

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Period-to-date ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Revenue	35,129	90,932
Cost of sales	(26,993)	(66,627)
Gross profit	<u>8,136</u>	<u>24,305</u>
Selling and marketing expenses	(435)	(1,162)
Administrative expenses	(13,165)	(13,890)
Other net operating income	1,348	2,292
(Loss)/Profit from operations	<u>(4,116)</u>	<u>11,545</u>
Finance income	195	810
Finance costs	(6,242)	(9,154)
Share of results of associates and joint ventures	2,498	2,049
(Loss)/Profit before tax	<u>(7,665)</u>	<u>5,250</u>
Income tax	(148)	4,119
(Loss)/Profit for the period	<u>(7,813)</u>	<u>9,369</u>
(Loss)/Profit attributable to:		
Owners of the parent	(7,981)	8,552
Non-controlling interests	168	817
(Loss)/Profit for the period	<u>(7,813)</u>	<u>9,369</u>
(Loss)/Profit per share attributable to owners of the parent:		
a) Basic (sen)	(1.191)	1.277
b) Diluted (sen)	(1.191)	1.277

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2021

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (cont'd)

	Period-to-date ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
(Loss)/Profit for the period	(7,813)	9,369
Total comprehensive loss for the period	(7,813)	9,369
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(7,981)	8,552
Non-controlling interests	168	817
Total comprehensive loss for the period	(7,813)	9,369

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2021

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Unaudited	Audited
	As at	As at
	30.09.2021	30.06.2021
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	322,880	322,994
Right-of-use assets	2,320	2,660
Investment properties	274,063	274,063
Land held for property development	150,823	150,823
Investments in associates	192,390	192,741
Investments in joint ventures	125,810	124,794
Goodwill	4,816	4,816
Deferred tax assets	19,215	18,474
	<u>1,092,317</u>	<u>1,091,365</u>
Current assets		
Inventories	790,468	798,179
Biological assets	327	135
Trade and other receivables	46,221	40,583
Contract assets	187,865	164,478
Contract cost assets	62,400	62,273
Other current assets	4,606	4,425
Tax recoverable	3,580	2,436
Other investments	114,252	119,387
Cash and cash equivalents	60,545	88,518
	<u>1,270,264</u>	<u>1,280,414</u>
TOTAL ASSETS	<u>2,362,581</u>	<u>2,371,779</u>

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2021

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021 (cont'd)

	Unaudited	Audited
	As at	As at
	30.09.2021	30.06.2021
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	385,318	385,318
Reserves	934,311	942,292
Equity funds	<u>1,319,629</u>	<u>1,327,610</u>
Shares held by ESS Trust	<u>(23,883)</u>	<u>(23,883)</u>
	1,295,746	1,303,727
Non-controlling interests	<u>142,091</u>	<u>141,923</u>
TOTAL EQUITY	<u>1,437,837</u>	<u>1,445,650</u>
Non-current liabilities		
Trade and other payables	267	1,329
Loans and borrowings	478,932	486,507
Lease liabilities	914	1,559
Deferred tax liabilities	<u>17,138</u>	<u>16,431</u>
	<u>497,251</u>	<u>505,826</u>
Current liabilities		
Trade and other payables	111,173	123,421
Contract liabilities	26,714	8,836
Loans and borrowings	285,700	271,804
Lease liabilities	326	658
Tax payable	<u>3,580</u>	<u>15,584</u>
	<u>427,493</u>	<u>420,303</u>
TOTAL LIABILITIES	<u>924,744</u>	<u>926,129</u>
TOTAL EQUITY AND LIABILITIES	<u>2,362,581</u>	<u>2,371,779</u>
Net assets per share attributable to ordinary owners of the parent (RM)	1.9343	1.9462

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	← Attributable to owners of the parent →						Non-controlling interests	Total equity	
	← Non-Distributable →			Distributable					
	Share capital	Shares held by ESS Trust	Merger reserve	Exchange reserve	Other reserve	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Current year-to-date									
At 1 July 2021	385,318	(23,883)	(24,028)	106	27	966,187	1,303,727	141,923	1,445,650
Total comprehensive income/(loss) for the period	-	-	-	-	-	(7,981)	(7,981)	168	(7,813)
As At 30 September 2021	385,318	(23,883)	(24,028)	106	27	958,206	1,295,746	142,091	1,437,837

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (cont'd)**

	← Attributable to owners of the parent →								Total equity RM'000
	← Non-Distributable →				Distributable				
	Share capital RM'000	Shares held by ESS Trust RM'000	Merger reserve RM'000	Exchange reserve RM'000	Other reserve RM'000	Retained profits RM'000	Total RM'000	Non- controlling interests RM'000	
Preceding year corresponding period									
At 1 July 2020	385,318	(23,883)	(24,028)	106	27	888,776	1,226,316	149,151	1,375,467
Total comprehensive income/(loss) for the period	-	-	-	-	-	8,552	8,552	817	9,369
Dividend paid	-	-	-	-	-	-	-	(23,341)	(23,341)
As At 30 September 2020	385,318	(23,883)	(24,028)	106	27	897,328	1,234,868	126,627	1,361,495

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2021

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	3 months ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(7,665)	5,250
Adjustments for:		
(Gain)/loss on biological assets	(192)	285
Gain on investment in cash funds	(469)	(259)
Reversal of impairment loss on land held for development	-	(140)
Depreciation of property, plant and equipment	3,056	3,058
Depreciation of right-of-use assets	578	2,221
Property, plant and equipment written off	(18)	-
Gain on disposal of property, plant and equipment	1	(32)
Realisation of goodwill	-	115
Allowance for impairment on trade and other receivables	146	(204)
Interest expense	6,242	9,154
Interest income	(195)	(810)
Elimination of unrealised profit arising from transactions with an associate and joint ventures	845	777
Share of results of associates and joint ventures	(2,498)	(2,049)
Operating profit before working capital changes	<u>(169)</u>	<u>17,366</u>
Working capital changes:		
Inventories	(104,475)	15,821
Receivables	84,801	84,286
Payables	(1,418)	44,445
Joint ventures balances	(321)	80
Related company balances	3,611	-
Cash flow (used in)/generated from operations	<u>(17,971)</u>	<u>161,998</u>
Interest received	-	15
Interest paid	(9,223)	(9,790)
Tax paid	(13,331)	(874)
Net cash flows (used in)/generated from operating activities	<u>(40,525)</u>	<u>151,349</u>

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2021

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (cont'd)

	3 months ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Cash flows from investing activities		
Disposal/(Acquisitions) of property, plant and equipment	(273)	(11,710)
Proceeds from disposal of an investment property	-	242,100
Dividend income from associate	705	717
Proceeds/(Additions in) from disposals of investment securities	5,135	(60,890)
Proceeds from disposal of plant and equipment	-	72
Proceeds from disposal of subsidiaries	-	13
Dividend income from investment securities	-	259
Interest received	664	1,054
Net cash flows generated from investing activities	<u>6,231</u>	<u>171,615</u>
Cash flows from financing activities		
Drawdown of bank borrowings	16,980	-
Repayment of bank borrowings	(10,659)	(330,723)
Dividend paid to non-controlling interest	-	(23,341)
Net cash flow generated/(used in) from financing activities	<u>6,321</u>	<u>(354,064)</u>
Net decrease in cash and cash equivalents	(27,973)	(31,100)
Cash and cash equivalents at beginning of the financial period	88,518	189,406
Cash and cash equivalents at end of the financial period	<u>60,545</u>	<u>158,306</u>

Cash and cash equivalents comprise the following:

	30.09.2021	30.09.2020
	RM'000	RM'000
Deposits, cash and bank balances	60,545	158,318
Bank overdrafts	-	(12)
	<u>60,545</u>	<u>158,306</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30
SEPTEMBER 2021

The figures have not been audited

NOTES

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 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 2021. 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 2021.

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group's audited financial statements for the financial year ended 30 June 2021, except for the following:

Effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 1	First-time Adoption of MFRS-Subsidiary as a First-time Adopter
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Financial Instruments - Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 141	Agriculture - Taxation in Fair Value Measurements

The adoption of the above do not have any significant impact to the Group.

2. Qualification of audit report of the preceding annual financial statements

The audit report for the preceding annual financial statements was not subject to any qualification.

3. Seasonality or cyclicity of interim operations

The Group's interim operations were not materially affected by any seasonal or cyclical factors for the current quarter under review.

4. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period ended 30 September 2021.

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

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

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30
SEPTEMBER 2021

The figures have not been audited

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

During the current quarter under review, there were no additional shares purchased by the trust set up for the Executive Share Scheme ("ESS Trust"). As at reporting date, a total of 30,578,100 shares of GuocoLand (Malaysia) Berhad ("GLM") were held by the ESS Trust.

During the quarter under review, there were no share options granted or vested; and an option over 3,000,000 GLM shares granted pursuant to the Company's Value Creation Incentive Plan has lapsed.

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

7. Dividend paid

No dividend was paid during the financial period ended 30 September 2021.

8. Segmental reporting

The Group's segmental report is as follows:

Financial Period Ended 30.09.2021

	Property development	Property investment	Hotel	Plantations	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External sales	28,269	2,036	1,172	2,253	1,399	-	35,129
Inter-segment sales	-	386	-	-	6,178	(6,564)	-
Total revenue	28,269	2,422	1,172	2,253	7,577	(6,564)	35,129
Results							
Segment results	3,261	(730)	(4,037)	1,243	(3,696)	-	(3,959)
Unallocated corporate expenses							(157)
Profit from operations							(4,116)
Interest income	57	18	3	43	74	-	195
Finance costs	(2,474)	(1,361)	(1,515)	-	(892)	-	(6,242)
Share of results of associates	-	462	-	174	-	-	636
Share of results of joint ventures	1,862	-	-	-	-	-	1,862
Income tax expense	256	4	-	(331)	(77)	-	(148)
Loss for the period							(7,813)

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

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

The valuations of property, plant and equipment and investment properties were brought forward without any amendments from the previous annual financial statements.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30
SEPTEMBER 2021

The figures have not been audited

10. Material events not reflected in the financial statements

On 12 October 2020, GLM Real Estate Holdings Sdn Bhd (“GLMREH”), a wholly-owned subsidiary of GLM, received from the Inland Revenue Board of Malaysia (“IRB”) a notice of assessment for the year of assessment 2016 (“Notice”) of RM82,589,751.74 comprising income tax of RM56,259,819.84 and penalty of RM26,329,931.90.

The income tax and penalty were imposed by the IRB pursuant to its view that the gains made by GLMREH from the disposal of its wholly-owned subsidiary (being shares in a real property company) (“Disposal”) are chargeable under the Income Tax Act 1967 instead of the Real Property Gains Tax Act, 1976. As GLMREH had previously paid real property gains tax totalling RM12,376,600, the potential net tax impact to the Company is RM70,213,151.74.

GLMREH had submitted the notice of appeal to IRB on 26 October 2020. A provision amounted to RM24,418,600 in relation to the tax assessment was made by GLMREH in FY2021 in line with the settlement negotiated. The settlement agreement is currently pending execution by IRB.

11. Changes in the composition of the Group

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

12. Review of performance

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

The Group recorded revenue of RM35.1 million for the current financial period as compared to RM90.9 million in the previous corresponding quarter. The reduction was mainly due to the extension of Movement Control Orders (“MCO”) imposed by the Malaysian Government which has affected the sales and the construction progress of the development projects. Correspondingly, the Group also incurred a lower expenses on selling and marketing for the current financial period by RM0.7 million due to lesser sales and marketing activities from on-going projects.

The Group incurred lower finance cost by RM2.9 million as compared to the previous quarter last year mainly due to the reduction in group borrowings as well as reduction in interest rate by Bank Negara Malaysia. As a result, the Group recorded a loss before tax of RM7.6 million as compared to profit before tax of RM5.2 million in the previous corresponding quarter.

13. Material change in loss before tax for the current quarter compared with the profit before tax for the immediate preceding quarter

The Group recorded a loss before tax in the current quarter of RM7.6 million as compared to a profit before tax of RM13.5 million in the immediate preceding quarter (Q4 FY2021). The loss in the current quarter was mainly attributed to the extension of the MCO which has affected the sales and the construction progress of the development projects.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30
SEPTEMBER 2021

The figures have not been audited

14. Prospects

While the country is expected to fully reopen its economy by the end of 2021, we believe that the property market will stage a gradual recovery barring unforeseen circumstances, as it overcomes the large overhang of unsold properties and as consumers rebuild their finances to commit to spending on large capital items. On this note, the Group will continue to focus on monetising its inventories and timely completion of its development projects. New product launches will be phased according to prevailing market sentiments.

15. Loss forecast/Loss guarantee

Not applicable.

16. Loss before Tax for the period

Included in loss for the financial period are:

	Period-to-date RM'000
Allowance for impairment on trade and other receivables	146
Depreciation of property, plant and equipment	3,056
Gain on disposal of property, plant and equipment	1
Gain on biological assets	<u>(192)</u>

Other than the above items, there were no allowance for impairment and write off of inventories, gain or loss on disposal of investment properties, impairment of assets and other exceptional items for the financial period ended 30 September 2021.

17. Taxation

Taxation comprises:

	Period-to-date RM'000
Current taxation	
- Malaysian income tax	707
- Deferred taxation	<u>(618)</u>
	<u>148</u>

The Group's effective tax rate for the current quarter/financial period were higher than the statutory tax rate is mainly due to certain expenses not deductible for tax purposes.

18. Corporate proposals

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

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30
SEPTEMBER 2021

The figures have not been audited

19. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 September 2021 are as follows:

	RM'000
Short term borrowings	
Secured	203,200
Unsecured	82,500
	<u>285,700</u>
Long term borrowings	
Secured	478,932
Total borrowings	<u>764,632</u>

The above borrowings are all denominated in Ringgit Malaysia.

20. Dividend

The Board does not recommend any interim dividend for the financial period ended 30 September 2021.

21. (Loss)/Profit per share

Basic EPS

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

	Period-to-date ended	
	30.09.2021	30.09.2020
Net (loss)/profit attributable to ordinary shareholders for the period (RM'000)	<u>(7,981)</u>	<u>8,552</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>
Basic (Loss)/Profit per share (sen)	<u>(1.191)</u>	<u>1.277</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.

GUOCOLAND (MALAYSIA) BERHAD (192001000022 (300-K))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30
SEPTEMBER 2021

The figures have not been audited

22. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2021 was not subject to any qualification.

23. 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
Company Secretaries

Kuala Lumpur
11 November 2021