

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER  
ENDED 31 DECEMBER 2005**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED  
31 DECEMBER 2005**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2005 RM'000	31/12/2004 RM'000	31/12/2005 RM'000	31/12/2004 RM'000
Revenue	39,431	37,110	61,599	67,181
Operating expenses	(33,305)	(31,266)	(48,796)	(58,275)
Other operating income	165	306	371	562
Profit from operations	6,291	6,150	13,174	9,468
Finance costs	(4,458)	(4,800)	(9,129)	(9,336)
Interest income	227	158	427	289
Share of profit of associated company and jointly controlled entities	48	1,818	1,375	6,468
Profit before taxation	2,108	3,326	5,847	6,889
Taxation	1,294	256	355	(1,017)
Profit after taxation	3,402	3,582	6,202	5,872
Minority interests	(741)	(877)	(1,028)	(1,151)
Net profit for the period	2,661	2,705	5,174	4,721
Earnings per share:-				
a) Basic (sen)	0.38	0.39	0.74	0.67
b) Fully diluted (sen)	-	-	-	-



# GuocoLand (Malaysia)

A Member of the Hong Leong Group Malaysia

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005

	As at end of current quarter 31/12/2005 RM'000	As at preceding financial year end 30/06/2005 RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	279,293	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	381,997	378,024
Investments	19,854	19,854
Goodwill on consolidation	2,464	2,464
Deferred tax assets	738	764
	<u>1,049,819</u>	<u>1,045,418</u>
<b>Current Assets</b>		
Inventories	15,487	18,921
Due from contract customers	2,680	252
Development properties	97,330	87,590
Trade and other receivables	31,072	46,332
Tax recoverable	6,875	9,856
Deposits, cash and bank balances	24,606	29,066
	<u>178,050</u>	<u>192,017</u>
<b>Current Liabilities</b>		
Trade and other payables	55,193	60,130
Due to contract customers	1,296	1,046
Short term borrowings	98,994	100,699
Provision for taxation	3,714	3,213
	<u>159,197</u>	<u>165,088</u>
<b>Net Current Assets</b>	<u>18,853</u>	<u>26,929</u>
	<u>1,068,672</u>	<u>1,072,347</u>
<b>Financed by:</b>		
<b>Shareholders' Equities</b>		
Share capital	350,229	350,229
Reserves	401,843	401,768
	<u>752,072</u>	<u>751,997</u>
Minority Interest	48,661	47,599
	<u>800,733</u>	<u>799,596</u>
<b>Deferred and Long Term Liabilities</b>		
Borrowings	266,590	271,499
Other deferred liabilities	1,349	1,252
	<u>267,939</u>	<u>272,751</u>
	<u>1,068,672</u>	<u>1,072,347</u>
Net assets per share (RM) *	1.14	1.14

\* The net assets per share is based on the computation of total assets (including intangibles) minus total liabilities divided by total number of ordinary shares in circulation.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED  
31 DECEMBER 2005**

	Current Year-To-Date  31/12/2005 RM'000	Preceding Year Corresponding Period  31/12/2004 RM'000
Net Profit Before Tax	5,847	6,889
Adjustments for:-		
Non-cash items	2,290	(1,008)
Non-operating items	9,082	9,336
Operating profit before changes in working capital	17,219	15,217
Net change in assets	1,606	19,022
Net change in liabilities	320	(1,639)
Net income tax refund	4,445	1,783
Net cash flow generated from operating activities	23,590	34,383
Investing Activities		
Equity Investments	(3,081)	11,787
Other Investments	(4,169)	(105,434)
Net cash flow used in investing activities	(7,250)	(93,647)
Financial Activities		
Interest paid	(9,129)	(9,336)
Dividend paid	(5,043)	(5,043)
Net (repayment) / drawdown of bank borrowings	(4,909)	71,783
Net cash flow used in financing activities	(19,081)	57,404
Net Change in Cash and Cash Equivalents	(2,741)	(1,860)
Effects of exchange rate changes	(14)	2
Cash & Cash Equivalent at beginning of year	25,117	7,375
Cash & Cash Equivalent at end of period	22,362	5,517

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2005**

	Share Capital RM'000	Share Premium RM'000	Exchange Reserve RM'000	Retained Profit RM'000	Total RM'000
<b>Current Year-To-Date</b>					
At 1 July 2005	350,229	35,089	7,619	359,060	751,997
Foreign currency translation difference	-	-	(56)	-	(56)
Net profit for the period	-	-	-	5,174	5,174
Dividend paid	-	-	-	(5,043)	(5,043)
At 31 December 2005	<u>350,229</u>	<u>35,089</u>	<u>7,563</u>	<u>359,191</u>	<u>752,072</u>
<b>Preceding Year Corresponding Period</b>					
At 1 July 2004	350,229	35,089	8,059	351,505	744,882
Foreign currency translation difference	-	-	(25)	-	(25)
Net profit for the period	-	-	-	4,721	4,721
Dividend paid	-	-	-	(5,043)	(5,043)
At 31 December 2004	<u>350,229</u>	<u>35,089</u>	<u>8,034</u>	<u>351,183</u>	<u>744,535</u>



## **GuocoLand (Malaysia)**

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### **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**

The Company had issued 100 new ordinary shares of RM0.50 each pursuant to the exercise of 100 warrants.

There were no share buy-back, share cancellation, resale of treasury shares nor repayment of debt or equity share during the financial year-to-date.

#### **7. Dividends paid**

The final dividend of 2% less tax at 28% amounting to RM5,043,000 in respect of the previous financial year was paid on 18 November 2005.



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### 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
<b>Revenue</b>	<u>34,739</u>	<u>25,473</u>	<u>2,736</u>	<u>(1,349)</u>	<u>61,599</u>
<b>Results</b>					
Segment results	10,584	4,307	(778)	-	14,113
Unallocated corporate expense					<u>(939)</u>
Profit from operations					13,174
Finance costs					<u>(9,129)</u>
Interest income					427
Share of profit of associated company and jointly controlled entities					<u>1,375</u>
Profit before taxation					5,847
Taxation					<u>355</u>
Profit after taxation					6,202
Minority interest					<u>(1,028)</u>
Net profit for the year					<u>5,174</u>

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

There were no changes in the composition of the Group during the current quarter.

### 12. Contingent liabilities or contingent assets

There is a contingent liability of RM45,674,000 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 taxation (“PBT”) of RM39.4 million and RM2.1 million respectively for the current quarter under review as compared to RM37.1 million and RM3.3 million respectively in the preceding year’s corresponding quarter. The increase in revenue was mainly due to improved occupancy levels of property investment division and the decline in PBT was mainly due to lower contribution from property development division.

The Group recorded a revenue and PBT of RM61.6 million and RM5.8 million respectively for the current year-to-date as compared to RM67.2 million and RM6.9 million respectively in the preceding year’s corresponding period. The decline in revenue and PBT were mainly due to the lower contribution from property development division as a result of delay in implementation of development projects.

## 14. Material changes in profit before taxation

The Group recorded a PBT of RM2.1 million for the current quarter under review as compared to RM3.7 million in the preceding quarter. The decrease of RM1.6 million was mainly due to lower contribution from 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	493	812
- Foreign tax	(11)	(9)
Deferred taxation	(94)	125
Share of taxation of jointly controlled entities	101	485
	<hr/>	<hr/>
	489	1,413
Prior year over provision		
- Malaysian income tax	(1,783)	(1,768)
	<hr/>	<hr/>
	(1,294)	(355)

The Group effective tax rate is lower than the statutory tax rate applicable for the quarter and the financial year-to-date mainly due to over provision for tax in prior years and 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 31 December 2005:-

	RM'000
Long term investments:	
At cost	<u>53,730</u>
At book value	<u>19,832</u>
At market value	<u>10,520</u>

### 20. Corporate Proposals

The proposed listing of a Real Estate Investment Trust ("REIT") known as Tower REIT to be constituted by the Company is now subject to the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for the REIT Units to be admitted, listed and quoted on the Main Board of Bursa Securities.

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

Particulars of the Group's borrowings as at 31 December 2005 are as follows:-

	RM'000
<b>Short term borrowings</b>	
Secured	48,235
Unsecured	<u>50,759</u>
	<u>98,994</u>
<b>Long term borrowings</b>	
Secured	266,590
Unsecured	<u>-</u>
	<u>266,590</u>

### 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. The directors are of the opinion that the claim is without full merit and the subsidiary company will defend the claim vigorously. However, the final outcome of the litigation matter will nevertheless be dependent on the decision of the Courts.





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### **24. Dividend**

The Board does not recommend any interim dividend for the financial quarter ended 31 December 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 RM5,174,000 and the weighted average number of ordinary shares outstanding during the quarter of 700,458,518.

#### **Diluted earnings per share**

Not applicable.

By Order of the Board  
GuocoLand (Malaysia) Berhad

LIM YEW YOKE  
Secretary

Kuala Lumpur  
25 January 2006