



Form Version 2.0

Financial Results

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Submitting Merchant Bank :
(if applicable)
Submitting Secretarial Firm Name :
(if applicable)
* Company name : GuocoLand (Malaysia) Berhad
* Stock name : GUOCO
* Stock code : 1503
* Contact person : Ms Tanny Lim Yew Yoke
* Designation : Company Secretary

Part A1 : QUARTERLY REPORT

* Financial Year End : 30/06/2007 ☒ 16
* Quarter : ☐ 1 Qtr ☒ 2 Qtr ☐ 3 Qtr ☐ 4 Qtr ☐ Other
* Quarterly report for the financial period ended : 31/12/2006
* The figures : ☐ have been audited ☒ have not been audited

Please attach the full Quarterly Report here:



GLM.pdf

Remarks:

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended
*** 31/12/2006**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDIN G QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDIN G PERIOD
		31/12/2006 ☒ 16	31/12/2005 ☒ 16	31/12/2006 ☒ 16	31/12/2005 ☒ 16
		[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000
1	Revenue	39,456	39,431	63,540	61,599
2	Profit/(loss) before tax	9,754	2,007	11,881	5,362
3	Profit/(loss) for the period	8,953	3,402	11,172	6,202
4	Profit/(loss) attributable to ordinary equity holders of the parent	7,721	2,661	9,470	5,174

5	Basic earnings/(loss) per share (sen)	1.15	0.38	1.41	0.74
6	Proposed/Declared dividend per share (sen)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER*		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (RM)	1.1600		1.1500	
Remarks :					

Note: For full text of the above announcement, please access the Bursa Malaysia website at www.bursamalaysia.com

Part A3 : ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER*	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE*	PRECEDING YEAR CORRESPONDING PERIOD
		31/12/2006 ¹⁶	31/12/2005 ¹⁶	31/12/2006 ¹⁶	31/12/2005 ¹⁶
		[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000
1	Gross interest income	146	227	297	427
2	Gross interest expense	1,456	4,458	2,372	9,129

Remarks :

Note: The above information is for the Exchange internal use only.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2006

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2006

	3 months ended		6 months ended	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
	RM'000	RM'000	RM'000	RM'000
Revenue	39,456	39,431	63,540	61,599
Profit from operations	8,841	6,291	10,154	13,174
Finance costs	(1,456)	(4,458)	(2,372)	(9,129)
Interest income	146	227	297	427
Share of profit after tax of associate and jointly controlled entities	2,223	(53)	3,802	890
Profit before taxation	9,754	2,007	11,881	5,362
Taxation	(801)	1,395	(709)	840
Profit for the period	8,953	3,402	11,172	6,202
Attributable to:				
Equity holders of the parent	7,721	2,661	9,470	5,174
Minority interest	1,232	741	1,702	1,028
	8,953	3,402	11,172	6,202
Earnings per share attributable to equity holders of the parent:				
a) Basic (sen)	1.15	0.38	1.41	0.74
b) Fully diluted (sen)	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.


CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006

	As at 31.12.2006 RM'000	As at 30.06.2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	264,943	266,189
Land held for development	762	762
Investment properties	107,000	105,018
Goodwill on consolidation	2,464	2,464
Investment in associate	747	747
Investment in jointly controlled entities	373,770	369,968
Investments	50,177	48,015
Deferred tax assets	816	845
	<u>800,679</u>	<u>794,008</u>
Current assets		
Development properties	96,884	103,322
Due from contract customers	2,151	2,750
Inventories	8,585	9,064
Trade and other receivables	74,803	43,094
Tax recoverable	4,386	6,368
Deposits, cash and bank balances	9,430	34,802
	<u>196,239</u>	<u>199,400</u>
TOTAL ASSETS	<u>996,918</u>	<u>993,408</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	350,229	350,229
Share premium	35,089	35,089
Exchange reserve	6,037	5,945
Retained profits	406,086	404,780
Equity funds	797,441	796,043
Shares held by ESOS Trust	(23,000)	(23,000)
Net equity funds	774,441	773,043
Minority Interests	64,799	63,057
Total equity	<u>839,240</u>	<u>836,100</u>


CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006 (CONT'D)

	As at 31.12.2006 RM'000	As at 30.06.2006 RM'000
Non-current liabilities		
Borrowings	36,500	46,500
Deferred tax liabilities	17	151
	<u>36,517</u>	<u>46,651</u>
Current liabilities		
Due to contract customers	2,723	2,395
Short term borrowings	69,710	53,383
Trade and other payables	48,025	54,422
Provision for taxation	703	457
	<u>121,161</u>	<u>110,657</u>
Total liabilities	<u>157,678</u>	<u>157,308</u>
TOTAL EQUITY AND LIABILITIES	<u>996,918</u>	<u>993,408</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2006

	6 months ended	
	31.12.2006	31.12.2005
	RM'000	RM'000
Net Profit Before Tax	11,881	5,362
Adjustments for:-		
Non-cash items	(3,282)	2,775
Non-operating items	<u>2,044</u>	<u>9,082</u>
Operating profit before changes in working capital	10,643	17,219
Net change in assets	(23,926)	1,606
Net change in liabilities	(5,762)	320
Net income tax refund	<u>1,414</u>	<u>4,445</u>
Net cash flow generated from operating activities	<u>(17,631)</u>	<u>23,590</u>
Investing Activities		
Equity investments	-	(3,081)
Other Investments	<u>(1,892)</u>	<u>(4,169)</u>
Net cash flow used in investing activities	<u>(1,892)</u>	<u>(7,250)</u>
Financial Activities		
Interest paid	(2,372)	(9,129)
Dividend paid	(9,789)	(5,043)
Net drawdown / (repayment) of bank borrowings	<u>5,813</u>	<u>(4,909)</u>
Net cash flow used in financing activities	<u>(6,348)</u>	<u>(19,081)</u>
Net Change in Cash and Cash Equivalents	(25,871)	(2,741)
Effects of exchange rate changes	(15)	(14)
Cash & Cash Equivalents at beginning of year	<u>33,106</u>	<u>25,117</u>
Cash & Cash Equivalents at end of period	<u><u>7,220</u></u>	<u><u>22,362</u></u>

Cash & 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 2006 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2006

	Attributable to Equity Holders of the Parent						Minority	Total
	Non-Distributable			Distributable			Interests	Equity
	Shares held							
	Share Capital RM'000	Share Premium RM'000	by ESOS Trust RM'000	Exchange Reserve RM'000	Retained Profit RM'000	Total RM'000	RM'000	RM'000
Current Year-To-Date								
At 1 July 2006	350,229	35,089	(23,000)	5,945	404,780	773,043	63,057	836,100
Effects of adopting FRS 140	-	-	-	-	1,625	1,625	-	1,625
Foreign currency translation difference	-	-	-	92	-	92	40	132
Net profit for the period	-	-	-	-	9,470	9,470	1,702	11,172
Dividend paid	-	-	-	-	(9,789)	(9,789)	-	(9,789)
At 31 December 2006	350,229	35,089	(23,000)	6,037	406,086	774,441	64,799	839,240
Preceding Year Corresponding Period								
At 1 July 2005	350,229	35,089	-	7,619	359,060	751,997	47,599	799,596
Foreign currency translation difference	-	-	-	(56)	-	(56)	34	(22)
Net profit for the period	-	-	-	-	5,174	5,174	1,028	6,202
Dividend paid	-	-	-	-	(5,043)	(5,043)	-	(5,043)
At 31 December 2005	350,229	35,089	-	7,563	359,191	752,072	48,661	800,733

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2006 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 2006. These 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 2006.

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 2006 except for the adoption of the following new/revised FRSs effective for financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Investment in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, 3, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136 and 138 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:



2. Changes in Accounting Policies (cont'd)

(a) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(b) FRS 140: Investment Property

The adoption of FRS 140 has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value, representing open-market value determined by external valuers. Gains or losses arising from changes in the fair values of investment properties are recognized as profit or loss in the period in which they arise. Prior to 1 July 2006, investment properties are stated at cost less impairment losses. In accordance with the transitional provision of FRS 140, this change in accounting policy is applied prospectively and the comparatives as at 30 June 2006 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 July 2006:-

	As at 1 July 2006 RM'000
Increase in investment properties	1,982
Decrease in property, plant and equipment	(357)
Increase in retained profits	<u>1,625</u>

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 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 financial period ended 31 December 2006 except 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

The revised FRS116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The revision of the residual values and estimated useful lives of certain hotels of the Group were accounted for as change in accounting estimates and as a result, the depreciation charges for the current quarter and year-to-date were accordingly revised.

7. Dividend paid

The final dividend of 4% less tax at 28% amounting to RM9,789,000 in respect of previous financial year was paid on 15 November 2006.

8. Segmental reporting

The Group's segmental report for the current financial year-to-date 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	22,537	10,642	28,692	1,669	-	63,540
Inter-segment sales	-	-	-	115	(115)	-
Total revenue	22,537	10,642	28,692	1,784	(115)	63,540
Results						
Segment results	3,670	(219)	5,897	1,127	-	10,475
Other operating expenses						(321)
Profit from operations						10,154

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 were no material subsequent events to be disclosed as at the date of this report.



11. Changes in the composition of the Group

Not applicable.

12. Contingent liabilities or contingent assets

There is no contingent liability or contingent asset as at the date of this report.

13. Review of Performance

The Group recorded a revenue and profit before taxation ("PBT") of RM39.5 million and RM9.8 million respectively for the current quarter under review as compared to RM39.4 million and RM2.0 million respectively in the preceding year's corresponding quarter.

The Group recorded a revenue and PBT of RM63.5 million and RM11.9 million respectively for the current year-to-date as compared to RM61.6 million and RM5.4 million respectively in the preceding year's corresponding period.

The higher PBT for the current quarter and year-to-date were mainly due to higher profit from jointly controlled entities and saving in finance costs.

14. Material changes in profit before taxation

The Group recorded a PBT of RM9.8 million for the current quarter under review as compared to RM2.1 million in the preceding quarter. The higher PBT in the current quarter was mainly due to higher profit recorded by hotel and property development divisions.

15. Prospects

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

16. Profit forecast / profit guaranteed

Not applicable.



17. Taxation

Taxation comprises:-

	Current Quarter RM'000	Year-To-Date RM'000
Current taxation		
- Malaysian income tax	768	840
- Deferred taxation	35	(93)
	<u>803</u>	<u>747</u>
Prior year over provision		
- Malaysian income tax	(2)	(26)
- Deferred taxation	-	(12)
	<u>801</u>	<u>709</u>

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 the utilisation of the unabsorbed tax losses and capital allowances.

18. Sale of unquoted investments and/or properties

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

19. 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 December 2006:-

	RM'000
Long term investments:	
At cost	<u>89,355</u>
At book value	<u>50,142</u>
At market value	<u>46,936</u>

The directors regard the shortfall in value of the quoted investment against market value as at the balance sheet date as temporary in nature as the current market value is not reflective of the underlying net tangible assets of the investee companies.



20. Corporate Proposals

- (1) On 9 October 2006, the Company announced that its newly acquired indirect wholly-owned subsidiary, Ace Acres Sdn Bhd, had on 6 October 2006, entered into 5 separate conditional sale and purchase agreements with Shanghai City Sdn Bhd, Shanghai Project Sdn Bhd and Diamond Selection Sdn Bhd, to acquire 84 separate parcels of contiguous freehold lands measuring in aggregate 702,517 square feet within Taman Mutiara Barat, off Jalan Cheras, Mukim of Kuala Lumpur for a total cash consideration of RM66,739,115. The said proposed acquisition was approved by the Foreign Investment Committee on 3 November 2006.
- (2) On 3 November 2006, Bedford Development Sdn Bhd ("BDSB"), a wholly-owned subsidiary of the Company, entered into the following agreements:
 - a. Share sale agreement with Putrajaya Properties Sdn Bhd ("PPSB") for the proposed acquisition by BDSB of 100% equity interest in Sabna Development Sdn Bhd from PPSB for a cash consideration of RM82.99 million ("Proposed Acquisition of Sabna"); and
 - b. Share sale agreement with Putrajaya Holdings Sdn Bhd ("PHSB") for the proposed disposal by BDSB of its entire 50% equity interest in PPSB to PHSB for a cash consideration of RM73.92 million ("Proposed Disposal of PPSB").

The Proposed Acquisition of Sabna and Proposed Disposal of PPSB was approved by the Foreign Investment Committee on 18 January 2007 and completed on 31 January 2007. The Proposed Disposal of PPSB is expected to result in a gain of approximately RM1.4 million.

21. Group's borrowings and debt securities

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

	RM'000
Short term borrowings	
Secured	7,640
Unsecured	62,070
	<u>69,710</u>
Long term borrowings	
Secured	36,500
Unsecured	-
	<u>36,500</u>
Total borrowings	<u>106,210</u>

22. 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.

23. Changes in Material Litigation

Not applicable.



24. Dividend

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

25. Earnings Per Share

Basic earnings per share

The calculation of the basic earnings per share is based on the net profit attributable to ordinary shareholders of RM9,470,000 by the weighted average number of ordinary shares in issue during the quarter of 670,458,518.

Diluted earnings per share

Not applicable.

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKÉ
Company Secretary

Kuala Lumpur
31 January 2007