LAPORAN TAHUNAN 2007

ANNUAL REPORT



GuocoLand (Malaysia) Berhad (300-K)

A Member of the Hong Leong Group Malaysia



Contents

CORPORATE

02 Company Profile
03 Corporate Information
04 Directors' Profile
07 Notice of Annual General Meeting
08 Statement Accompanying Notice of Annual General Meeting
09 Board Audit & Risk Management Committee Report
11 Corporate Governance & Internal Control
15 Group Financial Highlights
16 Chairman's Statement
18 Group Managing Director's Review
26 Corporate Social Responsibility

FINANCIAL

28 Directors' Report
36 Balance Sheets
37 Income Statements
38 Statements of Changes in Equity
39 Cash Flow Statements
41 Notes to the Financial Statements
87 Statement by Directors
87 Statutory Declaration
88 Report of the Auditors

89 OTHER INFORMATION

FORM OF PROXY

10 / 10 / 07 | 11.00 a.m.





Company Profile

GuocoLand (Malaysia) Berhad is a property group with businesses in Property Development, Property Investment and Hotel & Resort Holdings. Our projects include award winning residential and commercial developments in the Klang Valley. With a management team that has grown with the Group over the years, we are well positioned to face the challenges and seize the opportunities that will arise in the coming years.



Corporate Information

as at 12 October 2007

DIRECTORS

YBhg Tan Sri Quek Leng Chan
Executive Chairman

Mr Kwek Leng Seng
Group Managing Director

YBhg Dato' Ong Joo Theam

Mr Tan Keok Yin

YBhg Dato' Chew Kong Seng

Mr Quek Chee Hoon

YBhg Tan Sri Nik Mohamed bin Nik Yaacob

SECRETARY

Ms Lim Yew Yoke

AUDITORS

Messrs Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : 03-7495 8000
Fax : 03-2095 5332

REGISTRAR

Hong Leong Share Registration Services Sdn Bhd
Level 5, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur
Tel : 03-2164 1818
Fax : 03-2164 3703

REGISTERED OFFICE

Level 10, Wisma Hong Leong
18 Jalan Perak
50450 Kuala Lumpur
Tel : 03-2164 1818
Fax : 03-2164 2476



Directors' Profile

YBhg Tan Sri Quek Leng Chan
Executive Chairman / Non-Independent Director

Tan Sri Quek Leng Chan, aged 64, a Malaysian, qualified as a Barrister-at-Law from Middle Temple, United Kingdom. He has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

Tan Sri Quek is the Executive Chairman of GuocoLand (Malaysia) Berhad ("GLM") and was appointed to the Board of GLM on 16 June 1990. He does not sit on any committees of GLM.

He is the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad, Executive Chairman of Hong Leong Industries Berhad, Hong Leong Financial Group Berhad, Hume Industries (Malaysia) Berhad, Narra Industries Berhad and Camerlin Group Berhad, Chairman of Hong Leong Bank Berhad, HLG Capital Berhad, Hong Leong Assurance Berhad, Hong Leong Islamic Bank Berhad and Hong Leong Foundation.

Tan Sri Quek has attended all the Board meetings of GLM held during the financial year ended 30 June 2007.

He has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Kwek Leng Seng
Group Managing Director / Non-Independent Director

Mr Kwek Leng Seng, aged 49, a Singaporean, holds an Honours degree in Law from the University of Buckingham, London. He joined Hong Leong Group Malaysia in 1987 as the Claims Manager and Director of Hong Leong Assurance Berhad. Between 1990 to mid 1994, he assumed directorships and managerial positions in various subsidiaries of GLM. He was the Managing Director of HLG Securities Sdn Bhd from mid 1994 to October 1995.

Mr Kwek is currently the Group Managing Director of GLM and was appointed to the Board of GLM on 1 November 1995. He is a member of the Board Audit & Risk Management Committee of GLM.

He is also a Director of Hong Leong Bank Berhad, a public listed company, and the Chairman of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust ("Tower REIT") which is listed on the Main Board of Bursa Malaysia Securities Berhad.

He has attended all the Board meetings of GLM held during the financial year ended 30 June 2007.

Mr Kwek, YBhg Tan Sri Quek Leng Chan, the Executive Chairman of GLM, and Mr Quek Leng Chye, a deemed major shareholder of GLM, are brothers.

Mr Kwek has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

YBhg Dato' Ong Joo Theam
Non-Executive Non-Independent Director

Dato' Ong Joo Theam, aged 58, a Malaysian, qualified as a Barrister-at-Law from Middle Temple, United Kingdom in February 1972 and the Malaysian Bar in September 1972. He is an advocate and solicitor and has been in legal practice for more than 30 years.

Dato' Ong was appointed to the Board of GLM on 26 August 1981. He does not sit on any committees of GLM.

He has attended all the Board meetings of GLM held during the financial year ended 30 June 2007.

Dato' Ong has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Mr Tan Keok Yin
Non-Executive Independent Director

Mr Tan Keok Yin, aged 63, a Malaysian, graduated with a Bachelor of Arts (Honours) degree in Economics from the University of Malaya in 1966. He also completed an Executive Program in Management at the University of California, Berkeley in 1984 and a Program in International Boards and Directors at the Swedish Academy of Directors, Stockholm in 1995. He started his career with Bank Negara Malaysia ("BNM") in 1966 and served in various capacities in the Economics, Investments Department and the Penang Branch of BNM. In 1977, he joined the Federation of Malaysian Manufacturers (FMM) as Deputy Director and was appointed Chief Executive Officer in 1981 till 1999. He served on various Government Boards and Committees and participated actively as speaker and panelist at the World Economic Forum, ASEAN Economic Cooperation meetings and other international business forums. He was also a Management Board member of the internationally recognised GS1 System (One Global System) located in Brussels, which presides over the global application of EAN - UCC bar codes and product numbering system in business and industries.

Mr Tan was appointed to the Board of GLM on 26 September 2001 and is the Chairman of the Board Audit & Risk Management Committee of GLM.

He is also a Director of Hong Leong Bank Berhad, Malaysian Pacific Industries Berhad and Hong Leong Assurance Berhad.

He has attended all the Board meetings of GLM held during the financial year ended 30 June 2007.

Mr Tan has no family relationship with other Directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Directors' Profile (cont'd)

YBhg Dato' Chew Kong Seng
Non-Executive Independent Director

Dato' Chew Kong Seng @ Chew Kong Huat, aged 69, a Malaysian, is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants.

Dato' Chew was a tax officer in the Inland Revenue Department in United Kingdom and then joined Stoy Hayward & Co in United Kingdom from 1964 to 1970. He returned to Malaysia and joined Turquand Young & Co (now known as Ernst & Young) and was subsequently transferred to the Sarawak office in 1973, first as Manager in Charge and later as Partner in Charge. He was appointed as the Managing Partner of Ernst & Young from 1990 until his retirement in 1996.

Dato' Chew is also a Director of the following public listed companies:

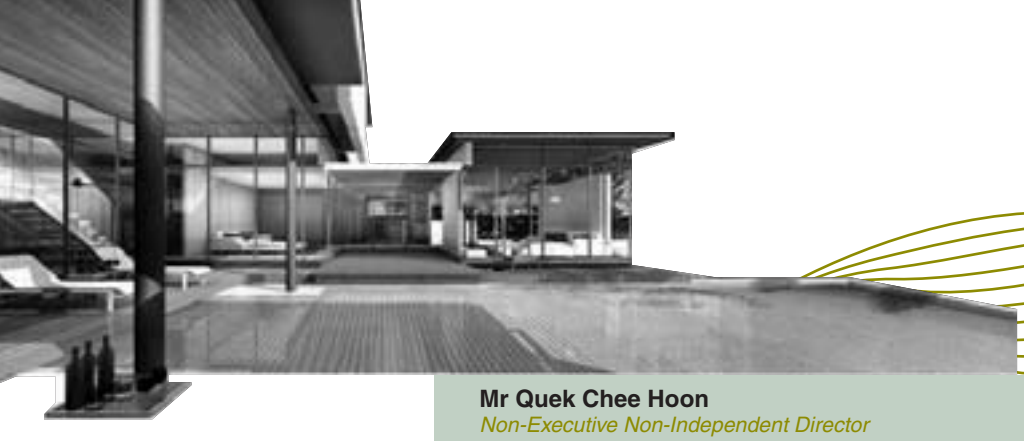
- Director and Audit Committee Chairman of Petronas Dagangan Berhad, Industrial Concrete Products Berhad, AEON Co. (M) Bhd and PBA Holdings Berhad; and
- Director and Audit Committee member of Petronas Gas Berhad and Encorp Berhad.

He is also a Director of Great Wall Plastic Industries Berhad and Bank of America Malaysia Berhad, both are public companies.

Dato' Chew was appointed to the Board of GLM on 26 September 2001 and he is a member of the Board Audit & Risk Management Committee of GLM.

He has attended all the Board meetings of GLM held during the financial year ended 30 June 2007.

Dato' Chew has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.



Directors' Profile (cont'd)

Mr Quek Chee Hoon
Non-Executive Non-Independent Director

Mr Quek Chee Hoon, aged 54, a Singaporean, holds a Bachelor of Accountancy degree from the University of Singapore. He has 29 years' extensive experience in various investment, corporate and management activities, including property-related activities and businesses. He is currently the Group President and Chief Executive Officer of GuocoLand Limited, which is listed on Singapore Exchange Securities Trading Limited and is the holding company of GLM.

Mr Quek was appointed to the Board of GLM on 19 April 2004. He does not sit on any committees of GLM.
He has attended all the Board meetings of GLM held during the financial year ended 30 June 2007.

Mr Quek has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

YBhg Tan Sri Nik Mohamed bin Nik Yaacob
Non-Executive Independent Director

Tan Sri Nik Mohamed bin Nik Yaacob, aged 58, a Malaysian, holds a Diploma in Mechanical Engineering, a B.E. (Hons) Degree from Monash University and a Masters in Business Management from the Asian Institute of Management. He also completed the Advanced Management Programme at Harvard University in the United States.

Tan Sri Nik Mohamed was the Group Chief Executive of Sime Darby Berhad from 1993 until his retirement in June 2004. He was Sime Darby Berhad's Director of Operations in Malaysia prior to his appointment as the Group Chief Executive in 1993. He also served on various Boards of the Sime Darby group of companies during this period. He was also the Chairman of the Advisory Council of National Science Centre and Chairman of the Board of UiTM and served as member of the INSEAD East Asian Council, National Council for Scientific Research and Development, Co-ordinating Council for the Public-Private Sectors in the Agricultural Sector, National Coordinating Committee on Emerging Multilateral Trade Issues and the Industrial Coordinating Council. He was a representative for Malaysia in the Apec Business Advisory Council and the Asia-Europe Business Forum.

Tan Sri Nik Mohamed is currently the Executive Director of Perdana Leadership Foundation. He is also a Director of Perbadanan Nasional Berhad, a public company, and a Director of Scomi Group Berhad, Scomi Marine Berhad, Bolton Berhad and Supercomal Technologies Berhad, all are public listed companies.

Tan Sri Nik Mohamed was appointed to the Board of GLM on 28 January 2005. He does not sit on any committees of GLM.

He has attended all the Board meetings of GLM held during the financial year ended 30 June 2007.

Tan Sri Nik Mohamed has no family relationship with other directors or major shareholders of GLM, has no conflict of interests with GLM and has no convictions for offences within the past 10 years.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighty-third Annual General Meeting of GuocoLand (Malaysia) Berhad (the "Company") will be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Tuesday, 13 November 2007 at 11.00 a.m. in order:

1. To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the year ended 30 June 2007.
2. To declare a final dividend of 4% less tax for the year ended 30 June 2007 to be paid on 30 November 2007 to members registered in the Record of Depositors on 19 November 2007. **(Resolution 1)**
3. To approve the payment of Directors' fees of RM270,000 for the year ended 30 June 2007, to be divided amongst the Directors in such manner as the Directors may determine. **(Resolution 2)**
4. To re-elect the following retiring Directors:
   (a) YBhg Tan Sri Quek Leng Chan; and **(Resolution 3)**
   (b) YBhg Dato' Chew Kong Seng. **(Resolution 4)**
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 5)**
6. As a special business, to consider and, if thought fit, pass the following ordinary motion:

   Authority To Directors To Issue Shares

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 6)**
7. To consider any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the final dividend only in respect of:

(a) shares transferred into the depositor's securities account before 4.00 p.m. on 19 November 2007 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LIM YEW YOKE
Secretary

Kuala Lumpur
22 October 2007

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member who is an authorised nominee may appoint not more than two proxies in respect of each securities account it holds.
2. The Form of Proxy must be deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time and date of the meeting or adjourned meeting.
3. **Ordinary Motion On Authority To Directors To Issue Shares**

   The Ordinary Motion, if passed, will give authority to the Directors of the Company to issue ordinary shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Statement Accompanying Notice of Annual General Meeting

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

- Details of directors who are standing for election as Directors

  No individual is seeking election as a Director at the 83rd Annual General Meeting of the Company.



Board Audit & Risk Management Committee Report

CONSTITUTION

The Board Audit & Risk Management Committee (the "Committee") of GuocoLand (Malaysia) Berhad ("GLM" or the "Company") has been established since 23 March 1994.

COMPOSITION

Mr Tan Keok Yin
Chairman, Independent Non-Executive Director

YBhg Dato' Chew Kong Seng
Independent Non-Executive Director

Mr Kwek Leng Seng
Non-Independent Executive Director

SECRETARY

The Company Secretary of the Company shall be the Secretary of the Committee.

TERMS OF REFERENCE

- To nominate and recommend for the approval of the Board of Directors ("Board"), a person or persons as external auditor(s).

  To review the external audit fees.

- To review, with the external auditors, the audit scope and plan.

- To review, with the external auditors, the audit report and audit findings and the management's response thereto.

- To review the assistance given by the Group's officers to the external auditors.

- To review the quarterly reports and annual financial statements of the Company and of the Group prior to the approval by the Board.

- To review the adequacy of the internal audit scope and plan, functions and resources of the internal audit functions.

- To review the report and findings of the internal audit department including any findings of internal investigations and the management's response thereto.

- To review the adequacy and integrity of internal control systems, including risk management and management information system.

- To review the risk management framework adopted by the Group and the processes employed to identify, evaluate and manage key business risks.

- To review any related party transactions that may arise within the Company or the Group.

- Other functions as may be agreed to by the Committee and the Board.

AUTHORITY

The Committee is authorised by the Board to review any activity of GLM and its subsidiaries (the "Group") within its Terms of Reference. It is authorised to seek any information it requires from any director or member of management and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain independent legal or other professional advice if it considers necessary.

Board Audit & Risk Management Committee Report (cont'd)

MEETINGS

The Committee meets at least four (4) times a year and additional meetings may be called at any time as and when necessary. All meetings to review the quarterly reports and annual financial statements are held prior to such quarterly reports and annual financial statements being presented to the Board for approval.

The head of finance, head of internal audit and external auditors are invited to attend Committee meetings. At least once a year, the Committee will have a separate session with the external auditors without the presence of executive directors.

Three (3) members of the Committee shall constitute a quorum.

After each Committee meeting, the Committee shall report and update the Board on significant issues and concerns discussed during the Committee meetings and where appropriate, make the necessary recommendations to the Board.

ACTIVITIES

The Committee carried out its duties in accordance with its Terms of Reference.

During the financial year ended 30 June 2007, four (4) Committee meetings were held and all the meetings were attended by all the Committee members.

The Committee reviewed the quarterly reports and annual financial statements of the Group. The Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed the management letter and management's response, reviewed pertinent issues which had significant impact on the results of the Group and discussed applicable accounting and auditing standards. The Committee reviewed the internal auditor's audit findings and recommendations.

In addition, the Committee reviewed the adequacy and integrity of internal control systems, including risk management and relevant management information system. It also reviewed the processes put in place to identify, evaluate and manage the significant risks encountered by the Group.

The Committee also reviewed and approved various related party transactions carried out by the Group.

INTERNAL AUDIT

During the financial year ended 30 June 2007, the Internal Audit Department carried out its duties covering business audit, system and financial audit.

This Board Audit & Risk Management Committee Report is made in accordance with the resolution of the Board of Directors.

"Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' value, whilst taking into account the interest of other stakeholders."

~ Finance Committee on Corporate Governance

The Board of Directors ("Board") has reviewed the manner in which the Malaysian Code on Corporate Governance (the "Code") is applied in the Group as set out below. The Board is pleased to report compliance of the Group with the Best Practices set out in Part 2 of the Code except where otherwise stated.

A. DIRECTORS

I The Board

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference to assist in the discharge of this responsibility.

The role and responsibilities of the Board broadly cover formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals and major capital expenditure.

The Board observes the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

II Board Balance

The Board of Directors comprises seven (7) directors, five (5) of whom are non-executive. Of the non-executive directors, three (3) are independent. The profiles of the members of the Board are provided in the Annual Report.

The Board is of the view that the current Board composition fairly reflects the investment of shareholders in the Company.

The Executive Chairman leads the Board and is responsible for the vision and strategic direction of the Group as well as to monitor progress on implementation of Key Performance Areas and strategic developments.

The Group Managing Director is responsible for implementing the policies and decisions of the Board, overseeing the day-to-day operations, setting the plan and direction, benchmark and targets for operating companies, tracking compliance and business progress, initiating innovative business ideas to create competitive edge and development of business and corporate strategies with the aim of enhancing shareholders' wealth.

The Board met four (4) times during the financial year ended 30 June 2007.

The Board has identified the Company Secretary of the Company to whom concerns may be conveyed, who would bring the same to the attention of the Board.

III Supply of Information

All Board members are supplied with information on a timely manner. Board reports are circulated prior to Board meetings and the reports provide, amongst others, financial and corporate information, significant operational, financial and corporate issues, performance of the Company and of the Group and management's proposals which require the approval of the Board.

All directors have access to the advice and services of the Company Secretary as well as to independent professional advice, including the internal auditors.

IV Appointments to the Board

The Board has decided that the Board as a whole will serve as the Nominating Committee. All new nominations received are assessed and approved by the entire Board in line with its policy of ensuring nominees are persons of sufficient calibre and experience.

The process of assessing the directors is an on-going responsibility of the entire Board.

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V Re-election

All directors are required to submit themselves for re-election every three (3) years.

VI Training and Education

All directors of the Company have completed the Mandatory Accreditation Programme.

As part of the training programme for its directors, the Company prepared for the use of its directors, the Director Manual, and organised in-house programmes and regular briefings and updates by its in-house professionals. The directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge.

The Director Manual which is given to every director for their reference, highlights, amongst others, the major duties and responsibilities of a director vis-à-vis various laws, regulations and guidelines governing the same. New directors will also be given a briefing on the businesses of the Group.

During the financial year ended 30 June 2007, the directors received briefings and updates on the Group's businesses, operations, risk management, internal controls, corporate governance, finance and any new or changes to the companies and other relevant legislation, rules and regulations from in-house professionals. The Company also organised an in-house programme covering financial, legal and regulatory issues, for its directors and senior management.

The directors of the Company had also attended various programmes and forums facilitated by external professionals in accordance with their respective needs in discharging their duties as directors.

B. DIRECTORS' REMUNERATION

I Level and make-up of Remuneration

The Company does not have a Remuneration Committee.

The Group's remuneration scheme for executive directors is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmark to market/industry surveys conducted by human resource consultants. Performance is measured against profits and targets set in the Group's annual plan and budget.

For non-executive directors, the level of remuneration reflects the level of responsibilities undertaken by them.

II Procedure

The remuneration packages of all executives of the Group including executive directors are laid out in the Group's Human Resources Manual, which is reviewed from time to time to align with market/industry practices.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for approval by the shareholders of the Company at its Annual General Meeting.

III Disclosure

The aggregate remuneration of directors (including those who have resigned during the year and including remuneration earned as executive directors of subsidiaries) for the financial year ended 30 June 2007 is as follows:

	Fees (RM)	Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors	128,118	1,003,088	1,131,206
Non-Executive Directors	175,255	80,758	256,013

The number of directors whose remuneration fall into the following bands is as follows:

Range Of Remuneration (RM)	Executive	Non-Executive
50,000 and below	-	4
50,001 – 100,000	1	2
100,001 – 150,000	1	-
150,001 – 950,000	-	-
950,001 – 1,000,000	1	-

C. SHAREHOLDERS

I Dialogue between Companies and Investors

The Board acknowledges the importance of regular communication with shareholders and investors via the annual reports, circulars to shareholders and quarterly financial reports and the various announcements made during the year, through which shareholders and investors can have an overview of the Group's performance and operation.

The Company has a website at 'www.mystorey.com' which the shareholders can access for information which includes corporate and financial information.

In addition, the Group Financial Controller of the Company could provide shareholders and investors with a channel of communication in which they can provide feedback to the Group.

Queries may be conveyed to the following person:

Name : Ms Phan Gaik Cher
Tel No : 603-21647878
Fax No : 603-21641822
E-mail address: gcphan@hlpm.hongleong.com.my

II Annual General Meeting ("AGM")

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

D. ACCOUNTABILITY AND AUDIT

The Board Audit & Risk Management Committee (the "Committee") was established on 23 March 1994. The financial reporting and internal control system of the Group is overseen by the Committee, which comprises a majority of independent and non-executive directors. The primary responsibilities of the Committee are set out in the Committee Report.

The Committee met four (4) times during the financial year ended 30 June 2007. All meetings were attended by all members of the Committee.

The Committee is supported by the Internal Audit Department whose principal responsibility is to conduct periodic audits to ensure compliance with systems and/or standard operating procedures of the Group. Investigation will be made at the request of the Committee and senior management on specific areas of concern when necessary. Significant breaches and deficiencies identified are discussed at the Committee meetings where appropriate actions will be taken.

I Financial Reporting

The Board is responsible for ensuring the proper maintenance of accounting records of the Group. The Board receives the recommendation to adopt the financial statements from the Committee, which assesses the financial statements with the assistance of the external auditors.

II Internal Control

The Statement on Internal Control as detailed under paragraph E of this Statement provides an overview of the state of internal controls within the Group.

10 / 10 / 07 | 11.00 a.m.

III Relationship with Auditors

The appointment of external auditors is recommended by the Committee, which determines the remuneration of the external auditors. The external auditors meet with the Committee to:

- present the scope of the audit before the commencement of audit; and
- review the results of the audit as well as the management letter after the conclusion of the audit.

E. STATEMENT ON INTERNAL CONTROL

The Board of Directors, recognising its responsibilities in ensuring sound internal controls, has put in place a risk management framework for the Group to assist it in:

- identifying the significant risks faced by the Group in the operating environment as well as evaluating the impact of such risks identified;
- developing the necessary measures to manage these risks; and
- monitoring and reviewing the effectiveness of such measures.

The Board has entrusted the Committee with the responsibility to oversee the implementation of the risk management framework of the Group.

The Board, in concurrence with the Committee, has appointed a Risk Manager to administer the risk management framework. The Risk Manager is responsible to:

- periodically evaluate all identified risks for their continuing relevance in the operating environment and inclusion in the risk management framework;
- assess adequacy of action plans and control systems developed to manage these risks;
- monitor the performance of management in executing the action plans and operating the control systems; and
- periodically report to the Committee on the state of internal controls and the management of risks throughout the Group.

The Committee, assisted by the Internal Audit Department, provides oversight on the implementation of the risk management framework of the Group.

These on-going processes have been in place for the year under review, and are reviewed periodically by the Committee.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives but to provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

F. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

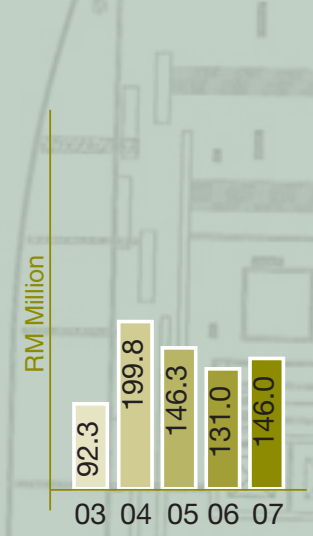
The Listing Requirements of Bursa Malaysia Securities Berhad require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flow of the Group and of the Company for the financial year.

The directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2007, the Group has used the appropriate accounting policies and applied them consistently. The directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

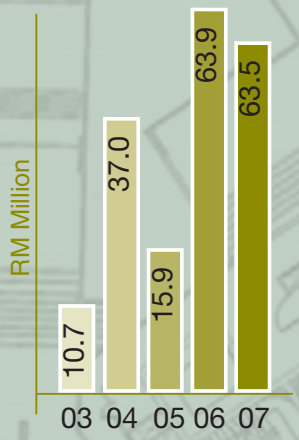
This Statement on Corporate Governance and Internal Control is made in accordance with the resolution of the Board of Directors.

Group Financial Highlights

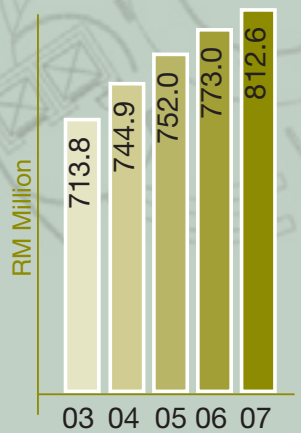
YEAR ENDED (RM MILLION)	JUNE 03	JUNE 04	JUNE 05	JUNE 06	JUNE 07
Revenue	92.3	199.8	146.3	131.0	146.0
Profit before taxation	10.7	37.0	15.9	63.9	63.5
Profit attributable to shareholders	6.2	33.9	12.6	50.8	49.5
Net earnings per share (sen)	0.9	4.8	1.8	7.3	7.4
Net dividend per share (sen)	0.4	0.7	0.7	1.4	1.5
Gross dividend per share (sen)	0.5	1.0	1.0	2.0	2.0
Shareholders' funds	713.8	744.9	752.0	773.0	812.6
Total assets	1,274.0	1,155.8	1,237.4	993.4	1,052.6



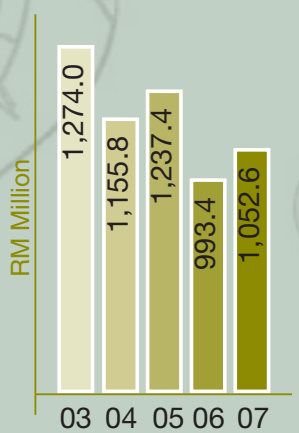
Profit Before Taxation



Shareholders' Funds



Total Assets





Chairman's Statement

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF GUOCOLAND (MALAYSIA) BERHAD GROUP FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007.

OPERATING ENVIRONMENT

The Malaysian economy remained strong with GDP growing by 5.9% for 2006. The main engine of growth continued to be the private sector with the government playing a vital supporting role. Investors are upbeat on the recent government waiver of real property gains tax and the relaxation of Foreign Investment Committee's rulings on purchases of properties by foreigners.

OPERATING RESULTS

For the financial year under review, Group revenue improved by 11% from RM131.0 million to RM146.0 million due to higher contribution from our residential projects.

Residential division revenue improved from RM46.9 million to RM62.2 million year-on-year due to higher contribution from our on-going projects. Property investment division revenue declined from RM29.6 million to RM22.1 million with the disposal of 2 office buildings in April 2006 to Tower Real Estate Investment Trust ("Tower REIT"). The launch of "Visit Malaysia Year 2007" which commenced in the second half of financial year ended 30 June 2007, helped to boost the hotel and resort division revenue by 6% from RM51.7 million to RM54.8 million.

Group profit before taxation of RM63.5 million, which was down a marginal 2% from previous corresponding year, was contributed by the net gain of RM28.3 million from divestment of our Hanoi hotel operations, better performance of our residential division and lower interest expense.

CORPORATE DEVELOPMENTS

On 12 March 2007, HLP Equities Sdn Bhd, a wholly-owned subsidiary, subscribed for 6.45 million units in Tower REIT for a total cash consideration of RM5.87 million or RM0.91 per unit pursuant to a private placement exercise. With this acquisition, HLP Equities Sdn Bhd holds a total of 42.08 million units in Tower REIT representing 15% of the issued capital units of Tower REIT.

On 11 May 2007, an indirect 70% subsidiary of the Company, Guoman Hotels Limited which is principally engaged in hotel operations in Hanoi, Vietnam through its subsidiary, entered into an agreement with Roxy Assets Limited for the disposal of its entire 100% equity interest in Guoman (Hanoi) Limited for a total cash consideration of USD14.14 million. The disposal enabled the Group to realise its investment in the hotel operations in Vietnam at a gain of RM28.3 million and utilise the proceeds for its property business in Malaysia. The transaction was completed on 17 May 2007.

PROSPECTS

For 2007, the Malaysian economy is projected to grow at an average of 6%, supported by strong domestic demand with higher public spending under the Ninth Malaysian Plan. The outlook of the property market is buoyed by a better economic outlook, abolition of real property gains tax, relaxation of rules on purchases of properties by foreigners and the various incentives introduced by the government to speed up approvals for housing projects.

The setting up of a One-Stop Centre to speed up the process in handling and approving housing projects, replacement of the Certificate of Fitness for Occupation with the Certificate of Completion and Compliance, introduction of incentives for developers to adopt the Build Then Sell Concept and the abolition of real property gains tax will spur the industry to greater growth.

With the initiatives by the government under the Iskandar Development Region and the North Corridor Economic Region and the revamped Malaysia, My Second Home Programme, the property market is expected to pick up. Although pricing and location will be the main deciding factors when investing in properties, the developers' ability to offer innovative concepts and designs will also play an important role in influencing the decision.

DIVIDEND

During the year, the Company paid a final dividend of 4% less tax at 27% amounting to approximately RM10.2 million in respect of the previous financial year.

The Board is pleased to recommend a final dividend in respect of the financial year ended 30 June 2007 of 4% less tax at 26% amounting to approximately RM10.4 million.

APPRECIATION

On behalf of the Board of Directors, I wish to express our appreciation for the continued support of our valued customers, business associates, government authorities and shareholders and we look forward to their continued support in the future. To our management and staff, we thank you for your commitment and contribution.

QUEK LENG CHAN
Chairman

12 October 2007





Group Managing Director's Review





For the financial year under review, the Group recorded a pre-tax profit of RM63.5 million on the back of revenue of RM146 million. The pre-tax profit was contributed largely by the property development division, gain on divestment of hotel operations in Hanoi and lower finance costs.

CORPORATE DEVELOPMENTS

On 10 August 2006, Ace Acres Sdn Bhd, a wholly-owned subsidiary, entered into a sale and purchase agreement to acquire a total of 8.76 acres of freehold land in Kajang, Selangor Darul Ehsan for a total cash consideration of RM9.0 million. The acquisition was completed on 9 August 2007.

On 6 October 2006, Ace Acres Sdn Bhd entered into 5 separate conditional sale and purchase agreements to acquire a total of 16.1 acres of freehold land in Cheras, Kuala Lumpur for a total cash consideration of RM66.7 million. The acquisition was completed on 6 March 2007.

On 3 November 2006, Bedford Development Sdn Bhd, a wholly-owned subsidiary, entered into separate share sale agreements with Putrajaya Properties Sdn Bhd and Putrajaya Holdings Sdn Bhd to acquire a 100% equity interest in Sabna Development Sdn Bhd for a cash consideration of RM83.0 million and to dispose its 50% equity interest in Putrajaya Properties Sdn Bhd for a cash consideration of RM73.9 million respectively. The transactions were completed on 31 January 2007.

PROPERTY DEVELOPMENT

RESIDENTIAL

Nottinghill Bungalows, Bukit Rahman Putra

The matured and well established mixed township of Bukit Rahman Putra is located in Sungai Buloh which is just 10 minutes drive from Damansara and is easily accessible from the New Klang Valley Expressway and Lebuhraya Damansara-Puchong.

The 49 units of Nottinghill bungalows is the last in the series of landed residential component in Bukit Rahman Putra and commands breathtaking views of the 36-hole golf course. The luxurious bungalows feature well-conceptualised layouts, quality finishes, spacious courtyards, open-air bathrooms, dipping pools and floor-to-ceiling glass windows. To-date, only 6 units remain to be sold.

Emerald, Rawang

Nestled in the undulating green foothills of Rawang, this sprawling township is spread over 1,000 acres of freehold land. The lush residential paradise of Emerald enclave which presents a wide range of elegant and distinctive bungalows, semi-detached, clustered and link houses is located just 20 minutes drive from Kuala Lumpur city. It is strategically located along the northern growth corridor and is easily accessible from the North-South Highway, the Guthrie Corridor Expressway and the Rawang-Selayang Highway which will be upgraded into a dual carriageway.

With the timely construction of the link-bridge across the North-South Highway and a 9/18-hole golf course, the development of Emerald Township will be fastracked to realise its development potential. To-date, 81% of the 1,431 units comprising bungalows, semi-detached, clustered and link houses launched, has been sold while 572 units have been handed over to purchasers.

Sales launches of the planned 1,700 units of link houses, bungalows, semi-detached and neighbourhood shops with an estimated gross development value of RM713 million have been scheduled for this financial year.

Cirrus, Cheras

A signature development located on a 16-acre site in Cheras, Cirrus comprises 22 bungalows and high-rise condominiums with innovative designs, functional layouts and quality finishes. This suburban site is situated less than 10 minutes from Kuala Lumpur city and has evolved rapidly and is suited for high end lifestyle development, complete with state-of-the-art type of security system. The improved road infrastructure and ease of accessibility to major highways together with the growing affluence of the local population, have the potential to transform this development into a well sought after neighbourhood.

Slated for launch in October 2007 are the 22 units bungalows priced from RM2.7 million onwards. The bungalows with built-up areas from 5,500 sq ft to 7,000 sq ft, will feature the 'courtyard concept' designed by internationally renowned architect, complete with individual swimming pools to each and every bungalow.

Planning is also in place for the proposed modern and gated high-end condominiums which shall upgrade the image of this populous suburb.

The Nest, Kajang

Another niche and signature development, it is located on 8.76 acres of land situated in the south of Cheras and next to Saujana Impian Golf course. This gated and guarded development will showcase 36 exclusive bungalows featuring contemporary architectural designs with lifestyle living in mind. Every bungalow comes with generous rooms, multiple living areas and the option of individual swimming pool within the landscaped garden. These units are available with built-up areas from 3,810 sq ft to 5,236 sq ft and are priced from RM1.46 million onwards. Easily accessible via the KL-Seremban and Cheras-Kajang highways, it is located close to two hypermarkets, namely Tesco and Giant.

Commerce One and Residence One, Old Klang Road

Facing the main arterial Old Klang Road with close proximity to Kuala Lumpur and Mid Valley Megamall, Commerce One comprises one block of 5-storey shop offices and a single block of apartment called Residence One with a 7-storey car park. These integrated commercial and residential components are separated by a central landscaped area. The two portions are designed to complement each other with convenient shopping in front, supported by residential population at the back.

Pantai Sepang Putra, Sepang

Located some 30 minutes drive from Kuala Lumpur International Airport ("KLIA") and the Sepang Formula 1 Circuit along the Southern Klang Valley Growth Corridor, this coastal resort development offers an idyllic resort lifestyle living amidst modern urban amenities, with the Straits of Malacca as its shoreline. In total, 5,093 acres out of the original 7,287 acres are set to be developed.

Under Parcel 1, 1,493 acres had been earmarked for the development of "Lake District Homes". Known as "Pantai Sepang Putra", this project was first launched in late 1998. To date, about 2,000 units comprising landed properties such as bungalows, semi-detached, terraced homes and shop offices had been sold and delivered. The development is still on-going with the balance of about 800 acres to be developed.

"Sepang Hibiscus Resort" to be developed on about 4,000 acres under Parcel 2, is envisaged to be a large-scale coastal resort community development combining world-class beach front chalets & golf resort complete with marina, resort hotels and tourism facilities.



Located near KLIA and within an hour drive from Kuala Lumpur city and 3 hours from Singapore, it is envisioned that this high end international resort cum residential destination is targeted at well heeled buyers from Singapore, Hong Kong, Thailand, Middle East, India and Europe as well as high net worth Malaysians.

Due to its close proximity to KLIA, plans are also being put in place for some airport related facilities and business activities in the northern portion of the development.

COMMERCIAL

Damansara City, Damansara Heights

Occupying 8.5 acres of freehold land right next to the well recognised commercial hub in Damansara Heights, an exclusive residential suburb of Kuala Lumpur, Damansara City is envisaged to be an integrated commercial development encompassing life style retail mall, office towers, luxury condominiums, serviced apartments and a 5-star boutique hotel reflecting the theme of 'A City to Live, Work, Rest and Play'. It will offer a total of 2.2 million sq ft of residential, commercial and retail space, which will be seamlessly integrated and incorporate state-of-the-art environmental friendly and high-energy efficiency architectural designs. Earthworks have commenced early this year and the launch of the luxury condominiums is scheduled for early 2008. The whole project is expected to be completed by year 2010.

PROPERTY INVESTMENT

TOWER REIT

During the year, Tower REIT portfolio grew 21% with its yield-accretive acquisition of Menara ING whilst the fund size increased from 237,500,000 units to 280,500,000 units arising from the listing of additional 43,000,000 new units on 20 March 2007 pursuant to a private placement exercise in connection with the acquisition of Menara ING.

Tower REIT currently has a gross asset value of approximately RM480 million comprising three freehold office buildings, namely Menara HLA and Menara ING located within the Kuala Lumpur Golden Triangle; and HP Towers in the prime Bukit Damansara area. The total net lettable area is approximately 900,000 sq ft.

A dividend income of 5.34 sen was distributed to unitholders which translates to an annualised yield of approximately 8.29% for the period from 12 April 2006 to 31 December 2006 based on the closing price of RM0.91 per unit as at 31 December 2006.

For the six-month period ended 30 June 2007, the Manager of Tower REIT is pleased to declare an interim income distribution of 4 sen per unit, totalling RM11,220,000 and representing approximately 100% of distributable income after taxation, payable on 28 August 2007.

In managing its current assets, it will optimise net property income through efficient building maintenance to drive occupancy and rental rates. Tower REIT will continue to focus on acquiring prime office buildings within the Golden Triangle area and work with GLM to nurture its investment properties for eventual injection into Tower REIT.

GLM REIT Management Sdn Bhd, being the Manager of Tower REIT, derives recurring management fee as well as acquisition fee and divestment fee in tandem with the underlying assets of Tower REIT.

HOTELS

The hotel portfolio is continuing to show strength in earnings, occupancy rates and overall positive customers' feedback in Port Dickson and Johor Bahru.

Guoman Port Dickson

Located along the Straits of Malacca coast in Port Dickson, is Guoman Port Dickson, a 256-room beach front resort hotel spread over 70.5 acres of land, including 500 metres of landscaped beach frontage and a scenic 9-hole golf course.

Over the course of the past year, upgrading work has continued as the hotel strives to outpace the market and support its status as a quality establishment aiming at being one of the best resorts in Malaysia. Considerable effort has been placed in enhancing the feel of the resort right from the entrance and throughout through stepped up landscaping efforts. Also, a new restaurant and bar, the Poison Rose, was opened at the beach front offering a very high quality dining venue to both hotel guests and local patrons. Likewise, the state-of-the-art Indigo Fitness Center has also been opened. Upgrading of hotel rooms and adding more recreational facilities will be the focus in the coming year to reinforce the hotel position as an industry leader.

Hyatt Regency Johor Bahru

The 381-room Hyatt Regency Johor Bahru fronting the Straits of Johor is situated near to the Johor Royal Palace, just 10 minutes from down Johor Bahru and the Johor Causeway.

Strong performance under the Hyatt banner, the hotel is continuing to be the market leader in average room rates and occupancy. Upgrading plans are presently under review to reaffirm the hotels leadership position as well as be the preferred hotel for the Iskandar Development Region.

Guoman Hanoi

With our continued efforts to consolidate our focus on Malaysia, we have chosen to divest our Guoman Hanoi hotel in Hanoi in May 2007.

Group Managing Director's Review (cont'd)

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank the directors, management and all the staff for their commitment and contributions towards the success of the Group. I would also like to take this opportunity to express our appreciation for the continued support of our valued customers, business associates, government authorities and bankers.

KWEK LENG SENG
Group Managing Director

12 October 2007



Damansara City, Damansara Heights







Cirrus, Cheras











The Nest, Kajang













Emerald, Rawang





Commerce One and Residence One, Old Klang Road





Guoman Port Dickson





10/10/07 | 11:00 a.m.

Corporate Social Responsibility

We are mindful that we should avoid building a group whose total concentration is to make profit – devoid of human touch and excitement. The Group has long been committed to a policy of social responsibility by striving for the betterment of society and holds strongly the belief that an organisation does not detach itself from its social responsibilities. The Group strives for the betterment of society by continuously contributing to the welfare, development and progress of the community.

The Group conducts most of its philanthropic activities through Hong Leong Foundation (the "Foundation"), the charitable arm of Hong Leong Group Malaysia, which was incorporated in 1992. Group companies contribute funds for the Foundation's activities. The Foundation focuses on education and social welfare as its key thrusts. The Foundation also responds to appeals for aid of victims of natural disasters such as floods, tsunamis and others.

SCHOLARSHIP

The Foundation has, as part of its donation framework, designed a Scholarship Programme to benefit Malaysian students from low-income families. The Foundation believes that providing scholarships is about providing opportunities – giving a chance to deserving students to have the higher education necessary to become tomorrow's leaders.

One million Ringgit is allocated each year for scholarship grants for the public for diploma and undergraduate studies. Invitations are also extended to the scholars for industrial training at Group companies. Industrial training is deemed critical by educational institutions and prospective employers in ensuring that students graduate into the workforce with sufficient knowledge and relevant experience.

Apart from the grants extended to the public, deserving children of Group staff are also granted scholarships by their companies.

The scholarship grants extended to the public and children of Group staff are unconditional and are for diploma and undergraduate studies at local universities and selected institutions of higher learning.

STUDENT ASSISTANCE

Although primary and secondary education in Malaysia is free, there are still a number of students from low-income families who find it a challenge to avail of this educational opportunity. To address the immediate needs of these students, the Foundation extends additional financial assistance to them through the Group's Student Assistance Programme. To date, through this Programme, the Foundation has donated, amongst others, school bags, books, uniforms and bicycles to thousands of school children nationwide.

COMMUNITY WELFARE

Every year, the Foundation donates to selected charities nationwide in an effort to help improve the lives of the less fortunate through its Community Welfare Programme. Through cash donations, charities are able to ensure their survival and their ability to provide shelter, food and clothing for all its residents – the young orphans, the aged who have been abandoned by their families, the sick, the disabled and the mentally challenged.

The Foundation has made substantial donations to many charities over the years. In this fiscal year alone, to name a few: Handicapped Children's Center, Penang; Badan Usaha Didikan Anak-Anak Yatim Yan, Sungai Petani; Rumah Kebajikan Kanak-Kanak Cacat Negeri Perak, Ipoh; Rumah Kebajikan Kanak-Kanak, Taiping; Selangor and FT Association for Retarded Children, Kuala Lumpur; Shelter, Kuala Lumpur; Jemaah Pengurus Kebajikan Anak-Anak Yatim & Miskin, Ulu Gadong; Montfort Youth Center, Melaka; Persatuan Kebajikan Kalvari Segamat; Pertubuhan Intervensi Awal Batu Pahat; The Spastic Children's Association of Johor; Handicapped & Mentally Retarded Children Center Kuantan; Taman Sinar Harapan Terengganu; Yayasan Kebajikaan Anak-Anak Yatim, Kelantan; CHK Moral Uplifting Society

Kidney Foundation, Kuching; Social Welfare Council of Sarawak, Sibu; Montfort Youth Training Center, Kota Kinabalu; and Sabah Cheshire Home Sandakan.

Apart from activities carried out by the Foundation, Group companies have staged a wide variety of activities in numerous communities nationwide. The Group's employees have regularly participated in community services that include visits to orphanages and welfare homes, assist in the provision of medical services to poor communities through blood donation drives and volunteer work in hospitals as well as initiating and participating in projects involving environmental and social issues.

EMPLOYEE DEVELOPMENT AND WELFARE

The Group carried out various learning and development programmes for its employees to develop both technical and soft skills through structured development programmes.

For the non-executives, various in-house and external programmes were conducted to enhance their technical competencies as well as supervisory skills in order to develop a competent workforce.

The Group also acknowledges the need to provide a healthy lifestyle to its employees. In this regard, various initiatives such as sports activities, social events and family day, were carried out with the full support and commitment of the employees throughout the financial year.

ENVIRONMENTAL PRESERVATION

As part of our commitment to our employees and to society as a whole, we practise environmental preservation and maintain high standards of Occupational Society and Health management practices. Environmental management programmes such as recycling campaigns, air pollution controls and waste management programmes are continuously deployed to achieve the Group's objectives. We also conduct regular occupational safety and awareness programmes for our employees.

This Statement on Corporate Social Responsibility is made in accordance with the resolution of the Board of Directors.





10 / 10 / 07 | 11.00 a.m.

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are property development, property investment, hotel operations, investment holding, trading in securities and provision of management services.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	61,898	8,419
Minority interests	(12,409)	-
Net profit for the year	49,489	8,419

There have been no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Notes 2.3 and 25 to the financial statements.

DIVIDENDS

During the year, the Company paid a final dividend of 2 sen per share on 670,458,518 (net of ESOS Trust shares) ordinary shares of RM0.50 each, less taxation at 27% amounting to RM9,788,694 in respect of the previous financial year.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2007, of 2 sen per share less 26% taxation on 670,070,818 (net of ESOS Trust shares) ordinary shares of RM0.50 each, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend of RM9,917,048. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2008.

EXECUTIVE SHARE OPTION SCHEME ("ESOS" or "Scheme")

The Executive Share Option Scheme ("ESOS") of up to fifteen percent (15%) of the issued and paid-up ordinary share capital of GuocoLand (Malaysia) Berhad ("GLM") which was approved by the shareholders of the Company on 25 October 2005, was established on 23 January 2006 and shall be in force for a period of ten (10) years.

On 17 January 2006, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") had approved-in-principle the listing of new ordinary shares of the Company to be issued pursuant to the exercise of options under the ESOS at any time during the existence of the ESOS.

The ESOS would provide an opportunity for eligible executives who had contributed to the growth and development of the Group to participate in the equity of the Company.

EXECUTIVE SHARE OPTION SCHEME ("ESOS" or "Scheme") (CONT'D)

The main features of the ESOS are, inter-alia, as follows:-

1. Eligible executives are those executives of the Group who have been confirmed in service on the date of offer or directors (executive or non-executive) of the Company and its subsidiaries. The maximum allowable allotments for the full time executive directors had been approved by the shareholders of the Company in a general meeting. The Board may from time to time at its discretion select and identify suitable eligible executives to be offered options.

2. The aggregate number of shares to be issued under the ESOS shall not exceed 15% of the issued and paid-up ordinary share capital of the Company for the time being.

3. The Scheme shall be in force for a period of ten (10) years from 23 January 2006.

4. The option price shall not be at a discount of more than ten percent (10%) (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company.

5. The option granted to an option holder under the ESOS is exercisable by the option holder only during his employment with the Group and within the option exercise period subject to any maximum limit as may be determined by the Board under the Bye-Laws of the ESOS ("GLM Bye-Laws").

6. The exercise of the options may, at the absolute discretion of the Board of Directors of the Company, be satisfied by way of issuance of new shares, transfer of existing shares purchased by a trust established for the ESOS ("ESOS Trust"); or a combination of both new shares and existing shares.

With effect from 1 June 2007, certain provisions in the GLM Bye-Laws were amended by the Board of Directors of the Company to comply with the requirements of the Hong Kong Stock Exchange ("HKSE") Listing Rules.

The Company is a subsidiary of GuocoLand Limited, which in turn is a subsidiary of Guoco Group Limited ("GGL"), a corporation listed on the HKSE. Under the HKSE Listing Rules, all schemes involving the grant of options by GGL and its subsidiaries to, or for the benefit of, specified participants would have to comply with the provisions of the HKSE Listing Rules, with appropriate modifications. The HKSE Listing Rules further provide that where the shares of the listed issuer or the subsidiary concerned are also listed on another stock exchange, the more onerous requirements shall prevail and be applied in the event of a conflict or inconsistency between the requirements of the HKSE Listing Rules and the requirements of the other stock exchange. The GLM Bye-Laws, as amended, were approved by the shareholders of GGL on 1 June 2007. The amendments to the GLM Bye-Laws do not require the approval of the shareholders of the Company.

The salient amendments to the GLM Bye-Laws are as follows:-

(i) Options under the Scheme

The existing GLM Bye-Laws allow for a maximum allocation of up to 15% of the issued and paid-up ordinary share capital of the Company at any one time ("Maximum Aggregate"). In compliance with the HKSE Listing Rules, the Maximum Aggregate shall be subject to the provision that the total number of new GLM shares which may be issued upon exercise of options to be granted under the Scheme must not in aggregate exceed 10% of the issued and paid-up ordinary share capital of the Company unless approval shall have been obtained from the shareholders of GGL.

(ii) Maximum Allowable Allotment

In compliance with the HKSE Listing Rules, a new Bye-Law has been inserted to state that no options may be granted to any eligible executive in any 12-month period that would enable such eligible executive becoming entitled to subscribe for new shares exceeding in nominal value of 1% of the issued and paid-up ordinary share capital of GLM in issue unless approval shall have been obtained from the shareholders of GGL.

EXECUTIVE SHARE OPTION SCHEME ("ESOS" or "Scheme") (CONT'D)

(iii) Modification/Variation to the Scheme

A new Bye-Law has been inserted to state that so long as the Company remains a subsidiary of GGL and the shares of GGL remain listed on the HKSE, any provision under the GLM Bye-Laws shall not be altered without the prior approval of the shareholders of GGL if such approval is required in respect of such alteration pursuant to the HKSE Listing Rules.

(iv) Governing Regulations

A new Bye-Law has been inserted to state that, as the Company is a subsidiary of GGL, the Scheme and the GLM Bye-Laws are subject to the Listing Requirements of Bursa Securities and the HKSE Listing Rules. In the event of a conflict between the Listing Requirements of Bursa Securities and the HKSE Listing Rules, the more onerous provision shall prevail.

In the previous financial year, the ESOS Trust acquired 30,000,000 issued ordinary shares of the Company from the open market at prices ranging from RM0.62 to RM0.78 per share, for a total consideration of RM23,000,203. During the financial year, the ESOS Trust acquired additional 387,700 issued ordinary shares of the Company from the open market at prices ranging from RM1.70 to RM1.72 per share, for a total consideration of RM657,625.

None of the option under the ESOS has been granted as at end of the financial year.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

YBhg Tan Sri Quek Leng Chan	(Executive Chairman)
Mr Kwek Leng Seng	(Group Managing Director)
Mr Khoo Poh Chye	(Executive Director; Appointed on 6.8.2007)
Ir. Lim Sow Wu	(Executive Director; Resigned on 15.12.2006)
YBhg Dato' Ong Joo Theam	
Mr Tan Keok Yin	
YBhg Dato' Chew Kong Seng @ Chew Kong Huat	
Mr Quek Chee Hoon	
YBhg Tan Sri Nik Mohamed bin Nik Yaacob	

In accordance with Article 94 of the Company's Articles of Association, Mr Khoo Poh Chye retires from the Board at the forthcoming Annual General Meeting ("AGM") and, being eligible, offers himself for re-election.

In accordance with Article 115 of the Company's Articles of Association, YBhg Tan Sri Quek Leng Chan and YBhg Dato' Chew Kong Seng @ Chew Kong Huat retire by rotation from the Board at the forthcoming AGM and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year who had beneficial interests in the ordinary shares/warrants/options/ convertible unsecured loan stocks of the Company and/or its related corporations during the financial year ended 30 June 2007, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

		Shareholdings in which directors have direct interests Number of ordinary shares or #shares issued or to be issued arising from the exercise of warrants/options/ convertible unsecured loan stocks or *shares to be purchased arising from the exercise of options			
	Nominal value per share RM	At 1.7.2006	Acquired	Sold	At 30.6.2007
Interests of YBhg Tan Sri Quek Leng Chan in:					
GuocoLand (Malaysia) Berhad	0.50	3,266,280	-	-	3,266,280
Hong Leong Company (Malaysia) Berhad	1.00	390,000	-	-	390,000
Guoco Group Limited	US$0.50	1,656,325	-	-	1,656,325
GuocoLand Limited	(4)	15,047,224	-	-	15,047,224
Hong Leong Financial Group Berhad	1.00	4,989,600	-	-	4,989,600
Hume Industries (Malaysia) Berhad	1.00	2,000,000	-	-	2,000,000
Narra Industries Berhad	1.00	8,170,200	-	20,000	8,150,200
BIL International Limited	US$0.20	150,000	-	-	150,000
Interests of Mr Kwek Leng Seng in:					
GuocoLand (Malaysia) Berhad	0.50	123,180	-	-	123,180
Hong Leong Company (Malaysia) Berhad	1.00	117,500	-	-	117,500
Hong Leong Financial Group Berhad	1.00	410,600	-	-	410,600
Hong Leong Bank Berhad	1.00	42,490	208,000	-	250,490
Interests of YBhg Dato' Ong Joo Theam in:					
GuocoLand (Malaysia) Berhad	0.50	22,588	-	-	22,588
Hong Leong Financial Group Berhad	1.00	18,000	-	-	18,000
Interest of Mr Tan Keok Yin in:					
Camerlin Group Berhad	1.00	10,000	-	-	10,000
Interests of Mr Quek Chee Hoon in:					
GuocoLand Limited	(4)	6,862,725	-	-	6,862,725
		6,500,000*	10,000,000*	-	16,500,000*

DIRECTORS' INTERESTS (CONT'D)

		Shareholdings in which directors have indirect interests Number of ordinary shares or #shares issued or to be issued arising from the exercise of warrants/options/ convertible unsecured loan stocks or *shares to be purchased arising from the exercise of options			
	Nominal value per share RM	At 1.7.2006	Acquired	Sold	At 30.6.2007
Interests of YBhg Tan Sri Quek Leng Chan in:					
Hong Leong Company (Malaysia) Berhad	1.00	7,487,100	-	-	7,487,100
Hong Leong Fund Management Sdn Bhd	1.00	1,400,000	-	-	1,400,000
MEHY Sdn Bhd (In members' voluntary liquidation)	1.00	650,000	-	650,000(5)	-
Guoco Group Limited	US$0.50	215,579,447	430,000	-	216,009,447
GuocoLand Limited	(4)	469,407,229	-	44,045,989	425,361,240
First Changi Development Pte Ltd	(4)	40,002,075	-	-	40,002,075
First Garden Development Pte Ltd	(4)	72,000,000	-	-	72,000,000
Melville Park Development Pte Ltd	(4)	57,840,000	-	-	57,840,000
Sanctuary Land Pte Ltd	(4)	54,000,000	-	-	54,000,000
Beijing Minghua Property Development Co., Ltd	(1)	150,000,000	-	-	150,000,000
Shanghai Xinhaozhong Property Development Co., Ltd	(2)	19,600,000	-	-	19,600,000
Beijing Jiang Sheng Property Development Co., Ltd	(1)	247,600,000	-	-	247,600,000
Nanjing Xinhaoning Property Development Co., Ltd	(2)	11,800,800	-	-	11,800,800
Nanjing Xinhaoxuan Property Development Co., Ltd	(2)	11,800,800	-	-	11,800,800
Nanjing MaHui Property Development Co., Ltd	(1)	95,404,650	176,095,150	-	271,499,800
Lam Soon (Hong Kong) Limited	HK$1.00	140,008,659	-	-	140,008,659
Kwok Wah Hong Flour Company Limited	HK$100.00	9,800	-	-	9,800
LS Golden Oils & Fats Limited	HK$1.00	185,000,000	15,000,000	-	200,000,000
M.C. Packaging Offshore Limited	HK$0.01	471,793	340,902	-	812,695
Lam Soon Ball Yamamura Inc	NT$10	15,221,823	-	-	15,221,823
Guangzhou Lam Soon Food Products Limited	(3)	6,570,000	-	-	6,570,000
Shekou Lam Soon Silo Company Limited	(2)	8,464,500	-	-	8,464,500
Hong Leong Financial Group Berhad	1.00	819,824,298	4,613,002	-	824,437,300
HLG Capital Berhad	1.00	92,590,545	-	-	92,590,545
Hong Leong Bank Berhad	1.00	953,525,600	2,385,000	-	955,910,600
Hong Leong Tokio Marine Takaful Berhad	1.00	65	64,999,935	-	65,000,000
Hong Leong Industries Berhad	0.50	134,924,600	48,727,137	-	183,651,737
		46,611,833#	50,032#	46,661,865#	-
Hong Leong Yamaha Motor Sdn Bhd	1.00	17,352,872	-	-	17,352,872
Guocera Tile Industries (Meru) Sdn Bhd	1.00	19,600,000	-	-	19,600,000
Hong Leong Maruken Sdn Bhd (In members' voluntary liquidation)	1.00	1,750,000	-	-	1,750,000
Guocera Tile Industries (Labuan) Sdn Bhd	1.00	6,545,001	-	-	6,545,001
Varinet Sdn Bhd (In members' voluntary liquidation)	1.00	10,560,627	-	-	10,560,627
RZA Logistics Sdn Bhd	1.00	7,815,980	-	-	7,815,980
Global Roaming Communications Sdn Bhd	1.00	2,610,000	-	2,610,000	-
Malaysian Pacific Industries Berhad	0.50	115,153,209	5,490,400	-	120,643,609
Carter Realty Sdn Bhd	1.00	7	-	-	7
Carsem (M) Sdn Bhd					
- Ordinary shares	1.00	84,000,000	-	-	84,000,000
- Redeemable preference shares	100.00	22,400	-	-	22,400
Guolene Packaging Industries Berhad (In members' voluntary liquidation)	1.00	69,924,134	-	-	69,924,134
Hume Industries (Malaysia) Berhad	1.00	120,144,828	-	-	120,144,828
Narra Industries Berhad	1.00	38,304,000	10,000	-	38,314,000

DIRECTORS' INTERESTS (CONT'D)

	Nominal value per share RM	Shareholdings in which directors have indirect interests Number of ordinary shares or #shares issued or to be issued arising from the exercise of warrants/options/ convertible unsecured loan stocks or *shares to be purchased arising from the exercise of options			
		At 1.7.2006	Acquired	Sold	At 30.6.2007
Interests of YBhg Tan Sri Quek Leng Chan in: (cont'd)					
Camerlin Group Berhad	1.00	271,615,317	7,742,700	-	279,358,017
		7,181,564#	69,827#	-	7,251,391#
GuocoLand (Malaysia) Berhad	0.50	456,820,716	4,928,673	5,193,773	456,555,616
Guoman Hotel & Resort Holdings Sdn Bhd	1.00	277,000,000	-	-	277,000,000
HLL-Guoco Vietnam Co. Limited	(2)	5,000,592	-	5,000,592	-
JB Parade Sdn Bhd					
- Ordinary shares	1.00	18,000,000	-	-	18,000,000
- Redeemable preference shares	0.01	68,594,000	-	-	68,594,000
BIL International Limited	US$0.20	696,892,043	114,405,000	-	811,297,043
Oil Basins Limited					
- Class A Shares	US$0.10	80,000	-	-	80,000
- Class B Shares	US$0.10	40,000	-	-	40,000
- Class D Shares	US$0.10	1,000	-	-	1,000
Bondway Properties Limited					
- Ordinary voting shares	GBP1.00	1,134,215	-	-	1,134,215
- Ordinary non-voting shares	GBP1.00	10,332	-	-	10,332
Denarau Corporation Limited					
- Ordinary A Shares	FJ$1.00	1	-	-	1
- Ordinary C Shares	FJ$1.00	30,000	-	-	30,000
- Ordinary D Shares	FJ$1.00	5,000	-	-	5,000
- Ordinary E Shares	FJ$1.00	14,632	-	-	14,632
- Ordinary F Shares	FJ$1.00	5,000	-	-	5,000

Legend:

(1) Capital contribution in RMB

(2) Capital contribution in US$

(3) Capital contribution in HK$

(4) Concept of par value was abolished with effect from 30 January 2006 pursuant to the Singapore Companies (Amendment) Act, 2005

(5) Dissolved by members' voluntary liquidation

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or as fixed salary of a full-time employee of the Company or of related corporations) by reason of a contract made by the Company or its related corporations with the director or with a firm of which the director is a member, or with a corporation in which the director has a substantial financial interest, except for YBhg Tan Sri Quek Leng Chan who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the acquisitions and/or disposal of stocks and shares, stocks-in-trade, products, parts, accessories, plants, chattels, fixtures, buildings, land and other properties or any interest in any properties; and/or the provision of services, including but not limited to project and sales management and any other management and consultancy services; and/or the provision of construction contracts, leases, tenancy, dealership and distributorship agreements; and/or the provision of treasury functions, advances in the conduct of normal trading, insurance, investment, stockbroking and/or other businesses between the Company or its related corporations and corporations in which YBhg Tan Sri Quek Leng Chan is deemed to have interests; and YBhg Dato' Ong Joo Theam who may be deemed to derive a benefit by virtue of the provision of legal services to the Company and its related corporations; and as disclosed in Note 36 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE YEAR

Details of significant events during the year are disclosed in Note 37 to the financial statements.

SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

Details of subsequent events are disclosed in Note 38 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of these financial statements; and

   (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (CONT'D)

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made except as disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

KWEK LENG SENG **KHOO POH CHYE**

Kuala Lumpur
17 August 2007

Balance Sheets AS AT 30 JUNE 2007

	Note	GROUP 2007 RM'000	GROUP 2006 RM'000 (Restated)	COMPANY 2007 RM'000	COMPANY 2006 RM'000
NON CURRENT ASSETS					
Property, plant and equipment	3	262,063	265,850	125	171
Investment properties	4	107,000	105,357	-	-
Land held for development	5	762	762	-	-
Investments in subsidiaries	6	-	-	510,241	510,457
Investment in associate	7	724	747	-	-
Investments in jointly controlled entities	8	306,420	369,968	56,000	56,000
Investments	9	57,147	48,015	-	-
Goodwill on consolidation	10	2,464	2,464	-	-
Deferred tax assets	11	1,243	845	-	-
		737,823	794,008	566,366	566,628
CURRENT ASSETS					
Inventories	12	6,384	9,064	-	-
Due from contract customers	13	1,883	2,750	-	-
Development properties	14	197,426	103,322	-	-
Trade and other receivables	15	54,860	43,094	50,505	23,035
Tax recoverable		4,993	6,368	2,369	2,419
Marketable securities	9	7,201	-	-	-
Deposits, cash and bank balances	16	41,985	34,802	23,885	25,989
		314,732	199,400	76,759	51,443
TOTAL ASSETS		1,052,555	993,408	643,125	618,071
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	17	350,229	350,229	350,229	350,229
Reserves	18	486,070	445,814	159,653	161,023
Equity funds		836,299	796,043	509,882	511,252
Shares held by ESOS Trust	19	(23,658)	(23,000)	(23,658)	(23,000)
		812,641	773,043	486,224	488,252
Minority interests		75,184	63,057	-	-
Total equity		887,825	836,100	486,224	488,252
Non-current liabilities					
Due to subsidiaries	20	-	-	110,769	70,071
Borrowings	21	98,000	46,500	10,000	10,000
Deferred tax liabilities	11	566	151	-	-
		98,566	46,651	120,769	80,071
Current Liabilities					
Trade and other payables	22	61,052	54,422	36,132	3,543
Due to contract customers	13	810	2,395	-	-
Short term borrowings	23	3,670	53,383	-	46,205
Provision for taxation		632	457	-	-
		66,164	110,657	36,132	49,748
Total liabilities		164,730	157,308	156,901	129,819
TOTAL EQUITY AND LIABILITIES		1,052,555	993,408	643,125	618,071

The accompanying notes form an integral part of these financial statements.

Income Statements FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	GROUP 2007 RM'000	GROUP 2006 RM'000 (Restated)	COMPANY 2007 RM'000	COMPANY 2006 RM'000
Revenue	24	145,984	130,964	16,713	19,133
Profit from operations	25	60,489	90,971	13,281	14,550
Interest income	26	964	1,168	1,441	5,139
Finance costs	27	(4,372)	(16,144)	(2,801)	(8,974)
Share of (loss)/profit in					
- Associate		(17)	(167)	-	-
- Jointly controlled entities		6,402	(10,830)	-	-
Profit before taxation		63,466	64,998	11,921	10,715
Taxation:					
- Company and subsidiaries	28	(1,568)	1,754	(3,502)	(3,394)
Profit for the year		61,898	66,752	8,419	7,321
Attributable to:					
Equity holders of the Company		49,489	50,763	8,419	7,321
Minority interests		12,409	15,989	-	-
Profit for the year		61,898	66,752	8,419	7,321
Earnings per share (sen)	29	7.4	7.3		
Net dividends per share (sen)	30	1.46	0.72		

The accompanying notes form an integral part of these financial statements.

		← Attributable to Equity Holders of the Company →							
		← Non-Distributable →				Distributable		Minority	Total
	Note	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Shares held by ESOS Trust RM'000	Retained profits RM'000	Total RM'000	Interests RM'000	Equity RM'000
Group									
At 1 July 2005		350,229	35,089	7,619	-	359,060	751,997	47,599	799,596
Net loss not recognised in the income statement									
- translation of foreign subsidiaries		-	-	(1,674)	-	-	(1,674)	(531)	(2,205)
Profit for the year		-	-	-	-	50,763	50,763	15,989	66,752
Purchase during the year		-	-	-	(23,000)	-	(23,000)	-	(23,000)
Dividend paid	30	-	-	-	-	(5,043)	(5,043)	-	(5,043)
At 30 June 2006		350,229	35,089	5,945	(23,000)	404,780	773,043	63,057	836,100
Effects of adopting FRS 140	2.3(b)	-	-	-	-	1,216	1,216	-	1,216
At 30 June 2006 (restated)		350,229	35,089	5,945	(23,000)	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	19	-	-	-	(658)	-	(658)	-	(658)
Dividend paid	30	-	-	-	-	(9,789)	(9,789)	-	(9,789)
At 30 June 2007		350,229	35,089	5,285	(23,658)	445,696	812,641	75,184	887,825

		← Non-Distributable →				Distributable	
	Note	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Shares held by ESOS Trust RM'000	Retained profits RM'000	Total RM'000
Company							
At 1 July 2005		350,229	35,089	68,219	-	55,437	508,974
Profit for the year		-	-	-	-	7,321	7,321
Purchase during the year		-	-	-	(23,000)	-	(23,000)
Dividend paid	30	-	-	-	-	(5,043)	(5,043)
At 30 June 2006		350,229	35,089	68,219	(23,000)	57,715	488,252
Profit for the year		-	-	-	-	8,419	8,419
Purchase during the year	19	-	-	-	(658)	-	(658)
Dividend paid	30	-	-	-	-	(9,789)	(9,789)
At 30 June 2007		350,229	35,089	68,219	(23,658)	56,345	486,224

The accompanying notes form an integral part of these financial statements.

	Note	GROUP 2007 RM'000	GROUP 2006 RM'000 (Restated)	COMPANY 2007 RM'000	COMPANY 2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation and minority interests		63,466	64,998	11,921	10,715
Adjustments for:					
Depreciation of property, plant and equipment		3,751	6,393	51	56
Gain on disposal of property, plant and equipment		(39)	(56)	-	-
Gain on disposal of investment property		-	(81,282)	-	-
Gain on disposal of investment in jointly controlled entity		(1,439)	-	-	-
Gain on disposal of investment in subsidiaries	6	(35,607)	-	-	-
Interest expense		4,372	16,144	2,801	8,974
Provision for doubtful debts, net		141	682	-	-
Provision for impairment loss in investments		-	7,464	216	-
Provision for impairment loss in investment in associate		6	-	-	-
Write back of provision for impairment loss in investments		(10,463)	-	-	-
Property, plant and equipment written off		-	69	-	-
Inventories written down		-	464	-	-
Share of loss in associate		17	167	-	-
Share of (profit)/loss in jointly controlled entities		(6,402)	10,830	-	-
Dividend income		-	-	(15,980)	(18,390)
Interest income		(964)	(1,168)	(1,441)	(5,139)
Operating profit/(loss) before working capital changes		16,839	24,705	(2,432)	(3,784)
Working capital changes:					
Inventories		5,214	9,393	-	-
Receivables		378	(724)	445	(39)
Development properties		(80,257)	(15,277)	-	-
Payables		6,299	(3,134)	(893)	(115)
Jointly controlled entities balances		(163)	851	-	-
Inter company balances		-	-	57,933	155,839
Associate balances		9	(575)	-	-
Related company balances		(7,452)	251	-	-
Investment properties		(427)	-	-	-
Cash (used in)/generated from operations		(59,560)	15,490	55,053	151,901
Interest paid		(4,372)	(16,144)	(2,801)	(8,974)
Tax refunded		731	1,176	860	1,944
Net cash (used in)/generated from operating activities		(63,201)	522	53,112	144,871
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of:					
- property, plant and equipment	(a)	(13,573)	(7,855)	(5)	(107)
- investment		(5,870)	-	-	-

	Note	GROUP 2007 RM'000	GROUP 2006 RM'000 (Restated)	COMPANY 2007 RM'000	COMPANY 2006 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (CONT'D)					
Acquisition of additional interest in jointly controlled entities	8	(30)	(20)	-	-
Acquisition of preference shares in jointly controlled entities	8	(14,291)	(3,081)	-	-
Acquisition of subsidiaries, net of cash acquired	6	(22,462)	-	-	-
Subscription of additional shares in subsidiary		-	-	-	(1,000)
Proceeds from disposal of :					
- investment property		-	302,682	-	-
- property, plant and equipment		50	12,758	-	-
- investment in subsidiaries	6	47,945	-	-	-
- investment in jointly controlled entity	8	73,920	-	-	-
Interest received		964	1,168	1,441	5,139
Proceeds from redemption of investment in preference shares in jointly controlled entities	8	12,391	-	-	-
Net cash generated from investing activities		79,044	305,652	1,436	4,032
CASH FLOWS FROM FINANCING ACTIVITIES					
Purchase of shares held by ESOS Trust	19	(658)	(23,000)	(658)	(23,000)
Bank borrowings drawdown		97,000	52,000	47,000	25,000
Dividend paid		(9,789)	(5,043)	(9,789)	(5,043)
Repayment of bank borrowings		(94,687)	(322,062)	(93,187)	(125,876)
Net cash used in financing activities		(8,134)	(298,105)	(56,634)	(128,919)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,709	8,069	(2,086)	19,984
EFFECTS OF EXCHANGE RATE CHANGES		-	(80)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		33,106	25,117	25,971	5,987
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(b)	40,815	33,106	23,885	25,971

(a) Additions of property, plant and equipment during the year were fully paid for by cash.

(b) Cash and cash equivalents comprise the following balance sheet amounts:

	GROUP 2007 RM'000	GROUP 2006 RM'000	COMPANY 2007 RM'000	COMPANY 2006 RM'000
Deposits with licensed banks (Note 16)	28,331	30,546	23,000	25,900
Cash and bank balances (Note 16)	13,654	4,256	885	89
	41,985	34,802	23,885	25,989
Bank overdrafts (Note 23)	(1,170)	(1,696)	-	(18)
	40,815	33,106	23,885	25,971

The accompanying notes form an integral part of these financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office is located at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur. The principal place of business of the Company is located at Level 8, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur.

The immediate holding company is GLL (Malaysia) Pte Ltd, incorporated in the Republic of Singapore. The ultimate holding company is Hong Leong Company (Malaysia) Berhad ("HLCM"), incorporated in Malaysia.

Related companies in these financial statements refer to member companies in the HLCM Group.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are property development, property investment, hotel operations, investment holding, trading in securities and provision of management services. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 August 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2006 as described fully in Note 2.3.

The financial statements of the Group and of the Company have been prepared under the historical costs basis, except for the revaluation of certain properties included within property, plant and equipment and investment properties.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(a) Subsidiaries and Basis of Consolidation (cont'd)

(ii) Basis of consolidation (cont'd)

Subsidiary companies are consolidated using the acquisition method of accounting except for certain subsidiary companies, as disclosed in Note 33, which were consolidated prior to 1 January 2002 using the merger method of accounting in accordance with the Malaysian Accounting Standard No. 2, Accounting for Acquisitions and Mergers, the generally accepted accounting principles prevailing at that time. These subsidiary companies continue to be consolidated using the merger method of accounting. In the Company's separate financial statements, the cost of investment in subsidiary companies continues to be stated at the nominal value of the shares issued as consideration as the fair value of the shares at their respective dates of acquisition could not be determined with reasonable certainty.

(i) Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included from the date of acquisition or up to the effective date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition costs and these values is reflected as goodwill or negative goodwill as appropriate. Goodwill on consolidation is stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(i). Negative goodwill is recognised immediately in profit or loss.

(ii) Under the merger method of accounting, the results of the subsidiary companies are presented as if the companies had been combined throughout the current and previous financial years. The difference between the cost of acquisition over the nominal value of the share capital and share premium of the subsidiary companies are written off against reserves.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any balance of goodwill and exchange differences which were not previously recognised in consolidated financial statements.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investment in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(b) Associates (cont'd)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Jointly Controlled Entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the jointly controlled entities.

The Group's share of results of jointly controlled entities are included in the consolidated financial statements from the date of formation of the jointly controlled entities and up to the date of completion of the projects under the equity method.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the assets transferred.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(d) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(e) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(e) Property, Plant and Equipment and Depreciation (cont'd)

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under development are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings other than hotel buildings on leasehold land	2%
Building service plant, equipment and furniture and fittings	5% - 20%
Motor vehicles	10% - 20%

Hotel building on leasehold land is amortised over the remaining lease tenure of 93 years. Long term leasehold land is amortised over the remaining lease tenure of 93 years.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(f) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(g) Land Held for Property Development and Property Development Costs

(i) Land held for property development

Land held for property development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is reclassified as property development costs under current asset at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(g) Land Held for Property Development and Property Development Costs (cont'd)

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(h) Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(i) Impairment of Non-Financial Assets

The carrying amounts of the Group's assets, other than construction contract assets, property development costs, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(i) Impairment of Non-Financial Assets (cont'd)

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(j) Inventories

(i) Property Inventories

Property inventories consist of residential and commercial properties. They are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

(ii) Others

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(k) Financial Instruments (cont'd)

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, demand deposits and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Other Non-Current Investments

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Marketable Securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in profit or loss. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(iv) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debt based on a review of all outstanding amounts as at the balance sheet date.

(v) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(vi) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vii) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(m) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(n) Provisions for Liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(o) Employees Benefits

(i) Short term benefits

Wages, salaries, bonuses, annual and sick leave and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

Contributions to define contribution plans are recognised as an expense in the income statement as incurred.

(iii) Equity compensation benefits

The Company offers an Executive Share Option Scheme ("ESOS" or "Scheme") for the benefit of eligible executives.

Pursuant to the Scheme, a trustee was appointed, who is entitled from time to time to accept financial assistance from the Company and the subsidiaries, upon such terms and conditions as the Company and the trustee may agree, to purchase the Company's shares from the open market for the purpose of the Scheme.

The shares repurchased are measured and carried at the cost of repurchased on initial recognition and subsequently. The ESOS Trust is consolidated into the Group's consolidated financial statements as a deduction from equity and classified as "shares held by ESOS Trust". Dividends received by the ESOS Trust are eliminated against the dividend expense of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(p) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

(p) Foreign Currencies (cont'd)

(iii) Foreign Operations (cont'd)

The principal exchange rates used for every unit of foreign currencies ruling at the balance sheet date are as follows:

Foreign currency	2007 RM	2006 RM
United States Dollar	3.45	3.70
Philippine Peso	0.07	0.07
British Sterling Pound	N/A*	6.74
Singapore Dollar	N/A*	2.32

* Not applicable

(q) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(h).

(ii) Development properties

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 2.2(g).

(iii) Property inventories

Revenue from sale of property inventories is recognised when the significant risks and rewards of ownership of the property have been passed to the buyer.

(iv) Dividend income

Dividend income arising from investments in subsidiaries, jointly controlled entities, associate, long term investments and short term investments are recognised when the rights to receive payment are established.

(v) Rental income

Revenue from room rental and rental of properties are recognised on the accrual basis unless collectibility is in doubt, in which case, they are recognised on receipt basis.

(vi) Interest income

Interest income are recognised on the accrual basis unless the collectibility is in doubt, in which case, they are recognised on receipt basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs and Issues Committee ('IC") Interpretation

On 1 July 2006, the Group and the Company adopted the following FRSs and IC Interpretation mandatory for financial periods beginning on or after 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 the 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 Investments in Associates

FRS 131 Interests 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

IC Interpretation 112: Consolidation - Special Purpose Entities

The adoption of the above FRSs does not have significant financial impact on the financial statements of the Group and the Company. The principal effects of the changes in accounting policies resulting from the adoption of FRS 101 and FRS 140 are set out below:

(a) FRS 101: Presentation of Financial Statements

Prior to 1 July 2006, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and equity. Upon the adoption of the revised FRS 101, 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 year. A similar requirement is also applicable to the statement of changes in equity. The revised FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

Prior to 1 July 2006, the Group's share of taxation of associates and jointly controlled entities accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement. Upon the adoption of the revised FRS 101, the share of taxation of associates and jointly controlled entities accounted for using the equity method are now included in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax.

These changes in presentation have been applied retrospectively and as disclosed in Note 2.3(d), certain comparatives have been restated. The effects on the consolidated balance sheet as at 30 June 2007 and consolidated income statement for the year ended 30 June 2007 are set out in Note 2.3(c)(i) and Note 2.3(c)(ii) respectively. These changes in presentation has no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs and Issues Committee ('IC") Interpretation (cont'd)

(b) FRS 140: Investment Property

Prior to 1 July 2006, investment properties were stated at cost less impairment losses. Upon the adoption of FRS 140, investment properties are now stated at fair value and gains and losses arising from changes in fair values are recognised in profit or loss in the year in which they arise.

The Group has applied FRS 140 in accordance with the transitional provisions. The change in accounting policy has had no impact on amounts reported for 2006 and prior periods. Instead, the changes have been accounted for by restating the following opening balances of the Group as at 1 July 2006:

	As at 1.7.2006 RM'000
Increase in investment properties	1,982
Decrease in property, plant and equipment	(339)
Increase in retained earnings	1,216
Increase in deferred tax liabilities	427

The effects on the consolidated balance sheet as at 30 June 2007 are set out in Note 2.3(c)(i). There were no effects on the consolidated income statement for the year ended 30 June 2007 and the Company's financial statements.

To conform with the current year's presentation, the comparative carrying amount of investment properties amounting to RM339,368 has been reclassified from property, plant and equipment to investment properties without subjecting it to any remeasurement as disclosed in Note 2.3(d).

(c) Summary of effect of adopting new and revised FRSs on the current year's financial statements

The following tables provide estimates of the extent to which each of the line items in the balance sheets and income statements for the year ended 30 June 2007 is higher or lower than it would have been had the previous policies been applied in the current year.

(i) Effects on balance sheets as at 30 June 2007

Description of change Group	Increase/ (Decrease) FRS 140 Note 2.3(b) RM '000
Investment properties	1,982
Property, plant and equipment	(339)
Retained earnings	1,216
Deferred tax liabilities	427

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs and Issues Committee ('IC'') Interpretation (cont'd)

(c) Summary of effect of adopting new and revised FRSs on the current year's financial statements (cont'd)

(ii) Effects on income statements for the year ended 30 June 2007

	Increase/ (Decrease) FRS 101 Note 2.3(a) RM '000
Share of (loss)/profit in	
- Associate	(9)
- Jointly controlled entities	3,036
- Profit before taxation	3,027
- Income tax expense	3,027

(d) Restatement of Comparatives

The following comparative amounts have been restated as a result of adopting the new and revised FRSs:

Description of change	Previously Restated RM'000	FRS 101 Note 2.3(a) RM'000	FRS 140 Note 2.3(b) RM'000	Restated RM'000
As at or for the year ended 30 June 2007				
Group				
Property, plant and equipment	266,189	-	(339)	265,850
Investment properties	105,018	-	339	105,357
Share of loss in				
- Associate	(244)	77	-	(167)
- Jointly controlled entities	(11,822)	992	-	(10,830)
Profit before taxation	63,929	1,069	-	64,998
Income tax expense	2,823	(1,069)	-	1,754

2.4 Changes in Estimates

The revised FRS 116: 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 Group revised the residual values of certain buildings and leasehold land with effect from 1 July 2006 and amortised them over the estimated useful life. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the depreciation charges for leasehold land of the Group for the current financial year have been increased by RM734,000.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant Accounting Estimates and Judgements

(a) Critical Judgements Made in Applying Accounting Policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation of hotel building

The cost of buildings are depreciated on a straight-line basis over 50 to 93 years with no residual values assumed at the end of their respective useful lives. This is due to the intention of management to continue running the hotel operations until the end of the respective expected useful life. Changes in the upkeep and maintenance policies could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRSs, amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 117: Leases	1 October 2006
FRS 124: Related Party Disclosures	1 October 2006
FRS 139: Financial Instruments: Recognition and Measurement	Deferred
FRS 6: Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119_{2004}: Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under $FRS129_{2004}$ - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS 112: Income Taxes	1 July 2007
FRS 118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134: Interim Financial Reporting	1 July 2007
FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007

The above FRSs, amendments to FRSs and Interpretations, except for FRS 117, FRS 124 and FRS 139, are expected to have no significant impact on the financial statements of the Company upon their initial application.

The Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 117, FRS 124 and FRS 139.

3. PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land RM'000	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Freehold land under development RM'000	Building service plant and equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Group										
Cost										
At 1 July 2006										
- as previously restated		2,272	75,787	90,575	43,330	94,332	40,930	17,108	2,417	366,751
- effects of adopting FRS 140		-	-	-	-	-	(2,914)	(9)	-	(2,923)
- as restated		2,272	75,787	90,575	43,330	94,332	38,016	17,099	2,417	363,828
Additions		-	1,543	-	-	9,227	1,244	1,189	370	13,573
Transfer from development properties	14	-	-	-	-	6,029	-	-	-	6,029
Disposals		-	-	-	-	-	(14)	-	(11)	(25)
Disposal of subsidiaries	6	-	-	-	(40,330)	-	(11,886)	(2,554)	(250)	(55,020)
Reclassification		-	-	1,277	-	-	(1,277)	-	-	-
Exchange adjustments		-	-	-	(3,000)	-	(982)	(183)	(19)	(4,184)
At 30 June 2007		2,272	77,330	91,852	-	109,588	25,101	15,551	2,507	324,201
Accumulated Depreciation and Impairment Losses										
At 1 July 2006										
- as previously restated		-	13,667	12,785	25,298	-	34,085	13,266	1,461	100,562
- effects of adopting FRS 140		-	-	-	-	-	(2,494)	(90)	-	(2,584)
- as restated		-	13,667	12,785	25,298	-	31,591	13,176	1,461	97,978
Charge for the year		-	-	734	751	-	996	877	393	3,751
Disposals		-	-	-	-	-	(8)	-	(6)	(14)
Disposal of subsidiaries	6	-	-	-	(25,194)	-	(10,134)	(2,475)	(246)	(38,049)
Exchange adjustments		-	-	-	(855)	-	(503)	(153)	(17)	(1,528)
At 30 June 2007		-	13,667	13,519	-	-	21,942	11,425	1,585	62,138
Net Carrying Amount										
At 30 June 2007		2,272	63,663	78,333	-	109,588	3,159	4,126	922	262,063

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Freehold land RM'000	Freehold land and buildings RM'000	Long leasehold land and buildings RM'000	Short leasehold land and buildings RM'000	Freehold land under development RM'000	Building service plant and equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Group										
Cost										
At 1 July 2005		2,272	73,509	90,573	44,758	93,705	72,917	15,926	1,555	395,215
Additions		-	2,278	2	32	627	2,480	1,562	874	7,855
Written off		-	-	-	-	-	(3,348)	(252)	-	(3,600)
Disposals		-	-	-	-	-	(30,574)	(34)	(3)	(30,611)
Reclassification		-	-	-	-	-	(2,914)	(9)	-	(2,923)
Exchange adjustments		-	-	-	(1,460)	-	(545)	(94)	(9)	(2,108)
At 30 June 2006		2,272	75,787	90,575	43,330	94,332	38,016	17,099	2,417	363,828
Accumulated Depreciation and Impairment Losses										
At 1 July 2005		-	13,667	12,785	24,765	-	51,369	12,680	1,112	116,378
Charge for the year		-	-	-	901	-	4,282	851	359	6,393
Written off		-	-	-	-	-	(3,348)	(183)	-	(3,531)
Disposals		-	-	-	-	-	(17,893)	(14)	(2)	(17,909)
Reclassification		-	-	-	-	-	(2,494)	(90)	-	(2,584)
Exchange adjustments		-	-	-	(368)	-	(325)	(68)	(8)	(769)
At 30 June 2006		-	13,667	12,785	25,298	-	31,591	13,176	1,461	97,978
Net Carrying Amount										
At 30 June 2006		2,272	62,120	77,790	18,032	94,332	6,425	3,923	956	265,850

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Company				
At 30 June 2007				
Cost				
At 1 July 2006	198	238	166	602
Addition	-	5	-	5
At 30 June 2007	198	243	166	607
Accumulated Depreciation				
At 1 July 2006	60	205	166	431
Charge for the year	40	11	-	51
At 30 June 2007	100	216	166	482
Net Carrying Amount				
At 30 June 2007	98	27	-	125
At 30 June 2006				
Cost				
At 1 July 2005	102	227	166	495
Addition	96	11	-	107
At 30 June 2006	198	238	166	602
Accumulated Depreciation				
At 1 July 2005	20	189	166	375
Charge for the year	40	16	-	56
At 30 June 2006	60	205	166	431
Net Carrying Amount				
At 30 June 2006	138	33	-	171

The net carrying amount of property, plant and equipment pledged for borrowings as referred to in Notes 21 and 23 are as follows:

	GROUP	
	2007 RM'000	2006 RM'000
Freehold land under development	109,588	-
Long leasehold land and buildings	78,333	77,790
Building service plant and equipment	653	1,771
Furniture and fittings	2,133	1,918
Motor vehicles	88	122
	190,795	81,601

4. INVESTMENT PROPERTIES

GROUP	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
At 30 June 2007			
At fair value			
At 1 July 2006	38,827	69,114	107,941
Effects of adopting FRS 140:			
- Elimination of accumulated depreciation	(2,494)	(90)	(2,584)
- Fair value adjustment	667	976	1,643
At 1 July 2006 (restated)/30 June 2007	37,000	70,000	107,000
Accumulated Depreciation			
At 1 July 2006	2,494	90	2,584
Effects of adopting FRS 140	(2,494)	(90)	(2,584)
At 1 July 2006 (restated)/30 June 2007	-	-	-
	37,000	70,000	107,000
Fair value of investment properties	37,000	70,000	107,000
At 30 June 2006			
Cost			
At 1 July 2005	38,827	69,094	107,921
Additions	-	20	20
At 30 June 2006	38,827	69,114	107,941
Accumulated Depreciation			
At 1 July 2005	2,243	64	2,307
Depreciation charge for the year	251	26	277
At 30 June 2006	2,494	90	2,584
	36,333	69,024	105,357
Fair value of investment properties, estimated by Directors			107,000

In the previous financial year, investment properties held as long term investment were stated at cost less accumulated depreciation. During the financial year, the Group adopted the fair value model for all of the investment properties. In accordance with the transitional provision applicable to FRS 140 Investment Properties, the effect of adopting this Standard has been reported as an adjustment to the opening balance of retained profits.

Freehold land and buildings are charged to financial institutions as collaterals for credit facilities granted to the Company and the Group as disclosed in Note 21.

In the previous financial year, leasehold land and buildings were charged to financial institutions as collaterals for credit facilities granted to the Company as disclosed in Note 21.

Investment properties are stated at fair value, which has been determined based on valuation report by Raine & Horne, an accredited independent valuer, as at 30 June 2007. The fair value represents the amount at which these assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation.

5. LAND HELD FOR DEVELOPMENT

	GROUP	
	2007 RM'000	2006 RM'000
Freehold land - at cost	1,275	1,275
Development expenditure	28	28
	1,303	1,303
Less: Accumulated impairment losses	(541)	(541)
Carrying amount at end of financial year	762	762

6. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2007 RM'000	2006 RM'000
Unquoted shares at cost	512,157	512,157
Less: Accumulated impairment losses	(1,916)	(1,700)
	510,241	510,457

Details of the subsidiaries are disclosed in Note 33.

On 31 January 2007, the Group had via its wholly-owned subsidiary, Bedford Development Sdn Bhd:

(i) acquired 50,000,000 ordinary fully paid-up shares of RM1.00 each representing the entire equity interest in Sabna Development Sdn Bhd for a cash consideration of RM82,990,000; and

(ii) disposed of its 50% equity interest in Putrajaya Properties Sdn Bhd, a jointly controlled entity, for a cash consideration of RM73,920,000 (Note 8).

Further details in relation to the acquisition and disposal are disclosed in Note 37.

The fair values of the assets acquired and liabilities assumed from the acquisition of the Sabna Development Sdn Bhd were as follows:

Acquisition of subsidiary :

	2007 RM'000
Deferred tax asset (Note 11)	409
Inventories	2,786
Development properties (Note 14)	22,377
Trade and other receivables	8,442
Tax recoverable	323
Cash and bank balances	60,528
Trade and other payables	(11,875)
Group's share of net assets	82,990
Consideration for acquisition was satisfied by:	
- cash	9,070
- proceeds receivable from disposal of Putrajaya Properties Sdn Bhd (Note 8)	73,920
	82,990

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiary: (cont'd)

	2007 RM'000
Cash outflow arising on acquisition:	
Purchase consideration	82,990
Cash and cash equivalents of subsidiary acquired	(60,528)
Net cash outflow of the Group	22,462

On 17 May 2007, the Group had disposed Guoman (Hanoi) Limited and its subsidiary, HLL-Guoco Vietnam Co. Limited which were incorporated in Jersey, Channel Islands and Vietnam respectively, at a cash consideration of US$14,143,036 (approximately RM48,086,322 based on US$1:RM3.40) via its indirect 70% subsidiary company, Guoman Hotels Limited which was incorporated in Bermuda.

Details of the disposals are as follows:

	2007 RM'000
Disposal of subsidiaries :	
Property, plant and equipment (Note 3)	16,971
Inventories	252
Trade and other receivables	2,480
Cash and bank balances	141
Due to related company	(383)
Trade and other payables	(2,587)
Group's share of net assets	16,874
Realised exchange reserve	(4,395)
	12,479
Less: Proceeds from disposal	48,086
Gain on disposal of subsidiaries	35,607

	2007 US$'000	2007 RM'000
Cash inflow arising on disposal:		
Proceeds from disposal	14,143	48,086
Cash and cash equivalents of subsidiaries disposed		(141)
Net cash inflow of the Group		47,945

7. INVESTMENT IN ASSOCIATE

	GROUP	
	2007 RM'000	2006 RM'000
Unquoted shares at cost	6	6
Less: Accumulated impairment losses	(6)	-
	-	6
Share of post acquisition reserves	1,019	1,036
Share of post acquisition translation reserve	(295)	(295)
	724	747
Represented by:		
Share of net assets of associate	724	747

7. INVESTMENT IN ASSOCIATE (CONT'D)

Details of the associate are as follows:

Name of company	Country of incorporation	Effective equity interest 2007 %	Effective equity interest 2006 %	Principal activity
Luck Hock Venture Holdings, Inc.	Philippines	28	28	Dormant

The summarised financial information of the Group's interest in the associate is as follows:

	GROUP 2007 RM'000	GROUP 2006 RM'000
Share of assets and liabilities		
Current assets	790	824
Non-current liabilities	(52)	(56)
Current liabilities	(14)	(21)
Net assets	724	747
Share of results		
Loss after taxation	(17)	(167)

8. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	GROUP 2007 RM'000	GROUP 2006 RM'000	COMPANY 2007 RM'000	COMPANY 2006 RM'000
Investment at cost	259,867	278,479	56,000	56,000
Share of post acquisition reserves	46,553	91,489	-	-
	306,420	369,968	56,000	56,000

Details of the jointly controlled entities are disclosed in Note 34.

During the financial year, the Group:

(i) subscribed for 14,291,500 cumulative redeemable preference shares ("CRPS") of RM0.01 each at a premium of RM0.99 per share in Bedford Damansara Heights Development Sdn Bhd for a cash consideration of RM14,291,500;

(ii) redeemed 12,391,322 CRPS of RM0.01 each at a premium of RM0.99 per share in Bedford Damansara Heights Development Sdn Bhd for a cash consideration of RM12,391,322; and

(iii) subscribed for 30,000 new ordinary shares of RM1.00 each in Positive Properties Sdn Bhd for a cash consideration of RM30,000.

8. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (CONT'D)

(iv) disposed the entire equity interest in Putrajaya Properties Sdn Bhd for a cash consideration of RM73,920,000 (Note 6). Details of the disposal of Putrajaya Properties Sdn Bhd are as follows:

	RM'000
Cost of investment	20,542
Share of post of acquisition reserve	51,939
	72,481
Less: Consideration received (Note 6)	73,920
Gain on disposal	1,439

The Group's interests in the assets, liabilities, revenue and expenses of jointly controlled entities are as follows:

	2007 RM'000	2006 RM'000
Non-current assets	376,712	326,956
Current assets	91,673	233,475
Non-current liabilities	(102,401)	(98,129)
Current liabilities	(59,564)	(92,334)
Net assets	306,420	369,968
Revenue	51,647	52,685
Expenses	(45,245)	(63,515)
	6,402	(10,830)

9. INVESTMENTS

	GROUP	
	2007 RM'000	2006 RM'000
Long term investments		
Quoted shares in Malaysia, at cost	79,829	89,355
Unquoted shares in Malaysia, at cost	48	48
	79,877	89,403
Less: Accumulated impairment losses	(22,730)	(41,388)
	57,147	48,015
Market value of quoted shares as at 30 June	64,425	44,418
Market value of quoted shares as at 17 August 2007/ 18 August 2006	64,445	39,700

The directors are of the opinion that the decline in the share price of certain investments subsequent to balance sheet date is temporary in nature and no further impairment is required to the carrying amount ascribed to the balance sheet.

9. INVESTMENTS (CONT'D)

	GROUP	
	2007 RM'000	2006 RM'000
Marketable securities		
Quoted shares in Malaysia, at lower of cost and market value	7,201	-
Market value of quoted shares as at 30 June	7,201	-

10. GOODWILL ON CONSOLIDATION

	GROUP	
	2007 RM'000	2006 RM'000
At 1 July/ 30 June	2,464	2,464

Impairment tests for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's cash-generating units (CGUs) identified according to country of operation and business segment as follows:

At 1 July 2006/ 30 June 2007	Malaysia RM'000
Hotel management	2,464

Key assumptions used in value-in-use calculation

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management using the growth rates stated below. The key assumptions used for value-in-use calculations are:

	Operating Margin		Growth Rate		Discount Rate	
	2007 %	2006 %	2007 %	2006 %	2007 %	2006 %
Hotel management	15.3	20.0	15.4	8.6	3.4	2.6

(i) Budgeted operating margin

The basis used to determine the value assigned to the budgeted operating margins is the average operating margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Growth rate

The weighted average growth rates used are based on the budgeted revenue growth for hotel operations.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

11. DEFERRED TAXATION

	GROUP	
	2007 RM'000	2006 RM'000
At beginning of financial year		
- as previously stated	(694)	488
- effects of adopting FRS140 (Note 2.3(c)(i))	427	-
- as restated	(267)	488
Recognised in the income statement (Note 28)	(1)	(1,182)
Acquisition of subsidiary (Note 6)	(409)	-
At end of financial year	(677)	(694)
Presented after appropriate offsetting as follows:		
Deferred tax assets	(1,243)	(845)
Deferred tax liabilities	566	151
	(677)	(694)

The components and movements of Group's deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group

	Translation Differences RM'000	Accelerated Capital Allowances RM'000	Investment Properties RM'000	Total RM'000
At 1 July 2006				
- as previously stated	-	165	-	165
- effects of adopting FRS140	-	-	427	427
- as restated	-	165	427	592
Recognised in the income statement	-	1	-	1
At 30 June 2007	-	166	427	593
At 1 July 2005	334	2,673	-	3,007
Recognised in the income statement	(334)	(2,508)	-	(2,842)
At 30 June 2006	-	165	-	165

11. DEFERRED TAXATION (CONT'D)

Deferred Tax Assets of the Group

	Unused Tax Losses and Unutilised Capital Allowances RM'000
At 1 July 2006	(859)
Recognised in the income statement	(2)
Acquisition of subsidiary (Note 6)	(409)
At 30 June 2007	(1,270)
At 1 July 2005	(2,519)
Recognised in the income statement	1,660
At 30 June 2006	(859)

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unused tax losses	36,611	36,951	571	571
Unabsorbed capital allowances	74,652	81,495	330	325
Unabsorbed investment tax allowance	76,051	76,051	-	-
Others	7,797	662	34	23
	195,111	195,159	935	919
Deferred tax at 26% (2006: 28%)	50,729	54,645	243	257

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

During the financial year, the Group had acquired a subsidiary in which the deferred tax assets amounting to RM1,968,000 were not recognised.

12. INVENTORIES

	GROUP	
	2007 RM'000	2006 RM'000
At cost		
Property inventories	4,316	5,747
Saleable merchandise	554	674
Operating supplies	685	657
	5,555	7,078
At net realisable value		
Property inventories	829	1,986
	6,384	9,064

The cost of property inventories of the Group recognised as cost of sales during the financial year amounted to RM5,374,000 (2006: RM9,218,000).

As at the balance sheet date, the carrying amount of inventories pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 21 are as follows:

	GROUP	
	2007 RM'000	2006 RM'000
Saleable merchandise	306	592
Operating supplies	293	533

13. DUE FROM/(TO) CONTRACT CUSTOMERS

	GROUP	
	2007 RM'000	2006 RM'000
Contract cost incurred to date	46,915	31,903
Attributable profits	13,094	9,907
	60,009	41,810
Less: Progress payments received and receivable	(58,936)	(41,455)
	1,073	355
Due from contract customers	1,883	2,750
Due to contract customers	(810)	(2,395)
	1,073	355
Contract revenue recognised in income statement (Note 24)	(16,701)	(17,890)
Contract costs recognised in income statement	13,356	13,008

14. DEVELOPMENT PROPERTIES

	GROUP	
	2007 RM'000	2006 RM'000
Development properties cost:		
At beginning of financial year		
Freehold land	91,911	75,918
Long leasehold land	1,531	1,531
Development expenditure	27,889	13,704
	121,331	91,153
Transfer from acquisition of subsidiary (Note 6):		
Freehold land	18,700	-
Development expenditure	3,677	-
	22,377	-
Transfer to property, plant and equipment (Note 3):		
Freehold land	(6,029)	-
Cost incurred during the year:		
Freehold land	79,242	15,993
Development expenditure	33,071	14,185
	112,313	30,178
Cost recognised in income statement:		
At beginning of financial year	(18,009)	(3,563)
Recognised during the year	(34,557)	(14,446)
At end of financial year	(52,566)	(18,009)
Development properties cost at 30 June	197,426	103,322

As at the balance sheet date, the carrying amounts of freehold land and related development expenditure pledged as securities for the borrowing facilities granted to the Group as disclosed in Note 21 are as follows:

	2007 RM'000	2006 RM'000
Freehold land and related development expenditure	108,374	17,113

15. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade receivables	28,863	17,078	-	-
Provision for doubtful debts	(141)	(114)	-	-
	28,722	16,964	-	-
Other receivables	16,107	23,079	109	1,300
Provision for doubtful debts	(5,218)	(5,104)	-	(746)
	10,889	17,975	109	554
Accrued billings in respect of development property cost	2,722	1,084	-	-
Subsidiaries	-	-	50,092	22,480
Jointly controlled entities	12,299	6,768	-	-
Related companies	228	303	304	1
	54,860	43,094	50,505	23,035

In the previous financial year, included in trade receivables of the Group was a retention sum of RM17,000.

Included in trade receivables are debts aged in excess of 1 year of approximately RM2,300,000 (2006: RM460,000). The directors have considered all available information with regards to the recoverability of these debts. Notwithstanding that these debts are long outstanding, the directors are of the view that these debts can be realised in full in the ordinary course of business.

The Group's normal trade credit term ranges from 7 days to 60 days (2006: 7 days to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

All amounts due from subsidiaries, jointly controlled entities, related companies and related parties are unsecured, non interest bearing and have no fixed terms of repayments except for:

(i) amounts totalling RM36,194,000 (2006: RM10,121,000) due from certain subsidiaries which bore interest at rates ranging from 5.60% to 6.00% (2006: 6.00% to 7.50%) per annum during the financial year; and

(ii) amounts totalling RM4,594,000 (2006: RM6,768,000) due from certain jointly controlled entities which bore interest at rates ranging from 4.78% to 5.33% (2006: 4.90% to 7.30%) per annum during the financial year.

There is no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for the amounts due from the jointly controlled entities and subsidiaries in respect of the Group and of the Company respectively.

16. DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits placed with licensed banks	28,331	30,546	23,000	25,900
Cash and bank balances	13,654	4,256	885	89
	41,985	34,802	23,885	25,989
Of which amounts placed with a related company which is a licensed financial institution				
- deposits	5,331	-	-	-
- bank balances	12,180	1,041	167	40

16. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

Cash and bank balances of the Group includes RM10,229,000 (2006: RM198,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore, restricted from use in other operations.

The weighted average effective interest rates of deposits placed with licensed banks of the Group and of the Company at the balance sheet date were 3.39% (2006: 2.63%) and 3.43% (2006: 2.60%) respectively.

The average maturities of deposits placed with licensed banks of the Group and of the Company as at the end of the financial year were 14 days (2006: 8 days) and 6 days (2006: 3 days) respectively.

17. SHARE CAPITAL

	Ordinary shares of RM0.50 each			
	2007 No. of shares '000	2006 No. of shares '000	2007 Amount RM'000	2006 Amount RM'000
Authorised	3,000,000	3,000,000	1,500,000	1,500,000
Issued and fully paid	700,458	700,458	350,229	350,229

18. RESERVES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-distributable:				
Share premium	35,089	35,089	35,089	35,089
Exchange reserve	5,285	5,945	-	-
Merger reserve	-	-	68,219	68,219
	40,374	41,034	103,308	103,308
Distributable:				
Retained profits	445,696	404,780	56,345	57,715
	486,070	445,814	159,653	161,023

The premium arising on the shares issued in respect of the subsidiaries accounted for under the merger method of accounting is credited to the merger reserve account in accordance with the relief granted by Section 60(4) of the Companies Act, 1965.

The entire exchange reserve arose from the translation of financial statements of foreign subsidiaries.

Based on the estimated tax credits available, the entire retained profits of the Company is available for distribution by way of dividend without incurring additional tax liability.

19. SHARES HELD BY ESOS TRUST

In the previous financial year, the Company established a trust ("ESOS Trust") for its eligible executives pursuant to the establishment of the Executive Share Option Scheme ("ESOS"). The ESOS Trust is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions as the Company and the trustee may agree to purchase shares in the Company from the open market for the purposes of this trust. The shares purchased for the benefit of the ESOS holders are recorded as "Shares held by ESOS Trust" in the Group and the Company's balance sheet as a deduction in arriving at the shareholders' equity.

19. SHARES HELD BY ESOS TRUST (CONT'D)

In the previous financial year, the ESOS Trust acquired 30,000,000 issued ordinary shares of the Company from the open market at prices ranging from RM0.62 to RM0.78 per share, for a total consideration of RM23,000,203. During the financial year, the ESOS Trust acquired additional 387,700 issued ordinary shares of the Company from the open market at prices ranging from RM1.70 to RM1.72 per share, for a total consideration of RM657,625.

Details of the shares bought back during the financial year are as follows:

Month	Share Price Lowest RM	Share Price Highest RM	Share Price Average RM	Number of Shares '000	Total Consideration RM'000
Brought forward	0.62	0.78	0.77	30,000	23,000
May 2007	1.70	1.70	1.70	386	655
June 2007	1.72	1.72	1.72	2	3
Carried forward				30,388	23,658

None of the option under the ESOS has been granted as at end of the financial year.

20. DUE TO SUBSIDIARIES

All amounts due to subsidiaries are unsecured, not expected to be repaid within the next twelve months and interest free except for amounts totalling RM11,073,000 (2006: RM15,000,000) due to certain subsidiaries which bore interest at rates ranging from 3.20% to 5.20% (2006: 4.25% to 4.33%) per annum during the financial year.

21. LONG TERM BORROWINGS

	GROUP 2007 RM'000	GROUP 2006 RM'000	COMPANY 2007 RM'000	COMPANY 2006 RM'000
Secured				
Term loans	90,500	48,187	-	6,187
Less: Amounts repayable within 12 months (Note 23)	(2,500)	(11,687)	-	(6,187)
	88,000	36,500	-	-
Unsecured				
Term loans	10,000	25,000	10,000	25,000
Less: Amounts repayable within 12 months (Note 23)	-	(15,000)	-	(15,000)
	10,000	10,000	10,000	10,000
	98,000	46,500	10,000	10,000
The term loans outstanding are repayable as follows:				
1 year after balance sheet date	2,500	26,687	-	21,187
More than 1 year but not later than 2 years	12,500	15,500	-	10,000
More than 2 years but not later than 5 years	78,000	23,500	10,000	-
More than 5 years	7,500	7,500	-	-
	100,500	73,187	10,000	31,187

21. LONG TERM BORROWINGS (CONT'D)

The term loans of the Group are secured by legal charges on certain property, plant and equipment, investment properties, inventories and development properties as disclosed in Notes 3, 4, 12 and 14 as well as fixed and floating charges on assets of certain subsidiaries.

The term loans are repayable over the period from 2007 to 2014 and bore interest at rates ranging from 4.00% to 5.39% (2006: 3.88% to 8.00%) per annum during the financial year.

22. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Trade payables	15,653	15,700	-	-
Progress billings in respect of property development	869	172	-	-
Associate	114	105	-	-
Subsidiaries	-	-	34,415	933
Jointly controlled entities	3,468	-	-	-
Related companies	319	8,229	-	-
Provisions for foreseeable loss	8,116	-	-	-
Other payables	32,513	30,216	1,717	2,610
	61,052	54,422	36,132	3,543

The normal credit terms granted by the trade payables range from 30 days to 60 days (2006: 30 days to 60 days).

All the above amounts due to associate, subsidiaries, related companies and related parties are unsecured, interest free and have no fixed terms of repayments.

23. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Secured				
Term loans (Note 21)	2,500	11,687	-	6,187
Bank overdrafts	1,146	1,639	-	-
	3,646	13,326	-	6,187
Unsecured				
Bank overdrafts	24	57	-	18
Term loans (Note 21)	-	15,000	-	15,000
Revolving credits	-	25,000	-	25,000
	24	40,057	-	40,018
	3,670	53,383	-	46,205

The secured bank overdraft of the Group is secured by a second legal charge over the long term leasehold land and a second fixed and floating charge over the assets of a subsidiary. The bank overdrafts bore effective interest at rates ranging from 7.50% to 7.75% (2006: 7.00 % to 7.75%) per annum during the financial year.

In the previous year, the revolving credits bore effective interest at rates ranging from 4.00% to 6.00% per annum.

The details of the term loans are disclosed in Note 21.

24. REVENUE

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Contract revenue (Note 13)	16,701	17,890	-	-
Sale of properties	45,509	28,927	-	-
Rental of properties	22,067	29,583	-	-
Room rental	54,770	51,717	-	-
Dividends received	1,904	-	15,980	18,390
Management fees	5,033	2,847	733	743
	145,984	130,964	16,713	19,133

25. PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	145,984	130,964	16,713	19,133
Cost of sales	(111,715)	(87,293)	-	-
Gross profit	34,269	43,671	16,713	19,133
Other operating income	48,707	82,057	-	29
Distribution costs and marketing expenditures	(4,463)	(2,226)	-	-
Administration expenses	(10,259)	(22,044)	(1,704)	(2,200)
Other operating expenses	(7,765)	(10,487)	(1,728)	(2,412)
	60,489	90,971	13,281	14,550

Cost of sales comprises contract costs, property inventories, building expenses and hotel expenses.

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Operating profit is arrived at after charging:				
Auditors' remuneration				
- statutory audit	151	138	40	50
- under/(over) provided in previous year	1	3	(1)	3
Depreciation of property, plant and equipment	3,751	6,393	51	56
Directors' emoluments	1,084	1,377	215	149
Directors' fees				
- Directors of the Company	270	340	270	325
- Directors of subsidiaries	33	9	-	-
Office rent	961	950	146	150
Rent of premises	1,181	3,783	-	-
Provision for impairment loss in investments	-	7,464	216	-
Provision for impairment loss in investment in associate	6	-	-	-
Provision for doubtful debts	141	701	-	-
Inventories written down	-	464	-	-
Staff costs	16,378	14,533	1,253	1,536

25. PROFIT FROM OPERATIONS (CONT'D)

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
and crediting:				
Gain on disposal of property, plant and equipment	39	56	-	-
Gain on disposal of investment property	-	81,282	-	-
Gain on disposal of investment in jointly controlled entity	1,439	-	-	-
Gain on disposal of investment in subsidiaries	35,607	-	-	-
Gross dividends from subsidiaries	-	-	15,980	18,390
Provision for doubtful debts written back	-	19	-	-
Write back of provision for impairment loss in investments	10,463	-	-	-

Included in directors' emoluments of the Group and of the Company is director's benefits-in-kind amounting to RM47,006 (2006: RM56,232).

Included in staff costs of the Group and of the Company are defined contribution plans amounting to RM1,399,000 (2006: RM1,253,000) and RM281,000 (2006: RM130,000) respectively.

26. INTEREST INCOME

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Interest income from:				
- jointly controlled entities	310	423	-	-
- subsidiaries	-	-	1,214	4,791
- others	654	745	227	348
	964	1,168	1,441	5,139

27. FINANCE COSTS

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Interest expense				
- loans and borrowings	4,115	15,241	1,924	7,961
- subsidiaries	-	-	519	623
- others	257	903	358	390
	4,372	16,144	2,801	8,974

28. TAXATION

	GROUP		COMPANY	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Tax expense for the year:				
Malaysian income tax	2,458	1,055	3,502	3,323
(Over)/under provision in prior years:				
Malaysian income tax	(889)	(1,618)	-	71
Foreign tax	-	(9)	-	-
	1,569	(572)	3,502	3,394
Deferred tax (Note 11):				
Relating to origination and reversal of temporary differences	(3,703)	(1,182)	-	-
Relating to changes in tax rates	3,772	-	-	-
Overprovision in prior years	(70)	-	-	-
	(1)	(1,182)	-	-
	1,568	(1,754)	3,502	3,394

Domestic income tax is calculated at the Malaysian statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The domestic statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008. The computation of deferred tax as at 30 June 2007 has reflected these changes.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2007 RM'000	2006 RM'000 (Restated)
Group		
Profit before taxation	63,466	64,998
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	17,136	18,199
Effect of different tax rate in other countries	(376)	(612)
Effect of reduction in income tax rate to 20% on the first RM500,000 assessable profits	(73)	(40)
Deferred tax recognised at different tax rates	3,772	-
Tax effect on share of results of associate and joint ventures	(1,724)	3,079
Income not subject to tax	(12,499)	(22,767)
Expenses not deductible for tax purposes	2,175	1,876
Utilisation of previously unrecognised deferred tax assets	(6,025)	(1,526)
Deferred tax assets not recognised during the year	141	1,664
Overprovision of tax expense in prior years	(889)	(1,627)
Overprovision of deferred tax in prior years	(70)	-
Tax expense for the year	1,568	(1,754)

28. TAXATION (CONT'D)

	2007 RM'000	2006 RM'000 (Restated)
Company		
Profit before taxation	11,921	10,715
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	3,219	3,000
Income not subject to tax	-	(8)
Effect expenses not deductible for tax purposes	297	313
Effect of utilisation of previously unrecognised deferred tax assets	(14)	-
Deferred tax assets not recognised during the year	-	18
Under provision of income tax in prior years adjusted in current year	-	71
Tax expense for the year	3,502	3,394

29. EARNINGS PER SHARE

The basic and diluted earnings per share of the Group has been calculated by dividing the consolidated profit attributable to ordinary shareholders of RM49,489,000 (2006: RM50,763,000) by the weighted average number of ordinary shares in issue during the year (net of ESOS Trust shares) of 670,429,281 (2006: 697,002,003) shares.

No diluted earning per share is presented as there was no granting of option under the New ESOS during the financial year.

30. DIVIDEND

	Amount		Net Dividend per Share	
	2007 RM'000	2006 RM'000	2007 Sen	2006 Sen
In respect of financial year ended 30 June 2006				
- Final dividend of 2 sen per share less 27% taxation paid on 15 November 2006	9,789	-	1.46	-
In respect of financial year ended 30 June 2005				
- Final dividend of 1 sen per share less 28% taxation paid on 18 November 2005	-	5,043	-	0.72
	9,789	5,043	1.46	0.72

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2007, of 2 sen per share less 26% taxation on 670,070,818 (net of ESOS Trust shares) ordinary shares of RM0.50 each, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend of RM9,917,048. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2008.

31. CONTINGENT LIABILITIES

There are no material contingent liabilities as at balance sheet date.

32. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management objectives seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, credit, liquidity and foreign exchange risks. The Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group and the Company manage its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

(c) Effective interest rates and repricing analysis

The effective interest rates of the interest-earning financial assets and interest-bearing financial liabilities of the Group and the periods in which they will be repriced or mature, are as follows:

	Effective Interest Rate %	Floating interest RM'000	Fixed interest rate maturing within 1 year RM'000	Total RM'000
Group				
Financial assets				
At 30 June 2007:				
Deposits	3.39	-	28,331	28,331
Due from jointly controlled entities	5.05	4,594	-	4,594
Financial liabilities				
At 30 June 2006:				
Deposits	2.63	-	30,546	30,546
Due from jointly controlled entities	4.93	6,768	-	6,768
At 30 June 2007:				
Borrowings				
- Floating rate	4.52	101,670	-	101,670
At 30 June 2006:				
Borrowings				
- Floating rate	4.91	84,883	-	84,883
- Fixed rate	4.00	-	15,000	15,000
Company				
Financial assets				
At 30 June 2007:				
Deposits	3.43	-	23,000	23,000

32. FINANCIAL INSTRUMENTS (CONT'D)

(c) Effective interest rates and repricing analysis (cont'd)

	Effective Interest Rate %	Floating interest RM'000	Fixed interest rate maturing within 1 year RM'000	Total RM'000
Company (cont'd)				
Financial assets (cont'd)				
At 30 June 2006:				
Deposits	2.60	-	25,900	25,900
Financial liabilities				
At 30 June 2007:				
Borrowings				
- Floating rate	4.80	10,000	-	10,000
At 30 June 2006:				
Borrowings				
- Floating rate	4.68	56,205	-	56,205

(d) Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At balance sheet date except as disclosed in the respective notes to the financial statements, there was no significant concentration of credit risk. The maximum exposures to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.

(e) Liquidity Risk

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

(f) Foreign Exchange Risk

The Group is not exposed to significant foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia (RM).

(g) Fair Values

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and cash equivalents, trade and other receivables/payables and short term borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of the financial instruments.

(ii) Quoted share investments

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

32. FINANCIAL INSTRUMENTS (CONT'D)

(g) Fair Values (cont'd)

(iii) Unquoted share investments

Fair value of these unquoted shares has been estimated using a valuation technique based on assumptions of certain dividend yield and discount rate that are not supported by observable market prices or rates. Management believes the estimated fair values resulting from the valuation techniques are reasonable and the most appropriate at the balance sheet date.

(iv) Due from/to jointly controlled entities, related parties and subsidiaries

It is not practical to estimate the fair values of amounts due from/to jointly controlled entities, related parties and subsidiaries due to no fixed repayment terms being entered into between the parties.

33. SUBSIDIARIES

The subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity interest 2007 %	Effective equity interest 2006 %	Principal activities
Guoman Hotel & Resort Holdings Sdn Bhd ("GHRH") and its subsidiaries:	Malaysia	70	70	Investment holding
+* PD Resort Sdn Bhd	Malaysia	70	70	Property investment and development and hotel operations
Kiapeng Development Sdn Bhd	Malaysia	70	70	Property development and property investment
* Guoman Hotels Limited and its subsidiaries:	Bermuda	70	70	Investment holding
* Guoman (Hanoi) Limited and its subsidiary:	Jersey, Channel Islands	-	70	Investment holding
* HLL-Guoco Vietnam Co. Limited	Vietnam	-	52	Hotel operations
* Guoman Philippines, Inc.	Philippines	70	70	Dormant
* Guoman International Limited and its subsidiary:	Jersey, Channel Islands	70	70	Investment holding and provision of technical and management services
Guoman International Sdn Bhd	Malaysia	70	70	Provision of technical and management services
JB Parade Sdn Bhd and its subsidiary:	Malaysia	42	42	Investment holding and hotel operations
JB Parade Condominium Sdn Bhd	Malaysia	42	42	Property development

33. SUBSIDIARIES (CONT'D)

Name of company	Country of incorporation	Effective equity interest 2007 %	Effective equity interest 2006 %	Principal activities
Bedford Development Sdn Bhd and its subsidiaries:	Malaysia	100	100	Investment holding and property development
Hong Leong Housing Sdn Bhd	Malaysia	100	100	Provision of construction management services
+ Bedford Industrial Development Sdn Bhd	Malaysia	100	100	Property development
+* Pembinaan Sri Jati Sdn Berhad	Malaysia	100	100	Investment holding and property development
Sabna Development Sdn Bhd	Malaysia	100	50	Property development
Ace Acres Sdn Bhd	Malaysia	100	-	Property development
# Evergreen Direction Sdn Bhd	Malaysia	100	100	In members' voluntary liquidation
Hong Leong Real Estate Holdings Sdn Bhd and its subsidiaries:	Malaysia	100	100	Investment holding
* Bedford Land Sdn Bhd and its subsidiaries:	Malaysia	100	100	Investment holding
BLV Fashions Sdn Bhd	Malaysia	100	100	Property investment
* Guobena Development Sdn Bhd	Malaysia	100	100	Property investment
HL Bandar Sdn Bhd	Malaysia	100	100	Property investment
Prophills Development Sdn Bhd	Malaysia	100	100	Dormant
Damansara City Sdn Bhd (formerly known as Orithree Sdn Bhd)	Malaysia	100	100	Property development
Orifour Sdn Bhd	Malaysia	100	100	Dormant
Orifive Sdn Bhd	Malaysia	100	100	Dormant
# Resource Properties Sdn Bhd	Malaysia	100	100	In members' voluntary liquidation
# Bedford Excel Venture Sdn Bhd	Malaysia	100	100	In members' voluntary liquidation

33. SUBSIDIARIES (CONT'D)

Name of company	Country of incorporation	Effective equity interest 2007 %	Effective equity interest 2006 %	Principal activities
# Bedford Leisure Ventures Sdn Bhd and its subsidiary:	Malaysia	100	100	In members' voluntary liquidation
# BLV Entertainment Sdn Bhd	Malaysia	100	100	In members' voluntary liquidation
HLP Equities Sdn Bhd	Malaysia	100	100	Investment holding
* HLL Overseas Limited	Jersey, Channel Islands	100	100	Investment holding and trading in securities
* Hong Leong Real Estate Management Sdn Bhd	Malaysia	100	100	Dormant
* Hong Leong Property Services Sdn Bhd	Malaysia	100	100	Provision of property management services
* Hong Leong Property Management Co. Sdn Bhd and its subsidiary:	Malaysia	100	100	Provision of property management services
# Online Ventures Sdn Bhd	Malaysia	100	100	In members' voluntary liquidation
* GLM REIT Management Sdn Bhd	Malaysia	100	100	Provision of management services

* Not audited by member firms of Ernst & Young Global.

\+ Subsidiaries consolidated under merger method of accounting. Merger method of accounting on PD Resort Sdn Bhd has been applied at GHRH level.

\# The financial statements of these companies were not audited as they are in members' voluntary liquidation.

34. JOINTLY CONTROLLED ENTITIES

The details of jointly controlled entities are as follows:

Name of jointly controlled entity	Country of incorporation	Effective equity interest 2007 %	Effective equity interest 2006 %	Principal activities
Putrajaya Properties Sdn Bhd and its subsidiaries:	Malaysia	-	50	Investment holding
Sabna Development Sdn Bhd	Malaysia	-	50	Property development
HLP Bina Sdn Bhd	Malaysia	-	50	Property construction
Vintage Heights Sdn Bhd	Malaysia	40	40	Property development and operation of an oil palm estate
Positive Properties Sdn Bhd	Malaysia	50	50	Property investment
Continental Estates Sdn Bhd	Malaysia	50	50	Property development and operation of an oil palm estate
Bedford Damansara Heights Development Sdn Bhd and its subsidiaries:	Malaysia	50	50	Investment holding
Promakmur Development Sdn Bhd	Malaysia	50	50	Property development
* Kota Selatan Indah Sdn Bhd	Malaysia	50	50	Property development

* Not audited by member firms of Ernst & Young Global.

35. SEGMENT INFORMATION

The Group is organised into three major business segments:

(i) Property investment and development - the development of residential properties for sale and commercial properties for sale and rental;

(ii) Hotels - management and operations of hotels; and

(iii) Plantation - operation of oil palm estates and sale of fresh fruit bunches.

Other business segments include provision of management services and trading in securities, none of which are of a sufficient size to be reported separately.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

35. SEGMENT INFORMATION (CONT'D)

	Property Investment and Development		Hotels		Plantation		Others		Elimination		Consolidated	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue												
External sales	84,277	76,400	54,770	51,717	-	-	6,937	2,847	-	-	145,984	130,964
Inter-segment sales	-	-	-	-	-	-	3,236	2,775	(3,236)	(2,775)	-	-
Total revenue	84,277	76,400	54,770	51,717	-	-	10,173	5,622	(3,236)	(2,775)	145,984	130,964
Results												
Segment results	17,561	89,488	40,560	9,940	-	-	3,886	(5,898)	-	-	62,007	93,530
Unallocated corporate (expenses)/income											(1,518)	(2,559)
Profit from operations											60,489	90,971
Interest income											964	1,168
Finance cost											(4,372)	(16,144)
Share of result of associate	-	-	-	-	-	-	-	-	(17)	(167)	(17)	(167)
Share of results of jointly controlled entities	1,566	(7,151)	-	-	4,836	(3,679)	-	-	-	-	6,402	(10,830)
Taxation											(1,568)	1,754
Profit after taxation											61,898	66,752
Minority interests											(12,409)	(15,989)
Net profit for the year											49,489	50,763
Assets												
Segment assets	461,981	342,093	156,576	176,132	-	-	8,934	6,650	-	-	627,491	524,875
Investments in equity method of associate	-	-	724	747	-	-	-	-	-	-	724	747
Long term investments	15,587	-	-	-	-	-	41,560	48,015	-	-	57,147	48,015
Marketable securities	-	-	-	-	-	-	7,201	-	-	-	7,201	-
Investments in equity method of jointly controlled entities	129,167	196,189	-	-	177,253	173,779	-	-	-	-	306,420	369,968
Unallocated corporate assets											53,572	49,803
Consolidated total assets											1,052,555	993,408

35. SEGMENT INFORMATION (CONT'D)

	Property Investment and Development		Hotels		Plantation		Others		Elimination		Consolidated	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Liabilities												
Segment liabilities	46,517	34,712	8,806	10,825	-	-	922	680	-	-	56,245	46,217
Unallocated corporate liabilities											108,485	111,091
Consolidated total liabilities											164,730	157,308
Other Information												
Capital expenditure	9,337	972	3,351	6,015	-	-	885	868	-	-	13,573	7,855
Depreciation	205	2,918	2,900	2,198	-	-	646	1,277	-	-	3,751	6,393
Impairment losses	-	-	6	-	-	-	-	7,464	-	-	6	7,464
Non-cash expenses other than depreciation, amortisation and impairment losses	83	921	53	225	-	-	5	69	-	-	141	1,215
Write back of provision for impairment loss in investments	(7,274)	-	-	-	-	-	(3,189)	-	-	-	(10,463)	-

Segmental reporting by geographical location has not been presented as the Group's operations are substantially carried out in Malaysia.

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The related parties and their relationships with the Group are as follows:

Related companies	Relationships
Hong Leong Financial Group Berhad and subsidiaries as disclosed in its financial statements	Subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM")
HLCM Capital Sdn Bhd and subsidiaries as disclosed in its financial statements	Subsidiaries of HLCM
Hume Industries (Malaysia) Berhad and subsidiaries as disclosed in its financial statements	Subsidiaries of HLCM
Hong Leong Industries Berhad and subsidiaries as disclosed in its financial statements	Subsidiaries of HLCM
Tower Real Estate Investment Trust	An investment trust in which certain Directors have interests

Related parties	
Vintage Heights Sdn Bhd	Jointly controlled entity in which certain Directors have interests
Continental Estates Sdn Bhd	Jointly controlled entity in which certain Directors have interests
Bedford Damansara Heights Development Sdn Bhd and subsidiaries as disclosed in its financial statements	Jointly controlled entities in which certain Directors have interests
Positive Properties Sdn Bhd	Jointly controlled entity in which certain Directors have interests

(b) Related Party Transactions

	Group	
	2007 RM'000	2006 RM'000
Rental income received	90	5,003
Management services paid	-	49
Hotel room rental received	-	120
Insurance premium paid	-	561
Management services received	2,051	2,786
Security services paid	-	726
Office rental paid	-	791
Financial and treasury services paid	-	868
Share, warrants and ESOS administration services paid	-	168
Proceeds receivables from the redemption of redeemable preference shares by a jointly controlled entity	12,391	-

36. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(c) Related Company Transactions

	Group	
	2007 RM'000	2006 RM'000
Rental income received	862	1,023
Management services paid	214	30
Insurance premium paid	410	60
Security services paid	579	147
Office rental paid	1,009	159
Financial and treasury services paid	441	115
Share, warrants and ESOS administration services paid	59	38

The directors are of the opinion that the related party transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent parties.

37. SIGNIFICANT EVENTS DURING THE YEAR

(a) On 26 July 2006, Bedford Development Sdn Bhd, a wholly-owned subsidiary of the Company, had acquired the entire issued and paid-up share capital of Ace Acres Sdn Bhd comprising two(2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

(b) Subsequent to the aforesaid acquisition, on 10 August 2006, Ace Acres Sdn Bhd had entered into two(2) separate Sale and Purchase Agreements to acquire a total of approximately 35,419 square metres of freehold lands in Bandar Kajang, Daerah Hulu Langat, Negeri Selangor for a total cash consideration of RM9.0 million.

(c) On 6 October 2006, Ace Acres Sdn Bhd had entered into five (5) separate 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 lands measuring in aggregate 702,517 square feet all situated in the Mukim of Kuala Lumpur, for a total cash consideration of RM66,739,115 ("Acquisition"). The Acquisition was completed on 6 March 2007.

(d) On 3 November 2006, Bedford Development Sdn Bhd ("BDSB") had entered into the following agreements :

(i) Share Sale Agreement with Putrajaya Properties Sdn Bhd ("PPSB") for the acquisition by BDSB of 100% equity interest in Sabna Development Sdn Bhd from PPSB for a cash consideration of RM82,990,000; and

(ii) Share Sale Agreement with Putrajaya Holdings Sdn Bhd ("PHSB") for the disposal by BDSB of its entire 50% equity interest in PPSB to PHSB for a cash consideration of RM73,920,000.

The aforesaid acquisitions and disposal were completed on 31 January 2007.

(e) On 12 March 2007, HLP Equities Sdn Bhd, a wholly-owned subsidiary of the Company, had subscribed for 6,450,000 units in Tower Real Estate Investment Trust for a total consideration of RM5,869,500 or RM0.91 per unit pursuant to a private placement exercise.

(f) On 11 May 2007, Guoman Hotels Limited ("GHL"), an indirect 70% subsidiary of the Company, had entered into an agreement with Roxy Assets Limited ("RAL") for the disposal by GHL of its entire 100% equity interest in Guoman (Hanoi) Limited and its subsidiary, HLL-Guoco Vietnam Co. Limited to RAL for a total cash consideration of US$14,143,036 (approximately RM48,086,322 based on US$1:RM3.40) ("Disposal"). The Disposal was completed on 17 May 2007.

38. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

(a) On 8 August 2007, the Company had acquired the entire issued and paid-up share capital of Astute Modernization Sdn Bhd comprising two(2) ordinary shares of RM1.00 each for a cash consideration of RM2.00.

(b) Astute Modernization Sdn Bhd had, on 8 August 2007, 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 total cash consideration of RM71,000,000 ("Proposed Acquisition"). The Proposed Acquisition is subject to the approval of the Foreign Investment Committee.

Statement By Directors PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, KWEK LENG SENG and KHOO POH CHYE, being two of the directors of GuocoLand (Malaysia) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 36 to 86 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2007 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

KWEK LENG SENG **KHOO POH CHYE**

Kuala Lumpur
17 August 2007

Statutory Declaration PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, PHAN GAIK CHER, being the officer primarily responsible for the financial management of GuocoLand (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 36 to 86 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed PHAN GAIK CHER
at Kuala Lumpur in the Federal
Territory on 17 August 2007 **PHAN GAIK CHER**

Before me,

TEONG KIAN MENG
Pesuruhjaya Sumpah
Commissioner for Oaths

Report Of The Auditors

TO THE MEMBERS OF GUOCOLAND (MALAYSIA) BERHAD (Incorporated in Malaysia)

We have audited the accompanying financial statements set out on pages 36 to 86. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:

    (i) the financial position of the Group and of the Company as at 30 June 2007 and of the results and cash flows of the Group and of the Company for the year then ended; and

    (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by Act, to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 33 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

ERNST & YOUNG
AF: 0039
Chartered Accountants

Low Khung Leong
No.2697/01/09(J)
Partner

Kuala Lumpur
17 August 2007

1. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2007

Tenure	Location	Approximate Net Lettable/ Land* Area (sq. ft.)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation/ **Date Certificate of Fitness obtained
Freehold	**Bangunan Hong Leong** Land with a 16-storey office building at No. 117 Jalan Tun H.S. Lee 50000 Kuala Lumpur Fair Value: RM37,000,000	92,561	32	36,857	7/12/92
Leasehold Expiry Date: 24/3/2101	**Menara Pandan C & D** Two 10-storey office tower blocks at Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur Fair Value: RM70,000,000	356,160	10	69,786	**19/1/98
Leasehold Expiry Date: 10/10/2087	**Hyatt Regency Johor Bahru** Land with a 406-room hotel at Lots 17869 & 17870, Jalan Sg. Gelam Off Jalan Sg. Chat District of Johor Bahru Johor Darul Takzim	6.4 acres*	13	81,941	**23/8/94
Freehold	**Guoman Port Dickson** Land with a 256-room hotel resort & 9-hole golf course at Lots 7251, 7252, 7253, 7256 & 7257 Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	64.0 acres*	12	66,470	**7/8/96
Freehold	Vacant land at Lots 7252 & 7257 Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	6.7 acres*	-	2,272	26/3/84
Freehold	**Damansara City** land in the vicinity of the Damansara Town Centre Kuala Lumpur	8.5 acres*	-	161,317	9/11/94
Freehold	Vacant land at Lot 29, Section 90 Town of Kuala Lumpur	1.4 acres*	-	21,470	24/11/93
Freehold	**Bukit Rahman Putra** Balance land with mixed development in progress in Mukim of Sg. Buloh Selangor Darul Ehsan	36.1 acres*	-	12,777	2/3/93
Freehold	Vacant land at Lot 3059 Mukim of Hulu Kelang District of Gombak Selangor Darul Ehsan	7.5 acres*	-	6,700	15/6/90

1. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2007 (cont'd)

Tenure	Location	Approximate Net Lettable/ Land* Area (sq. ft.)	Approximate Age (Years)	Net Book Value (RM'000)	Date of Acquisition/ *Date of Revaluation/ **Date Certificate of Fitness obtained
Freehold	**Notting Hill** Land with development in progress at Mukim of Sg. Buloh Selangor Darul Ehsan	4.8 acres*	-	8,315	21/1/97
Freehold	Vacant land at Lot 322 Mukim of Hulu Kelang District of Gombak Selangor Darul Ehsan	11.7 acres*	-	12,594	12/7/90
Freehold	Vacant land at Geran No. 20438 Lot 36, Bandar Batu Ferringhi Pulau Pinang	4.6 acres*	-	762	7/4/05
Freehold	**Pantai Sepang Putra** Land with development in progress at Mukim of Sepang and Districts of Sepang & Kuala Langat Selangor Darul Ehsan	5,093.0 acres*	-	221,042	27/3/92
Freehold	Vacant land at Mukim of Jasin Melaka Darul Amin	5,515.0 acres*	-	330,000	22/5/96
Freehold	**Emerald 1** Balance land with development in progress at Mukim of Rawang Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	107.3 acres*	-	31,018	11/10/99
Freehold	**Emerald 2** Balance land with development in progress at Mukim of Rawang Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	724.0 acres*	-	218,439	31/5/00
Freehold	**Emerald 1B** Land with development in progress at Geran 30372, Lot No 1349 Mukim of Rawang, Daerah Ulu Selangor Selangor Darul Ehsan	46.9 acres*	-	19,820	7/4/05
Leasehold Expiry Date: 16/7/2088	Vacant land at Bedford Business Park Mukim of Petaling, Wilayah Persekutuan, Kuala Lumpur	1.7 acres*	-	6,118	17/7/89
Freehold	Vacant land in Seksyen 9, Tempat Sungai Kantan, Kajang, Daerah Hulu Langat, Selangor Darul Ehsan	9.0 acres*	-	9,617	10/8/06
Freehold	Vacant land within Taman Mutiara Barat, Off Jalan Cheras, Mukim of Kuala Lumpur	16.0 acres*	-	73,395	6/10/06

2. ANALYSIS OF SHAREHOLDINGS AS AT 25 SEPTEMBER 2007

Authorised Share Capital	:	RM1,500,000,000
Issued & Paid-up Capital	:	RM350,229,259
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights		
- On show of hands	:	1 vote
- On a poll	:	1 vote for each share held

Distribution Schedule of Shareholders

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	412	3.46	15,953	0.00
100 – 1,000	3,728	31.36	3,457,132	0.50
1,001 – 10,000	6,259	52.65	26,072,507	3.72
10,001 – 100,000	1,317	11.08	37,982,921	5.42
100,001 – less than 5% of issued shares	170	1.43	177,799,425	25.38
5% and above of issued shares	2	0.02	455,130,580	64.98
	11,888	100.00	700,458,518	100.00

Thirty Largest Shareholders

Names of Shareholders	No. of Shares	%
1. GLL (Malaysia) Pte Ltd	350,755,920	50.08
2. HLG Nominee (Asing) Sdn Bhd - GLL (Malaysia) Pte Ltd	104,374,660	14.90
3. Cartaban Nominees (Asing) Sdn Bhd - Dubai Ventures Limited	34,000,000	4.85
4. Assets Nominees (Tempatan) Sdn Bhd - Exempt AN for GuocoLand (Malaysia) Berhad (ESOS)	30,387,700	4.34
5. Employees Provident Fund Board	16,801,040	2.40
6. HLB Nominees (Asing) Sdn Bhd - Central China Holdings Limited	7,741,600	1.11
7. Cimsec Nominees (Asing) Sdn Bhd - Exempt AN for CIMB-GK Securities Pte Ltd (Retail Clients)	4,038,340	0.58
8. AmInvestment Bank Berhad - Investment	3,734,700	0.53
9. TCL Nominees (Asing) Sdn Bhd - Quek Eng Chye	2,964,200	0.42
10. HLG Nominee (Tempatan) Sdn Bhd - Leong Khai Shaun	2,900,000	0.41
11. EB Nominees (Tempatan) Sendirian Berhad - Quek Leng Chan	2,761,920	0.39
12. Citigroup Nominees (Asing) Sdn Bhd - Third Avenue Real Estate Opportunities Fund LP	2,650,400	0.38

2. ANALYSIS OF SHAREHOLDINGS AS AT 25 SEPTEMBER 2007 (cont'd)

Thirty Largest Shareholders (cont'd)

Names of Shareholders	No. of Shares	%
13. ECM Libra Avenue Nominees (Asing) Sdn Bhd - Yeo Boon Hing	2,456,600	0.35
14. HLG Nominee (Asing) Sdn Bhd - Cheng Fu Zay	2,454,900	0.35
15. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Credit Suisse	2,344,100	0.33
16. HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Shenyin Wanguo Securities (H.K.) Limited (Clients' Account)	2,236,300	0.32
17. Citigroup Nominees (Asing) Sdn Bhd - Double Boost Investments Limited	2,000,000	0.29
18. HDM Nominees (Asing) Sdn Bhd - Low Kang Hai Richard	2,000,000	0.29
19. Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Merrill Lynch International (Prime Broker)	1,962,600	0.28
20. UOBM Nominees (Asing) Sdn Bhd - Quek Eng Chye	1,772,800	0.25
21. UOBM Nominees (Asing) Sdn Bhd - Tay Yun Chwan Henry	1,480,000	0.21
22. ECM Libra Avenue Nominees (Asing) Sdn Bhd - Gan Hui Leung	1,448,100	0.21
23. HLG Nominee (Asing) Sdn Bhd - Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	1,433,860	0.21
24. Chua Holdings Sdn Bhd	1,428,465	0.20
25. Citigroup Nominees (Asing) Sdn Bhd - DFA Emerging Markets Small Cap Series	1,359,800	0.19
26. Hong Bee Hardware Company, Sdn Berhad	1,357,020	0.19
27. Mayban Securities Nominees (Asing) Sdn Bhd - Kwong Hang Terry	1,300,000	0.19
28. ECM Libra Avenue Nominees (Asing) Sdn Bhd - Yam Koi Cheng	1,261,500	0.18
29. Mayban Securities Nominees (Asing) Sdn Bhd - Poh Po Lian	1,149,200	0.16
30. HLG Nominee (Asing) Sdn Bhd - Gan Cheong Or @ Ngan Chong Hoo	1,110,000	0.16
	593,665,725	84.75

2. ANALYSIS OF SHAREHOLDINGS AS AT 25 SEPTEMBER 2007 (cont'd)

Substantial Shareholders

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 25 September 2007 are as follows:

	Direct		Indirect	
Names of Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
1. Hong Leong Company (Malaysia) Berhad	-	-	455,198,596	64.99*A
2. HL Holdings Sdn Bhd	-	-	455,198,596	64.99*B
3. Tan Sri Quek Leng Chan	3,266,280	0.47	456,555,616	65.18*C
4. Kwek Leng Beng	-	-	456,555,616	65.18*C
5. Kwek Holdings Pte Ltd	-	-	456,555,616	65.18*C
6. Hong Realty (Private) Limited	-	-	456,555,616	65.18*C
7. Hong Leong Investment Holdings Pte Ltd	-	-	456,555,616	65.18*C
8. Kwek Leng Kee	-	-	456,555,616	65.18*C
9. Davos Investment Holdings Private Limited	-	-	456,555,616	65.18*C
10. Quek Leng Chye	-	-	456,555,616	65.18*C
11. GLL (Malaysia) Pte Ltd	455,130,580	64.98	-	-
12. GuocoLand Limited	-	-	455,130,580	64.98*D
13. GuocoLand Assets Pte Ltd	-	-	455,130,580	64.98*D
14. Guoco Group Limited	-	-	455,130,580	64.98*D
15. GuoLine Overseas Limited	-	-	455,130,580	64.98*D
16. GuoLine Capital Assets Limited	-	-	455,130,580	64.98*D

*A Held through subsidiaries
*B Held through Hong Leong Company (Malaysia) Berhad
*C Held through Hong Leong Company (Malaysia) Berhad and a company in which the substantial shareholder has interest
*D Held through GLL (Malaysia) Pte Ltd

3. DIRECTORS' INTERESTS AS AT 12 OCTOBER 2007

Subsequent to the financial year end, there is no change as at 12 October 2007 to the Directors' interests in the ordinary shares/ warrants/options/convertible unsecured loan stocks of the Company and/or its related corporations (other than wholly-owned subsidiaries), appearing in the Directors' Report on pages 31 to 33 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 except for the changes set out below:

	Number of Ordinary Shares/*Shares to be purchased arising from the exercise of options	%
Direct Interest		
YBhg Tan Sri Quek Leng Chan in:		
GuocoLand Limited	20,062,965#	2.26
Mr Quek Chee Hoon in:		
GuocoLand Limited	12,849,449#	1.45
	15,081,150*α	Not Applicable
Indirect Interest		
YBhg Tan Sri Quek Leng Chan in:		
Guoco Group Limited	219,839,529	66.81
GuocoLand Limited	567,148,320#	63.90
Camerlin Group Berhad	286,874,078@	61.99
Hong Leong Financial Group Berhad	2,500,000*^	Not Applicable
Hong Leong Bank Berhad	955,910,600	63.77~
Malaysian Pacific Industries Berhad	120,649,609	60.66

Notes:

Inclusive of acceptance of shares pursuant to a rights issue.
α Inclusive of adjustments arising from a rights issue.
@ Inclusive of shares arising from the conversion of convertible unsecured loan stocks ("Conversion"), additional shares from cash top up pursuant to the Conversion and exercise of warrants to subscribe for shares.
^ Held through children who are not directors of the Company.
~ Change of percentage arising from share buy back.

4. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by the Company and its subsidiaries involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 21, Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad.

GuocoLand (Malaysia) Berhad (300-K)
A Member of the Hong Leong Group Malaysia
(Incorporated in Malaysia)

Form Of Proxy

I/We _____

of _____

being a member of **GuocoLand (Malaysia) Berhad** (the "Company"), hereby appoint _____

_____

of _____

or failing him/her _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Eighty-third Annual General Meeting of the Company to be held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Tuesday, 13 November 2007 at 11.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X":

No.	Resolution	For	Against
1.	To declare a final dividend of 4% less tax		
2.	To approve the payment of Directors' fees		
3.	To re-elect YBhg Tan Sri Quek Leng Chan as a Director		
4.	To re-elect YBhg Dato' Chew Kong Seng as a Director		
5.	To re-appoint Messrs Ernst & Young as Auditors and authorise the Directors to fix their remuneration		
6.	As a special business, to approve the ordinary motion on authority to Directors to issue shares		

Dated this _____ day of _____ 2007.

_____ _____

Number of shares held Signature of Member

NOTES:

1. If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
3. A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
4. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where two proxies are appointed, the proportions of shareholdings to be represented by each proxy must be specified in order for the appointments to be valid. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.
6. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 10, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting.