



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2006

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2006

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/3/2006 RM'000	31/3/2005 RM'000	31/3/2006 RM'000	31/3/2005 RM'000
Revenue	34,701	41,202	96,300	108,383
Operating expenses	(26,821)	(33,038)	(75,617)	(91,313)
Other operating income	197	226	568	788
Profit from operations	8,077	8,390	21,251	17,858
Finance costs	(4,463)	(5,002)	(13,592)	(14,338)
Interest income	200	306	627	595
Share of profit of associated company and jointly controlled entities	430	2,624	1,805	9,092
Profit before taxation	4,244	6,318	10,091	13,207
Taxation	(837)	(1,791)	(482)	(2,808)
Profit after taxation	3,407	4,527	9,609	10,399
Minority interests	(1,112)	(799)	(2,140)	(1,950)
Net profit for the period	2,295	3,728	7,469	8,449
Earnings per share:-				
a) Basic (sen)	0.33	0.53	1.07	1.21
b) Fully diluted (sen)	-	-	-	-



GuocoLand (Malaysia)

A Member of the Hong Leong Group Malaysia

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2006

	As at end of current quarter 31/3/2006 RM'000	As at preceding financial year end 30/06/2005 RM'000
Non-Current Assets		
Property, plant and equipment	264,616	278,837
Investment properties	105,017	363,821
Land held for development	762	762
Investment in associated company	780	892
Investment in jointly controlled entities	382,321	378,024
Investments	19,854	19,854
Goodwill on consolidation	2,464	2,464
Other assets	1,570	-
Deferred tax assets	727	764
	<u>778,111</u>	<u>1,045,418</u>
Current Assets		
Property, plant and equipment	13,048	-
Investment properties	258,804	-
Inventories	13,526	18,921
Due from contract customers	4,007	252
Development properties	102,924	87,590
Trade and other receivables	31,414	46,332
Tax recoverable	8,105	9,856
Deposits, cash and bank balances	17,090	29,066
	<u>448,918</u>	<u>192,017</u>
Current Liabilities		
Trade and other payables	159,090	60,130
Due to contract customers	1,500	1,046
Short term borrowings	190,166	100,699
Provision for taxation	4,015	3,213
	<u>354,771</u>	<u>165,088</u>
Net Current Assets	<u>94,147</u>	<u>26,929</u>
	<u>872,258</u>	<u>1,072,347</u>
Financed by:		
Shareholders' Equities		
Share capital	350,229	350,229
Reserves	403,341	401,768
	<u>753,570</u>	<u>751,997</u>
Minority Interest	49,560	47,599
	<u>803,130</u>	<u>799,596</u>
Deferred and Long Term Liabilities		
Borrowings	67,375	271,499
Other deferred liabilities	1,753	1,252
	<u>69,128</u>	<u>272,751</u>
	<u>872,258</u>	<u>1,072,347</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.08	1.07



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED
31 MARCH 2006**

	Current Year-To-Date 31/3/2006 RM'000	Preceding Year Corresponding Period 31/3/2005 RM'000
Net Profit Before Tax	10,091	13,207
Adjustments for:-		
Non-cash items	3,655	(2,432)
Non-operating items	13,545	14,338
Operating profit before changes in working capital	27,291	25,113
Net change in assets	(3,935)	25,777
Net change in liabilities	(1,253)	(4,833)
Net income tax refund	3,431	1,410
Net cash flow generated from operating activities	<u>25,534</u>	<u>47,467</u>
Investing Activities		
Equity Investments	(3,081)	12,711
Other Investments	(4,991)	(105,394)
Net cash flow used in investing activities	<u>(8,072)</u>	<u>(92,683)</u>
Financial Activities		
Interest paid	(13,592)	(14,338)
Dividend paid	(5,043)	(5,043)
Other assets	(1,570)	-
Net (repayment) / drawdown of bank borrowings	(6,124)	69,098
Net cash flow used in financing activities	<u>(26,329)</u>	<u>49,717</u>
Net Change in Cash and Cash Equivalents	(8,867)	4,501
Effects of exchange rate changes	(76)	2
Cash & Cash Equivalent at beginning of year	25,117	7,375
Cash & Cash Equivalent at end of period	<u>16,174</u>	<u>11,878</u>



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2006

	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	-	-	(853)	-	(853)
Net profit for the period	-	-	-	7,469	7,469
Dividend paid	-	-	-	(5,043)	(5,043)
At 31 March 2006	350,229	35,089	6,766	361,486	753,570
Preceding Year Corresponding Period					
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	-	-	-	8,449	8,449
Dividend paid	-	-	-	(5,043)	(5,043)
At 31 March 2005	350,229	35,089	8,034	354,911	748,263



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

There was no dividend paid during the financial quarter ended 31 March 2006.



8. Segmental reporting

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

	Property Investment & Development RM'000	Hotels RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue	55,904	38,580	4,014	(2,198)	96,300
Results					
Segment results	16,267	7,728	(1,273)	-	22,722
Unallocated corporate expense					(1,471)
Profit from operations					21,251
Finance costs					(13,592)
Interest income					627
Share of profit of associated company and jointly controlled entities					1,805
Profit before taxation					10,091
Taxation					(482)
Profit after taxation					9,609
Minority interest					(2,140)
Net profit for the year					7,469

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 other than that mentioned below:-

Pursuant to the announcement on 23 February 2006, Prophills Development Sdn Bhd ("PDSB"), an indirect wholly-owned subsidiary of the Company and AmTrustee Berhad ("Trustee"), the Trustee of Tower Real Estate Investment Trust ("Tower REIT"), have entered into a sale and purchase agreement for the disposal by PDSB to Tower REIT of a 21-storey tower with a 3-level connecting podium and a 4-level basement car park known as 'HP Towers' in Damansara Heights together with all fixtures and fittings for a total consideration of RM130,000,000 to be satisfied by the issue of 35,625,000 units in Tower REIT at an issue price of RM1.00 per unit and the balance in cash amounting to RM94,375,000 ("Disposal of HP Towers").

Whilst, Kiapeng Development Sdn Bhd ("KDSB"), a 70% indirect subsidiary of the Company, and the Trustee have entered into a sale and purchase agreement for the disposal by KDSB to Tower REIT of a 32-storey high-rise office building with a 4-level basement car park known as 'Menara HLA' for a total cash consideration of RM221,000,000 ("Disposal of Menara HLA").



10. Material events not reflected in the financial statements (cont'd)

The Disposal of HP Towers and Disposal of Menara HLA are collectively referred to as the ("Disposals").

The sale and purchase agreements for the Disposals were completed on 17 April 2006. The completion of the Disposals would result in a gain of approximately of RM65 million.

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 no contingent liability or contingent assets as at the date of this report as the contingent liability being credit facility granted to a joint controlled entity, had been settled on 3 April 2006.

13. Property, plant and equipment

Pursuant to the execution of the sale and purchase agreements mentioned in note 10 above, the property, plant and equipment of HP Towers and Menara HLA were reclassified to current assets.

14. Investment properties

Pursuant to the execution of the sale and purchase agreements mentioned in note 10 above, the investment properties of HP Towers and Menara HLA were reclassified to current assets.

15. Trade and other payables

Included in trade and other payables is RM105,500,000 being part of the consideration for disposal of Menara HLA received by way of the payment of the redemption sum by the financier of Tower REIT to the chargees pursuant to the sale and purchase agreement mentioned in note 10 above.

16. Review of Performance

The Group recorded a revenue and profit before taxation ("PBT") of RM34.7 million and RM4.2 million respectively for the current quarter under review as compared to RM41.2 million and RM6.3 million respectively in the preceding year's corresponding quarter.

The Group recorded a revenue and PBT of RM96.3 million and RM10.1 million respectively for the current year-to-date as compared to RM108.4 million and RM13.2 million respectively in the preceding year's corresponding period.

The encouraging sales from 3 KiaPeng service apartments in the preceding year's corresponding quarter and period shown an improved revenue and PBT as compared to the current year quarter and year-to-date under review.



17. Material changes in profit before taxation

The Group recorded a PBT of RM4.2 million for the current quarter under review as compared to RM2.1 million in the preceding quarter. The increase of RM2.1 million was mainly due to higher contribution from property development division.

18. Prospects

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

19. Profit forecast / profit guaranteed

Not applicable.

20. Taxation

Taxation comprises :-

	Current Quarter RM'000	Year-To-Date RM'000
Current taxation		
- Malaysian income tax	83	940
Deferred taxation	290	370
Share of taxation of associated company and jointly controlled entities	308	793
	681	2,103
Prior year under / (over) provision		
- Malaysian income tax	156	(1,612)
- Foreign tax	-	(9)
	837	482

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.

21. 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.



22. 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 March 2006:-

	RM'000
Long term investments:	
At cost	53,730
At book value	19,832
At market value	11,688

23. Corporate Proposals

Tower REIT was admitted, listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on 12 April 2006.

24. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 31 March 2006 are as follows:-

	RM'000
Short term borrowings	
Secured	109,712
Unsecured	80,454
	<u>190,166</u>
Long term borrowings	
Secured	67,375
Unsecured	-
	<u>67,375</u>

25. 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.

26. Changes in Material Litigation

During the financial year ended 30 June 2003, 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 be dependent on the decision of the Courts.

27. Dividend

The Board does not recommend any interim dividend for the financial quarter ended 31 March 2006.



28. 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 RM7,469,000 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 April 2006