

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2017**

*The figures have not been audited*

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	3 months ended		Year-to-date ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	157,606	53,526	157,606	53,526
Cost of sales	(111,639)	(33,066)	(111,639)	(33,066)
<b>Gross profit</b>	<b>45,967</b>	<b>20,460</b>	<b>45,967</b>	<b>20,460</b>
Selling and marketing expenses	(15,553)	(4,111)	(15,553)	(4,111)
Administrative expenses	(16,075)	(12,640)	(16,075)	(12,640)
Other net operating income	811	5,421	811	5,421
<b>Profit from operations</b>	<b>15,150</b>	<b>9,130</b>	<b>15,150</b>	<b>9,130</b>
Finance income	1,276	502	1,276	502
Finance costs	(12,495)	(8,847)	(12,495)	(8,847)
Share of results of associates and joint ventures	1,413	907	1,413	907
<b>Profit before tax</b>	<b>5,344</b>	<b>1,692</b>	<b>5,344</b>	<b>1,692</b>
Income tax	(2,564)	(556)	(2,564)	(556)
<b>Profit for the period</b>	<b>2,780</b>	<b>1,136</b>	<b>2,780</b>	<b>1,136</b>
<b>Profit attributable to:</b>				
Owners of the parent	1,060	265	1,060	265
Non-controlling interests	1,720	871	1,720	871
<b>Profit for the period</b>	<b>2,780</b>	<b>1,136</b>	<b>2,780</b>	<b>1,136</b>
Earnings per share attributable to owners of the parent:				
a) Basic (sen)	0.158	0.040	0.158	0.040
b) Diluted (sen)	0.158	0.040	0.158	0.040

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

**GuocoLand (Malaysia) Berhad** (300-K)  
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**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 (cont'd)**

	3 months ended		Year-to-date ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	<b>2,780</b>	<b>1,136</b>	<b>2,780</b>	<b>1,136</b>
<b>Other comprehensive (loss)/income:</b>				
Fair value (loss)/gain on available-for-sale investments	(710)	594	(710)	594
Foreign currency translation	-	(5)	-	(5)
<b>Other comprehensive (loss)/income for the period</b>	<b>(710)</b>	<b>589</b>	<b>(710)</b>	<b>589</b>
<b>Total comprehensive income for the period</b>	<b>2,070</b>	<b>1,725</b>	<b>2,070</b>	<b>1,725</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	350	854	350	854
Non-controlling interests	1,720	871	1,720	871
<b>Total comprehensive income for the period</b>	<b>2,070</b>	<b>1,725</b>	<b>2,070</b>	<b>1,725</b>

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

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2017**

	<b>As at</b> <b>30.09.2017</b> <b>RM'000</b>	<b>As at</b> <b>30.06.2017</b> <b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	528,717	523,832
Investment properties	544,728	544,318
Land held for property development	303,351	438,673
Investments in associates	198,783	197,916
Investments in joint ventures	111,382	110,873
Available-for-sale investments	122	1,566
Goodwill	9,632	11,813
Deferred tax assets	7,317	7,347
	<u>1,704,032</u>	<u>1,836,338</u>
<b>Current assets</b>		
Inventories	662,111	756,156
Property development costs	396,857	245,383
Trade and other receivables	204,719	108,308
Other current assets	1,598	894
Tax recoverable	7,013	7,548
Other investments	49	49
Derivative financial assets	67	118
Cash and cash equivalents	175,368	231,592
	<u>1,447,782</u>	<u>1,350,048</u>
<b>TOTAL ASSETS</b>	<u><u>3,151,814</u></u>	<u><u>3,186,386</u></u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2017 (cont'd)**

	<b>As at 30.09.2017 RM'000</b>	<b>As at 30.06.2017 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	385,318	385,318
Reserves	970,956	970,606
Equity funds	1,356,274	1,355,924
Shares held by ESS Trust	(23,883)	(23,883)
	<u>1,332,391</u>	<u>1,332,041</u>
<b>Non-controlling interests</b>	120,108	118,388
<b>TOTAL EQUITY</b>	<u>1,452,499</u>	<u>1,450,429</u>
<b>Non-current liabilities</b>		
Other payables	9,296	8,674
Loans and borrowings	977,998	1,162,110
Deferred tax liabilities	30,061	32,244
	<u>1,017,355</u>	<u>1,203,028</u>
<b>Current liabilities</b>		
Trade and other payables	259,936	271,122
Loans and borrowings	414,498	256,611
Derivative financial liabilities	68	103
Tax payable	7,458	5,093
	<u>681,960</u>	<u>532,929</u>
<b>TOTAL LIABILITIES</b>	<u>1,699,315</u>	<u>1,735,957</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,151,814</u>	<u>3,186,386</u>
<b>Net assets per share attributable to ordinary owners of the parent (RM)</b>	1.9890	1.9885

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

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	←——— Attributable to owners of the parent ———→							Total	Non-controlling interests	Total equity
	←——— Non-Distributable			———→ Distributable						
	Share capital	Shares held by ESS Trust	Merger reserve	Exchange reserve	Fair value reserve	Other reserve	Retained profits	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>Current year-to-date</b>										
<b>At 1 July 2017</b>	385,318	(23,883)	(24,028)	8	769	27	993,830	1,332,041	118,388	1,450,429
Total comprehensive (loss)/income for the period	-	-	-	-	(710)	-	1,060	350	1,720	2,070
<b>At 30 September 2017</b>	385,318	(23,883)	(24,028)	8	59	27	994,890	1,332,391	120,108	1,452,499

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 (cont'd)**

	← Attributable to owners of the parent →										
	← Non-Distributable →					Distributable					
	Share capital	Share premium	Shares held by ESS Trust	Merger reserve	Capital redemption 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
<b>Preceding year corresponding period</b>											
<b>At 1 July 2016</b>	350,229	35,089	(23,883)	(24,028)	27	23	388	885,419	1,223,264	113,733	1,336,997
Total comprehensive (loss)/income for the period	-	-	-	-	-	(5)	594	265	854	871	1,725
<b>At 30 September 2016</b>	350,229	35,089	(23,883)	(24,028)	27	18	982	885,684	1,224,118	114,604	1,338,722

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	<b>3 months ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	5,344	1,692
Adjustments for:		
Mark-to-market loss on derivatives	16	373
Gain on disposal of marketable securities	(684)	-
Property, plant and equipment:		-
- depreciation	1,737	1,509
- gain on disposal	(58)	(28)
Realisation of goodwill	2,181	221
Allowance for impairment on trade and other receivables	-	20
Dividend income	(1)	-
Interest expense	12,495	8,847
Interest income	(1,276)	(502)
Elimination of unrealised profit arising from transactions with an associate and joint ventures	37	-
Share of results of associates and joint ventures	(1,413)	(907)
Operating profit before working capital changes carried forward	18,378	11,225
Working capital changes:		
Inventories	94,045	16,012
Receivables	(96,970)	(10,209)
Property development costs	(14,618)	(9,513)
Payables	(11,561)	(14,032)
Joint ventures balances	(281)	-
Related company balances	1,132	(2,392)
Cash flow used in operations	(9,875)	(8,909)
Interest received	29	7
Interest paid	(14,030)	(10,622)
Tax paid	(1,815)	(5,387)
Net cash flows used in operating activities	(25,691)	(24,911)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 (cont'd)**

	<b>3 months ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Acquisitions of property, plant and equipment	(6,623)	(9,922)
Additions in investment properties	(410)	(50)
Dividend income from associate	-	1,945
Proceeds from disposals of:		
- investment securities	1,419	2,587
- plant and equipment	59	28
Interest received	1,247	495
Net cash flows used in investing activities	<u>(4,308)</u>	<u>(4,917)</u>
<b>Cash flows from financing activities</b>		
Bank borrowings drawdown	62,346	24,428
Repayment of bank borrowings	(91,115)	(129,534)
Net cash flow used in financing activities	<u>(28,769)</u>	<u>(105,106)</u>
Net decrease in cash and cash equivalents	(58,768)	(134,934)
Effect of exchange rate changes on cash and cash equivalents	-	(5)
Cash and cash equivalents at beginning of the financial period	231,592	211,958
Cash and cash equivalents at end of the financial period	<u>172,824</u>	<u>77,019</u>

Cash and cash equivalents comprise the following:

	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits, cash and bank balances	175,368	79,772
Bank overdrafts	(2,544)	(2,753)
	<u>172,824</u>	<u>77,019</u>

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



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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 2017. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2017.

**2. Changes in accounting policies**

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 30 June 2017 except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2016 and 1 July 2016 respectively. The Group has not early adopted the standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the annual periods beginning on or after 1 July 2016.

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

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

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

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

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

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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 period ended 30 September 2017.

**6. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years**

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial period.

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

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 September 2017, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad were held by the ESS Trust.

There were no issues, repurchases and repayments of debt and equity securities during the current financial period ended 30 September 2017.

**8. Dividend paid**

There was no dividend paid during the current quarter ended 30 September 2017.

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**9. Segmental reporting**

The Group's segmental report for the current financial period ended 30 September 2017 is as follows:

	Property development RM'000	Property investment RM'000	Hotels RM'000	Plantations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>							
External sales	128,156	5,183	14,893	4,732	4,642	-	157,606
Inter-segment sales	-	-	-	-	1,826	(1,826)	-
Total revenue	128,156	5,183	14,893	4,732	6,468	(1,826)	157,606
<b>Results</b>							
Segment results	15,542	1,996	(2,248)	2,740	(2,657)	-	15,373
Unallocated corporate expenses							(223)
Profit from operations							15,150
Interest income	618	189	244	167	58	-	1,276
Finance costs							(12,495)
Share of results of associates	-	913	-	(46)	-	-	867
Share of results of joint ventures	546	-	-	-	-	-	546
Income tax expense	(985)	(53)	-	(691)	(835)	-	(2,564)
Profit for the period							2,780

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 subsequent events not reflected in the financial statements**

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

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**12. Capital commitments**

As at 30.9.2017  
RM'000

Capital expenditure approved and contracted for:

- Property, plant and equipment 3,047

**13. Changes in the composition of the Group**

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

Guoman International Sdn Bhd and Megawise International Limited (formerly known as Guoman International Limited), both wholly-owned subsidiaries of Guoman Hotel & Resort Holdings Sdn Bhd which in turn is a 70%-owned subsidiary of GLM, were dissolved on 16 August 2017 and 17 August 2017 respectively.

**14. Review of performance**

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

The Group recorded revenue of RM157.6 million for the current quarter under review as compared to RM53.5 million in the preceding year corresponding quarter. The increase in revenue was mainly due to the higher contribution from residential projects in Oval and Damansara City during the current quarter.

The Group recorded a profit before tax of RM5.3 million for the current quarter as compared to RM1.7 million in the preceding year corresponding quarter due to contribution from residential project in Damansara City.

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

The Group's current quarter profit before tax of approximately RM5.3 million was 19.0% lower than the immediate preceding quarter of RM6.6 million. The fluctuation in quarterly results was mainly due to higher finance costs being expensed off in the current financial quarter with the completion of Sofitel Damansara City as the finance costs were being capitalised in the property development costs in the preceding year corresponding quarter.

**16. Prospects**

The property market outlook is expected to remain stagnant in the near term and the Board foresees another challenging year ahead. Properties in prime locations with good connectivity and attractive pricing are still seeing good demand. The Group will continue to focus on monetising its inventories, leasing out vacant spaces and timely completion of its development projects. New product launches will be phased according to prevailing market sentiments. At the same time, the Group will continue to explore new landbank opportunities and to replenish its land bank to ensure sustainable returns and long term growth of the Group.

**17. Profit forecast/profit guarantee**

Not applicable.

**18. Profit for the year**

Included in profit for the financial period/year are:

	Current Quarter	Year-to-date
	RM'000	RM'000
Depreciation of property, plant and equipment	1,737	1,737
Gain on disposal of property, plant and equipment	(58)	(58)
Gain on disposal of marketable securities	(684)	(684)
Mark-to-market loss on derivatives	16	16

Other than the above items, there were no allowance for impairment and write off of inventories, gain or loss on disposal of investment properties, impairment of assets and other exceptional items for the current quarter and financial period ended 30 September 2017.

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**19. Taxation**

Taxation comprises:

	Current Quarter	Year-to-date
	RM'000	RM'000
Current taxation		
- Malaysian income tax	(4,715)	(4,715)
- Deferred taxation	2,151	2,151
	<u>(2,564)</u>	<u>(2,564)</u>

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

**20. Corporate proposals**

There is no other 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 30 September 2017 are as follows:

	RM'000
<b>Short term borrowings</b>	
Secured	356,154
Unsecured	58,344
	<u>414,498</u>
<b>Long term borrowings</b>	
Secured	977,998
<b>Total borrowings</b>	<u>1,392,496</u>

The above borrowings are all denominated in Ringgit Malaysia.

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**22. Realised and unrealised profits disclosure**

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

	As at 30.09.2017 RM'000	As at 30.06.2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	403,862	402,654
- Unrealised	133,771	122,487
	<u>537,633</u>	<u>525,141</u>
Total share of retained profits from associates:		
- Realised	37,469	36,602
- Unrealised	16,468	16,468
	<u>53,937</u>	<u>53,070</u>
Total share of retained profits from joint ventures:		
- Realised	35,510	35,001
	<u>35,510</u>	<u>35,001</u>
Add: Consolidation adjustments	367,810	380,618
<b>Total Group retained profits as per consolidated accounts</b>	<u>994,890</u>	<u>993,830</u>

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

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

**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.

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**23. Derivative financial instruments (cont'd)**

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 September 2017 are as follows:

<b>Type of Derivative</b>	<b>Contract/</b>	<b>Net fair</b>
	<b>Notional</b>	<b>value gain</b>
	<b>value</b>	<b>value gain</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest rate swaps	126,000	(1)

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 30 September 2017, the Group recognised a loss of approximately RM16,000 arising from fair values changes of financial derivative. The fair value changes are attributable to changes in floating and fixed interest rates.

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

There is no significant change in the policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group or the related accounting policies. Other related information associated with the financial instruments is consistent with the disclosures in the audited financial statements for the financial period ended 30 September 2017.

**24. Changes in material litigation**

Not applicable.

**25. Dividend**

The Board does not recommend any interim dividend for the current financial period ended 30 September 2017.



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*The figures have not been audited*

**26. Earnings per share**

**Basic EPS**

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

	3 months ended		Year-to-date ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Net profit attributable to ordinary shareholders for the period (RM'000)	<u>1,060</u>	<u>265</u>	<u>1,060</u>	<u>265</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>0.158</u>	<u>0.040</u>	<u>0.158</u>	<u>0.040</u>

**Diluted EPS**

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

By Order of the Board  
**GuocoLand (Malaysia) Berhad**

CHIN MIN YANN  
Secretary

Kuala Lumpur  
26 October 2017