



**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	3 months ended		Year-to-date ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	27,551	30,278	27,551	30,278
Cost of sales	(19,658)	(24,536)	(19,658)	(24,536)
Gross profit	7,893	5,742	7,893	5,742
Other operating income	6,613	315	6,613	315
Operating expenses	(11,281)	(8,259)	(11,281)	(8,259)
Profit/(Loss) from operations	3,225	(2,202)	3,225	(2,202)
Interest income	61	14	61	14
Finance costs	(7,847)	(6,067)	(7,847)	(6,067)
Share of results of associates and jointly controlled entities	4,575	8,510	4,575	8,510
Profit before tax	14	255	14	255
Taxation	370	106	370	106
Profit for the period	384	361	384	361
Profit attributable to:				
Owners of the Company	274	230	274	230
Non-controlling interests	110	131	110	131
Profit for the period	384	361	384	361
Earnings per share attributable to owners of the Company:				
a) Basic (sen)	0.04	0.03	0.04	0.03
b) Diluted (sen)	0.04	0.03	0.04	0.03

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	3 months ended		Year-to-date ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	384	361	384	361
Other comprehensive income:				
Fair value (loss)/gain on available-for-sale investments	(22,686)	553	(22,686)	553
Foreign currency translation	871	-	871	-
Total comprehensive (loss)/income for the period	(21,431)	914	(21,431)	914
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(21,541)	783	(21,541)	783
Non-controlling interests	110	131	110	131
Total comprehensive (loss)/income for the period	(21,431)	914	(21,431)	914

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

	As at 30.09.2011 RM'000	As at 30.06.2011 RM'000
Non-current assets		
Property, plant and equipment	228,234	228,626
Investment properties	242,700	241,256
Land held for property development	65,571	65,568
Investments in associates	100,433	102,148
Investments in jointly controlled entities	336,275	333,178
Available-for-sale investments	79,081	7,673
Goodwill on consolidation	15,005	15,118
Deferred tax assets	3,237	2,936
	<u>1,070,536</u>	<u>996,503</u>
Current assets		
Inventories	448,418	451,535
Property development costs	198,925	197,626
Trade and other receivables	38,228	42,511
Other current assets	1,848	1,241
Tax recoverable	3,451	2,916
Deposits, cash and bank balances	32,330	132,123
	<u>723,200</u>	<u>827,952</u>
TOTAL ASSETS	<u>1,793,736</u>	<u>1,824,455</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	350,229	350,229
Reserves	430,069	451,401
Equity funds	<u>780,298</u>	<u>801,630</u>
Shares held by ESOS Trust	(23,883)	(23,883)
	<u>756,415</u>	<u>777,747</u>
Non-controlling interests	77,627	77,517
TOTAL EQUITY	<u>834,042</u>	<u>855,264</u>



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011 (cont'd)

	As at 30.09.2011 RM'000	As at 30.06.2011 RM'000
Non-current liabilities		
Long term borrowings	540,495	544,264
Deferred tax liabilities	15,466	15,576
	<u>555,961</u>	<u>559,840</u>
Current liabilities		
Trade and other payables	66,465	61,486
Progress billings in respect of property development costs	8,835	9,853
Short term borrowings	328,433	337,688
Tax payable	-	324
	<u>403,733</u>	<u>409,351</u>
TOTAL LIABILITIES	<u>959,694</u>	<u>969,191</u>
TOTAL EQUITY AND LIABILITIES	<u>1,793,736</u>	<u>1,824,455</u>
Net assets per share attributable to ordinary owners of the Company (RM)	1.1292	1.1610

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Non-Distributable				Distributable					
	Shares held by				Share	Fair value	Retained	Total		
	Share capital	Share premium	ESOS Trust	option reserve	Exchange reserve	reserve	profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Current year-to-date										
At 1 July 2011	350,229	35,089	(23,883)	-	(769)	2,610	414,471	777,747	77,517	855,264
Total comprehensive income/(loss) for the period	-	-	-	-	871	(22,686)	274	(21,541)	110	(21,431)
Transaction with owners:										
Share based payment	-	-	-	209	-	-	-	209	-	209
At 30 September 2011	350,229	35,089	(23,883)	209	102	(20,076)	414,745	756,415	77,627	834,042
Preceding year's corresponding period										
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
At 30 September 2010	350,229	35,089	(23,883)	-	-	553	404,790	766,778	76,518	843,296

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 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	3 months ended	
	30.09.2011	30.09.2010
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	14	255
Adjustments for:		
Non-cash items	938	(6,455)
Non-operating items	7,782	5,929
Operating profit/(loss) before changes in working capital	8,734	(271)
Net change in current assets	5,845	11,120
Net change in current liabilities	3,954	(20)
Interest paid	(8,343)	(6,857)
Tax paid	(900)	(852)
Net cash generated from operating activities	9,290	3,120
Cash flows from investing activities		
Equity investments	3,130	(2,572)
Other investments	(100,121)	(1,055)
Interest received	61	14
Net cash used in investing activities	(96,930)	(3,613)
Cash flows from financing activities		
Net drawdown/(repayment) of bank borrowings	(13,300)	7,882
Net cash (used in)/generated from financing activities	(13,300)	7,882
Net (decrease)/increase in cash and cash equivalents	(100,940)	7,389
Effect of exchange rate changes on cash and cash equivalents	871	-
Cash and cash equivalents at beginning of the period	127,520	14,721
Cash and cash equivalents at end of the period	27,451	22,110
Cash and cash equivalents comprise the followings:		
	30.09.2011	30.09.2010
	RM'000	RM'000
Deposits, cash and bank balances	32,330	32,980
Bank overdrafts	(4,879)	(10,870)
	27,451	22,110

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 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 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 2011. 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 financial year ended 30 June 2011.

2. **Changes in accounting policies**

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the financial year ended 30 June 2011 except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2011 and 1 July 2011 respectively. The adoption of the new FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial position and results of the Group.

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 2011.

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 financial years that have had a material effect 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 2011 was 30,578,100 shares.

At the Extraordinary General Meeting of GuocoLand (Malaysia) Berhad (“GLM”) held on 11 October 2011, the shareholders had approved the following:

- (1) Termination of the existing Executive Share Option Scheme (“Existing ESOS”) established on 23 January 2006; and
- (2) Establishment of a new Executive Share Option Scheme (“New ESOS”) for the benefit of eligible executives. The New ESOS will enable the Company to have a fresh duration of 10 years to implement the scheme.

The Company has not offered any option pursuant to the Existing ESOS. However, during the period under review, the Company has established a Value Creation Incentive Plan (“VCIP”) for selected key executives of the Group to incentivise them towards achieving long term performance targets through the grant of options over GLM Shares, which options will be satisfied through the transfer of existing GLM Shares held under the ESOS Trust. Pursuant to the VCIP, options over 27,500,000 existing GLM Shares have been granted to selected key executives of the Group (“VCIP Options”).

The vesting of the VCIP Options is conditional upon the achievement of prescribed financial and performance targets/criteria over a stipulated performance period. In view that the stipulated performance period is not completed yet, the VCIP Options have not yet been vested.

Except for the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 September 2011.

8. Dividend paid

There was no dividend paid during the current quarter ended 30 September 2011.



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9. Segmental reporting

The Group's segmental report for the current financial period ended 30 September 2011 is as follows:

	Property development RM'000	Property investment RM'000	Hotels RM'000	Plantations RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	11,011	1,928	12,796	-	1,816	-	27,551
Inter-segment sales	-	-	-	-	1,187	(1,187)	-
Total revenue	11,011	1,928	12,796	-	3,003	(1,187)	27,551
Results							
Segment results	5,130	997	649	-	(3,339)	-	3,437
Unallocated corporate expenses							(212)
Profit from operations							3,225
Interest income	31	-	7	-	23	-	61
Finance costs							(7,847)
Share of results of associates	-	1,415	-	-	-	-	1,415
Share of results of jointly controlled entities	469	-	-	2,691	-	-	3,160
Income tax benefit	114	-	2	-	254	-	370
Profit for the period							384

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 4 October 2011 (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 quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

13. Contingent liabilities or contingent assets

There are no contingent liabilities or contingent assets as at 30 September 2011.

14. Review of performance

For the quarter under review, the Group recorded a revenue of RM27.6 million which is slightly lower than the revenue of RM30.3 million in the preceding year's corresponding quarter, mainly due to lower revenue from property development division.

There is no significant change in the profit attributable to shareholders for the quarter under review as compared with the previous year's corresponding quarter. However, provision for foreseeable loss of RM6.4 million was written back in the current quarter and resulted in higher other operating income. On the other hand, lower contribution from the share of results of associates and jointly controlled entities for the current quarter is mainly because the previous year's corresponding quarter had the benefit of a gain on disposal of land by a jointly controlled entity.

15. Material changes in profit before tax

The Group recorded a profit before tax of RM0.01 million in the current quarter as compared to RM22.8 million in the immediate preceding quarter. The decrease in profit is mainly due to lower profit contributed from property development division and significant decrease in share of profit of associates and jointly controlled entities in the current quarter.

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	Year-to-date RM'000
Current taxation		
- Malaysian income tax	(65)	(65)
- Deferred taxation	359	359
Prior year over/(under) provision		
- Malaysian income tax	24	24
- Deferred taxation	52	52
	370	370

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

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) The total purchase consideration of quoted securities purchased by the Group for the current quarter amounted to approximately RM98,523,000.

(b) Particulars of investment in quoted securities as at 30 September 2011 are as follows:

	RM'000
At cost	126,742
At carrying value/market value	79,081

21. Corporate proposal

There is no outstanding corporate proposal as at the date of this report.



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22. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 September 2011 are as follows:

	RM'000
Long term borrowings	
Secured	456,495
Unsecured	84,000
	<u>540,495</u>
Short term borrowings	
Secured	139,663
Unsecured	188,770
	<u>328,433</u>
Total borrowings	<u>868,928</u>

The above borrowings are all denominated in Ringgit Malaysia.

23. Realised and unrealised profits/losses disclosure

The breakdown of retained profits of the Group

	As at 30.09.2011 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	156,935
- Unrealised	(13,585)
	<u>143,350</u>
Total share of retained profits from associates:	
- Realised	2,912
- Unrealised	8,717
	<u>11,629</u>
Total share of retained profits from jointly controlled entities:	
- Realised	88,843
- Unrealised	-
	<u>88,843</u>
Add: Consolidated adjustments	170,923
Total group retained profits as per consolidated accounts	<u>414,745</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.



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24. Derivative financial instruments

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

As at 30 September 2011, the Group's outstanding foreign exchange forward contract entered into as hedges of anticipated future transactions is as follow:

Type of Derivative	Contract/ Notional value RM'000	Net fair value RM'000
Foreign exchange forward contract (less than 1 year)	26,698	(7)

Derivative financial instruments are categorised as fair value through profit or loss and measured at their fair value with the changes in fair value recognised in the income statement at each reporting date. During the current financial quarter ended 30 September 2011, the Group recognised a loss of approximately RM7,000 arising from fair value changes of financial derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

There is minimal credit and market risk because the contract was executed with established financial institution.

There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group or the related accounting policies. Other related information associated with the financial instruments is consistent with the disclosures in the audited financial statements for the financial year ended 30 June 2011.

25. Changes in material litigation

Not applicable.

26. Dividend

The Board does not recommend any interim dividend for the financial period ended 30 September 2011.



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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:

	3 months	
	Ended 30.09.2011	Ended 30.09.2010
Net profit attributable to ordinary shareholders for the period (RM'000)	<u>274</u>	<u>230</u>
Weighted average number of shares ('000)	<u>669,880</u>	<u>669,880</u>
Basic earnings per share (sen)	<u>0.04</u>	<u>0.03</u>

Diluted EPS

The Group has no dilution in its EPS for the quarter under review as the potential ordinary shares arising from the exercise of VCIP Options would increase the basic EPS.

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
 Secretary

Kuala Lumpur
 11 October 2011