

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2005**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED
30 SEPTEMBER 2005**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/9/2005 RM'000	30/9/2004 RM'000	30/9/2005 RM'000	30/9/2004 RM'000
Revenue	22,168	30,071	22,168	30,071
Operating expenses	(15,491)	(27,009)	(15,491)	(27,009)
Other operating income	206	256	206	256
Profit from operations	6,883	3,318	6,883	3,318
Finance costs	(4,671)	(4,536)	(4,671)	(4,536)
Interest income	200	131	200	131
Share of profit of associated company and jointly controlled entities	1,327	4,650	1,327	4,650
Profit before taxation	3,739	3,563	3,739	3,563
Taxation	(939)	(1,273)	(939)	(1,273)
Profit after taxation	2,800	2,290	2,800	2,290
Minority interests	(287)	(274)	(287)	(274)
Net profit for the period	2,513	2,016	2,513	2,016
Earnings per share:-				
a) Basic (sen)	0.36	0.29	0.36	0.29
b) Fully diluted (sen)	-	-	-	-



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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2005

	As at end of current quarter 30/9/2005 RM'000	As at preceding financial year end 30/06/2005 RM'000
Non-Current Assets		
Property, plant and equipment	279,558	278,837
Investment properties	363,821	363,821
Land held for development	762	762
Investment in associated company	890	892
Investment in jointly controlled entities	378,987	378,024
Investments	19,854	19,854
Goodwill on consolidation	2,464	2,464
Deferred tax assets	749	764
	<u>1,047,085</u>	<u>1,045,418</u>
Current Assets		
Inventories	18,923	18,921
Due from contract customers	905	252
Development properties	98,583	87,590
Trade and other receivables	38,427	46,332
Tax recoverable	8,308	9,856
Deposits, cash and bank balances	21,429	29,066
	<u>186,575</u>	<u>192,017</u>
Current Liabilities		
Trade and other payables	55,880	60,130
Due to contract customers	1,010	1,046
Short term borrowings	110,451	100,699
Provision for taxation	3,044	3,213
	<u>170,385</u>	<u>165,088</u>
Net Current Assets	<u>16,190</u>	<u>26,929</u>
	<u>1,063,275</u>	<u>1,072,347</u>
Financed by:		
Shareholders' Equities		
Share capital	350,229	350,229
Reserves	404,010	401,768
	<u>754,239</u>	<u>751,997</u>
Minority Interest	47,770	47,599
	<u>802,009</u>	<u>799,596</u>
Deferred and Long Term Liabilities		
Borrowings	259,804	271,499
Other deferred liabilities	1,462	1,252
	<u>261,266</u>	<u>272,751</u>
	<u>1,063,275</u>	<u>1,072,347</u>

Net Tangible Assets Per Share (RM)

1.08

1.07 ^{GLM/2}



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	Current Year-To-Date	Preceding Year Corresponding Period
	30/9/2005	30/9/2004
	RM'000	RM'000
Net Profit Before Tax	3,739	3,563
Adjustments for:-		
Non-cash items	242	(1,021)
Non-operating items	4,623	4,536
Operating profit before changes in working capital	8,604	7,078
Net change in assets	(8,794)	431
Net change in liabilities	616	(3,325)
Net income tax refund /(paid)	1,060	(493)
Net cash flow generated from operating activities	1,486	3,691
Investing Activities		
Other Investments	(2,485)	(311)
Net cash flow used in investing activities	(2,485)	(311)
Financial Activities		
Interest paid	(4,671)	(4,536)
Net repayment of bank borrowings	(1,695)	(4,970)
Net cash flow used in financing activities	(6,366)	(9,506)
Net Change in Cash and Cash Equivalents	(7,365)	(6,126)
Effects of exchange rate changes	(24)	1
Cash & Cash Equivalent at beginning of year	25,117	7,375
Cash & Cash Equivalent at end of period	17,728	1,250

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	Share Capital RM'000	Share Premium RM'000	Exchange Reserve RM'000	Retained Profit RM'000	Total RM'000
Current Year-To-Date					
At 1 July 2005	350,229	35,089	7,619	359,060	751,997
Foreign currency translation difference	-	-	(271)	-	(271)
Net profit for the period	-	-	-	2,513	2,513
At 30 September 2005	<u>350,229</u>	<u>35,089</u>	<u>7,348</u>	<u>361,573</u>	<u>754,239</u>

Preceding Year Corresponding Period

At 1 July 2004	350,229	35,089	8,059	351,505	744,882
Foreign currency translation difference	-	-	(20)	-	(20)
Net profit for the period	-	-	-	2,016	2,016
At 30 September 2004	<u>350,229</u>	<u>35,089</u>	<u>8,039</u>	<u>353,521</u>	<u>746,878</u>



NOTES

1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with MASB 26 “Interim Financial Reporting” and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2005.

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

There was no qualification on the audit report of the preceding annual financial statements.

3. Seasonality or cyclicity of interim operations

The Group’s interim operations were not materially affected by any seasonal or cyclical factors for the 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 items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

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 the prior interim periods of the current financial year or in prior financial years.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

7. Dividends paid

There was no dividend paid during the financial quarter ended 30 September 2005.

8. Segmental reporting

The Group's segmental report for the current financial year-to-date are as follows:-

	Property Investment & Development RM'000	Hotels RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	9,144	12,418	1,197	(591)	22,168
Results					
Segment results	5,672	2,368	(586)	-	7,454
Unallocated corporate expense					(571)
Profit from operations					6,883
Finance costs					(4,671)
Interest income					200
Share of profit of associated company and jointly controlled entities					1,327
Profit before taxation					3,739
Taxation					(939)
Profit after taxation					2,800
Minority interest					(287)
Net profit for the year					2,513

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

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

10. Material events not reflected in the financial statements

There are no material subsequent events to be disclosed as at the date of this report.

11. Changes in the composition of the Group

On 11 July 2005, the Company announced that it had acquired 2 ordinary shares of RM1.00 each fully paid representing the entire equity interest in Premiumview Development Sdn Bhd for a cash consideration of RM2.00.

12. Contingent liabilities or contingent assets

There is a contingent liability of RM47,024,000 being credit facility granted to a jointly controlled entity by a financial institution.



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13. Review of Performance

The Group recorded a revenue and profit before tax of RM22.2 million and RM3.7 million respectively for the current quarter under review as compared to RM30.1 million and RM3.6 million respectively in the preceding year's corresponding quarter.

The decline in revenue was mainly due to the delay in implementation of development projects.

14. Material changes in profit before taxation

The Group recorded a PBT of RM3.7 million for the current quarter under review as compared to RM2.7 million in the preceding quarter. The increase of RM1.0 million was mainly due to higher contribution from the property development division.

15. Prospects

Barring unforeseen circumstances, the Group is expected to perform satisfactorily in the current financial year.

16. Profit forecast / profit guaranteed

Not applicable.

17. Taxation

Taxation comprise :-

	Current Quarter RM'000	Year-To-Date RM'000
Current taxation		
- Malaysian income tax	319	319
- Foreign tax	2	2
Deferred taxation	219	219
Share of taxation of jointly controlled entities	384	384
	<hr/>	<hr/>
	924	924
Prior year under provision		
- Malaysian income tax	15	15
	<hr/>	<hr/>
	939	939
	<hr/>	<hr/>

The Group's effective tax rate is lower than the statutory tax rate applicable for the financial year-to-date mainly due to the utilisation of the unabsorbed tax losses and capital allowances.



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18. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the current quarter and year-to-date.

19. Quoted securities

(a) There were no purchases or disposals of quoted securities for the current quarter and year-to-date.

(b) Particulars of investments in quoted securities as at 30 September 2005:-

	RM'000
Long term investments:	
At cost	53,730
At book value	19,832
At market value	12,638

20. Corporate Proposals

On 5 August 2005, the Company announced that its subsidiaries, namely Prophills Development Sdn Bhd and Kiapeng Development Sdn Bhd, are proposing to dispose of their entire interest in HP Towers (situated at Jalan Gelenggang, Bukit Damansara, Kuala Lumpur) and Menara HLA (situated at Jalan Kia Peng, Kuala Lumpur) respectively ("Proposed Disposals") to a real estate investment trust to be established by the Company ("GLM REIT"), for a consideration to be determined later. The purchase consideration will be satisfied by way of cash and/or units in GLM REIT.

GLM REIT is a proposed real estate investment trust with the investment objectives to acquire and invest primarily in a portfolio of quality yield-accretive real estate. It will focus on commercial properties which will provide stable income and medium to long-term capital appreciation. Subject to the approvals of the relevant authorities, GLM REIT proposes to undertake a public issue of units in GLM REIT and subsequent listing of and quotation for its entire issued and paid-up units on the Main Board of Bursa Malaysia Securities Berhad.

The Proposed Disposals are subject to, amongst others, the approvals of shareholders of GLM and all relevant authorities.

21. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 September 2005 are as follows:-

	RM'000
Short term borrowings	
Secured	34,156
Unsecured	76,295
	<u>110,451</u>
Long term borrowings	
Secured	259,804
Unsecured	-
	<u>259,804</u>



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22. Off Balance Sheet Risk Financial Instruments

There is no off-balance sheet risk envisaged as at the date of this report that might materially affect the Group's business position.

23. Changes in Material Litigation

In the previous financial year, a creditor of a subsidiary company initiated legal proceedings to claim RM7.3 million from the said subsidiary company for breach of contract and related finance charges. However, the directors are of the opinion that the claim is without full merit and the subsidiary company will defend the claim vigorously. The case has yet to be settled as at the date of this report.

24. Dividend

The Board does not recommend any interim dividend for the financial quarter ended 30 September 2005.

25. Earnings Per Share

Basic earnings per share

The calculation of basic earnings per ordinary share is based on the net profit attributable to ordinary shareholders of RM2,513,000 and the weighted average number of ordinary shares outstanding during the quarter of 700,458,418.

Diluted earnings per share

No diluted earnings per share are disclosed due to the anti-dilutive effect of share options and warrants.

By Order of the Board
GuocoLand (Malaysia) Berhad
(formerly known as Hong Leong Properties Berhad)

LIM YEOW YOKE
Secretary

Kuala Lumpur
25 October 2005