

GUOCO GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 53)


OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

The board of directors of Guoco currently comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. James Eng, Jr. as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Ding Wai Chuen as independent non-executive directors.

Financial Results

	Form Version 2.0
	Financial Results
	Submitted by HLPB on 29/01/2008 05:09:28 PM
	Reference No HH-080129-34000

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 : 30/06/2008 16

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

* Quarterly report for the financial period ended : 31/12/2007

* The figures : have been audited have not been audited

Please attach the full Quarterly Report here:



GLM - 2nd Quarter (31 Dec 2007).p

Remarks:

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended
 * 31/12/2007

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2007 <input type="checkbox"/> 16	31/12/2006 <input type="checkbox"/> 16	31/12/2007 <input type="checkbox"/> 16	31/12/2006 <input type="checkbox"/> 16
	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000
1 Revenue	21,897	39,456	58,251	63,540
2 Profit/(loss) before tax	6,976	9,754	12,460	11,881
3 Profit/(loss) for the period	7,020	8,953	11,212	11,172
4 Profit/(loss) attributable to ordinary equity holders of the parent	6,402	7,721	9,768	9,470

Financial Results

5	Basic earnings/(loss) per share (sen)	0.96	1.15	1.46	1.41
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)		1.2117		1.2128
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	
	31/12/2007 ¹⁶	31/12/2006 ¹⁶	31/12/2007 ¹⁶	31/12/2006 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	379	146	668	297
2	Gross interest expense	906	1,456	1,645	2,372

Remarks :

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



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2007

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2007

	3 months ended		6 months ended	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	21,897	39,456	58,251	63,540
Profit from operations	2,210	8,841	6,062	10,154
Finance costs	(906)	(1,456)	(1,645)	(2,372)
Interest income	379	146	668	297
Share of profit after tax of associate and jointly controlled entities	5,293	2,223	7,375	3,802
Profit before taxation	6,976	9,754	12,460	11,881
Taxation	44	(801)	(1,248)	(709)
Profit for the period	7,020	8,953	11,212	11,172
Attributable to:				
Equity holders of the parent	6,402	7,721	9,768	9,470
Minority interest	618	1,232	1,444	1,702
	7,020	8,953	11,212	11,172
Earnings per share attributable to equity holders of the parent:				
a) Basic (sen)	0.96	1.15	1.46	1.41
b) Fully diluted (sen)	0.96	1.15	1.46	1.41

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	As at 31.12.2007 RM'000	As at 30.06.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	272,648	257,547
Investment properties	107,000	107,000
Land held for development	762	762
Investment in associate	716	724
Investment in jointly controlled entities	313,739	306,420
Investments	44,518	57,147
Goodwill on consolidation	2,464	2,464
Deferred tax assets	1,207	1,243
Prepaid land lease payments	4,488	4,516
	<u>747,542</u>	<u>737,823</u>
Current assets		
Inventories	253,779	6,384
Due from contract customers	5,368	1,883
Development properties	203,230	197,426
Trade and other receivables	38,752	54,860
Tax recoverable	1,433	4,993
Marketable securities	8,852	7,201
Deposits, cash and bank balances	88,917	41,985
	<u>600,331</u>	<u>314,732</u>
TOTAL ASSETS	<u>1,347,873</u>	<u>1,052,555</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	5,151	5,285
Retained profits	445,098	445,696
Equity funds	<u>835,567</u>	<u>836,299</u>
Shares held by ESOS Trust	<u>(23,658)</u>	<u>(23,658)</u>
Net equity funds	811,909	812,641
Minority Interests	76,569	75,184
Total equity	<u>888,478</u>	<u>887,825</u>



CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007 (CONT'D)

	As at 31.12.2007 RM'000	As at 30.06.2007 RM'000
Non-current liabilities		
Borrowings	126,500	98,000
Deferred tax liabilities	598	566
	<u>127,098</u>	<u>98,566</u>
Current liabilities		
Trade and other payables	95,534	61,052
Due to contract customers	555	810
Short term borrowings	234,444	3,670
Provision for taxation	1,764	632
	<u>332,297</u>	<u>66,164</u>
Total liabilities	<u>459,395</u>	<u>164,730</u>
TOTAL EQUITY AND LIABILITIES	<u>1,347,873</u>	<u>1,052,555</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007

	6 months ended	
	31.12.2007 RM'000	31.12.2006 RM'000
Net Profit Before Tax	12,460	11,881
Adjustments for:-		
Non-cash items	(5,903)	(3,282)
Non-operating items	1,847	2,044
Operating profit before changes in working capital	8,404	10,643
Net change in assets	(22,995)	(23,926)
Net change in liabilities	(9,210)	(5,762)
Interest paid	(1,645)	(2,372)
Net income tax refund	3,514	1,414
Net cash flow used in operating activities	<u>(21,932)</u>	<u>(20,003)</u>
Investing Activities		
Equity investments	(2,963)	-
Other Investments	(68,840)	(1,892)
Interest received	668	-
Net cash flow used in investing activities	<u>(71,135)</u>	<u>(1,892)</u>
Financial Activities		
Dividend paid	(10,366)	(9,789)
Net drawdown of bank borrowings	151,533	5,813
Net cash flow generated from /(used in) financing activities	<u>141,167</u>	<u>(3,976)</u>
Net Change in Cash and Cash Equivalents	48,100	(25,871)
Effects of exchange rate changes	-	(15)
Cash & Cash Equivalent at beginning of year	40,815	33,106
Cash & Cash Equivalent at end of period	<u>88,915</u>	<u>7,220</u>

Cash and 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 2007 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2007

	← 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		
Current Year-To-Date								
At 1 July 2007	350,229	35,089	(23,658)	5,285	445,696	812,641	75,184	887,825
Net loss not recognised in the income statement								
- translation of foreign subsidiaries	-	-	-	(134)	-	(134)	(59)	(193)
Profit for the year	-	-	-	-	9,768	9,768	1,444	11,212
Dividend paid	-	-	-	-	(10,366)	(10,366)	-	(10,366)
At 31 December 2007	350,229	35,089	(23,658)	5,151	445,098	811,909	76,569	888,478
Preceding Year Corresponding Period								
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	-	-	-	-	1,216	1,216	-	1,216
At 1 July 2006 (restated)	350,229	35,089	(23,000)	5,945	405,996	774,259	63,057	837,316
Net gain not recognised in the income statement								
- translation of foreign subsidiaries	-	-	-	2,414	-	2,414	1,039	3,453
Realised exchange recognised directly in equity								
- disposal of subsidiaries	-	-	-	(3,074)	-	(3,074)	(1,321)	(4,395)
Profit for the year	-	-	-	-	49,489	49,489	12,409	61,898
Purchase during the year	-	-	(658)	-	-	(658)	-	(658)
Dividend paid	-	-	-	-	(9,789)	(9,789)	-	(9,789)
At 30 June 2007	350,229	35,089	(23,658)	5,285	445,696	812,641	75,184	887,825

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2007 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 2007. 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 2007.

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 2007 except for the adoption of the following new/revised FRSs effective for financial period beginning 1 July 2007:

FRS 117	Leases
FRS 124	Related Party Disclosure
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of FRSs 124, 107, 111, 112, 118, 134 and 137 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.

FRS 117: Lease

In line with the revised FRS 117, the Group changed its accounting policy with respect to the classification of its leasehold land. This change in accounting policy was applied retrospectively and has no financial impact on the Group.

FRS 117 requires a leasehold land to be accounted for as an operating lease. The upfront payment for leasehold land represents a prepaid lease payment and is amortised on a straight-line basis over the remaining lease period. Prior to 1 January 2007, the Group’s leasehold land was classified as part of property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses.

With the adoption of FRS 117, the carrying amount of the Hyatt Johor Bahru’s leasehold land as at 30 June 2007 of RM4.516 million was reclassified as prepaid land lease payments on the face of the balance sheet. Consequently, the Group’s property, plant and equipment was restated from RM262.063 million to RM257.547 million as at 30 June 2007, a reduction of RM4.516 million.



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 cyclical nature 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 2007 except for the changes in accounting policies as disclosed in Note 2 above and the Group inventories have increased by RM247.4 million from RM6.4 million for the previous financial year ended 30 June 2007 to RM253.8 million as at 31 December 2007. The increase was mainly due to the properties under work-in-progress of a newly acquired wholly-owned subsidiary, Titan Debut Sdn Bhd as disclosed in Note 12.

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 prior interim periods of the current financial period or in prior financial periods.

7. Issuance and repayment of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 December 2007.

8. Dividend paid

The final dividend of 2 sen per share less 26% taxation amounting to RM10.366 million in respect of previous financial year was paid on 30 November 2007.



9. Segmental reporting

The Group's segmental report for the current financial period 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	21,502	11,679	22,647	2,423	-	58,251
Inter-segment sales	-	-	-	1,116	(1,116)	-
Total revenue	<u>21,502</u>	<u>11,679</u>	<u>22,647</u>	<u>3,539</u>	<u>(1,116)</u>	<u>58,251</u>
Results						
Segment results	2,162	1,150	5,840	(1,217)	-	7,935
Unallocated corporate expenses						<u>(1,873)</u>
Profit from Operations						<u>6,062</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

On 14 January 2008, the Group had via its wholly-owned subsidiary, Sabna Development Sdn Bhd, entered into a conditional Sale and Purchase Agreement with Lana Wong Yi (Yu Yi), Yew Sow Wah, Wong Yit Poh, Elizabeth Khiang Whee Fang and Wong Lin Chooi ("Vendors") to acquire a piece of land measuring in area approximately 3,029.985 square meter (32,624 square feet) ("Land") together with two separate residential buildings erected thereon (collectively referred to as the "Property"), all situated at Changkat Kia Peng, Kuala Lumpur, for a total consideration of RM55,460,800 ("Proposed Acquisition").

The Proposed Acquisition is subject to the following:-

- (i) the approval of the Foreign Investment Committee;
- (ii) issuance of a development order in respect of the proposed development on the Land pursuant to the approval letter already obtained by the Vendors' consultant from the relevant authority; and
- (iii) the due endorsement by the land registry of the change of name in the issue document of title to the Property of one of the Vendors' [i.e. Lana Wong Yi (Yu Yi)] previous name to her present name.



12. Changes in the composition of the Group

On 8 August 2007, Astute Modernization Sdn Bhd (“AMSB”), a wholly-owned subsidiary of the Company, had entered into a Share Sale and Purchase Agreement with Eriton Sdn Bhd, Encik Mohd Shukri Bin Abdullah and Mr Deepak Jaikishan a/l Jaikishan Rewachand to acquire 100% equity interest in Titan Debut Sdn Bhd for a cash consideration of RM71 million (the “Proposed Acquisition”). The Proposed Acquisition was completed on 26 October 2007.

13. Contingent liabilities or contingent assets

There are no contingent liabilities or contingent assets as at 31 December 2007.

14. Review of Performance

The Group recorded a revenue and profit before tax of RM58.3 million and RM12.5 million respectively for the current financial period as compared to RM63.5 million and RM11.9 million respectively in the preceding year’s corresponding period.

The decrease in revenue was mainly due to the disposal of Guoman (Hanoi) Limited which is engaged in hotel operations in Hanoi, Vietnam, in May 2007.

15. Material changes in profit before taxation

The Group profit before tax of RM7.0 million for the current quarter is higher compared to RM5.5 million in the immediate preceding quarter was mainly due to higher profit from jointly controlled entities.

16. Prospects

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

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	91	1,327
- Deferred taxation	(100)	(70)
	<u>(9)</u>	<u>1,257</u>
Prior year (over)/under provision		
- Malaysian income tax	(35)	(140)
- Deferred taxation	-	131
	<u>(44)</u>	<u>1,248</u>

The Group's effective tax rate (excluding jointly controlled entities and associate) is lower than the statutory tax rate applicable for the current quarter and period to-date. This was mainly due to the utilisation of previous unrecognised deferred tax assets.

19. Sale of unquoted investments and/or properties

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

20. Quoted securities

(a) During the period to-date, the Group had acquired a total of 2,335,500 units in Tower Real Estate Investment Trust for a total cash consideration of RM2.958 million.

(b) Total disposals of quoted securities for the period to-date are as follows:

Total sales proceeds	RM'000 <u>12,439</u>
Total loss on disposal	<u>865</u>

(c) Particulars of investments in quoted securities as at 31 December 2007:

Long term investments:	RM'000
At cost	<u>56,808</u>
At book value	<u>44,483</u>
At market value	<u>61,758</u>



20. **Quoted securities (cont'd)**

(c) Particulars of investments in quoted securities as at 31 December 2007:

	RM'000
Marketable securities:	
At cost	<u>15,806</u>
At book value	<u>8,852</u>
At market value	<u>8,852</u>

21. **Corporate Proposal**

Save as disclosed in Note 11 above, there is no other 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 2007 are as follows:

	RM'000
Long term borrowings	
Secured	116,500
Unsecured	<u>10,000</u>
	<u>126,500</u>
Short term borrowings	
Secured	136,938
Unsecured	<u>97,506</u>
	<u>234,444</u>
Total borrowings	<u>360,944</u>

23. **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.

24. **Changes in Material Litigation**

Not applicable.

25. **Dividend**

The Board does not recommend any payment of interim dividend for the financial quarter ended 31 December 2007.



26. **Earnings Per Share (“EPS”)**

Basic earnings per share

The calculation of the basic earnings per share is based on the net profit attributable to ordinary shareholders of 9,768,000 by the weighted average number of ordinary shares in issue during the current quarter of 670,070,818.

Diluted earnings per share

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

By Order of the Board
GuocoLand (Malaysia) Berhad

LIM YEW YOKE
Secretary

Kuala Lumpur
29 January 2008