

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2016

The figures have not been audited

CONDENSED CONSOLIDATED OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	3 months ended		Year-to-date ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	65,313	59,010	315,593	195,563
Cost of sales	(27,057)	(33,160)	(196,579)	(113,580)
Gross profit	<u>38,256</u>	<u>25,850</u>	<u>119,014</u>	<u>81,983</u>
Selling and marketing expenses	(5,517)	(2,453)	(14,556)	(5,509)
Administrative expenses	(26,209)	(13,111)	(63,508)	(40,981)
Other net operating income	114,595	77,827	136,880	91,127
Profit from operations	<u>121,125</u>	<u>88,113</u>	<u>177,830</u>	<u>126,620</u>
Finance income	656	275	1,219	1,387
Finance costs	(15,462)	(10,521)	(36,977)	(29,356)
Share of results of associates and joint ventures	2,760	3,313	7,006	13,582
Profit before tax from continuing operations	<u>109,079</u>	<u>81,180</u>	<u>149,078</u>	<u>112,233</u>
Income tax expense	(7,348)	(7,580)	(15,417)	(15,898)
Profit from continuing operations, net of tax	<u>101,731</u>	<u>73,600</u>	<u>133,661</u>	<u>96,335</u>
Discontinued operation				
(Loss)/profit from discontinuing operation, net of tax	(5,501)	99,266	(7,332)	96,922
Profit net of tax	<u>96,230</u>	<u>172,866</u>	<u>126,329</u>	<u>193,257</u>
Profit attributable to:				
Owners of the parent	94,459	171,439	121,672	188,866
Non-controlling interests	1,771	1,427	4,657	4,391
Profit for the period/year	<u>96,230</u>	<u>172,866</u>	<u>126,329</u>	<u>193,257</u>

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

GUOCOLAND (MALAYSIA) BERHAD (300-K)
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ENDED 30 JUNE 2016

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONT'D)

	3 months ended		Year-to-date ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	96,230	172,866	126,329	193,257
Other comprehensive income/(loss):				
Fair value gain/(loss) on available-for-sale investments	389	(595)	(45)	(2,241)
Foreign currency translation	5	(33)	20	(2,454)
Other comprehensive income/(loss) for the period/year	394	(628)	(25)	(4,695)
Total comprehensive income for the period/year	96,624	172,238	126,304	188,562
Total comprehensive income attributable to:				
Owners of the parent	94,853	170,811	121,647	184,171
Non-controlling interests	1,771	1,427	4,657	4,391
Total comprehensive income for the period/year	96,624	172,238	126,304	188,562
Earnings per share from continuing operations attributable to owners of the parent:				
a) Basic (sen)	14.922	10.774	19.258	13.725
b) Diluted (sen)	14.922	10.774	19.258	13.725
Earnings per share from discontinuing operations attributable to owners of the parent:				
a) Basic (sen)	(0.821)	14.818	(1.095)	14.469
b) Diluted (sen)	(0.821)	14.818	(1.095)	14.469

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
Non-current assets		
Property, plant and equipment	336,524	270,874
Investment properties	528,500	421,210
Land held for property development	303,322	362,462
Investments in associates	200,183	197,194
Investments in joint ventures	112,645	113,480
Available-for-sale investments	1,830	1,876
Goodwill	13,297	13,638
Deferred tax assets	5,769	4,910
Derivative financial assets	255	637
	<u>1,502,325</u>	<u>1,386,281</u>
Current assets		
Inventories	828,960	444,289
Property development costs	235,687	532,675
Trade and other receivables	81,805	35,614
Other current assets	19,141	25,798
Tax recoverable	9,691	3,120
Cash and cash equivalents	220,745	50,414
	<u>1,396,029</u>	<u>1,091,910</u>
Assets of disposal group classified as held for sale	-	419,095
	<u>1,396,029</u>	<u>1,511,005</u>
TOTAL ASSETS	<u>2,898,354</u>	<u>2,897,286</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (cont'd)

	As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	350,229	350,229
Reserves	904,551	796,302
Equity funds	1,254,780	1,146,531
Shares held by ESS Trust	(23,883)	(23,883)
	<u>1,230,897</u>	<u>1,122,648</u>
Non-controlling interests	113,734	109,077
TOTAL EQUITY	<u>1,344,631</u>	<u>1,231,725</u>
Non-current liabilities		
Loans and borrowings	869,894	783,982
Deferred tax liabilities	33,458	32,797
Derivative financial liabilities	307	243
	<u>903,659</u>	<u>817,022</u>
Current liabilities		
Trade and other payables	242,708	147,701
Loans and borrowings	402,053	424,781
Tax payable	5,303	1,092
	<u>650,064</u>	<u>573,574</u>
Liabilities of disposal group classified as held for sale	-	274,965
TOTAL LIABILITIES	<u>1,553,723</u>	<u>1,665,561</u>
TOTAL EQUITY AND LIABILITIES	<u>2,898,354</u>	<u>2,897,286</u>
Net assets per share attributable to ordinary owners of the parent (RM)	1.8375	1.6759

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	←——— Attributable to owners of the parent ———→										
	←——— Non-Distributable ———→						Distributable				
	Share capital	Share premium	Shares held by ESS Trust	Merger redemption reserve	Capital reserve	Exchange reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date											
At 1 July 2015	350,229	35,089	(23,883)	(24,028)	17	3	434	784,787	1,122,648	109,077	1,231,725
Total comprehensive income/(loss) for the year	-	-	-	-	-	20	(45)	121,672	121,647	4,657	126,304
Transactions with owners:											
Redemption of preference shares in a subsidiary	-	-	-	-	10	-	-	(10)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(13,398)	(13,398)	-	(13,398)
At 30 June 2016	350,229	35,089	(23,883)	(24,028)	27	23	389	893,051	1,230,897	113,734	1,344,631

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	12 months ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	149,078	112,233
(Loss)/profit before tax from discontinuing operation	(2,788)	102,124
Profit before tax	<u>146,290</u>	<u>214,357</u>
Adjustments for:		
Bad debts written off	6	28
Mark-to-market loss on derivatives	880	1,689
Property, plant and equipment:		
- depreciation	6,655	6,450
- written off	11	1
- gain on disposal	(21)	-
Realisation of goodwill	341	-
Net fair value loss on available-for-sale financial assets	1	-
Net gain on fair value adjustments of investment properties	(21,190)	(181,393)
Gain on disposal of investment properties	(16,680)	-
Gain on disposal of available-for-sale investments	-	(504)
Gain on disposal of a subsidiary	(83,475)	-
Reversal of allowance for impairment on trade and other receivables	(64)	(105)
Allowance for impairment on trade and other receivables	-	15
Share-based payments	-	(684)
Dividend income	-	(416)
Interest expense	36,977	31,930
Interest income	(1,219)	(1,555)
Elimination of unrealised profit arising from transactions with joint ventures	641	814
Share of results of associates and joint ventures	(7,006)	(13,582)
Operating profit before working capital changes carried forward	<u>62,147</u>	<u>57,045</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (cont'd)

	12 months ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Operating profit before working capital changes brought forward	62,147	57,045
Working capital changes:		
Inventories	(384,671)	14,465
Receivables	(27,531)	2,557
Property development costs	287,167	23,115
Payables	140,475	47,316
Associates balances	-	6
Joint ventures balances	85	7,400
Related company balances	(10,524)	875
	<u>67,148</u>	<u>152,779</u>
Cash flow generated from operations	67,148	152,779
Interest received	70	221
Interest paid	(37,913)	(57,342)
Tax paid	(17,973)	(13,858)
	<u>11,332</u>	<u>81,800</u>
Net cash flows generated from operating activities	11,332	81,800
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(69,002)	(37,828)
Acquisitions of equity and non-equity interest in a subsidiary	-	(30,783)
Acquisitions of equity and non-equity interest from non-controlling interest	-	(24,209)
Additions in:		
- land held for property development	-	(10,830)
- investment properties under construction	(239,251)	(190,938)
Dividend income from:		
- associates	4,211	4,272
- joint ventures	-	3,000
- investment securities	-	416
Proceeds from disposals of:		
- land held for property development	60,576	-
- investment securities	-	818
- investment properties classified as held for sale	64,680	-
- plant and equipment	25	-
- subsidiary	164,940	-
Interest received	1,149	1,334
	<u>(12,672)</u>	<u>(284,748)</u>
Net cash flows used in investing activities	(12,672)	(284,748)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (cont'd)

	12 months ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Cash flows from financing activities		
Bank borrowings drawdown	682,191	287,343
Repayment of bank borrowings	(496,468)	(78,526)
Dividend paid	(13,398)	(13,398)
Net cash flow generated from financing activities	<u>172,325</u>	<u>195,419</u>
Net increase/(decrease) in cash and cash equivalents	170,985	(7,529)
Effect of exchange rate changes on cash and cash equivalents	20	(2,454)
Cash and cash equivalents at beginning of the financial year	45,810	55,793
Cash and cash equivalents at end of the financial year	<u>216,815</u>	<u>45,810</u>

Cash and cash equivalents comprise the following:

	30.06.2016	30.06.2015
	RM'000	RM'000
Deposits, cash and bank balances	213,999	49,964
Investment in short term funds	6,746	450
Bank overdrafts	(3,930)	(4,604)
	<u>216,815</u>	<u>45,810</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2015. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2015.

2. Changes in accounting policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 30 June 2015 except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2015 and 1 July 2015 respectively. The Group has not early adopted the standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the annual periods beginning on or after 1 July 2015.

The adoption of the new FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial position and results of the Group.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and IC Interpretation 15 “Agreements for Construction of Real Estate”, including its parent, significant investor and venturer (herein called “Transitioning Entities”).

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

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

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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 year ended 30 June 2016.

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 year.

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7. Issues, repurchases and repayments of debt and equity securities

There were no additional shares purchased by the trust set up for the Executive Share Scheme (“ESS”)(“ESS Trust”) during the current quarter under review. As at 30 June 2016, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad (“GLM”) were held by the ESS Trust.

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

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

On 7 July 2015, an option over 10,000,000 GLM shares (representing 1.43% of the existing issued and paid-up ordinary share capital of GLM) had been granted to the former Managing Director of the Company pursuant to the ESS. On 31 December 2015, the said option had lapsed.

There were no issues, repurchases and repayments of debt and equity securities during the current financial year ended 30 June 2016.

8. Dividend paid

During the financial year ended 30 June 2016, a final dividend of 2 sen per ordinary share amounted to RM13.398 million in respect of the financial year ended 30 June 2015 was paid on 2 December 2015.

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9. Segmental reporting

The Group's segmental report for the current financial year ended 30 June 2016 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	240,848	709	53,126	15,419	5,491	-	315,593
Inter-segment sales	-	-	-	-	475,397	(475,397)	-
Total revenue	240,848	709	53,126	15,419	480,888	(475,397)	315,593
Results							
Segment results	68,063	34,885	4,860	8,031	63,427	-	179,266
Unallocated corporate expenses	-	-	-	-	-	-	(1,436)
Profit from operations							177,830
Interest income	590	219	26	275	109	-	1,219
Finance costs	-	-	-	-	-	-	(36,977)
Share of results of associates	-	6,000	-	1,200	-	-	7,200
Share of results of jointly ventures	(194)	-	-	-	-	-	(194)
Loss from discontinuing operation, net of tax	-	-	-	-	-	-	(7,332)
Income tax expenses	(1,178)	(992)	-	(1,853)	(11,394)	-	(15,417)
Profit for the year							126,329

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

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10. Valuations of property, plant and equipment and investment properties

The valuations of property, plant and equipment and investment properties were brought forward without any amendments from the previous annual financial statements except for the valuation exercises undertaken by the Group during the financial year under review for accounting purposes pursuant to FRS 140 Investment Property to ascertain the current fair value of the investment properties. Accordingly, a fair value gain of RM21.2 million was recognised as other net operating income.

The investment properties being valued were Menara Pandan C & D which comprise 2 blocks of 10-storey office towers together with a 2-level elevated car parks situated on a leasehold land located at Persiaran MPAJ, Jalan Pandan Utama, Pandan Indah, 55100 Kuala Lumpur, of which the market value as at 10 September 2015 was RM64.7 million. The valuation had increased the net assets per share of the Group. The sale and purchase transactions were announced on 10 September 2015 pursuant to Chapter 10 of Bursa Malaysia Securities Berhad Listing Requirements, and were completed on 16 February 2016.

The other investment properties being valued are investment properties in Damansara City mix-development project which comprises 1 block of office tower, a retail mall together with a 6-level elevated car parks situated on a freehold land located at Bukit Damansara, Kuala Lumpur, of which the market value as at 16 June 2016 (being the valuation date) is RM522.9 million. The valuation gain arising thereof amounting to approximately RM20.2 million. The valuation will increase the net assets per share of the Group. The valuation was carried out by Rahim & Co Chartered Surveyors Sdn Bhd, an independent valuer.

Another investment property being valued is the 3 1/2 storey elevated carpark allocated at Bedford Business Park, Off Jalan Klang Lama, of which the market value as at 30 June 2016 (being the valuation date) is RM5.6 million. The valuation gain arising thereof amounting to approximately RM0.96 million. The valuation will increase the net assets per share of the Group. The valuation was carried out by Savills (Malaysia) Sdn Bhd, an independent valuer.

11. Material subsequent events not reflected in the financial statements

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

Tujuan Optima Sdn Bhd ("TOSB"), a subsidiary of GLM, had on 5 July 2016, entered into a sale and purchase agreement with MV Properties Sdn Bhd for the proposed acquisition of two parcels of land located in Mukim Cheras, Daerah Hulu Langat, Negeri Selangor, for a total cash consideration of RM128.0 million.

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12. Capital commitments

As at 30.06.2016
RM'000

Capital expenditure approved and contracted for:

- Property, plant and equipment	119,174
- Investment properties	83,398
- Residential	10,895
	<u>213,467</u>

13. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year under review, including business combinations, acquisition of subsidiaries and long-term investments and restructuring except for the following:

- (i) HL Bandar Sdn Bhd ("HL Bandar"), a wholly-owned subsidiary of GLM, had been placed under member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965. The voluntary winding-up of HL Bandar will not have material impact on the Group.
- (ii) DC Tower Sdn Bhd ("DC Tower"), a wholly-owned subsidiary of the Group, had been disposed to Hong Leong Bank Berhad on 29 June 2016, which contributed a gain on disposal of approximately RM83.5 million to the Group.

14. Review of performance

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

The Group recorded revenue of RM65.3 million for the current quarter under review as compared to RM59.0 million in the preceding year corresponding quarter. The increase in revenue was mainly due to the higher contribution from the Group's office block project in PJ City Parcel A Phase 2.

The Group recorded a profit before tax of RM109.1 million for the current quarter as compared to profit before tax of RM81.2 million in the preceding year corresponding quarter due principally to the gain on disposal of DC Tower which contributed a gain on disposal of approximately RM83.5 million to the Group, and is partly offset by a decrease in fair value gain on investment properties of approximately RM56.7 million as compared to the preceding year corresponding quarter.

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14. Review of performance (cont'd)

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

The Group recorded a revenue and profit before tax of RM315.6 million and RM149.1 million respectively for the current financial year as compared to RM195.6 million and RM112.2 million respectively in the preceding financial year.

The increase in revenue was mainly due to the disposal of Changkat Kia Peng land coupled with a major increase in contribution from the residential project in Damansara City. This is partly offset by the lower contributions from the Group's projects in Old Klang Road and Kajang.

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 RM109.1 million for the current quarter as compared to a profit before tax of RM20.1 million as reported in the immediate preceding quarter. The increase in current quarter was mainly contributed by gain on disposal of DC Tower and the fair value gain on investment properties.

16. Prospects

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

17. Profit forecast/profit guarantee

Not applicable.

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18. Profit for the year

Included in profit for the financial period/year are:

	Current Quarter RM'000	Year-to-date RM'000
Depreciation of property, plant and equipment	1,933	6,655
Mark-to-market loss on derivatives	1,215	880
Gain on disposal of subsidiary	(83,475)	(83,475)
Bad debts written off	-	6
Property, plant and equipment written off	9	11

Other than the above items, there were no allowance for impairment and write off of inventories, gain or loss on disposal of property, unquoted investments or properties, impairment of assets and other exceptional items for the current quarter and financial year ended 30 June 2016.

19. Taxation

Taxation comprises:

	Current Quarter RM'000	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(126)	(9,924)
- Deferred taxation	1,521	2,424
Real Property Gain Tax	(8,309)	(8,309)
Prior year		
- Malaysian income tax	1,800	2,619
- Deferred taxation	(2,234)	(2,227)
	<u>(7,348)</u>	<u>(15,417)</u>

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

20. Corporate proposals

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

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21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 June 2016 are as follows:

	RM'000
Short term borrowings	
Secured	76,755
Unsecured	325,298
	<u>402,053</u>
Long term borrowings	
Secured	869,894
Unsecured	-
	<u>869,894</u>
Total borrowings	<u>1,271,947</u>

The above borrowings are all denominated in Ringgit Malaysia.

22. Realised and unrealised profits disclosure

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

	As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	381,823	243,168
- Unrealised	237,961	275,774
	<u>619,784</u>	<u>518,942</u>
Total share of retained profits from associates:		
- Realised	34,971	35,943
- Unrealised	20,367	16,406
	<u>55,338</u>	<u>52,349</u>
Total share of retained profits from joint ventures:		
- Realised	36,773	37,608
- Unrealised	-	-
	<u>36,773</u>	<u>37,608</u>
Add: Consolidation adjustments	181,156	175,888
Total Group retained profits as per consolidated accounts	<u>893,051</u>	<u>784,787</u>

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22. Realised and unrealised profits disclosure (cont'd)

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

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

23. Derivative financial instruments

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

The Group has entered into interest rate swap contracts to hedge cash flow interest rate risk arising from floating rate bank loans and the details as at 30 June 2016 are as follows:

Type of Derivative	Contract/	
	Notional value	Net fair value loss
	RM'000	RM'000
Interest rate swaps	236,000	(52)

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 year ended 30 June 2016, the Group recognised a loss of approximately RM880,000 arising from fair values changes of financial derivative. The fair value changes are attributable to changes in floating and fixed interest rates.

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

There is no significant change in the policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group or the related accounting policies. Other related information associated with the financial instruments is consistent with the disclosures in the audited financial statements for the financial year ended 30 June 2016.

24. Changes in material litigation

Not applicable.

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25. Dividend

A proposed final single-tier dividend of 4% has been recommended for the financial year ended 30 June 2016:

- i. Amount per share: 2.0 sen
- ii. Previous year corresponding quarter: 2.0 sen
- iii. Entitlement date: will be announced at a date to be determined by the Directors
- iv. Payment date: will be announced at a date to be determined by the Directors.

Total dividend for the current financial year ended 30 June 2016: 2.0 sen per share (total for the previous corresponding year: 2.0 per share).

26. Earnings per share

Basic EPS

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

	3 months ended		Year-to-date ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Net profit attributable to ordinary shareholders for the period (RM'000)	94,459	171,439	121,672	188,866
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Basic EPS (sen)	14.922	10.774	19.258	13.725

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26. Earnings per share (cont'd)

Diluted EPS

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

	3 months ended		Year-to-date ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Net profit attributable to ordinary shareholders for the period (RM'000)	94,459	171,439	121,672	188,866
Weighted average number of shares ('000)	669,880	669,880	669,880	669,880
Effects of dilution of share options ('000)	-*	(1,195)^	-*	(1,360)^
Weighted average number of shares for diluted earnings per share computation ('000)	669,880	669,880	669,880	669,880
Diluted EPS (sen)	14.922	10.774	19.258	13.725

* The ESS options had no dilutive effect in the current financial year as the options had lapsed on 31 December 2015.

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

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
 CHIN MIN YANN
 Secretaries

Kuala Lumpur
 25 August 2016