUITY</b>	<u>1,479,762</u>	<u>1,480,099</u>	<u>1,439,253</u>
<b>Non-current liabilities</b>			
Other payables	10,121	9,754	8,674
Loans and borrowings	886,780	930,193	1,162,110
Deferred tax liabilities	31,589	29,987	32,374
	<u>928,490</u>	<u>969,934</u>	<u>1,203,158</u>
<b>Current liabilities</b>			
Trade and other payables	191,040	204,612	271,122
Contract liabilities	3,783	29,108	26,397
Loans and borrowings	336,478	287,610	256,611
Derivative financial liabilities	-	-	103
Tax payable	1,803	119	5,093
	<u>533,104</u>	<u>521,449</u>	<u>559,326</u>
<b>TOTAL LIABILITIES</b>	<u>1,461,594</u>	<u>1,491,383</u>	<u>1,762,484</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,941,356</u>	<u>2,971,482</u>	<u>3,201,737</u>
<b>Net assets per share attributable to ordinary owners of the parent (RM)</b>	2.0067	2.0090	1.9718

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 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 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

	← 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	controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current year-to-date</b>										
<b>At 1 July 2018</b>	385,318	(23,883)	(24,001)	19	-	27	1,008,329	1,345,809	134,290	1,480,099
Total comprehensive income/(loss) for the period	-	-	-	(9)	-	-	(1,477)	(1,486)	1,198	(288)
<b>As At 30 September 2018</b>	<b>385,318</b>	<b>(23,883)</b>	<b>(24,001)</b>	<b>10</b>	<b>-</b>	<b>27</b>	<b>1,006,852</b>	<b>1,344,323</b>	<b>135,488</b>	<b>1,479,811</b>





**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 SEPTEMBER 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018**

	<b>3 months ended</b>	
	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>5</b>	<b>12,049</b>
Adjustments for:		
Mark-to-market gain on derivatives	-	16
Gain on disposal of marketable securities	-	(684)
Gain on biological assets	170	63
Property, plant and equipment:		
- depreciation	2,622	1,737
- gain on disposal	-	(58)
Realisation of goodwill	-	2,181
Dividend income	(1,287)	(1)
Interest expense	9,455	12,495
Interest income	(1,249)	(1,276)
Elimination of unrealised profit arising from transactions with an associate and joint ventures	-	37
Share of results of associates and joint ventures	517	(1,413)
Operating profit before working capital changes	10,233	25,146
Working capital changes:		
Inventories	36,050	72,659
Receivables	18,730	(96,970)
Payables	(38,401)	(11,561)
Joint ventures balances	(23)	(281)
Related company balances	1,500	1,132
Cash flow generated from/(used in) operations	28,089	(9,875)
Interest received	-	29
Interest paid	(11,205)	(14,030)
Tax paid	104	(1,815)
Net cash flows generated from/(used in) operating activities	16,988	(25,691)

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 SEPTEMBER 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018 (cont'd)**

	<b>3 months ended</b>	
	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Acquisitions of property, plant and equipment	(1,951)	(6,623)
Additions in:		
- investment properties	-	(410)
Dividend income from associate	1,287	-
Proceeds from disposals of:		
- investment securities	-	1,419
- plant and equipment	-	59
Interest received	1,321	1,247
Net cash flows generated from/(used in) investing activities	<u>657</u>	<u>(4,308)</u>
<b>Cash flows from financing activities</b>		
Bank borrowings drawdown	51,598	62,346
Repayment of bank borrowings	(46,512)	(91,115)
Net cash flow generated from/(used in) financing activities	<u>5,086</u>	<u>(28,769)</u>
Net increase/(decrease) in cash and cash equivalents	22,731	(58,768)
Effect of exchange rate changes on cash and cash equivalents	(9)	-
Cash and cash equivalents at beginning of the financial period	192,101	231,592
Cash and cash equivalents at end of the financial period	<u>214,823</u>	<u>172,824</u>

Cash and cash equivalents comprise the following:

	<b>30.09.2018</b>	<b>30.09.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits, cash and bank balances	215,192	175,368
Bank overdrafts	(369)	(2,544)
	<u>214,823</u>	<u>172,824</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 2018 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 2018**

---

*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 2018. 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 2018.

The Group has adopted the new Malaysian Financial Reporting Standard ("MFRS") Framework issued by Malaysian Accounting Standards Board ("MASB") with effect from 1 July 2018. For the periods up to, and including the year ended 31 June 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS") Framework as allowed by MASB as it includes transitioning entities. Except for certain differences, the requirements under FRS and MFRS are similar.

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year ended 30 June 2018, except for the following:

- (a) Adoption of MFRS 1 and Annual improvements to MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards"

The Group has consistently applied the same accounting policies in its opening MFRS statements of financial position at 1 January 2017 (transition date) and throughout all years presented, as if these policies had always been in effect. Except for the required presentation of three statements of financial position in the first MFRS financial statements, there is no other significant impact on the Group's financial results and position, and changes to the accounting policies of the Group arising from the adoption of this MFRS Framework (other than as included in (b), (c) and (d)), although there are some differences in relation to the transitional provisions and effective dates contained in certain of the MFRSs.

Subsequent to the transition in the financial reporting framework to MFRS on 1 January 2018, the restated comparative information has not been audited under MFRS. However, the comparative statements of financial position as at 30 June 2018, comparative statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended have been audited under the previous financial reporting framework, FRS.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**1. Basis of preparation (continued)**

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year 30 June 2018, except for the following : (continued)

**(b) MFRS 9: Financial Instruments**

MFRS 9 retains but simplifies the mixed measurement model in FRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the FRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main changes are:

- For financial liabilities classified as FVTPL, the fair value changes due to own credit risk should be recognised directly to OCI. There is no subsequent recycling to profit or loss.
- When a financial liability measured at amortised cost is modified without this resulting in recognition, a gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognised immediately in profit or loss.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group and the Company have reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018. The financial assets held by the Group include:

- equity instruments currently classified as available-for-sale for which a FVOCI election is available;
- equity investments currently measured at fair value through profit or loss (FVPL) which will continue to be measured on the same basis under MFRS 9; and
- debt instruments currently classified as held-to-maturity and measured at amortised cost which meet the conditions for classification at amortised cost under MFRS 9.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**1. Basis of preparation (continued)**

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year 30 June 2018, except for the following : (continued)

**(b) MFRS 9: Financial Instruments (continued)**

Accordingly, the Group and the Company do not expect the new guidance to affect the classification and measurement of these financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. The derecognition rules have been transferred from FRS 139 'Financial Instruments: Recognition and Measurement' and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under FRS 139. It applies to financial assets classified at amortised cost, trade and other receivables, amounts due from subsidiaries, amounts due from associates and joint ventures. Based on the assessments undertaken to date, the Group and the Company do not expect a significant increase in the loss allowance.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

The Group and the Company will apply the new rules retrospectively from 1 January 2018 with the practical expenditures permitted under the standard.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under FRS 139. It applies to financial assets classified at amortised cost, trade and other receivables, amounts due from subsidiaries, amounts due from associates and joint ventures. Based on the assessments undertaken to date, the Group and the Company do not expect a significant increase in the loss allowance.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**1. Basis of preparation (continued)**

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year 30 June 2018, except for the following : (continued)

**(c) MFRS 15: Revenue from Contracts with Customers**

MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018) replaces FRS 118 'Revenue' and FRS 111 'Construction contracts' and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements;
- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal;
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa;
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few; and

As with any new standard, there are also increased disclosures.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**1. Basis of preparation (continued)**

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year 30 June 2018, except for the following : (continued)

**(c) MFRS 15: Revenue from Contracts with Customers (continued)**

The Group and the Company have assessed the effects of applying the new standard on the Group's financial statements and have identified the following areas that will be affected:

- Accounting for customer contracts in relation to property development activities where customer credit assessment have not been performed;
- Accounting for certain costs incurred in fulfilling a contract such as sales and marketing expenses;
- Accounting for separate performance obligations in relation to property development activities which could affect the timing of the recognition of revenue going forward; and
- Presentation of contract assets and contract liabilities in the statement of financial position – MFRS 15 requires separate presentation of contract assets and contract liabilities in the statement of financial position.

The new standard also expands the disclosure movement in contract liability which relates to remaining performance obligations that has yet to be satisfied to the customers.

The Group intends to adopt the standard using full retrospective approach (with optional practical expedients) which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2017 and that comparatives will be restated.

**(d) MFRS 141: Agriculture**

Key provisions of the new standard are as follows:

MFRS 141 'Agriculture' introduce a new category of biological asset, i.e. the bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce (except for incidental scrap sales).

Bearer plants are seen as similar to an item of machinery in a manufacturing plant, and therefore are treated the same way under MFRS 116 'Property, Plant and Equipment'. Therefore, bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**1. Basis of preparation (continued)**

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year 30 June 2018, except for the following : (continued)

**(d) MFRS 141: Agriculture (continued)**

Agricultural produce growing on bearer plants are measured at fair value less costs to sell, with fair value changes recognised in profit or loss as the produce grows. However, there are two occasions where the standard permits departure from fair value: at the early stage of an asset's life; and when fair value cannot be measured reliably on initial recognition.

The Group intends to adopt the standard using full retrospective approach (with optional practical expedients) which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2017 and that comparatives will be restated.

**(e) MFRS 16: Leases**

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on statement of financial position) or operating leases (off statement of financial position). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in profit or loss.

For lessors, MFRS 16 retains most of the requirements in FRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group and the Company are currently assessing the impact of the adoption of MFRS 16.



**GUOCOLAND (MALAYSIA) BERHAD (300-K)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

*The figures have not been audited*

**NOTES**

**1. Basis of preparation (continued)**

(f) The effects of the new accounting policies and the restatement of comparative figures are as follows:

	<u>Effects of the new accounting policies</u>			<u>Restatement of comparative figures</u>				
	<u>Quarter ended 30 September 2018</u>			<u>Quarter ended 30 September 2017</u>				
	As per previous accounting framework	As per current accounting framework	As per current accounting framework	As per previous accounting framework	MFRS 9	MFRS 15	MFRS 141	As per current accounting framework
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	77,766	-	77,766	157,606	-	15,960	-	173,566
Cost of sales	(53,300)	-	(53,300)	(111,639)	-	(8,457)	-	(120,096)
Selling and marketing expenses	(5,225)	-	(5,225)	(15,553)	-	(152)	-	(15,705)
Administrative expenses	(12,059)	-	(12,059)	(16,075)	-	-	-	(16,075)
Other net operating income	1,314	233	1,547	811	(709)	-	63	165
<b>Profit from operations</b>	8,496	233	8,729	15,150	(709)	7,351	63	21,855
Finance income	1,249	-	1,249	1,276	-	-	-	1,276
Finance costs	(9,456)	-	(9,456)	(12,495)	-	-	-	(12,495)
Share of results of associates and joint ventures	(517)	-	(517)	1,413	-	-	-	1,413
<b>(Loss)/Profit before tax</b>	(228)	233	5	5,344	(709)	7,351	63	12,049
Income tax	27	-	27	(2,564)	-	-	-	(2,564)
<b>(Loss)/Profit for the period</b>	(201)	233	32	2,780	(709)	7,351	63	9,485
<b>(Loss)/Profit attributable to:</b>								
Owners of the parent	(1,399)	233	(1,166)	1,060	(709)	7,351	63	7,765
Non-controlling interests	1,198	-	1,198	1,720	-	-	-	1,720
<b>(Loss)/Profit for the period</b>	(201)	233	32	2,780	(709)	7,351	63	9,485
<b>Other comprehensive (loss)/income:</b>								
Fair value (loss)/gain on available-for-sale investments	-	-	-	(709)	709	-	-	-
Foreign currency translation	(9)	-	(9)	-	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	(210)	233	23	2,071	-	7,351	63	9,485

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

*The figures have not been audited*

**NOTES**

**1. Basis of preparation (continued)**

(f) The effects of the new accounting policies and the restatement of comparative figures are as follows:

	<u>Effects of the new accounting policies</u>			<u>Restatement of comparative figures</u>				
	<u>Quarter ended 30 September 2018</u>			<u>Quarter ended 30 September 2017</u>				
	As per previous accounting framework	MFRS 141	As per current accounting framework	As per previous accounting framework	MFRS 9	MFRS 15	MFRS 141	As per current accounting framework
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Total comprehensive (loss)/income for the period</b>	(210)	233	23	2,071	-	7,351	63	9,485
Total comprehensive (loss)/income attributable to:								
Owners of the parent	(1,408)	233	(1,175)	351	-	7,351	63	7,765
Non-controlling interests	1,198	-	1,198	1,720	-	-	-	1,720
Total comprehensive (loss)/income for the period	(210)	233	23	2,071	-	7,351	63	9,485
(Loss)/Earnings per share attributable to owners of the parent:								
a) Basic (sen)	(0.209)		(0.174)	0.158				1.159
b) Diluted (sen)	(0.209)		(0.174)	0.158				1.159

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

*The figures have not been audited*

**NOTES**

**1. Basis of preparation (continued)**

(f) The effects of the new accounting policies and the restatement of comparative figures are as follows:

	<b>Effects of the new accounting policies</b>			<b>Restatement of comparative figures</b>				<b>Restatement of comparative figures</b>				
	<b>As at 30 September 2018</b>			<b>As at 30 June 2018</b>				<b>As at 1 July 2018</b>				
	As per previous accounting framework	As per MFRS 141	As per current accounting framework	As per previous accounting framework	MFRS 15	MFRS 141	As per current accounting framework	previous accounting framework	MFRS 9	MFRS 15	MFRS 141	As per current accounting framework
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Non-current assets</b>												
Property, plant and equipment	374,848	-	374,848	375,519	-	-	375,519	523,832	-	-	-	523,832
Investment properties	540,563	-	540,563	540,563	-	-	540,563	544,318	-	-	-	544,318
Land held for property development	302,479	-	302,479	302,489	-	-	302,489	438,673	-	-	-	438,673
Investments in associates	204,261	-	204,261	203,837	-	-	203,837	197,916	-	-	-	197,916
Investments in joint ventures	109,544	-	109,544	110,485	-	-	110,485	110,873	-	-	-	110,873
Available-for-sale investments	-	-	-	-	-	-	-	1,566	(1,566)	-	-	-
Goodwill	9,403	-	9,403	9,403	-	-	9,403	11,813	-	-	-	11,813
Deferred tax assets	12,470	-	12,470	10,425	-	-	10,425	7,347	-	-	-	7,347
	<u>1,553,568</u>	<u>-</u>	<u>1,553,568</u>	<u>1,552,721</u>	<u>-</u>	<u>-</u>	<u>1,552,721</u>	<u>1,836,338</u>	<u>(1,566)</u>	<u>-</u>	<u>-</u>	<u>1,834,772</u>
<b>Current assets</b>												
Inventories	1,074,704	-	1,074,704	621,909	487,015	-	1,108,924	756,156	-	259,852	-	1,016,008
Biological assets	-	363	363	-	-	434	434	-	-	-	542	542
Property development costs	-	-	-	469,907	(469,907)	-	-	245,383	-	(245,383)	-	-
Trade and other receivables	72,428	-	72,428	92,694	-	-	92,694	108,308	-	-	-	108,308
Contract assets	120	-	120	-	1,421	-	1,421	-	-	340	-	340
Other current assets	1,813	-	1,813	581	-	-	581	894	-	-	-	894
Tax recoverable	11,389	-	11,389	10,827	-	-	10,827	7,548	-	-	-	7,548
Other investments	11,779	-	11,779	11,779	-	-	11,779	49	1,566	-	-	1,615
Derivative financial assets	-	-	-	-	-	-	-	118	-	-	-	118
Cash and cash equivalents	215,192	-	215,192	192,101	-	-	192,101	231,592	-	-	-	231,592
	<u>1,387,425</u>	<u>363</u>	<u>1,387,788</u>	<u>1,399,798</u>	<u>18,529</u>	<u>434</u>	<u>1,418,761</u>	<u>1,350,048</u>	<u>1,566</u>	<u>14,809</u>	<u>542</u>	<u>1,366,965</u>
<b>TOTAL ASSETS</b>	<u>2,940,993</u>	<u>363</u>	<u>2,941,356</u>	<u>2,952,519</u>	<u>18,529</u>	<u>434</u>	<u>2,971,482</u>	<u>3,186,386</u>	<u>-</u>	<u>14,809</u>	<u>542</u>	<u>3,201,737</u>

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

*The figures have not been audited*

**NOTES**

**1. Basis of preparation (continued)**

(f) The effects of the new accounting policies and the restatement of comparative figures are as follows:

	<b>Effects of the new accounting policies</b>			<b>Restatement of comparative figures</b>				<b>Restatement of comparative figures</b>				
	<b>As at 30 September 2018</b>			<b>As at 30 June 2018</b>				<b>As at 1 July 2018</b>				
	As per previous accounting framework	As per current accounting framework	As per previous accounting framework	As per previous accounting framework	As per current accounting framework	As per current accounting framework	As per previous accounting framework	As per current accounting framework	As per previous accounting framework	As per current accounting framework	As per previous accounting framework	As per current accounting framework
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>												
<b>Equity attributable to owners of the parent</b>												
Share capital	385,318	-	385,318	385,318	-	-	385,318	385,318	-	-	-	385,318
Reserves	982,606	233	982,839	994,649	(10,579)	304	984,374	970,606	-	(11,588)	412	959,430
Equity funds	1,367,924	233	1,368,157	1,379,967	(10,579)	304	1,369,692	1,355,924	-	(11,588)	412	1,344,748
Shares held by ESS Trust	(23,883)	-	(23,883)	(23,883)	-	-	(23,883)	(23,883)	-	-	-	(23,883)
	1,344,041	233	1,344,274	1,356,084	(10,579)	304	1,345,809	1,332,041	-	(11,588)	412	1,320,865
Non-controlling interests	135,488	-	135,488	134,290	-	-	134,290	118,388	-	-	-	118,388
<b>TOTAL EQUITY</b>	<b>1,479,529</b>	<b>233</b>	<b>1,479,762</b>	<b>1,490,374</b>	<b>(10,579)</b>	<b>304</b>	<b>1,480,099</b>	<b>1,450,429</b>	<b>-</b>	<b>(11,588)</b>	<b>412</b>	<b>1,439,253</b>
<b>Non-current liabilities</b>												
Other payables	10,121	-	10,121	9,754	-	-	9,754	8,674	-	-	-	8,674
Loans and borrowings	886,780	-	886,780	930,193	-	-	930,193	1,162,110	-	-	-	1,162,110
Deferred tax liabilities	31,459	130	31,589	29,857	-	130	29,987	32,244	-	-	130	32,374
	928,360	130	928,490	969,804	-	130	969,934	1,203,028	-	-	130	1,203,158
<b>Current liabilities</b>												
Trade and other payables	191,040	-	191,040	204,612	-	-	204,612	271,122	-	-	-	271,122
Contract liabilities	3,783	-	3,783	-	29,108	-	29,108	-	-	26,397	-	26,397
Loans and borrowings	336,478	-	336,478	287,610	-	-	287,610	256,611	-	-	-	256,611
Derivative financial liabilities	-	-	-	-	-	-	-	103	-	-	-	103
Tax payable	1,803	-	1,803	119	-	-	119	5,093	-	-	-	5,093
	533,104	-	533,104	492,341	29,108	-	521,449	532,929	-	26,397	-	559,326
<b>TOTAL LIABILITIES</b>	<b>1,461,464</b>	<b>130</b>	<b>1,461,594</b>	<b>1,462,145</b>	<b>29,108</b>	<b>130</b>	<b>1,491,383</b>	<b>1,735,957</b>	<b>-</b>	<b>26,397</b>	<b>130</b>	<b>1,762,484</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,940,993</b>	<b>363</b>	<b>2,941,356</b>	<b>2,952,519</b>	<b>18,529</b>	<b>434</b>	<b>2,971,482</b>	<b>3,186,386</b>	<b>-</b>	<b>14,809</b>	<b>542</b>	<b>3,201,737</b>

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**2. 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.

**3. 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.

**4. 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 June 2018.

**5. 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.

**6. 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 reporting date, 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 2018, 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.

As at the reporting date, 2,000,000 options had lapsed following the resignation of an option holder in June 2018.

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

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

*The figures have not been audited*

**7. Dividend paid**

There was no dividend paid during the current quarter ended 30 September 2018.

**8. Segmental reporting**

The Group's segmental report for the current financial period ended 30 September 2018 is as follows:

**Financial Period Ended 30.09.2018 (Q1)**

	Property development RM'000	Property investment RM'000	Hotels RM'000	Plantations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>							
External sales	56,000	5,920	9,797	3,536	2,513	-	77,766
Inter-segment sales	-	321	-	-	3,025	(3,346)	-
Total revenue	56,000	6,241	9,797	3,536	5,538	(3,346)	77,766
<b>Results</b>							
Segment results	9,350	1,798	(1,755)	1,713	(2,233)	-	8,873
Unallocated corporate expenses							(144)
Profit from operations							8,729
Interest income	420	112	433	232	52	-	1,249
Finance costs	(2,270)	(2,556)	(3,332)	-	(1,298)	-	(9,456)
Share of results of associates	-	711	-	(286)	-	-	425
Share of results of joint ventures	(942)	-	-	-	-	-	(942)
Income tax expense	454	(34)	-	(381)	(12)	-	27
Profit for the period							32

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

**9. 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 FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**10. Material subsequent events not reflected in the financial statements**

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

**11. 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:

- HL Bandar Sdn Bhd, an indirect wholly-owned subsidiary of the Company, was dissolved by members' voluntary liquidation on 25 August 2018.

**12. Review of performance**

Performance of the current quarter against the preceding year corresponding quarter.

The Group recorded revenue of RM77.8 million for the current quarter under review as compared to RM173.6 million in the preceding year corresponding quarter due to lower sales of completed units. This resulted in profit before tax of RM0.005 million compared to profit before tax of RM12.1 million of the preceding year corresponding quarter.

Selling and marketing expenses of RM5.2 million decreased compared to the quarter of the preceding year of RM15.7 million due to lower sales of units. Finance costs of RM9.5 million decreased compared to the quarter of the preceding year of RM12.5 million due to repayment of borrowings in the prior year.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**13. Material change in profit before tax for the current quarter compared with the preceding quarter corresponding quarter**

The decrease in Group's current quarter profit before tax was due to lower sales of units during the current quarter as compared to the quarter of the preceding year.

**14. Prospects**

The domestic property market is expected to remain lacklustre in the subsequent period of year 2019 due to the continued weak market and consumer sentiments. The overall momentum and prospects of the property market in the next 1 to 2 years is expected to remain soft and challenging. Moving forward, the Group will launch its projects according to prevailing market sentiments.

**15. Profit forecast/profit guarantee**

Not applicable.

**16. 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	2,622	2,622
Gain on biological assets	170	170
	<u>          </u>	<u>          </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.



**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

*The figures have not been audited*

**17. Taxation**

Taxation comprises:

	Current Quarter	Year-to-date
	RM'000	RM'000
Current taxation		
- Malaysian income tax	(467)	(467)
- Deferred taxation	492	492
- Real Property Gains Tax	-	-
Prior year		
- Malaysian income tax	2	2
	<u>27</u>	<u>27</u>

The Group's effective tax rate is lower than the statutory tax rate for the current financial year mainly due to overall loss of the Group arising from lower sales during the quarter.

**18. Corporate proposals**

There is no other outstanding corporate proposal announced but not completed as at the date of this report.

**19. Group's borrowings and debt securities**

Particulars of the Group's borrowings as at 30 September 2018 are as follows:

	RM'000
<b>Short term borrowings</b>	
Secured	211,910
Unsecured	124,568
	<u>336,478</u>
<b>Long term borrowings</b>	
Secured	886,780
<b>Total borrowings</b>	<u>1,223,258</u>

The above borrowings are all denominated in Ringgit Malaysia.

**20. Changes in material litigation**

Not applicable.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30**  
**SEPTEMBER 2018**

---

*The figures have not been audited*

**21. Dividend**

The Board does not recommend any interim dividend for the current financial period ended 30 September 2018.

**22. (Loss)/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	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Net (loss)/profit attributable to ordinary shareholders for the period (RM'000)	<u>(1,166)</u>	<u>7,765</u>	<u>(1,166)</u>	<u>7,765</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>	<u>669,880</u>
(Loss)/Earnings per share (sen)	<u>(0.174)</u>	<u>1.159</u>	<u>(0.174)</u>	<u>1.159</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.

**23. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 30 June 2018 was not subject to any qualification.

**24. Comparative figures**

Comparative figures, where applicable, have been modified to conform to the current year presentation.

By Order of the Board  
GuocoLand (Malaysia) Berhad

CHIN MIN YANN  
LEE SOW YEANG  
Secretaries

Kuala Lumpur  
23 November 2018