Form Version 2.0

Financial Results

Submitted by **HLPB** on **18/10/2006 18:46:40**
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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

*** Quarterly report for the financial period ended** : **30/09/2006**

*** Quarter** : ● **1 Qtr** ○ **2 Qtr** ○ **3 Qtr** ○ **4 Qtr** ○ **Other**

*** Financial Year End** : **30/06/2007**

*** The figures** : ○ **have been audited** ● **have not been audited**

Please attach the full Quarterly Report here:

GLM- 1st quarter (sept 2006).pdf

Remarks:

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended * 30/09/2006

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER * 30/09/2006 [dd/mm/yyyy] RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2005 [dd/mm/yyyy] RM'000	CURRENT YEAR TO DATE * 30/09/2006 [dd/mm/yyyy] RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2005 [dd/mm/yyyy] RM'000
1	Revenue	**24,084**	**22,168**	**24,084**	**22,168**
2	Profit/(loss) before tax	**2,127**	**3,355**	**2,127**	**3,355**
3	Profit/(loss) for the period	**2,219**	**2,800**	**2,219**	**2,800**
4	Profit/(loss) attributable to ordinary equity holders of the parent	**1,749**	**2,513**	**1,749**	**2,513**
5	Basic earnings/(loss) per share (sen)	**0.26**	**0.36**	**0.26**	**0.36**

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* **30/09/2006** [dd/mm/yyyy] RM'000	PRECEDING YEAR CORRESPONDING QUARTER **30/09/2005** [dd/mm/yyyy] RM'000	CURRENT YEAR TO DATE* **30/09/2006** [dd/mm/yyyy] RM'000	PRECEDING YEAR CORRESPONDING PERIOD **30/09/2005** [dd/mm/yyyy] RM'000
1	Gross interest income	**151**	**200**	**151**	**200**
2	Gross interest expense	**916**	**4,671**	**916**	**4,671**

Remarks :

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

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2006

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

	3 months ended		3 months ended	
	30.9.2006 RM'000	30.9.2005 RM'000	30.9.2006 RM'000	30.9.2005 RM'000
Revenue	24,084	22,168	24,084	22,168
Profit from operations	1,313	6,883	1,313	6,883
Finance costs	(916)	(4,671)	(916)	(4,671)
Interest income	151	200	151	200
Share of profit after tax of associate and jointly controlled entities	1,579	943	1,579	943
Profit before taxation	2,127	3,355	2,127	3,355
Taxation	92	(555)	92	(555)
Profit for the period	2,219	2,800	2,219	2,800
Attributable to:				
Equity holders of the parent	1,749	2,513	1,749	2,513
Minority interest	470	287	470	287
	2,219	2,800	2,219	2,800
Earnings per share attributable to equity holders of the parent:				
a) Basic (sen)	0.26	0.36	0.26	0.36
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.

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2006

	As at 30.09.2006 RM'000	As at 30.06.2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	265,413	266,189
Land held for development	762	762
Investment properties	107,000	105,018
Goodwill on consolidation	2,464	2,464
Investment in associate	745	747
Investment in jointly controlled entities	371,550	369,968
Investments	48,015	48,015
Deferred tax assets	852	845
	796,801	794,008
Current assets		
Development properties	103,585	103,322
Due from contract customers	4,943	2,750
Inventories	9,044	9,064
Trade and other receivables	39,947	43,094
Tax recoverable	4,235	6,368
Deposits, cash and bank balances	28,271	34,802
	190,025	199,400
TOTAL ASSETS	986,826	993,408
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	5,965	5,945
Retained profits	408,154	404,780
Equity funds	799,437	796,043
Shares held by ESOS Trust	(23,000)	(23,000)
Net equity funds	776,437	773,043
Minority Interests	63,536	63,057
Total equity	839,973	836,100

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2006 (CONT'D)

	As at 30.09.2006 RM'000	As at 30.06.2006 RM'000
Non-current liabilities		
Borrowings	46,500	46,500
Deferred tax liabilities	17	151
	46,517	46,651
Current liabilities		
Due to contract customers	2,689	2,395
Short term borrowings	47,833	53,383
Trade and other payables	49,532	54,422
Provision for taxation	282	457
	100,336	110,657
Total liabilities	146,853	157,308
TOTAL EQUITY AND LIABILITIES	986,826	993,408

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.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

	3 months ended	
	30.9.2006	30.9.2005
	RM'000	RM'000
Net Profit Before Tax	2,127	3,355
Adjustments for:-		
Non-cash items	(276)	626
Non-operating items	886	4,623
Operating profit before changes in working capital	2,737	8,604
Net change in assets	706	(8,794)
Net change in liabilities	(4,620)	616
Net income tax refund	1,909	1,060
Net cash flow generated from operating activities	732	1,486
Investing Activities		
Other Investments	(808)	(2,485)
Net cash flow used in investing activities	(808)	(2,485)
Financial Activities		
Interest paid	(916)	(4,671)
Net repayment of bank borrowings	(6,187)	(1,695)
Net cash flow used in financing activities	(7,103)	(6,366)
Net Change in Cash and Cash Equivalents	(7,179)	(7,365)
Effects of exchange rate changes	11	(24)
Cash & Cash Equivalent at beginning of year	33,106	25,117
Cash & Cash Equivalent at end of period	25,938	17,728

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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

	← Attributable to Equity Holders of the Parent →						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	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	-	-	-	20	-	20	9	29
Net profit for the period	-	-	-	-	1,749	1,749	470	2,219
At 30 September 2006	350,229	35,089	(23,000)	5,965	408,154	776,437	63,536	839,973
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	-	-	-	(271)	-	(271)	(116)	(387)
Net profit for the period	-	-	-	-	2,513	2,513	287	2,800
At 30 September 2005	350,229	35,089	-	7,348	361,573	754,239	47,770	802,009

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.

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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:



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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 in 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	1,625

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 cyclicality 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 30 September 2006 except as disclosed in Note 2.

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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**

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 were accordingly revised.

7. **Dividends paid**

There was no dividend paid during the financial quarter ended 30 September 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	4,831	5,083	13,232	938	-	24,084
Inter-segment sales	-	-	-	487	(487)	-
Total revenue	4,831	5,083	13,396	1,425	(487)	24,248
Results						
Segment results	526	(395)	2,166	(854)	-	1,443
Unallocated corporate expenses						(130)
Profit from operations						1,313

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**

On 27 July 2006, the Company announced that its wholly-owned subsidiary, Bedford Development Sdn Bhd, had acquired two (2) ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Ace Acres Sdn Bhd for a total cash consideration of RM2.00. The principal activity of Ace Acres Sdn Bhd is property development.

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12. **Contingent liabilities or contingent assets**

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

13. **Review of Performance**

The Group recorded a revenue and profit before taxation ("PBT") of RM24.1 million and RM2.1 million respectively for the current quarter under review as compared to RM22.2 million and RM3.3 million respectively in the preceding year's corresponding quarter.

The higher PBT in the preceding year's corresponding quarter was mainly due to higher contribution from a larger base of investment properties which included properties disposed to Tower Real Estate Investment Trust.

14. **Material changes in profit before taxation**

The Group recorded a PBT of RM2.1 million for the current quarter under review as compared to RM53.8 million in the preceding quarter. The higher PBT in the preceding quarter was mainly due to the gain on disposal of investment properties.

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	72	72
- Deferred taxation	(128)	(128)
	(56)	(56)
Prior year over provision		
- Malaysian income tax	(24)	(24)
- Deferred taxation	(12)	(12)
	(92)	(92)

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 over provision for tax in prior years, utilisation of the unabsorbed tax losses and capital allowances.

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18. **Sale of unquoted investments and/or properties**

There were no sales 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 30 September 2006:-

	RM'000
Long term investments:	
At cost	89,355
At book value	47,980
At market value	45,551

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**

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 is subject to the approval of the Foreign Investment Committee.

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

Particulars of the Group's borrowings as at 30 September 2006 are as follows:-

	RM'000
Short term borrowings	
Secured	15,301
Unsecured	32,532
	47,833
Long term borrowings	
Secured	36,500
Unsecured	10,000
	46,500

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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. **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 RM1,749,000 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 YOKE
Company Secretary

Kuala Lumpur
18 October 2006