



**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2010**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	3 months ended		Year-to-date ended	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Revenue	30,278	42,754	30,278	42,754
Costs of sales	(24,536)	(25,557)	(24,536)	(25,557)
Gross profit	5,742	17,197	5,742	17,197
Other operating income	315	153	315	153
Other operating expenses	(8,259)	(6,756)	(8,259)	(6,756)
Profit/(Loss) from operations	(2,202)	10,594	(2,202)	10,594
Interest income	14	50	14	50
Finance costs	(6,067)	(5,583)	(6,067)	(5,583)
Share of profit after tax of associates and jointly controlled entities	8,510	3,732	8,510	3,732
Profit before taxation	255	8,793	255	8,793
Taxation	106	(2,939)	106	(2,939)
<b>Profit for the period</b>	<b>361</b>	<b>5,854</b>	<b>361</b>	<b>5,854</b>
Attributable to:				
Equity holders of the Company	230	6,701	230	6,701
Minority interests	131	(847)	131	(847)
	<b>361</b>	<b>5,854</b>	<b>361</b>	<b>5,854</b>
Earnings per share attributable to equity holders of the Company:				
a) Basic (sen)	0.03	1.00	0.03	1.00
b) Diluted (sen)	0.03	1.00	0.03	1.00

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	3 months ended		Year-to-date ended	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
<b>Profit for the period</b>	<b>361</b>	<b>5,854</b>	<b>361</b>	<b>5,854</b>
Fair value gain/(loss) on available-for-sale investments	553	(13)	553	(13)
<b>Total comprehensive income for the period</b>	<b>914</b>	<b>5,841</b>	<b>914</b>	<b>5,841</b>
Attributable to:				
Equity holders of the Company	783	6,688	783	6,688
Minority interests	131	(847)	131	(847)
	<b>914</b>	<b>5,841</b>	<b>914</b>	<b>5,841</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2010**

	As at 30.09.2010 RM'000	As at 30.06.2010 RM'000 (Restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	356,552	357,019
Investment properties	107,000	107,000
Land held for property development	64,180	63,724
Investments in associates	97,790	93,665
Investments in jointly controlled entities	314,430	307,534
Available-for-sale investments	5,542	4,989
Goodwill on consolidation	15,575	15,915
Deferred tax assets	2,366	2,246
	<u>963,435</u>	<u>952,092</u>
<b>Current assets</b>		
Inventories	464,979	471,283
Due from contract customers	280	280
Property development costs	217,120	219,967
Trade and other receivables	42,936	44,570
Tax recoverable	3,229	2,761
Deposits, cash and bank balances	32,980	25,038
	<u>761,524</u>	<u>763,899</u>
<b>TOTAL ASSETS</b>	<u>1,724,959</u>	<u>1,715,991</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	350,229	350,229
Share premium	35,089	35,089
Fair value reserve	553	-
Retained profits	404,790	404,560
Equity funds	790,661	789,878
Shares held by ESOS Trust	(23,883)	(23,883)
	<u>766,778</u>	<u>765,995</u>
Minority interests	76,518	76,387
<b>Total equity</b>	<u>843,296</u>	<u>842,382</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2010 (Cont'd)**

	<b>As at 30.09.2010 RM'000</b>	<b>As at 30.06.2010 RM'000 (Restated)</b>
<b>Non-current liabilities</b>		
Long term borrowings	285,983	224,147
Deferred tax liabilities	16,118	16,479
	<u>302,101</u>	<u>240,626</u>
<b>Current liabilities</b>		
Trade and other payables	77,373	77,393
Short term borrowings	502,189	555,590
	<u>579,562</u>	<u>632,983</u>
<b>Total liabilities</b>	881,663	873,609
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,724,959</u>	<u>1,715,991</u>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	1.1446	1.1435

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	Attributable to Equity Holders of the Company						Minority Interests	Total Equity	
	Non-Distributable			Distributable					
	Share Capital	Share Premium	Shares held by ESOS Trust	Exchange Reserve	Fair Value Reserve	Retained Profits			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Current Year-To-Date</b>									
At 1 July 2010	350,229	35,089	(23,883)	-	-	404,560	765,995	76,387	842,382
Total comprehensive income for the period	-	-	-	-	553	230	783	131	914
<b>At 30 September 2010</b>	<b>350,229</b>	<b>35,089</b>	<b>(23,883)</b>	<b>-</b>	<b>553</b>	<b>404,790</b>	<b>766,778</b>	<b>76,518</b>	<b>843,296</b>
<b>Preceding Year's Corresponding Period</b>									
At 1 July 2009	350,229	35,089	(23,883)	6,318	-	400,929	768,682	74,604	843,286
Total comprehensive income for the period	-	-	-	-	-	6,688	6,688	(847)	5,841
<b>At 30 September 2009</b>	<b>350,229</b>	<b>35,089</b>	<b>(23,883)</b>	<b>6,318</b>	<b>-</b>	<b>407,617</b>	<b>775,370</b>	<b>73,757</b>	<b>849,127</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 2010 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	3 months ended	
	30.09.2010 RM'000	30.09.2009 RM'000
<b>Cash flows from operating activities</b>		
Net Profit before Tax	255	8,793
Adjustments for:-		
Non-cash items	(6,455)	(2,319)
Non-operating items	5,929	5,533
Operating (loss)/profit before changes in working capital	(271)	12,007
Net change in current assets	11,120	(15,961)
Net change in current liabilities	(20)	(11,542)
Interest paid	(6,857)	(6,346)
Net income tax paid	(852)	(661)
Net cash generated from/(used in) operating activities	3,120	(22,503)
<b>Cash flows from investing activities</b>		
Equity investments	(2,572)	2,588
Other investments	(1,055)	(1,962)
Interest received	14	50
Net cash (used in)/generated from investing activities	(3,613)	676
<b>Cash flows from financing activities</b>		
Net drawdown of bank borrowings	7,882	11,397
Net cash generated from financing activities	7,882	11,397
Net increase/(decrease) in cash and cash equivalents	7,389	(10,430)
Cash and cash equivalents at beginning of the period	14,721	20,571
Cash & cash equivalents at end of the period	22,110	10,141
Cash and cash equivalents comprise the following:		
	<b>30.09.2010</b>	<b>30.09.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposit, cash and bank balances	32,980	16,921
Bank overdraft	(10,870)	(6,780)
	22,110	10,141

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

## NOTES

### 1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard (“FRS”) 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 2010. 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 2010.

### 2. Changes in Accounting Policies

The significant accounting policies adopted in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2010 except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for financial periods beginning on or after 1 January 2010 and 1 July 2010. Other than the implications as discussed below, the adoption of the new FRSs, amendments to FRSs and IC Interpretations do not result in significant changes in the reported profit or equity or on the disclosures in the interim financial statements of the Group:

#### i. FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. The revised FRS also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

The Group has adopted the two statements format for presentation of comprehensive income. Comparative information has been re-presented to be in conformity with the revised FRS. The revised FRS does not have any impact on the financial position and results of the Group.

#### ii. FRS 139: Financial Instruments: Recognition and Measurement and Amendments to FRS 139: Financial Instruments: Recognition and Measurement

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the assets and the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

The Group’s non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties were previously stated at cost less impairment losses.



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Following the adoption of FRS 139, these investments are now being classified as available for sale financial assets which are not for trading. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement.

### iii. Amendment to FRS 117 Leases:

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as leasehold land use rights in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has reclassified its leasehold land to property, plant and equipment. This change in classification has no effect on the results of the Group. The reclassification has been made retrospectively in accordance with the transitional provision and certain comparative balances have been restated as follows:

As at 30 June 2010	As previously reported RM'000	Effect of adopting the Amendment to FRS 117 RM'000	As restated RM'000
Leasehold land use rights	4,347	(4,347)	-
Property, plant and equipment	352,672	4,347	357,019

### 3. 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.

### 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 September 2010.

### 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 current financial period.





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

There were no additional shares purchased by the trust set up for the Executive Share Option Scheme (“ESOS Trust”) during the current quarter under review. The total number of shares purchased by the ESOS Trust as at 30 September 2010 was 30,578,100 shares.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 September 2010.

### 8. Dividend paid

There was no dividend paid during the current quarter ended 30 September 2010.

### 9. Segmental reporting

The Group’s segmental report for the current financial period ended 30 September 2010 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	16,198	1,266	11,263	1,551	-	30,278
Inter-segment sales	-	-	-	510	(510)	-
Total revenue	<u>16,198</u>	<u>1,266</u>	<u>11,263</u>	<u>2,061</u>	<u>(510)</u>	<u>30,278</u>
<b>Results</b>						
Segment results	(462)	613	(17)	(2,121)	-	(1,987)
Unallocated corporate expenses						(215)
Loss from operations						<u>(2,202)</u>

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 not reflected in the financial statements

There are no material subsequent events to be disclosed till 6 October 2010 (being the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statement).



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

There were no changes in the composition of the Group during the financial year under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations other than as mentioned below:

The Group had on 6 August 2010, acquired 4,550,000 units in Tower Real Estate Investment Trust ("Tower REIT"), representing 1.62% of the total issued units in Tower REIT, for a total consideration of RM5,102,296 including transaction costs via a direct business transaction. Pursuant to the said acquisition, the interest of GLM Group in Tower REIT has increased from 20.04% to 21.66%.

### **13. Contingent liabilities or contingent assets**

There are no contingent liabilities or contingent assets as at 30 September 2010.

### **14. Review of performance**

The Group recorded a revenue and profit before tax of RM30.3 million and RM0.3 million respectively for the current financial period ended 30 September 2010 as compared to RM42.8 million and RM8.8 million respectively in the preceding year's corresponding period. The higher revenue and profit before tax for the preceding year's corresponding period was mainly due to the sales of a parcel of land for an amount of RM26.6 million and at a profit of RM13.2 million.

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

The Group's current quarter profit before tax of RM0.3 million is lower as compared to the immediate preceding quarter's RM7.3 million. The higher profit achieved in the immediate preceding quarter was mainly attributed to contribution from the disposal of 50% equity interest in a jointly controlled entity.

### **16. Prospects**

Barring any unforeseen circumstances, the Group expects the performance for the current financial year to be satisfactory.

### **17. Profit forecast/profit guarantee**

Not applicable.



## 18. Taxation

Taxation comprises:

	Current Quarter RM'000
Current taxation	
- Malaysian income tax	(364)
- Deferred taxation	489
Prior year over/(under) provision	
- Malaysian income tax	(19)
- Deferred taxation	-
	<u>106</u>

The Group's effective tax rate (excluding jointly controlled entities and associates) is lower than the statutory tax rate for the current quarter mainly due to certain deferred tax assets not recognised during the quarter.

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

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

## 20. Quoted securities

(a) There was no purchase or disposal of quoted securities for the current quarter.

(b) Particulars of investment in quoted securities as at 30 September 2010 are as follows:

Quoted shares in Malaysia:	RM'000
At cost	<u>28,162</u>
At fair value	<u>5,542</u>

## 21. Corporate Proposal

There is no outstanding 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 September 2010 are as follows:

	RM'000
<b>Long term borrowings</b>	
Secured	278,983
Unsecured	<u>7,000</u>
	<u>285,983</u>
<b>Short term borrowings</b>	
Secured	303,597
Unsecured	<u>198,592</u>
	<u>502,189</u>
<b>Total borrowings</b>	<u>788,172</u>

The above borrowings are all denominated in Ringgit Malaysia.

**23. Financial Instruments with Off Balance Sheet Risk**

There were no financial instruments with material off balance sheet risk at the date of issue of this report.

**24. Changes in Material Litigation**

Not applicable.

**25. Dividend**

The Board does not recommend any interim dividend for the financial period ended 30 September 2010.



## 26. Earnings Per Share ("EPS")

### Basic EPS

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

	3 months	
	Ended 30.09.2010	Ended 30.09.2009
Net Profit attributable to ordinary shareholders for the period (RM'000)	230	6,701
Weighted average number of shares ('000)	669,880	669,880
Basic earnings per share (sen)	0.03	1.00

### Diluted EPS

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

By Order of the Board  
GuocoLand (Malaysia) Berhad

LIM YEW YOKE  
Secretary

Kuala Lumpur  
13 October 2010