



**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2010**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2010**

	3 months ended		Year-to-date ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Revenue	30,057	45,322	60,335	88,076
Costs of sales	(21,225)	(34,534)	(45,761)	(60,091)
Gross profit	8,832	10,788	14,574	27,984
Other operating income	213	619	528	772
Other operating expenses	(5,677)	(8,977)	(13,936)	(15,746)
Profit from operations	3,368	2,430	1,166	13,010
Interest income	246	56	260	106
Finance costs	(6,898)	(5,852)	(12,965)	(11,435)
Share of profit after tax of associates and jointly controlled entities	4,750	3,717	13,260	7,449
Profit before taxation	1,466	351	1,721	9,130
Taxation	404	132	510	(2,807)
Profit for the period	1,870	483	2,231	6,323
Attributable to:				
Equity holders of the Company	1,037	1,452	1,267	8,139
Minority interests	833	(969)	964	(1,816)
	1,870	483	2,231	6,323
Earnings per share attributable to equity holders of the Company:				
a) Basic (sen)	0.15	0.22	0.19	1.22
b) Diluted (sen)	0.15	0.22	0.19	1.22

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial 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 31 DECEMBER 2010**

	3 months ended		Year-to-date ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Profit for the period	1,870	483	2,231	6,323
Fair value gain on available-for-sale investments	1,031	-	1,584	-
Realised exchange recognised on disposal of a subsidiary	-	(1,739)	-	(1,739)
Total comprehensive income for the period	2,901	(1,256)	3,815	4,584
Attributable to:				
Equity holders of the Company	2,068	(4,736)	2,851	1,951
Minority interests	833	3,480	964	2,633
	2,901	(1,256)	3,815	4,584

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



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	As at 31.12.2010 RM'000	As at 30.06.2010 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	358,621	357,019
Investment properties	107,000	107,000
Land held for property development	64,641	63,724
Investments in associates	99,623	93,665
Investments in jointly controlled entities	317,266	307,534
Available-for-sale investments	6,573	4,989
Goodwill on consolidation	15,575	15,915
Deferred tax assets	2,452	2,246
	<u>971,751</u>	<u>952,092</u>
Current assets		
Inventories	466,256	471,283
Property development costs	206,743	219,967
Trade and other receivables	31,495	44,850
Tax recoverable	2,230	2,761
Deposits, cash and bank balances	30,746	25,038
	<u>737,470</u>	<u>763,899</u>
TOTAL ASSETS	<u>1,709,221</u>	<u>1,715,991</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	350,229	350,229
Share premium	35,089	35,089
Fair value reserve	1,584	-
Retained profits	395,779	404,560
Equity funds	782,681	789,878
Shares held by ESOS Trust	(23,883)	(23,883)
	<u>758,798</u>	<u>765,995</u>
Minority interests	77,351	76,387
Total equity	<u>836,149</u>	<u>842,382</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010 (cont'd)**

	As at 31.12.2010 RM'000	As at 30.06.2010 RM'000 (Restated)
Non-current liabilities		
Long term borrowings	276,658	224,147
Deferred tax liabilities	16,118	16,479
	<u>292,776</u>	<u>240,626</u>
Current liabilities		
Trade and other payables	68,368	77,393
Short term borrowings	511,928	555,590
	<u>580,296</u>	<u>632,983</u>
Total liabilities	<u>873,072</u>	<u>873,609</u>
TOTAL EQUITY AND LIABILITIES	<u>1,709,221</u>	<u>1,715,991</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.1327	1.1435

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial 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 31 DECEMBER 2010**

	Attributable to Equity Holders of the Company							Minority Interests	Total Equity
	Non-Distributable			Distributable					
	Share Capital RM'000	Share Premium RM'000	Shares held by ESOS Trust RM'000	Exchange Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total RM'000		
Current Year-To-Date									
At 1 July 2010	350,229	35,089	(23,883)	-	-	404,560	765,995	76,387	842,382
Total comprehensive income for the period	-	-	-	-	1,584	1,267	2,851	964	3,815
Dividend paid	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 December 2010	350,229	35,089	(23,883)	-	1,584	395,779	758,798	77,351	836,149
Preceding Year's Corresponding Period									
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	-	-	-	(6,188)	-	8,139	1,951	2,633	4,584
Dividend paid	-	-	-	-	-	(10,048)	(10,048)	-	(10,048)
At 31 December 2009	350,229	35,089	(23,883)	130	-	399,020	760,585	77,237	837,822

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial 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 31 DECEMBER 2010**

	6 months ended	
	31.12.2010 RM'000	31.12.2009 RM'000
Cash flows from operating activities		
Net Profit before Tax	1,721	9,130
Adjustments for:-		
Non-cash items	(9,953)	(3,325)
Non-operating items	12,582	11,290
Operating profit before changes in working capital	4,350	17,095
Net change in current assets	21,955	12,410
Net change in current liabilities	1,462	(14,974)
Interest paid	(14,717)	(13,050)
Net income tax refunded/(paid)	442	(1,454)
Net cash generated from operating activities	13,492	27
Cash flows from investing activities		
Equity investments	(2,572)	2,588
Other investments	(4,273)	(3,981)
Interest received	260	106
Net cash used in investing activities	(6,585)	(1,287)
Cash flows from financing activities		
Dividend paid	(10,048)	(10,048)
Net drawdown of bank borrowings	12,903	7,908
Net cash generated from/(used in) financing activities	2,855	(2,140)
Net increase/(decrease) in cash and cash equivalents	9,762	(3,400)
Cash and cash equivalents at beginning of the period	14,721	20,571
Cash and cash equivalents at end of the period	24,483	17,171
Cash and cash equivalents comprise the followings:		
	31.12.2010	31.12.2009
	RM'000	RM'000
Deposits, cash and bank balances	30,746	22,262
Bank overdrafts	(6,263)	(5,091)
	24,483	17,171

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial 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 disclosed 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 labelled 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 31 December 2010.



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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 prior interim period of the current financial year or in prior financial years that have had a material effect in the current financial period.

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 31 December 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 31 December 2010.

8. Dividend paid

The final dividend of 2 sen per share less 25% taxation amounted to RM10.048 million in respect of the previous financial year was paid on 3 November 2010.

9. Segmental reporting

The Group's segmental report for the current financial period ended 31 December 2010 is as follows:

	Property Development RM'000	Property Investment RM'000	Hotels RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	29,012	2,496	25,267	3,560	-	60,335
Inter-segment sales	-	-	-	918	(918)	-
Total revenue	<u>29,012</u>	<u>2,496</u>	<u>25,267</u>	<u>4,478</u>	<u>(918)</u>	<u>60,335</u>
Results						
Segment results	1,930	1,244	2,213	(3,759)	-	1,628
Unallocated corporate expenses						(462)
Profit from operations						<u>1,166</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.



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11. Material events not reflected in the financial statements

There are no material subsequent events to be disclosed till 12 January 2011 (being the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statement).

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 31 December 2010.

14. Review of performance

The Group recorded a revenue and profit before tax of RM60.3 million and RM1.7 million respectively for the current financial period ended 31 December 2010 as compared to RM88.1 million and RM9.1 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 RM1.5 million is higher as compared to the immediate preceding quarter of RM0.3 million, mainly due to favourable performance achieved by the property development and hotel divisions for the current quarter under review.

16. Prospects

Barring any unforeseen circumstances, the Group expects to perform satisfactorily for the current financial year ending 30 June 2011.

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	(98)	(589)
- Deferred taxation	358	1,097
Over/(under) provision		
- Malaysian income tax		
- prior year	21	2
- previous quarter	123	-
	404	510

The Group's effective tax rates (excluding jointly controlled entities and associates) are lower than the statutory tax rate for the current quarter and period-to-date mainly due to utilisation of previously unrecognised tax losses.

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 31 December 2010 are as follows:

Quoted shares in Malaysia:	RM'000
At cost	28,162
At fair value	6,572

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 31 December 2010 are as follows:

	RM'000
Long term borrowings	
Secured	272,658
Unsecured	4,000
	<u>276,658</u>
Short term borrowings	
Secured	307,868
Unsecured	204,060
	<u>511,928</u>
Total borrowings	<u>788,586</u>

The above borrowings are all denominated in Ringgit Malaysia.

23. Realised and unrealised profits/losses disclosure

	As at 31.12.2010 RM'000	As at 30.09.2010 RM'000
Total retained profits of GLM and its subsidiaries:		
- Realised	327,107	340,874
- Unrealised	(12,023)	(12,109)
	<u>315,084</u>	<u>328,765</u>
Total share of retained profits from associated companies:		
- Realised	1,990	243
- Unrealised	8,829	8,743
	<u>10,819</u>	<u>8,986</u>
Total share of retained profits from jointly controlled entities:		
- Realised	69,876	67,039
- Unrealised	-	-
	<u>69,876</u>	<u>67,039</u>
Total group retained profits as per consolidated accounts	<u>395,779</u>	<u>404,790</u>

24. Derivative financial instruments

There were no outstanding financial derivatives at the date of issue of this report.

25. Changes in material litigation

Not applicable.



26. **Dividend**

The Board does not recommend any interim dividend for the financial period ended 31 December 2010.

27. **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:

	6 months	
	Ended 31.12.2010	Ended 31.12.2009
Net Profit attributable to ordinary shareholders for the period (RM'000)	1,267	8,139
Weighted average number of shares ('000)	669,880	669,880
Basic earnings per share (sen)	0.19	1.22

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 YEOW YOKE
Secretary

Kuala Lumpur
19 January 2011