

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

|  | 3 months ended       |                      | Year-to-date ended   |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 31.03.2018<br>RM'000 | 31.03.2017<br>RM'000 | 31.03.2018<br>RM'000 | 31.03.2017<br>RM'000 |
| <b>Revenue</b>   | 35,831               | 81,165               | 289,003              | 152,309              |
| Cost of sales  | (26,581)             | (52,739)             | (207,405)            | (93,090)             |
| <b>Gross profit</b>                                      | 9,250                | 28,426               | 81,598               | 59,219               |
| Selling and marketing expenses                           | (4,697)              | (2,259)              | (21,554)             | (9,495)              |
| Administrative expenses                                  | (15,586)             | (13,663)             | (45,150)             | (27,923)             |
| Other net operating income                               | 105,076              | 2,948                | 105,201              | 6,401                |
| <b>Profit from operations</b>                            | 94,043               | 15,452               | 120,095              | 28,202               |
| Finance income   | 778                  | 1,049                | 2,941                | 1,919                |
| Finance costs  | (13,393)             | (9,716)              | (38,010)             | (27,619)             |
| Share of results of associates and joint ventures        | 6,425                | 6,780                | 9,240                | 122,058              |
| <b>Profit before tax</b>                                 | 87,853               | 13,565               | 94,266               | 124,560              |
| Income tax   | (3,472)              | (4,230)              | (8,389)              | (5,515)              |
| <b>Profit from continuing operations,<br/>net of tax</b> | 84,381               | 9,335                | 85,877               | 119,045              |
| <b>Discontinued operation</b>                            |                      |                      |                      |                      |
| Profit from discontinuing operation, net of tax          | 2,344                | 923                  | 6,482                | 4,157                |
| <b>Profit for the period</b>                             | <b>86,725</b>        | <b>10,258</b>        | <b>92,359</b>        | <b>123,202</b>       |
| <b>Profit attributable to:</b>                           |                      |                      |                      |                      |
| Owners of the parent                                     | 55,690               | 8,341                | 57,715               | 119,417              |
| Non-controlling interests                                | 31,035               | 1,917                | 34,644               | 3,785                |
| <b>Profit for the period</b>                             | <b>86,725</b>        | <b>10,258</b>        | <b>92,359</b>        | <b>123,202</b>       |
| Earnings per share attributable to owners of the parent: |                      |                      |                      |                      |
| a) Basic (sen)   | 8.313                | 1.245                | 8.616                | 17.827               |
| b) Diluted (sen)   | 8.313                | 1.245                | 8.616                | 17.827               |

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)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (cont'd)**

|  | 3 months ended |               | Year-to-date ended |                |
|--|----------------|---------------|--------------------|----------------|
|  | 31.03.2018     | 31.03.2017    | 31.03.2018         | 31.03.2017     |
|  | RM'000         | RM'000        | RM'000             | RM'000         |
| <b>Profit for the period</b>                             | <b>86,725</b>  | <b>10,258</b> | <b>92,359</b>      | <b>123,202</b> |
| <b>Other comprehensive (loss)/income:</b>                |                |               |                    |                |
| Fair value (loss)/gain on available-for-sale investments | -              | (137)         | (769)              | 457            |
| Foreign currency translation                             | 6              | (1)           | 14                 | (16)           |
| <b>Other comprehensive income/(loss) for the period</b>  | <b>6</b>       | <b>(138)</b>  | <b>(755)</b>       | <b>441</b>     |
| <b>Total comprehensive income for the period</b>         | <b>86,731</b>  | <b>10,120</b> | <b>91,604</b>      | <b>123,643</b> |
| <b>Total comprehensive income attributable to:</b>       |                |               |                    |                |
| Owners of the parent                                     | 55,696         | 8,203         | 56,960             | 119,858        |
| Non-controlling interests                                | 31,035         | 1,917         | 34,644             | 3,785          |
| <b>Total comprehensive income for the period</b>         | <b>86,731</b>  | <b>10,120</b> | <b>91,604</b>      | <b>123,643</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)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

|                                    | <b>As at</b>      | <b>(Audited)</b>  |
|------------------------------------|-------------------|-------------------|
|                                    | <b>31.03.2018</b> | <b>As at</b>      |
|                                    | <b>RM'000</b>     | <b>30.06.2017</b> |
|                                    |                   | <b>RM'000</b>     |
| <b>Non-current assets</b>          |                   |                   |
| Property, plant and equipment      | 361,925           | 523,832           |
| Investment properties              | 544,673           | 544,318           |
| Land held for property development | 302,489           | 438,673           |
| Investments in associates          | 202,829           | 197,916           |
| Investments in joint ventures      | 110,995           | 110,873           |
| Available-for-sale investments     | -                 | 1,566             |
| Goodwill                           | 8,140             | 11,813            |
| Deferred tax assets                | 7,803             | 7,347             |
|                                    | <u>1,538,854</u>  | <u>1,836,338</u>  |
| <b>Current assets</b>              |                   |                   |
| Inventories                        | 584,982           | 756,156           |
| Property development costs         | 454,120           | 245,383           |
| Trade and other receivables        | 331,683           | 108,308           |
| Other current assets               | 1,277             | 894               |
| Tax recoverable                    | 10,879            | 7,548             |
| Other investments                  | 10,111            | 49                |
| Derivative financial assets        | 59                | 118               |
| Cash and cash equivalents          | 121,724           | 231,592           |
|                                    | <u>1,514,835</u>  | <u>1,350,048</u>  |
| <b>TOTAL ASSETS</b>                | <u>3,053,689</u>  | <u>3,186,386</u>  |

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
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**ENDED 31 MARCH 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018 (cont'd)**

|  | <b>As at</b>      | <b>(Audited)</b>  |
|--|-------------------|-------------------|
|  | <b>31.03.2018</b> | <b>As at</b>      |
|  | <b>RM'000</b>     | <b>30.06.2017</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           |
| Reserves   | 1,002,888         | 970,606           |
| Equity funds   | 1,388,206         | 1,355,924         |
| Shares held by ESS Trust   | (23,883)          | (23,883)          |
|  | <u>1,364,323</u>  | <u>1,332,041</u>  |
| <b>Non-controlling interests</b>   | 165,882           | 118,388           |
| <b>TOTAL EQUITY</b>  | <u>1,530,205</u>  | <u>1,450,429</u>  |
| <b>Non-current liabilities</b>   |                   |                   |
| Other payables   | 9,842             | 8,674             |
| Loans and borrowings   | 959,305           | 1,162,110         |
| Deferred tax liabilities   | 28,569            | 32,244            |
|  | <u>997,716</u>    | <u>1,203,028</u>  |
| <b>Current liabilities</b>   |                   |                   |
| Trade and other payables   | 170,178           | 271,122           |
| Loans and borrowings   | 348,084           | 256,611           |
| Derivative financial liabilities   | 25                | 103               |
| Tax payable  | 7,481             | 5,093             |
|  | <u>525,768</u>    | <u>532,929</u>    |
| <b>TOTAL LIABILITIES</b>   | <u>1,523,484</u>  | <u>1,735,957</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <u>3,053,689</u>  | <u>3,186,386</u>  |
| <b>Net assets per share attributable to ordinary owners of the parent (RM)</b> | 2.0367            | 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 THIRD QUARTER ENDED 31 MARCH 2018**

*The figures have not been audited*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

|  | ←——— Attributable to owners of the parent ———→ |  |                             |                               |                                 |                            |                               | Total            | Non-<br>controlling<br>interests | Total<br>equity  |
|--|--|--|-----------------------------|-------------------------------|---------------------------------|----------------------------|-------------------------------|------------------|----------------------------------|------------------|
|  | ←——— Non-Distributable                         |  |                             | Distributable                 |                                 |                            |                               |                  |                                  |                  |
|  | Share<br>capital<br>RM'000                     | Shares held<br>by ESS<br>Trust<br>RM'000 | Merger<br>reserve<br>RM'000 | Exchange<br>reserve<br>RM'000 | Fair value<br>reserve<br>RM'000 | Other<br>reserve<br>RM'000 | Retained<br>profits<br>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 income/(loss) for the period | -  | -  | -                           | 14                            | (769)                           | -                          | 57,715                        | 56,960           | 34,644                           | 91,604           |
| Disposal of subsidiary                           | -  | -  | -                           | -                             | -                               | -                          | (10,669)                      | (10,669)         | 12,850                           | 2,181            |
| Dividend paid                                    | -  | -  | -                           | -                             | -                               | -                          | (14,009)                      | (14,009)         | -                                | (14,009)         |
| <b>As At 31 March 2018</b>                       | <b>385,318</b>                                 | <b>(23,883)</b>                          | <b>(24,028)</b>             | <b>22</b>                     | <b>-</b>                        | <b>27</b>                  | <b>1,026,867</b>              | <b>1,364,323</b> | <b>165,882</b>                   | <b>1,530,205</b> |



**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2018**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

|  | <b>9 months ended</b> |                   |
|--|-----------------------|-------------------|
|  | <b>31.03.2018</b>     | <b>31.03.2017</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>Cash flows from operating activities</b>  |                       |                   |
| Profit before tax from continuing operations   | 94,266                | 124,560           |
| Profit before tax from discontinuing operations  | 6,481                 | 4,158             |
| <b>Profit before tax</b>   | <b>100,747</b>        | <b>128,718</b>    |
| Adjustments for:   |                       |                   |
| Mark-to-market loss on derivatives   | (19)                  | (61)              |
| Gain on disposal of marketable securities  | (739)                 | -                 |
| Property, plant and equipment:   |                       |                   |
| - depreciation   | 9,239                 | 4,341             |
| - gain on disposal   | (58)                  | (125)             |
| Realisation of goodwill  | 3,673                 | 221               |
| Allowance for impairment on trade and other receivables  | 7                     | 20                |
| Dividend income  | (3)                   | -                 |
| Interest expense   | 38,625                | 28,455            |
| Interest income  | (3,265)               | (1,937)           |
| Elimination of unrealised profit arising from transactions with an<br>associate and joint ventures | 525                   | 4,047             |
| Share of results of associates and joint ventures  | (9,206)               | (122,058)         |
| Gain on disposal of subsidiaries   | 104,081               | -                 |
| Operating profit before working capital changes carried forward                                    | 243,607               | 41,621            |
| Working capital changes:   |                       |                   |
| Inventories  | 170,304               | 64,106            |
| Receivables  | (196,890)             | (36,890)          |
| Property development costs   | (69,135)              | (31,665)          |
| Payables   | (74,332)              | (41,369)          |
| Joint ventures balances  | (162)                 | (394)             |
| Related company balances   | (99,762)              | 48,312            |
| Cash flow (used in)/generated from operations  | (26,370)              | 43,721            |
| Interest received  | 80                    | 16                |
| Interest paid  | (42,906)              | (32,384)          |
| Tax paid   | (13,465)              | (11,603)          |
| Net cash flows used in operating activities  | (82,661)              | (250)             |

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (cont'd)**

|   | <b>9 months ended</b> |                       |
|---|-----------------------|-----------------------|
|   | <b>31.03.2018</b>     | <b>31.03.2017</b>     |
|   | <b>RM'000</b>         | <b>RM'000</b>         |
| <b>Cash flows from investing activities</b>                     |                       |                       |
| Acquisitions of property, plant and equipment                   | (10,243)              | (84,467)              |
| Additions in investment properties                              | (355)                 | (4,644)               |
| Proceeds from disposal/(additions) in land held for development | 862                   | (133,740)             |
| Dividend income from associate                                  | 3,646                 | 4,211                 |
| (Additional to)/proceeds from disposals of:                     |                       |                       |
| - investment securities   | (8,523)               | 6,697                 |
| - plant and equipment   | 59                    | 125                   |
| Proceeds from disposal of subsidiaries                          | 123,589               | -                     |
| Interest received   | 3,185                 | 1,921                 |
| Net cash flows generated from/(used in) investing activities    | <u>112,220</u>        | <u>(209,897)</u>      |
| <b>Cash flows from financing activities</b>                     |                       |                       |
| Bank borrowings drawdown  | 185,725               | 650,359               |
| Repayment of bank borrowings                                    | (311,251)             | (514,366)             |
| Dividend paid   | (14,009)              | (13,398)              |
| Net cash flow (used in)/generated from financing activities     | <u>(139,535)</u>      | <u>122,595</u>        |
| Net decrease in cash and cash equivalents                       | (109,976)             | (87,552)              |
| Effect of exchange rate changes on cash and cash equivalents    | 14                    | (16)                  |
| Cash and cash equivalents at beginning of the financial period  | <u>231,592</u>        | <u>211,958</u>        |
| Cash and cash equivalents at end of the financial period        | <u><u>121,630</u></u> | <u><u>124,390</u></u> |

Cash and cash equivalents comprise the following:

|                                  | <b>31.03.2018</b> | <b>31.03.2017</b> |
|----------------------------------|-------------------|-------------------|
|                                  | <b>RM'000</b>     | <b>RM'000</b>     |
| Deposits, cash and bank balances | 121,724           | 125,774           |
| Bank overdrafts                  | (94)              | (1,384)           |
|                                  | <u>121,630</u>    | <u>124,390</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.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
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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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**31 MARCH 2018**

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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 31 March 2018.

**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**

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 31 March 2018, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

During the financial period ended 31 March 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.

Save as detailed above, there were no other issues, repurchases and repayments of debts and equity securities during the current financial period ended 31 March 2018.

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**31 MARCH 2018**

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**8. Dividend paid**

During the financial period ended 31 March 2018, a final dividend of 2 sen per ordinary share amounted to RM14.01 million in respect of the financial year ended 30 June 2017 was paid on 14 November 2017.

**9. Segmental reporting**

The Group's segmental report for the current financial period ended 31 March 2018 is as follows:

|   | Property<br>development<br>RM'000 | Property<br>investment<br>RM'000 | Hotels<br>RM'000 | Plantations<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|---|-----------------------------------|----------------------------------|------------------|-----------------------|------------------|-----------------------|------------------------|
| <b>Revenue</b>                                      |                                   |                                  |                  |                       |                  |                       |                        |
| External sales                                      | 229,234                           | 18,107                           | 17,464           | 15,855                | 8,343            | -                     | 289,003                |
| Inter-segment sales                                 | -                                 | -                                | -                | -                     | 14,347           | (14,347)              | -                      |
| Total revenue                                       | 229,234                           | 18,107                           | 17,464           | 15,855                | 22,690           | (14,347)              | 289,003                |
| <b>Results</b>                                      |                                   |                                  |                  |                       |                  |                       |                        |
| Segment results                                     | 24,829                            | 4,472                            | (9,734)          | 8,690                 | 92,723           | -                     | 120,980                |
| Unallocated corporate<br>expenses                   |                                   |                                  |                  |                       |                  |                       | (885)                  |
| Profit from operations                              |                                   |                                  |                  |                       |                  |                       | 120,095                |
| Interest income                                     | 1,536                             | 581                              | 24               | 576                   | 224              | -                     | 2,941                  |
| Finance costs                                       |                                   |                                  |                  |                       |                  |                       | (38,010)               |
| Share of results of<br>associates                   | -                                 | 2,741                            | -                | 5,853                 | -                | -                     | 8,594                  |
| Share of results of<br>joint ventures               | 646                               | -                                | -                | -                     | -                | -                     | 646                    |
| Profit from discontinuing<br>operations, net of tax |                                   |                                  |                  |                       |                  |                       | 6,482                  |
| Income tax expense                                  | (1,484)                           | (212)                            | -                | (2,194)               | (4,499)          | -                     | (8,389)                |
| Profit for the period                               |                                   |                                  |                  |                       |                  |                       | 92,359                 |

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.

**GUOCOLAND (MALAYSIA) BERHAD (300-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2018**

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

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

**12. Capital commitments**

As at 31.03.2018  
RM'000

Capital expenditure approved and contracted for:

- Property, plant and equipment 133

**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, and restructuring other than as mentioned below:

- (i) The proposed disposals by Guoman Hotel & Resort Holdings Sdn Bhd, a 70%-owned subsidiary of the Company, of its entire interests in JB Parade Sdn Bhd (owns Thistle Johor Bahru) and PD Resort Sdn Bhd (owns Thistle Port Dickson) to GuocoLand Hotels Pte Ltd were completed on 5 April 2018 (collectively referred to as “Disposals of JBP and PDR”). Hence, JB Parade Sdn Bhd and PD Resort Sdn Bhd have ceased to be subsidiaries of the Company.
- (ii) Prophills Development Sdn Bhd, an indirect wholly-owned subsidiary of the Company, was dissolved by member’s voluntary liquidation on 1 February 2018.

**14. Review of performance**

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

The Group recorded revenue of RM35.8 million for the current quarter under review as compared to RM81.2 million in the preceding year corresponding quarter. The decrease in revenue was mainly due to lower contribution from residential project in Oval and no contribution from commercial project in PJ City Parcel A Phase 2 during the current quarter.

The Group recorded a profit before tax of RM87.9 million for the current quarter as compared to a profit of RM13.6 million in the preceding year corresponding quarter mainly due to the gain on Disposals of JBP and PDR of approximately RM104.8 million during the current quarter.

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*The figures have not been audited*

**14. Review of performance (Cont'd)**

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

The Group recorded a revenue of RM289.0 million for the current financial year as compared to RM152.3 million in the preceding financial year. The increase was mainly due to the higher contribution from residential projects in DC Residensi and Oval during the current financial year. It was partly offset by a zero contribution from commercial project in PJ City Parcel A Phase 2 during the current financial year.

The Group recorded a profit before tax of RM94.3 million for the current financial year as compared to a profit before tax of RM124.6 million in the preceding financial year. The decrease was mainly due to the higher share of profits contributed by an associate, GLM Emerald (Sepang) Sdn Bhd (formerly known as Vintage Heights Sdn Bhd), arising from the disposal of land located in Sepang, Selangor in the preceding financial year.

**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 RM87.9 million was approximately RM85.7 million higher than the immediate preceding quarter profit before tax of RM2.2 million. The higher performance of the current quarter was mainly due to the gain on Disposals of JBP and PDR.

**16. Prospects**

The domestic property market is expected to remain lacklustre in the subsequent period of year 2018 due to the continued weak market and consumer sentiments, more so with the latest Bank Negara interest rate hike by 25 basis point. The overall momentum and prospects of the property market in the next 1 to 2 years is expected to remain soft and challenging.

For the current quarter, the Group had completed the Disposals of JBP and PDR. As property development is the key driver to our business operations, moving forward, the Group will remain steadfast to launch its project according to prevailing market sentiments.

**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 | Year-to-date |
|   | RM'000  | RM'000       |
| Depreciation of property, plant and equipment     | 2,595   | 9,239        |
| Gain on disposal of property, plant and equipment | -       | (58)         |
| Gain on disposal of marketable securities         | -       | (739)        |
| Gain on disposal of subsidiaries                  | 104,081 | 104,081      |
| Mark-to-market gain on derivatives                | 2       | (19)         |

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 31 March 2018.

**19. Taxation**

Taxation comprises:

|                           | Current        |                |
|---------------------------|----------------|----------------|
|                           | Quarter        | Year-to-date   |
|                           | RM'000         | RM'000         |
| Current taxation          |                |                |
| - Malaysian income tax    | (269)          | (9,312)        |
| - Deferred taxation       | 93             | 4,129          |
| - Real Property Gains Tax | (3,279)        | (3,279)        |
| Prior year                |                |                |
| - Malaysian income tax    | (17)           | 73             |
|                           | <u>(3,472)</u> | <u>(8,389)</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 lower rate use for gain recognised on Disposals of JBP and PDR (RPGT rate of 5%).

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**20. Corporate proposals**

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

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

Particulars of the Group's borrowings as at 31 March 2018 are as follows:

|                              | RM'000           |
|------------------------------|------------------|
| <b>Short term borrowings</b> |                  |
| Secured                      | 243,990          |
| Unsecured                    | 104,094          |
|                              | <u>348,084</u>   |
| <b>Long term borrowings</b>  |                  |
| Secured                      | 959,305          |
| <b>Total borrowings</b>      | <u>1,307,389</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<br>31.03.2018<br>RM'000 | As at<br>30.06.2017<br>RM'000 |
|--|-------------------------------|-------------------------------|
| Total retained profits of the Company and its subsidiaries:      |                               |                               |
| - Realised   | 619,483                       | 402,654                       |
| - Unrealised   | 133,806                       | 122,487                       |
|  | <u>753,289</u>                | <u>525,141</u>                |
| Total share of retained profits from associates:                 |                               |                               |
| - Realised   | 29,637                        | 36,602                        |
| - Unrealised   | 16,468                        | 16,468                        |
|  | <u>46,105</u>                 | <u>53,070</u>                 |
| Total share of retained profits from joint ventures:             |                               |                               |
| - Realised   | 35,122                        | 35,001                        |
|  | <u>35,122</u>                 | <u>35,001</u>                 |
| Add: Consolidation adjustments                                   | 192,351                       | 380,618                       |
| <b>Total Group retained profits as per consolidated accounts</b> | <u>1,026,867</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.

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**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 31 March 2018 are as follows:

| <b>Type of Derivative</b> | <b>Contract/<br/>Notional<br/>value<br/>RM'000</b> | <b>Net fair<br/>value gain<br/>RM'000</b> |
|---------------------------|--|---|
| Interest rate swaps       | 83,500   | 34  |

Interest rate swaps are used to reduce exposure to fluctuations in interest rates and are categorised as fair value through profit or loss and measured at their fair value with the changes in fair value being recognised in the profit or loss at each reporting date. During the current financial period ended 31 March 2018, the Group recognised a loss of approximately RM2,000 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 31 March 2018.

**24. Changes in material litigation**

Not applicable.

**25. Dividend**

The Board does not recommend any interim dividend for the current financial period ended 31 March 2018.

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**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 |            |
|--|----------------|------------|--------------------|------------|
|  | 31.03.2018     | 31.03.2017 | 31.03.2018         | 31.03.2017 |
| Net profit attributable to ordinary shareholders for the period (RM'000) | 55,690         | 8,341      | 57,715             | 119,417    |
| Weighted average number of shares ('000)                                 | 669,880        | 669,880    | 669,880            | 669,880    |
| Basic EPS (sen)  | 8.313          | 1.245      | 8.616              | 17.827     |

**Diluted EPS**

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

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

The auditors' report on the financial statements for the financial year ended 30 June 2017 was not subject to any qualification.

**28. 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 April 2018