



**GuocoLand (Malaysia)**

A Member of the Hong Leong Group Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2008**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

	3 months ended		Year ended	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	39,520	43,730	120,127	145,984
Profit from operations	3,924	39,754	9,986	60,489
Finance costs	(2,911)	(874)	(4,859)	(4,372)
Interest income	241	375	1,230	964
Share of profit after tax of associates and jointly controlled entities	27,123	1,497	39,859	6,385
Profit before taxation	28,376	40,752	46,216	63,466
Taxation	(489)	296	(3,139)	(1,568)
Profit for the period	27,888	41,048	43,077	61,897
Attributable to:				
Equity holders of the parent	27,313	29,685	41,243	49,489
Minority interest	575	11,363	1,834	12,409
	27,888	41,048	43,077	61,897
Earnings per share attributable to equity holders of the parent:				
a) Basic (sen)	4.08	4.43	6.16	7.38
b) Fully diluted (sen)	4.08	4.43	6.16	7.38

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008**

	<b>As at 30.06.2008 RM'000</b>	<b>As at 30.06.2007 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	304,094	257,547
Investment properties	107,000	107,000
Land held for development	59,905	762
Investment in associate	84,692	724
Investment in jointly controlled entities	321,891	306,420
Investments	6,021	57,147
Goodwill on consolidation	17,732	2,464
Deferred tax assets	1,166	1,243
Leasehold land use right	4,459	4,516
	<u>906,960</u>	<u>737,823</u>
<b>Current assets</b>		
Inventories	8,568	6,384
Due from contract customers	1,405	1,883
Development properties	240,700	197,426
Trade and other receivables	429,305	54,860
Tax recoverable	2,010	4,993
Marketable securities	-	7,201
Deposits, cash and bank balances	65,427	41,985
	<u>747,415</u>	<u>314,732</u>
<b>TOTAL ASSETS</b>	<u>1,654,375</u>	<u>1,052,555</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	350,229	350,229
Share premium	35,089	35,089
Exchange reserve	6,338	5,285
Retained profits	477,022	445,696
Equity funds	868,678	836,299
Shares held by ESOS Trust	(23,658)	(23,658)
Net equity funds	845,020	812,641
<b>Minority Interests</b>	77,468	75,184
<b>Total equity</b>	<u>922,488</u>	<u>887,825</u>



**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008 (CONT'D)**

	<b>As at 30.06.08 RM'000</b>	<b>As at 30.06.2007 RM'000</b>
<b>Non-current liabilities</b>		
Borrowings	480,402	98,000
Deferred tax liabilities	18,300	566
	<u>498,702</u>	<u>98,566</u>
<b>Current liabilities</b>		
Trade and other payables	88,992	61,052
Due to contract customers	612	810
Short term borrowings	142,904	3,670
Provision for taxation	677	632
	<u>233,185</u>	<u>66,164</u>
<b>Total liabilities</b>	<b>731,887</b>	<b>164,730</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,654,375</b></u>	<u><b>1,052,555</b></u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

	Year ended	
	30.06.2008	30.06.2007
	RM'000	RM'000
Net Profit Before Tax	46,216	63,466
Adjustments for:-		
Non-cash items	(30,541)	(12,950)
Non-operating items	4,171	(33,677)
Operating profit before changes in working capital	19,846	16,839
Net change in assets	(206,306)	(73,710)
Net change in liabilities	(9,976)	1,866
Interest paid	(4,859)	(4,372)
Net income tax refund	(33)	305
Net cash flow used in operating activities	(201,328)	(59,072)
Investing Activities		
Equity investments	(18,581)	(5,899)
Other Investments	(160,689)	79,850
Interest received	1,230	964
Net cash flow (used in)/generated from investing activities	(178,040)	74,915
Financial Activities		
Dividend paid	(9,917)	(9,789)
Net drawdown of bank borrowings	413,897	2,313
Purchase of shares held by ESOS Trust	-	(658)
Net cash flow generated from financing activities	403,980	(8,134)
Net Change in Cash & Cash Equivalents	24,612	7,709
Effects of exchange rate changes	-	-
Cash & Cash Equivalent at beginning of year	40,815	33,106
Cash & Cash Equivalent at end of period	65,427	40,815

Cash and Cash Equivalents consist of cash in hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value, against which the bank overdraft balances, if any, are deducted.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008**

	← Attributable to Equity Holders of the Parent →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	← Non-Distributable →			Distributable				
	Share Capital RM'000	Share Premium RM'000	Shares held by ESOS Trust RM'000	Exchange Reserve RM'000	Retained Profit RM'000			
<b>Current Year-To-Date</b>								
<b>At 1 July 2007</b>	350,229	35,089	(23,658)	5,285	445,696	812,641	75,184	887,825
Net loss not recognised in the income statement								
- translation of foreign subsidiaries	-	-	-	1,053	-	1,053	450	1,503
Profit for the year	-	-	-	-	41,243	41,243	1,834	43,077
Dividend paid	-	-	-	-	(9,917)	(9,917)	-	(9,917)
<b>At 30 June 2008</b>	<b>350,229</b>	<b>35,089</b>	<b>(23,658)</b>	<b>6,338</b>	<b>477,022</b>	<b>845,020</b>	<b>77,468</b>	<b>922,488</b>
<b>Preceding Year Corresponding Period</b>								
<b>At 1 July 2006</b>	350,229	35,089	(23,000)	5,945	404,780	773,043	63,057	836,100
Effects of adopting: FRS 140	-	-	-	-	1,216	1,216	-	1,216
<b>At 1 July 2006 (restated)</b>	<b>350,229</b>	<b>35,089</b>	<b>(23,000)</b>	<b>5,945</b>	<b>405,996</b>	<b>774,259</b>	<b>63,057</b>	<b>837,316</b>
Net gain not recognised in the income statement								
- translation of foreign subsidiaries	-	-	-	2,414	-	2,414	1,039	3,453
Realised exchange recognised directly in equity								
- disposal of subsidiaries	-	-	-	(3,074)	-	(3,074)	(1,321)	(4,395)
Profit for the year	-	-	-	-	49,489	49,489	12,409	61,898
Purchase during the year	-	-	(658)	-	-	(658)	-	(658)
Dividend paid	-	-	-	-	(9,789)	(9,789)	-	(9,789)
<b>At 30 June 2007</b>	<b>350,229</b>	<b>35,089</b>	<b>(23,658)</b>	<b>5,285</b>	<b>445,696</b>	<b>812,641</b>	<b>75,184</b>	<b>887,825</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.



## NOTES

### 1. Basis of Preparation

The interim financial report has been prepared in accordance with the Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the 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 2007. 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 year ended 30 June 2007.

### 2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2007 except for the adoption of the following new/revised FRSs effective for financial period beginning 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 117	Leases
FRS 112	Income Taxes
FRS 118	Revenue
FRS 124	Related Party Disclosure
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of FRSs 124, 107, 111, 112, 118, 134 and 137 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are disclosed below.

#### FRS 117: Lease

Prior to 1 July 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and buildings are considered separately for the purpose of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the building elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment relating to the land element represents prepaid lease payments and are amortised on a straight line basis over the lease term.

**FRS 117: Lease (contd.)**

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 July 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions.

With the adoption of FRS 117, the carrying amount of the Hyatt Johor Bahru's leasehold land as at 30 June 2007 of RM4.516 million was reclassified as prepaid land lease payments on the face of the balance sheet. Consequently, the Group's property, plant and equipment was restated from RM262.063 million to RM257.547 million as at 30 June 2007, a reduction of RM4.516 million.

**3. Qualification of audit report of the preceding annual financial statements**

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

**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 30 June 2008 except for negative goodwill of RM23.8 million as reflected in the share of profit after tax of associates and jointly controlled entities arising from equity accounting of Tower Real Estate Investment Trust ("Tower REIT") in which the Group has an interest of 19.97% and the changes in accounting policies as disclosed in Note 2 above.

**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 the prior interim periods of the current financial period or in prior financial periods.

**7. Issuance and repayment of debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 June 2008.

**8. Dividend paid**

The final dividend of 2 sen per share less 26% taxation amounting to RM9.917 million in respect of previous financial year was paid on 30 November 2007.



## GuocoLand (Malaysia)

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### 9. Segmental reporting

The Group's segmental report for the current financial period is as follows:-

	Property Development RM'000	Property Investment RM'000	Hotels RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	45,364	20,788	45,376	8,599	-	120,127
Inter-segment sales	-	-	-	2,212	(2,212)	-
Total revenue	45,364	20,788	45,376	10,811	(2,212)	120,127
<b>Results</b>						
Segment results	(3,889)	5,153	7,837	3,043	-	12,144
Unallocated corporate expenses						(2,158)
Profit from Operations						9,986

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

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

### 11. Material events subsequent to the year end of the interim period not reflected in the financial statements

The Company had, on 23 April 2008, entered into a conditional Sale of Shares Agreement ("SSA") with Hong Leong Financial Group Berhad to acquire 100% equity interest in Raikon Building Management Co Sdn Bhd ("Raikon") for a cash consideration based on the net assets of Raikon as at the last day of the calendar month on which all the conditions precedent under the SSA have been fulfilled (the "Acquisition").

Raikon is principally engaged in property-related services and the Acquisition is expected to provide synergistic benefits to the Group. The Acquisition was completed on 1 July 2008 for a total cash consideration of RM1.8 million.

### 12. Changes in the composition of the Group

The Group through its wholly-owned subsidiary, HLP Equities Sdn Bhd, has progressively acquired units in Tower REIT during the financial year.

Based on the Group's interest in Tower REIT of 19.97%, Tower REIT was accounted for as an associated company effective 1 June 2008.

### 13. Contingent liabilities or contingent assets

There are no contingent liabilities or contingent assets as at 30 June 2008.



#### 14. Review of Performance

The Group recorded a revenue and profit before tax of RM120.1 million and RM46.2 million respectively for the current financial year as compared to RM145.9 million and RM63.5 million respectively in the preceding financial year.

The decrease in revenue and profit before tax were mainly due to the disposal of Guoman (Hanoi) Limited which is engaged in hotel operations in Hanoi, Vietnam, in May 2007 and lower profit recorded by property development division.

#### 15. Material changes in profit before taxation

The Group profit before tax of RM28.4 million for the current quarter is higher compared to the immediate preceding quarter of RM3.7 million was mainly due to negative goodwill arising from equity accounting of Tower REIT.

#### 16. Prospects

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

#### 17. Profit forecast / profit guarantee

Not applicable.

#### 18. Taxation

Taxation comprises:-

	Current Quarter RM'000	Period- To-Date RM'000
Current taxation		
- Malaysian income tax	115	3,375
- Deferred taxation	563	(44)
	678	3,331
Prior year (over)/under provision		
- Malaysian income tax	(171)	(305)
- Deferred taxation	(18)	113
	489	3,139

The Group's effective tax rate (excluding jointly controlled entities and associate) is lower than the statutory tax rate applicable for the current quarter and current financial year. This was mainly due to losses incurred by certain subsidiary companies and income not subjected to tax.

#### 19. Sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and current financial year.



## 20. Quoted securities

- (a) The dealings in quoted securities for the current quarter and current financial year ended 30 June 2008 are as follows:

	Current Quarter RM'000	Current Financial Year RM'000
Total purchases at cost	15,524	18,612
Reclassification to Investment in Associate*	<u>(14,991)</u>	<u>(18,079)</u>
Total purchase cost (reclassified)	<u>533</u>	<u>533</u>
Total sales proceeds	<u>650</u>	<u>13,089</u>
Total gain/(loss) on disposal	<u>117</u>	<u>(748)</u>

\* The note above represents the Group's interest in Tower REIT, which is now accounted for as an associated company as disclosed in Note 12 above.

- (b) Particulars of investments in quoted securities as at 30 June 2008:

	RM'000
<b>Investments:</b>	
At cost	<u>12,356</u>
At book value	<u>6,021</u>
At market value	<u>6,021</u>

- (c) Particulars of investments in quoted securities as at 30 June 2008:

	RM'000
<b>Marketable securities:</b>	
At cost	<u>15,806</u>
At book value	<u>0</u>
At market value	<u>0</u>

## 21. Corporate Proposal

Save as disclosed in Note 11 above, there is no other corporate proposal as at the date of this report.

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

Particulars of the Group's borrowings as at 30 June 2008 are as follows:

	RM'000
<b>Long term borrowings</b>	
Secured	470,402
Unsecured	10,000
	<u>480,402</u>
<b>Short term borrowings</b>	
Secured	12,500
Unsecured	130,404
	<u>142,904</u>
<b>Total borrowings</b>	<u>623,306</u>

**23. 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.

**24. Changes in Material Litigation**

Not applicable.

**25. Dividend**

(a) A proposed final dividend of 4% less taxation at 25% has been recommended for the current quarter :-

- (i) Amount per share: 2.0 sen less tax at 25%
- (ii) Previous corresponding quarter: 2.0 sen less taxation at 26%
- (iii) Entitlement date: will be announced at a date determined by the Directors
- (iv) Payment date: will be announced at a date determined by the Directors

(b) Total dividend for the current financial year ended 30 June 2008: 2.0 sen per share less taxation at 25% (Total for the previous corresponding year: 2.0 sen per share less taxation at 26%).



26. **Earnings Per Share (“EPS”)**

**Basic earnings per share**

The calculation of the basic earnings per share is based on the net profit attributable to ordinary shareholders of 27,889,000 by the weighted average number of ordinary shares in issue during the current quarter of 670,070,818.

**Diluted earnings per share**

There were no dilutive elements to the share capital and hence, EPS (fully diluted) was the same.

By Order of the Board  
GuocoLand (Malaysia) Berhad

LIM YEOW YOKE  
Secretary

Kuala Lumpur  
20 August 2008