

9. FINANCIAL INFORMATION OF THE GLOMAC GROUP

9.1 PROFIT AND DIVIDEND RECORD

The following table sets out a summary of the Group's consolidated results for each of the past five (5) financial years ended 30 April 1999 and the period from 1 May 1999 to 31 October 1999. The Group consolidated results which are based on the audited results of Glomac and its subsidiary and associated companies after making the necessary adjustments, are presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 16.

	Financial year ended 30 April					Period from
	1995 ⁽ⁱ⁾	1996 ⁽ⁱ⁾	1997	1998 ⁽ⁱⁱ⁾	1999	1 May 1999 to 31 October 1999
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	54,191	78,911	146,072	165,270	120,840	53,050
Profit before taxation and Exceptional Item	16,774	28,987	60,188	25,523	42,825	17,373
Loss on Conversion of Shares in a Subsidiary Company	-	-	-	-	(13,907) ⁽ⁱⁱⁱ⁾	-
Provision in diminution in value of Investment Properties	-	-	-	-	-	(7,670) ⁽ⁱⁱⁱ⁾
Profit before taxation	16,774	28,987	60,188	25,523	28,918	9,703
Taxation	(5,483)	(9,831)	(18,854)	(9,641)	(3,430) ^(iv)	(5,242)
Profit after taxation	11,291	19,156	41,334	15,882	25,488	4,461
Minority interests	(76)	(5,181)	(12,574)	(11,536)	(3,804)	(145)
Profit after taxation and after minority interest	11,215	13,975	28,760	4,346	21,684	4,316
No. of shares in issue ('000)	20,000	20,000	20,000	20,000	20,000	20,000
Net EPS before Exceptional Item (sen) ^(v)	56.08	69.88	143.80	21.73	177.96	119.86 ^(vi)
Net EPS (sen)	56.08	69.88	143.80	21.73	108.42	43.16 ^(vi)

Notes:

- (i) The summarised profit and loss accounts of the Glomac Group for the years ended 30 April 1995 and 1999 have been prepared based on the audited accounts of the Group after exclusion of the non-core activities of certain subsidiary companies. These subsidiary companies were disposed in 1996.
- (ii) The Glomac Group's operations for the financial year ended 30 April 1998 were affected by the economic crisis. This resulted in a lower profit margin on certain projects undertaken by the Group, as well as the losses incurred by its subsidiaries.

9. FINANCIAL INFORMATION OF THE GLOMAC GROUP (Cont'd)

- (iii) *There were no extraordinary items during the period under review. The exceptional item for the period ended 31 October 1999 represents provision for diminution in value of the investment properties arising from the revaluation of Group's investment properties. The exceptional item for the year ended 30 April 1999 represents the reversal of post-acquisition profits of a subsidiary company upon the conversion of the Group's interest in a subsidiary company from ordinary shares to preference shares.*
- (iv) *The effective tax rates for the financial years ended 30 April 1995 to 1998 and the period ended 31 October 1999 were higher than the statutory tax rates due mainly to reported losses of certain companies within the Group which cannot be offsetted against the profits of other companies.
Provision for taxation for the financial year ended 30 April 1999 is in respect of dividend income
Other than as stated, no provision for taxation has been made in the financial year ended 30 April 1999 as tax payable on chargeable income of the Group and of the Company is to be waived under the Income Tax (Amendment) Act, 1999 to facilitate the transition of the income tax assessment from a preceding year system to a current year system.*
- (v) *The net earnings before exceptional item per ordinary share is calculated based on the profit after taxation and before extraordinary and exceptional items divided by the number of ordinary shares in issue during those financial years. The exceptional item for the period ended 31 October 1999 represents provision for diminution in value of an investment property. The valuation exercise for this investment property was carried out in August 1999.*
- (vi) *Annualised.*
- (vii) *The summarised consolidated profit and loss accounts of the Group for each of the five financial years ended 30 April 1999 and the period from 1 May 1999 to 31 October 1999 are for illustrative purposes only and are based on the audited accounts of the Company and all its subsidiary companies made up to the end of the financial year or accounting period to the extent of the Group's attributable share in those respective financial years. However, proforma consolidated profit and loss accounts of the Group is not prepared to take into account the Acquisitions as the contributions of the remaining 49% of Glomac Sutera and 100% of Glomac Vantage have very minimal impact on the consolidated profit and loss accounts of the Group.*
- (viii) *Turnover of the Glomac Group consists of the proportion of aggregate sales value of property development project sold attributable to the percentage of development works performed, proportion of the total contract value attributable to the percentage of construction works performed, provision of property management and sales services, rental income from investment properties.
Turnover and profit before taxation of the Glomac Group increased consecutively in 1996 and 1997 mainly due to the recognition of the attributable profit of certain property development projects as well as the launch of new projects during the respective years. The Group's operations in 1998 were affected by the economic crisis resulting in a lower profit margin on certain projects undertaken as well as losses incurred by its subsidiary companies.*

9.2 WORKING CAPITAL, BORROWINGS AND CONTINGENT LIABILITIES

9.2.1 Working Capital

The Directors of Glomac are of the opinion that, after taking into consideration the cashflow estimate and forecast, banking facilities available and the net proceeds from the Rights Issue and the Public Issue, the Glomac Group will have adequate working capital for its present and foreseeable requirements.

9.2.2 Borrowings

As at 12 April 2000 (being the last practicable date at which such amounts could be calculated prior to the printing of this Prospectus):

- (i) the total bank borrowings and overdraft facilities of Glomac and its subsidiaries amounted to RM161 million. The bank borrowings are secured by way of charges on the assets of Glomac and its subsidiaries, personal guarantees given by several directors of Glomac and its subsidiaries and corporate guarantees.
- (ii) there is no loan capital outstanding or created but unissued;
- (iii) there is no convertible debt outstanding; and

9. FINANCIAL INFORMATION OF THE GLOMAC GROUP *(Cont'd)*

- (iv) the total capital commitments of the Group amounted to RM9.97 million for the acquisition of a piece of land which is subject to the approvals of the relevant authorities:-

The piece of land measures approximately 63.9042 acres and is held under P.T. No. 2149 located in the Mukim of Ijuk, Daerah Kuala Selangor Negeri Selangor ("Land"). The Land is owned by Pertubuhan Peladang Kawasan Kuala Selangor Selatan ("PPKKSS"). The Land will be acquired with vacant possession and free from all encumbrances whatsoever subject however to all such conditions and restrictions as may be endorsed on the document of title relating thereto and subject to the terms and conditions of the sale and purchase agreement ("SPA") for the Land. The SPA is dated 24 February 2000.

The Land has been approved for housing development and is currently charged to Perwira Affin Bank Berhad for a bridging facility via a fixed and floating charge debenture on Glomac Enterprise.

The total cash consideration of RM9,967,630.00 shall be payable as follows:-

- a) RM996,763.00 as deposit and part payment for the Land to the solicitors' of Glomac Enterprise, as stakeholders upon execution of the agreement; and
- b) RM8,970,867.00 shall be paid to Glomac Enterprise's solicitors, as stakeholders, within four (4) months from the date of this agreement ("Completion Date") failing which within three (3) months from the Completion Date.

The parties to the agreement has the intention to enter into a Supplemental Agreement to vary certain terms relating to how Glomac Enterprise's solicitor should distribute the RM8,970,867.00, contained in the SPA above.

9.2.3 Contingent Liabilities

As at 12 April 2000 (being the last practicable date at which such amounts could be calculated prior to the printing of this Prospectus), the Company had no contingent liabilities save and except for the corporate guarantees given by the Company to financial institutions in respect of financing facilities obtained by its subsidiary and associated companies in respect of their ordinary course of business amounting to RM101.0 million.

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10. CONSOLIDATED PROFIT ESTIMATE AND FORECAST TOGETHER WITH ASSUMPTIONS THEREON

The Directors of Glomac estimate and forecast that, in the absence of unforeseen circumstances, the consolidated profit estimate and forecast of the Group for the financial years ending 30 April 2000 and 2001 are as follows:

	Profit Estimate 2000 RM'000	Profit Forecast 2001 RM'000
Profit before taxation *	20,086	25,777
Less: Taxation	(7,106)	(7,760)
	<hr/>	<hr/>
Profit after taxation and after MI	12,980	18,017
	<hr/>	<hr/>
Weighted Average Share Capital ** (shares):	82,245,265	148,208,217
• Net EPS*** (based on weighted average share capital)	15.8 sen	12.0 sen
• PE Multiple based on the issue price of RM1.25 per share	7.9 times	10.4 times

Note:

* Profits achieved prior to the completion of the Acquisitions have been excluded

** Weighted average number of shares assuming the Proposals will be completed by 1 June 2000.

*** EPS is computed by dividing Consolidated profit after taxation and after MI over Weighted Average Share Capital

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been prepared are set out below. Nevertheless, in the light of the current Malaysian and regional economic environment, certain assumptions, including interest and exchange rates, may differ significantly should the economic situation differs significantly from the date of this profit estimate and forecast.

1. There will be no significant changes to the prevailing economic and political conditions in Malaysia and elsewhere that will have direct or indirect effects on the Group.
2. There will be no major industrial disputes or any abnormal circumstances including exceptional bad debts which will adversely affect the operations of the Group in which it operates other than those already provided for (if any) in the estimate and forecast.
3. The gain on disposal of land would be subject to Real Property Gains Tax.
4. There will be no material changes to present legislation or Government regulations, rates and bases of duties, levies and taxes affecting the Group's activities or the markets in which it operates.
5. Existing and future financing facilities will remain available to the Group at prevailing interest rates.
6. Inflation rates, interest rates and exchange rates, including the exchange rate of RM3.80 to USD1.00 will not change or fluctuate significantly from their present levels.
7. There will be no material changes in the Group structure and principal activities of the Group.
8. There will be no material changes in the accounting and management policies adopted by the Group.

10. CONSOLIDATED PROFIT ESTIMATE AND FORECAST TOGETHER WITH ASSUMPTIONS THEREON (Cont'd)

9. Other than inflationary increases, there will be no material increase in wages, construction materials and other costs.
10. Development property projects will progress as planned and there will not be any major delays.
11. There will be no delays in obtaining the necessary planning and other relevant approvals in respect of the Group's development property projects.
12. There will be no material acquisition or disposal of fixed assets and investments other than those budgeted, including any capital expenditure incurred in relation to Year 2000 compliant.
13. The listing exercise will be completed by June 1, 2000.

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11. AUDITORS' LETTER ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST

Kassim Chan



Kassim Chan & Co (AF 0080)
Public Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

Tel (603) 7161833, 7136500
Fax (603) 7163986, 7168986
E-mail audit@kassimchan.com.my

P. O. Box 10093, 50704 Kuala Lumpur
Malaysia

April 12, 2000

The Board of Directors
Glomac Berhad
12th Floor
Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS7/19
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Gentlemen:

**GLOMAC BERHAD (GLOMAC)
CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL
YEARS ENDING APRIL 30, 2000 AND 2001**

We have reviewed the accounting policies and calculations for the consolidated profit estimate and forecast of Glomac Berhad (Glomac) and its subsidiary and associated companies (Glomac Group), for which the Directors are solely responsible, for the financial years ending April 30, 2000 and 2001, as set out in the Prospectus to be dated April 22, 2000 in connection with the public issue of 32,871,000 new ordinary shares of RM1.00 each in Glomac at an issue price of RM1.25 per ordinary share and the listing of and quotation for the issued and paid-up share capital of Glomac comprising 150,000,000 ordinary shares of RM1.00 each on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the abovementioned consolidated profit estimate and forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of assumptions made by the Directors as set out in the Prospectus and are presented on a basis consistent with the accounting policies normally adopted by Glomac Group.

**Deloitte Touche
Tohmatsu**

11. **AUDITORS' LETTER ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST**
(Cont'd)

Kassim Chan & Co

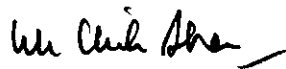
Glomac Berhad
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However, if the economic environment changes significantly caused by further adverse economic development in the Asia Pacific region which will affect the bases and assumptions used in the consolidated profit estimate and forecast, the operations of the Group may be affected accordingly. Furthermore, it should be noted that there will usually be differences between forecast and actual results, because of unforeseen events and circumstances and those differences may be material.

Yours very truly,



KASSIM CHAN & CO.
AF 0080
Public Accountants



WU CHIH SHAN
1887/3/02 (J)
Partner

11. **AUDITORS' LETTER ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST**
(Cont'd)



GLOMAC BERHAD (110532-M)

12th Floor, Wisma Glomac 3, Kompleks Kelana Centre Point,
Jalan SS 7/19 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
Tel : 03-7036160 Fax : 03-7037437 / 7052482

Date: 12 April 2000

GLOMAC BERHAD (GLOMAC)
CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL
YEARS ENDING APRIL 30, 2000 AND 2001

Barring unforeseen circumstances and on the bases and assumptions set out below, the Board of Directors of Glomac estimates and forecasts that the consolidated profit estimate and forecast of Glomac Berhad and its subsidiary and associated companies (Glomac Group) for the financial years ending April 30, 2000 and 2001 are as follows:

	Profit Estimate 2000 RM'000	Profit Forecast 2001 RM'000
Profit before taxation	20,086	25,777
Less: Taxation	(7,106)	(7,760)
Profit after taxation	<u>12,980</u>	<u>18,017</u>
Net Earnings Per Share (sen) *	16	12
PE Multiple based on the issue price of RM1.25 per share *	7.9 times	10.4 times

* *Calculated based on weighted average number of 82,245,265 and 148,208,217 ordinary shares of RM1.00 each in issue during the financial years ending April 30, 2000 and 2001 assuming the Public Issue will be completed by June 1, 2000.*

Principal Bases and Assumptions

The principal bases and assumptions upon which the consolidated profit estimate and forecast have been prepared are set out below. Nevertheless, in the light of the current Malaysian and regional economic environment, certain assumptions, including interest and exchange rates, may differ significantly should the economic situation differs significantly from the date of this profit estimate and forecast.

1. There will be no significant changes to the prevailing economic and political conditions in Malaysia and elsewhere that will have direct or indirect effects on the Group.
2. There will be no major industrial disputes or any abnormal circumstances including exceptional bad debts which will adversely affect the operations of the Group in which it operates other than those already provided for (if any) in the estimate and forecast.
3. The gain on disposal of land would be subject to Real Property Gains Tax.
4. There will be no material changes to present legislation or Government regulations, rates and bases of duties, levies and taxes affecting the Group's activities or the markets in which it operates.

11. **AUDITORS' LETTER ON THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST**
(Cont'd)



5. Existing and future financing facilities will remain available to the Group at prevailing interest rates.
6. Inflation rates, interest rates and exchange rates, including the exchange rate of RM3.80 to USD1.00 will not change or fluctuate significantly from their present levels.
7. There will be no material changes in the Group structure and principal activities of the Group.
8. There will be no material changes in the accounting and management policies adopted by the Group.
9. Other than inflationary increases, there will be no material increase in wages, construction materials and other costs.
10. Development property projects will progress as planned and there will not be any major delays.
11. There will be no delays in obtaining the necessary planning and other relevant approvals in respect of the Group's development property projects.
12. There will be no material acquisition or disposal of fixed assets and investments other than those budgeted, including any capital expenditure incurred in relation to Year 2000 compliant.
13. The listing exercise will be completed by June 1, 2000.

On behalf of the Board,

A large, stylized handwritten signature in black ink, appearing to read "Mansor Bin Fateh Din".

**DATO' MOHAMED MANSOR
BIN FATEH DIN
Director**

12. DIVIDEND ESTIMATE AND FORECAST

It will be the policy of the Directors of the Company to recommend dividends so as to allow shareholders to participate in the profits of the Company whilst leaving adequate reserves for its future growth.

For the Year Ending 30 April 2000

The Directors of Glomac will not propose any dividend for the financial year ending 30 April 2000.

For the Year Ending 30 April 2001

On the basis of the forecast estimate and consolidated profit before taxation and on the assumption that the present basis for calculating taxation and the rates of taxation remain unchanged, the Directors of Glomac anticipate that they will be in a position to propose a gross dividend of 5.0 sen or a gross dividend rate of 5.0% per share for the financial year ending 30 April 2001 based on the issued and paid-up share capital of RM150,000,000 comprising 150,000,000 ordinary shares of RM1.00 each. Based on the issue price of RM1.25 per share, the gross dividend yield and net dividend cover are as follows:

For the Year Ending 30 April	2000 RM'000	2001 RM'000
Consolidated profit before taxation and after MI	20,086	25,777
Less: Taxation	(7,106)	(7,760)
Consolidated profit after taxation and after MI	12,980	18,017
Less: Proposed Dividend	-	(5,400)
Retained profit for the year	<u>12,980</u>	<u>12,617</u>
Gross dividend per share based on 150,000,000 ordinary shares of RM1.00 each in issue	-	5.0 sen
Gross dividend yield based on the issue price of RM1.25 per share	-	4.0%
Net dividend per share based on 150,000,000 ordinary shares of RM1.00 each in issue at the tax rate of 28%	-	3.6 sen
Net dividend yield based on the issue price of RM1.25 per share	-	2.8%
Net dividend cover	-	3.3 times

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13. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 OCTOBER 1999 TOGETHER WITH ASSUMPTIONS THEREON

The Proforma Consolidated Balance Sheets as set out below have been prepared for illustrative purposes only to show the effect on the combined audited balance sheets of Glomac Berhad and its subsidiary and associate companies as 31 October 1999 on the assumptions that the following events had been completed on 31 October 1999.

	Per Audited Accounts as at 31.10.1999 RM'000	Proforma after Bonus Issue RM'000	Proforma 1 and Acquisition of Glomac Vantage RM'000	Proforma 2 after Acquisition of Remaining Interest in Glomac Sutera RM'000	Proforma 3 after Proforma 2 and Rights Issue RM'000	Proforma 4 after Proforma 3 and Proposed Public Issue RM'000
Fixed assets	7,563	7,563	7,563	7,563	7,563	7,563
Investment properties	119,064	119,064	119,064	119,064	119,064	119,064
Investment in associated companies	31,653	31,653	31,653	31,653	31,653	31,653
Intangible assets	428	428	428	428	428	428
Property development projects	83,060	83,060	103,422	103,422	103,422	103,422
Other investment	4,000	4,000	4,000	4,000	4,000	4,000
CURRENT ASSETS						
Stocks	15,911	15,911	15,911	15,911	15,911	15,911
Property development projects	33,849	33,849	33,849	33,849	33,849	33,849
Contract WIP	4,903	4,903	4,903	4,903	4,903	4,903
Trade debtors	8,758	8,758	8,758	8,758	8,758	8,758
Other debtors, deposits and prepayments	18,249	18,249	18,260	18,260	18,260	18,260
Amount due from associated companies	5,632	5,632	5,632	5,632	5,632	5,632
Amount due from directors	3,838	3,838	-	-	-	-
Short-term deposits	6,050	6,050	6,050	6,050	6,050	6,050
Cash and bank balances	17,804	17,804	17,821	17,821	54,321	95,410
	114,994	114,994	111,184	111,184	147,684	188,773
CURRENT LIABILITIES						
Advance billings	-	-	-	-	-	-
Trade creditors	14,741	14,741	14,741	14,741	14,741	14,741
Other creditors and accrued expenses	24,774	24,774	28,447	23,001	23,001	26,801
Amount due to directors	7	7	69	69	69	69
Hire-purchase creditors-current portion	640	640	640	640	640	640
Bank borrowings-current portion	44,523	44,523	57,523	57,523	57,523	57,523
Provision for taxation	10,946	10,946	10,947	10,947	10,947	10,947
	95,631	95,631	112,367	106,921	106,921	110,721
Net current assets	19,363	19,363	(1,183)	4,263	40,763	78,052
Hire-purchase creditors-non-current portion	(64)	(64)	(64)	(64)	(64)	(64)
Bank borrowings-non-current portion	(122,640)	(122,640)	(122,640)	(122,640)	(122,640)	(122,640)
Deferred taxation	(78)	(78)	(78)	(78)	(78)	(78)
	142,349	142,349	142,165	147,611	184,111	221,400
Represented by:						
Share capital	20,000	76,000	76,000	80,629	117,129	150,000
Share premium	-	-	-	1,157	1,157	5,575
Unappropriated profit	75,237	30,237	30,237	30,237	30,237	30,237
Reserve on consolidation	5,735	5,735	5,551	5,211	5,211	5,211
Revaluation surplus	28,744	17,744	17,744	17,744	17,744	17,744
Shareholders' equity	129,716	129,716	129,532	134,978	171,478	208,767
Minority interests	12,633	12,633	12,633	12,633	12,633	12,633
	142,349	142,349	142,165	147,611	184,111	221,400
Net tangible assets per share (RM)	6.46	1.70	1.70	1.67	1.46	1.39

13. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 OCTOBER 1999 TOGETHER WITH ASSUMPTIONS THEREON (CONT'D)

Notes to the proforma consolidated balance sheets of Glomac Berhad (Glomac) and its subsidiary companies (the Glomac Group or the Group)

1. The proforma consolidated balance sheets have been prepared based on the accounting principles and bases consistent with those previously adopted in the preparation of the statutory accounts. The proforma consolidated balance sheets are prepared for illustrative purposes only and based on the audited consolidated balance sheets of the Glomac Group as at October 31, 1999 and on the assumptions that the following transactions have been effected on that date:

Proforma 1

Proforma 1 incorporates the bonus issue of 56,000,000 new ordinary shares of RM1.00 each on the basis of approximately 14 new ordinary shares for every 5 ordinary shares held by the existing shareholders, through capitalisation of the following accounts:

	RM
Unappropriated profit	45,000,000
Revaluation surplus	<u>11,000,000</u>
	<u>56,000,000</u>

Proforma 2

Proforma 2 incorporates Proforma 1 and the acquisition of 100% equity interest in Glomac Vantage Sdn. Bhd. (GVSB) for a cash purchase consideration of RM3,900,000. The acquisition of GVSB has been accounted for using the acquisition method of accounting based on the audited accounts of GVSB as at 31 October, 1999 adjusted to take into account the effect of an additional share issue of 1,400,000 new ordinary shares in GVSB by way of capitalisation of an amount owing to the then existing shareholders of GVSB.

Proforma 3

Proforma 3 incorporates the effects of Proforma 2 and the acquisition of remaining 49% equity interest in Glomac Sutera Sdn. Bhd. (GSSB) for a total purchase consideration of RM490,000. In addition, Glomac will assume the advances from the vendors of GSSB amounting to RM8,247,249. The aggregate amount due to the vendors of RM8,737,249 is to be settled by way of an issue of 4,628,638 new ordinary shares of RM1.00 each in Glomac at an issue price of RM1.25 per ordinary share and cash settlement of RM2,951,452. The acquisition of GSSB has been accounted for using the acquisition method of accounting based on the audited accounts of GSSB as at October 31, 1999.

Proforma 4

Proforma 4 incorporates Proforma 3 and the rights issue of 36,500,362 new ordinary shares of RM1.00 each on the basis of approximately 480 new ordinary shares for every 1,000 ordinary shares held at an issue price of RM1.00 per ordinary share after the aforementioned bonus issue.

Proforma 5

Proforma 5 incorporates Proforma 4 and the proposed public issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per ordinary share and, giving rise to a share premium of RM8,217,750.

The estimated listing expenses amounting to RM3,800,000 have been written off against the share premium account.

13. PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 OCTOBER 1999 TOGETHER WITH ASSUMPTIONS THEREON (CONT'D)

2. The gross proceeds from the Rights Issue and the Public Issue amounting to RM77,589,112 will be utilised in the following manner:

	RM'000
Repayment of short term borrowings	26,849
Repayment of long term borrowings	40,851
Working capital	6,089
Estimated listing expenses	<u>3,800</u>
	<u><u>77,589</u></u>

3. The movements in the issued and paid-up share capital and reserves of the Glomac Group are as follows:

	Share Capital	Share Premium	Unappropriated Profit	Reserve on Consolidation	Revaluation Surplus
	RM'000	RM'000	RM'000	RM'000	RM'000
Per audited accounts as at October 31, 1999	20,000	-	75,237	5,735	28,744
Arising from Bonus Issue	<u>56,000</u>	-	<u>(45,000)</u>	-	<u>(11,000)</u>
Proforma 1	76,000	-	30,237	5,735	17,744
Arising from acquisition of equity interest in GVSB	-	-	-	<u>(184)</u>	-
Proforma 2	76,000	-	30,237	5,551	17,744
Arising from acquisition of remaining equity interest in GSSB and settlement of advances from vendors of GSSB	<u>4,629</u>	<u>1,157</u>	-	<u>(340)</u>	-
Proforma 3	80,629	1,157	30,237	5,211	17,744
Arising from Rights Issue	<u>36,500</u>	-	-	-	-
Proforma 4	117,129	1,157	30,237	5,211	17,744
Arising from proposed public issue	32,871	8,218	-	-	-
Listing expenses	<u>-</u>	<u>(3,800)</u>	-	-	-
Proforma 5	<u><u>150,000</u></u>	<u><u>5,575</u></u>	<u><u>30,237</u></u>	<u><u>5,211</u></u>	<u><u>17,744</u></u>

14. AUDITORS' LETTER ON THE CONSOLIDATED BALANCE SHEETS

Kassim Chan



Kassim Chan & Co (AF 0080)
Public Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

Tel (603) 7161833, 7136500
Fax (603) 7163986, 7168986
E-mail audit@kassimchan.com.my

P. O. Box 10093, 50704 Kuala Lumpur
Malaysia

April 12, 2000

The Board of Directors
Glomac Berhad
12th Floor, Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS7/19
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs:

GLOMAC BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT OCTOBER 31, 1999

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of Glomac Berhad (Glomac) and its subsidiary companies (the Glomac Group or the Group) as at October 31, 1999, together with the notes and assumptions thereto, for which the Directors of Glomac are solely responsible, set out in the Prospectus to be dated April 22, 2000 in connection with the Public issue of 32,871,000 new ordinary shares of RM1.00 each in Glomac at an issue price of RM1.25 per ordinary share and listing of and quotation for the issued and paid-up share capital of Glomac comprising 150,000,000 ordinary shares of RM1.00 each on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the abovementioned Proforma Consolidated Balance Sheets, which have been prepared for illustrative purposes only, have been properly presented on the bases and assumptions set out in the notes and assumptions to the Proforma Consolidated Balance Sheets.

Yours very truly,

Kassim Chan

KASSIM CHAN & CO.
AF 0080
Public Accountants

Wu Chih Shan

WU CHIH SHAN
1887/3/02 (J)
Partner

**Deloitte Touche
Tohmatsu**

14. AUDITORS' LETTER ON THE CONSOLIDATED BALANCE SHEETS (Cont'd)



GLOMAC BERHAD (110532-M)

12th Floor, Wisma Glomac 3, Kompleks Kelana Centre Point,
Jalan SS 7/19 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
Tel : 03-7036160 Fax : 03-7037437 / 7052482

PROFORMA CONSOLIDATED BALANCE SHEETS OF THE GLOMAC GROUP AS OF OCTOBER 31, 1999 TOGETHER WITH THE NOTES AND ASSUMPTIONS THERETO

	Per Audited Accounts as at 31.10.1999 RM'000	Proforma 1 Proforma after Bonus Issue RM'000	Proforma 2 Proforma after Acquisition of Glomac Vantage RM'000	Proforma 3 Proforma after Acquisition of Remaining Equity Interest in Glomac Sutera RM'000	Proforma 4 Proforma after Proforma 3 and Rights Issue RM'000	Proforma 5 Proforma after Proforma 4 and the Proposed Public Issue RM'000
Fixed assets	7,563	7,563	7,563	7,563	7,563	7,563
Investment properties	119,064	119,064	119,064	119,064	119,064	119,064
Investment in associated companies	31,653	31,653	31,653	31,653	31,653	31,653
Intangible assets	428	428	428	428	428	428
Property development projects	83,060	83,060	103,422	103,422	103,422	103,422
Other investment	4,000	4,000	4,000	4,000	4,000	4,000
CURRENT ASSETS						
Stocks	15,911	15,911	15,911	15,911	15,911	15,911
Property development projects	33,849	33,849	33,849	33,849	33,849	33,849
Contract WIP	4,903	4,903	4,903	4,903	4,903	4,903
Trade debtors	8,758	8,758	8,758	8,758	8,758	8,758
Other debtors, deposits and prepayments	18,249	18,249	18,260	18,260	18,260	18,260
Amount due from associated companies	5,632	5,632	5,632	5,632	5,632	5,632
Amount due from directors	3,838	3,838	-	-	-	-
Short-term deposits	6,050	6,050	6,050	6,050	6,050	6,050
Cash and bank balances	17,804	17,804	17,821	17,821	54,321	95,410
	114,994	114,994	111,184	111,184	147,684	188,773
CURRENT LIABILITIES						
Advance billings	-	-	-	-	-	-
Trade creditors	14,741	14,741	14,741	14,741	14,741	14,741
Other creditors and accrued expenses	24,774	24,774	28,447	23,001	23,001	26,801
Amount due to directors	7	7	69	69	69	69
Hire-purchase creditors - current portion	640	640	640	640	640	640
Bank borrowings - current portion	44,523	44,523	57,523	57,523	57,523	57,523
Provision for taxation	10,946	10,946	10,947	10,947	10,947	10,947
	95,631	95,631	112,367	106,921	106,921	110,721
Net current assets	19,363	19,363	(1,183)	4,263	40,763	78,052
Hire-purchase creditors - non-current portion	(64)	(64)	(64)	(64)	(64)	(64)
Bank borrowings - non-current portion	(122,640)	(122,640)	(122,640)	(122,640)	(122,640)	(122,640)
Deferred taxation	(78)	(78)	(78)	(78)	(78)	(78)
	142,349	142,349	142,165	147,611	184,111	221,400
Represented by						
Share capital	20,000	76,000	76,000	80,629	117,129	150,000
Share premium	-	-	-	1,157	1,157	5,575
Unappropriated profit	75,237	30,237	30,237	30,237	30,237	30,237
Reserve on consolidation	5,735	5,735	5,551	5,211	5,211	5,211
Revaluation surplus	28,744	17,744	17,744	17,744	17,744	17,744
Shareholders' equity	129,716	129,716	129,532	134,978	171,478	208,767
Minority interests	12,633	12,633	12,633	12,633	12,633	12,633
	142,349	142,349	142,165	147,611	184,111	221,400
Net tangible assets per share (RM)	6.46	1.70	1.70	1.67	1.46	1.39



GLOMAC BERHAD (110532-M)

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Jalan SS 7/19 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.
Tel : 03-7036160 Fax : 03-7037437 / 7052482

Date: 12 April 2000

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS OF GLOMAC BERHAD (GLOMAC) AND ITS SUBSIDIARY COMPANIES (THE GLOMAC GROUP OR THE GROUP)

1. The proforma consolidated balance sheets have been prepared based on the accounting principles and bases consistent with those previously adopted in the preparation of the statutory accounts. The proforma consolidated balance sheets are prepared for illustrative purposes only and based on the audited consolidated balance sheets of the Glomac Group as at October 31, 1999 and on the assumptions that the following transactions have been effected on that date:

Proforma 1

Proforma 1 incorporates the bonus issue of 56,000,000 new ordinary shares of RM1.00 each on the basis of approximately 14 new ordinary shares for every 5 ordinary shares held by the existing shareholders, through capitalisation of the following accounts:

	RM
Unappropriated profit	45,000,000
Revaluation surplus	<u>11,000,000</u>
	<u>56,000,000</u>

Proforma 2

Proforma 2 incorporates Proforma 1 and the acquisition of 100% equity interest in Glomac Vantage Sdn. Bhd. (GVSB) for a cash purchase consideration of RM3,900,000. The acquisition of GVSB has been accounted for using the acquisition method of accounting based on the audited accounts of GVSB as at 31 October, 1999 adjusted to take into account the effect of an additional share issue of 1,400,000 new ordinary shares in GVSB by way of capitalisation of an amount owing to the then existing shareholders of GVSB.



Proforma 3

Proforma 3 incorporates the effects of Proforma 2 and the acquisition of remaining 49% equity interest in Glomac Sutera Sdn. Bhd. (GSSB) for a total purchase consideration of RM490,000. In addition, Glomac will assume the advances from the vendors of GSSB amounting to RM8,247,249. The aggregate amount due to the vendors of RM8,737,249 is to be settled by way of an issue of 4,628,638 new ordinary shares of RM1.00 each in Glomac at an issue price of RM1.25 per ordinary share and cash settlement of RM2,951,452. The acquisition of GSSB has been accounted for using the acquisition method of accounting based on the audited accounts of GSSB as at October 31, 1999.

Proforma 4

Proforma 4 incorporates Proforma 3 and the rights issue of 36,500,362 new ordinary shares of RM1.00 each on the basis of approximately 480 new ordinary shares for every 1,000 ordinary shares held at an issue price of RM1.00 per ordinary share after the aforementioned bonus issue.

Proforma 5

Proforma 5 incorporates Proforma 4 and the proposed public issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per ordinary share and, giving rise to a share premium of RM8,217,750.

The estimated listing expenses amounting to RM3,800,000 have been written off against the share premium account.

2. The gross proceeds from the Rights Issue and the Public Issue amounting to RM77,589,112 will be utilised in the following manner:

	RM'000
Repayment of short term borrowings	26,849
Repayment of long term borrowings	40,851
Working capital	6,089
Estimated listing expenses	3,800
	<hr/>
	77,589
	<hr/> <hr/>

14. AUDITORS' LETTER ON THE CONSOLIDATED BALANCE SHEETS (Cont'd)



3. The movements in the issued and paid-up share capital and reserves of the Glomac Group are as follows:

	Share Capital RM'000	Share Premium RM'000	Unappropriated Profit RM'000	Reserve on Consolidation RM'000	Revaluation Surplus RM'000
Per audited accounts as at October 31, 1999	20,000	-	75,237	5,735	28,744
Arising from Bonus Issue	56,000	-	(45,000)	-	(11,000)
Proforma 1	76,000	-	30,237	5,735	17,744
Arising from acquisition of equity interest in GVSB	-	-	-	(184)	-
Proforma 2	76,000	-	30,237	5,551	17,744
Arising from acquisition of remaining equity interest in GSSB and settlement of advances from vendors of GSSB	4,629	1,157	-	(340)	-
Proforma 3	80,629	1,157	30,237	5,211	17,744
Arising from Rights Issue	36,500	-	-	-	-
Proforma 4	117,129	1,157	30,237	5,211	17,744
Arising from proposed public issue	32,871	8,218	-	-	-
Listing expenses	-	(3,800)	-	-	-
Proforma 5	150,000	5,575	30,237	5,211	17,744

On behalf of the Board,


**DATO' MOHAMED MANSOR
 BIN FATEH DIN**
 Director



No. 25, Jalan Yap Ah Shak, Off Jalan Dang Wangi (Campbell), 50300 Kuala Lumpur, Malaysia.
Fax: 03-2925771 (Marketing), 03-2943484 (Valuation), 03-2941261 (Agency), 03-2945543 (Admin)
Tel: 03-2942212

**INTERNATIONAL REAL ESTATE AND PLANT & MACHINERY
CONSULTANTS, VALUERS, AUCTIONEERS, AGENTS,
PROJECT AND PROPERTY MANAGER**

Date : 12 APR 2000

The Board of Directors
Glomac Berhad
12th Floor Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

**VALUATION OF PROPERTIES BELONGING TO GLOMAC BERHAD
("GLOMAC")**

This letter is prepared for inclusion in the Prospectus to be dated 22 April 2000 in relation to the Public Issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per share.

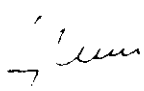
We are instructed by Glomac to value the properties listed below. We confirm that we have valued the properties based on the Valuation Basis stated below. The Valuations had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission in appliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Market Value of the properties to be as follows:-

PROPERTY HELD FOR INVESTMENT RM127,820,000

Details of properties are shown overleaf.

Yours faithfully,
HENRY BUTCHER, Lim & Long Sdn. Bhd.


LONG TIAN CHEK
B. Sc., ARICS, MIS(M)
Registered Valuer (V-241)

LTC/rj

15. VALUERS' LETTERS (Cont'd)

<u>Date of Valuation/Ref. No.</u>	<u>Property Location</u>	<u>Description of Property/Existing Use</u>	<u>Tenure</u>	<u>Brief Term of Tenancy / Occupancy Rate as at date of Valuation</u>	<u>Net Annual Rents Receivable</u>	<u>Market Value (Valuation Method)</u>
29 July, 1999 V/B12-98/1152	Kelana Business centre	9 units office space together with 797 units car park bay	Leasehold for 99 years expiring on 21 November 2092	3 years/100%	RM2.2 Million	RM26,800,000 Comparison and Investment method
12 November, 1999 V/B12-98/1152A	Kelana Centre Point	Two blocks of 13 storey office buildings ie. Block C and D, Kelana Centre Point	Leasehold for 99 years expiring on 23 January 2094	3 years/79%	RM6.2 Million	RM84,520,000 Comparison and Investment method
16 August, 1999 V/B08-99/0977	Glomac Business centre	9 storey office building identified as Wisma Glomac together with 338 units car park bay	Freehold	3 years/100%	RM1.9 Million	RM16,500,000 Comparison and Investment method



No. 25, Jalan Yap Ah Shak, Off Jalan Dang Wangi (Campbell), 50300 Kuala Lumpur, Malaysia.
Fax: 03-2925771 (Marketing), 03-2943484 (Valuation), 03-2941261 (Agency), 03-2945543 (Admin)
Tel: 03-2942212

**INTERNATIONAL REAL ESTATE AND PLANT & MACHINERY
CONSULTANTS, VALUERS, AUCTIONEERS, AGENTS,
PROJECT AND PROPERTY MANAGER**

Date : 12 APR 2000

The Board of Directors
Glomac Berhad
12th Floor, Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS7/19
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

**VALUATION OF PROPERTIES BELONGING TO GLOMAC BERHAD
("GLOMAC").**

This letter is prepared for inclusion in the Prospectus to be dated 22 April 2000 in relation to the Public Issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per share.

We are instructed by Glomac to value the properties listed below. We confirm that we have valued the properties based on the Valuation Basis stated below. The Valuations had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission in appliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Market Value of the following properties to be as follows:-

<u>Date of Valuation/ Ref. No.</u>	<u>Property Location</u>	<u>Description of Property/Existing Use</u>	<u>Tenure</u>	<u>Market Value (Valuation Method)</u>
July 27, 1999 V/B12-98/1153	Lot PT 1685, H.S.(D) 2452 Mukim of Ijok, District of Kuala Selangor, Selangor	Agricultural land	Leasehold for 99 years expiring on Feb. 18, 2093	RM1,300,000 Comparison Method
July 27, 1999 V/B12-98/1154	Lots PT1887 - 1892 H.S.(M) 2025 - 2030, Mukim of Ijok, District of Kuala Selangor, Selangor	Agricultural land	Leasehold for 99 years expiring on June 22, 2094	RM2,145,000 Comparison Method

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15. VALUERS' LETTERS (Cont'd)



July 27, 1999 V/B03-99/0253	Sungai Buloh Country Resort	Mixed development land/ Development in progress	Leasehold for 99 years expiring on March 24, 2095	RM66,569,000 Residual Method
July 27, 1999 V/JB12-98/497A/Az	Lots 2265 & 888 Geran Nos. 18689 & 20146 Mukim and District of Kota Tinggi, Johor	Mixed development land/ Development in progress	Freehold	RM52,670,000 Comparison Method

Yours faithfully,
HENRY BUTCHER, Lim & Long Sdn. Bhd.


LONG TIAN CHEK
B.Sc., ARICS, MIS(M)
Registered Valuer (V-241)

LTC/rj

15. VALUERS' LETTERS (Cont'd)

Dato' Abdul Rahim Rahman DMP, FRICS, FISM
Dr. Aloysius Bernard Marbeck JSM, KMN, AEABM,
AEANM, LLD (Hon), FRICS, FISM, MVM
Lai Mun Wan AMP, FRICS, MISM, IRRV
Tay Lai Hae ARICS, IRRV, MISM
Loh Beng Hooi MSM, B. Sc. (Est. Mgt.) IRRV
Azami Mohd Noor B. Surv. (Hons.) Property Mgt.
Choy Yue Kwong MSM, B. Sc. Dip. In Land Econ
Ros Liza Ariffin B. Surv. Property Mgt.
Selina Khor Siew Suan MISM, Assoc. Dip. In Val.
Mohamed Nasir Ali Adv. Dip. (Est. Mgt.)
Donald Lam Joon Onn MISM, Dip. Val. Surv.
Baharum Shah Munir Adv. Dip. (Est. Mgt.) MISM
Chee Kok Thim B. Prop. Admin. (Auckland) FISM
Kevin Tai Sue Koong MSM, B. Bus. In Property, REISA



The Board of Directors
GLOMAC BERHAD
12th Floor, Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS7/19
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

VALUATION OF PROPERTY BELONGING TO GLOMAC LAND SDN BHD ("GLOMAC")

This letter is prepared for inclusion in the Prospectus to be dated 22 April 2000 in relation to the Public Issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per share.

We are instructed by Glomac to value the property listed below. We confirm that we have valued the property based on the Valuation Basis stated below. The Valuation had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission, in compliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Market Value of the property to be as follows :-

<u>Date of Valuation</u>	<u>Reference No.</u>	<u>Property Location</u>	<u>Description of Property/Existing Use</u>	<u>Tenure</u>	<u>Market Value (Valuation Method)</u>
23/8/1999	V/PJ/DEV/6029-99	Located off Jalan Kuala Selangor (approximately at 30km), Mukim of Ijuk, District of Kuala Selangor, State of Selangor [Pajakan Negeri 7357, Lot No. 2771, Mukim of Ijuk, District of Kuala Selangor, State of Selangor]	A plot of building land (an on going mixed development project-predominantly residential)	Leasehold for 99 years	RM46,650,000.00 (Residual Method)

Yours faithfully,
RAHIM & CO. (SEL) SDN BHD

CHOY YUE KWONG
B.SC, POSTGRAD DIP LAND ECON
REGISTERED VALUER V328

RAHIM & CO (SEL) SDN BHD (123157-K)

[Board Reg. No. VE(1)0065/9]

36, Jalan Yong Shook Lin, Seksyen 52, 46200 Petaling Jaya, Selangor, Malaysia. Tel: 03-7579528, Fax: 03-7565386 Email: rccssel@po.jaring.my
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15. VALUERS' LETTERS (Cont'd)

Dato' Abdul Rahim Rahman DIMP, FRICS, FISM
Dr. Aloysius Bernard Marbeck JSM, IJMN, AEABM,
AEANM, LLD (Hon), FRICS, FISM, MAMM
Lai Mun Wan AMP, FRICS, MSM, IRRV
Tay Lai Hee ARICS, IRRV, MISM
Loh Beng Hooi MISM, B. Sc. (Est. Mgt.) IRRV
Azami Mohd Noor B. Surv. (Hons.) Property Mgt.
Choy Yue Kwong MISM, B. Sc. Dip. In Land Econ.
Ros Liza Ariffin B. Surv. Property Mgt.
Selina Khor Siew Suan MISM, Assoc. Dip. In Val.
Mohamad Nasir Ali Adv. Dip. (Est. Mgt.)
Donald Lam Joon Onn MISM, Dip. Val. Surv.
Baharum Shah Munir Adv. Dip. (Est. Mgt.) MISM
Chee Kok Thim B. Prop. Admin. (Auckland) FISM
Kevin Tai Sue Koong MISM, B. Bus. In Property, REISA



The Board of Directors
GLOMAC BERHAD
12th Floor, Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS7/19
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

VALUATION OF PROPERTY BELONGING TO GLOMAC VANTAGE SDN BHD ("GLOMAC")

This letter is prepared for inclusion in the Prospectus to be dated 22 April 2000 in relation to the Public Issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per share.

We are instructed by Glomac to value the property listed below. We confirm that we have valued the property based on the Valuation Basis stated below. The Valuation had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission, in compliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Market Value of the property to be as follows :-

<u>Date of Valuation</u>	<u>Reference No.</u>	<u>Property Location</u>	<u>Description of Property/Existing Use</u>	<u>Tenure</u>	<u>Market Value (Valuation Method)</u>
17/8/1999	V/PJ/DEV/6054-99	Located about 280 metres to the west of the intersection of Jalan Ong Kim Wee and Jalan Tengkeru and is on the south side of the latter road, within the Historic City of Melaka. [H.S. (D) 33858, P.T. No. 1183, Town of Kawasan Bandar VI, District of Melaka Tengah, State of Melaka]	A plot of commercial building development land	Leasehold for 99 years	RM20,448,000.00 (Direct Comparison Method)

Yours faithfully,
RAHIM & CO. (SEL) SDN BHD

CHOY YUE KWONG
B.SC, POSTGRAD DIP LAND ECON
REGISTERED VALUER V328

RAHIM & CO (SEL) SDN BHD (123157-K)

[Board Reg. No. VE(1)0065/9]

36, Jalan Yong Shook Lin, Seksyen 52, 46200 Petaling Jaya, Selangor, Malaysia. Tel: 03-7579528, Fax: 03-7565386 Email: rccscl@po.jaring.my
Kuala Lumpur • Ipoh • Penang • Kota Kinabalu • Kota Bharu • Kuantan • Malacca • Johor Bahru • Kuala Terengganu • Kuching • Seremban • Alor Setar

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KHONG & JAAFAR SDN BHD (31218-T)

REGISTERED VALUERS AND ESTATE AGENTS PROPERTY CONSULTANTS PROPERTY AND PROJECT MANAGERS
PROPERTY INVESTMENT ADVISORS FEASIBILITY AND MARKET RESEARCHERS

V(1)0005

PENILAI DAN EJEN HARTA BERDAFTAR PERUNDING HARTA PENGURUS HARTA DAN PROJEK PENASIHAT
PELABURAN PENGKAJI KEMUNGKINAN DAN KAJIAN PASARAN HARTA.

57-1 JALAN TELAWI TIGA BANGSAR BARU 59100 KUALA LUMPUR. TEL: 03-2629699 FAX: 03-2629799

Our Ref: MV(WP) 768/98

The Board of Directors
Glomac Berhad
12th Floor, Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

RE: VALUATION OF PROPERTIES OF GLOMAC HOTELS & RESORTS SDN BHD

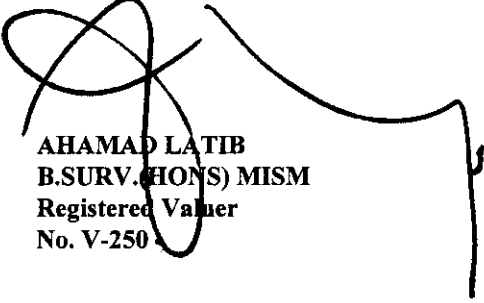
This letter is prepared for inclusion in the Prospetus to be dated 22 April 2000 in relation to the Public Issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of Rm1.25 per share.

We have been instructed by Glomac Berhad to value the properties listed below. We confirmed that we have valued the properties based on the Valuation Bases stated below. The Valuation had been carried out in accordance with the Guidelines on Asset Valuations for Submission to The Securities Commission issued by The Securities Commission, in compliance with the Valuation Standards issued by The Board of Valuers, Appraisers and Estate Agents, Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Open Market Value of the properties to be as follows:-

<u>Date of Valuation</u>	<u>Ref. No.</u>	<u>Property Location</u>	<u>Description of Property/ Existing Use</u>	<u>Tenure</u>	<u>Open Market Value (Valuation Method)</u>
5/7/99	MV(WP) 768/98	Lot Nos. 417 and 2575, Mukim of Petaling, District of Kuala Lumpur (Two parcels of land with building development potential at Jalan Kiang Lama, Kuala Lumpur)	Two parcels of land with building development potential	Freehold	RM8,000,000 (Comparison & Residual Methods)

Yours faithfully
For and on behalf of
KHONG & JAAFAR SDN BHD


AHAMAD LATIB
B.SURV. (HONS) MISM
Registered Valuer
No. V-250



W. M. Malik & Kamaruzaman

CHARTERED SURVEYORS ● VALUERS
3rd Floor, Wisma Yakin, Jalan Melayu,
50100 Kuala Lumpur, Malaysia.
Tel: 03-298 5522 Fax: 603-292 5202
Reg No: V(2) 0001

Wan Malik Mohamed, FRICS, MIS(M)
Kamaruzaman Jamil, BSc. (Hons) (London), FRICS, FISM

Liang Sang Chong, BSc. (Land Admin.), FRICS, MIS(M)

The Board of Directors
Glomac Berhad
12th Floor, Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS 7/19
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

VALUATION OF PROPERTY BELONGING TO GLOMAC BERHAD ("Glomac")

This letter is prepared for inclusion in the Prospectus to be dated 22 April 2000 in relation to the Public Issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per share.

We were instructed by Glomac to value the property listed below. We confirm that we have valued the property based on the Valuation Basis stated below. The Valuation had been carried out in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission, in compliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

In our opinion, we consider the Market Value of the property to be as follows:-

Date of Valuation	Ref. No	Property Location	Description of Property/	Tenure	Market Value (Valuation Method)
15.7.1999	PJ 50/94-99(SC)	Capital Point, Worldwide Business Park, Section 13, Shah Alam	Part of Shopping cum Office Complex consisting of:- - 55 Shoplots in Block 1, 2 and 4.	Not issued with separate titles and separate strata titles yet. Lease 99 years expiring on 15.1.2094 (approx. 94 years unexpired term)	RM27,450,000-00 (Comparison and Investment Methods)

BRANCHES

Petaling Jaya : 2nd Floor, No: 11, Jalan Barat, 46200 Petaling Jaya. Tel: 03-755 6454 & 758 8854 Fax: 03-756 2049 Reg No: VE(2) 0062
Klang : 1st Floor, No: 32, Jalan Tengku Diauddin, 41000 Klang. Tel: 03-332 1932, 333 0698, 03-332 5945 Reg. No: VE (2) 0062/1

15. VALUERS' LETTERS (Cont'd)



W. M. Malik & Kamaruzaman

CHARTERED SURVEYORS ● VALUERS

Date of Valuation	Ref. No	Property Location	Description of Property/	Tenure	Market Value (Valuation Method)
			- 1,777 car parking bays	as per Parent Title No. PN 7314	RM17,770,000-00 (Comparison and Investment Methods)
			- Block 3 Site, 43,560 sq ft		RM 4,350,000-00 (Comparison and Residual Methods)
			- Office Tower Site, 47,570 sq ft		RM 3,800,000-00 (Comparison and Residual Methods)
			Total Value		RM53,370,000-00

Yours faithfully
For and on behalf of
W. M. Malik & Kamaruzaman

Kamaruzaman Jamil
B Sc (Hons), FRICS, FIS(M)
Chartered Surveyor
Registered Valuer - V272

Kassim Chan



Kassim Chan & Co (AF 0080)
Public Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

Tel (603) 7161833, 7136500
Fax (603) 7163986, 7168986
E-mail audit@kassimchan.com.my

P. O. Box 10093, 50704 Kuala Lumpur
Malaysia

ACCOUNTANTS' REPORT (Prepared for inclusion in this Prospectus)

April 12, 2000

The Board of Directors
Glomac Berhad
12th Floor, Wisma Glomac 3
Kompleks Kelana Centre Point
Jalan SS 7/19 Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Gentlemen:

A. INTRODUCTION

This report has been prepared for inclusion in the Prospectus of Glomac Berhad ("Glomac" or "the Company") to be dated April 22, 2000 in connection with the Public Issue of 32,871,000 new ordinary shares of RM1.00 each at an issue price of RM1.25 per ordinary share in Glomac and the listing of and quotation for its entire enlarged issued and paid-up share capital on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").

B. GENERAL INFORMATION

1. Incorporation

Glomac was incorporated as a private limited company in Malaysia on November 23, 1983 under the name of Glomac Sdn. Bhd. On December 5, 1996, the Company was converted to a public company. On October 16, 1998, the Company was converted back to a private company and assumed its present name, Glomac Sdn. Bhd.. On July 29, 1999, the Company was converted back to a public company.

**Deloitte Touche
Tohmatsu**

Kassim Chan & Co

2. Flotation Scheme

In conjunction with the listing of and quotation for its entire enlarged issued and paid-up share capital on the Main Board of the KLSE, the Company undertook the following:

- (a) Bonus issue of 56,000,000 new ordinary shares of RM1.00 each in Glomac on the basis of approximately 14 new ordinary shares for every 5 ordinary shares held by the existing shareholders, through capitalisation of RM45,000,000 and RM11,000,000 from the unappropriated profit and revaluation surplus accounts respectively;
- (b) Acquisition of 100% equity interest in Glomac Vantage Sdn. Bhd. (GVSB) for a total cash purchase consideration of RM3,900,000;
- (c) Acquisition of remaining 49% equity interest in Glomac Sutera Sdn. Bhd. (GSSB) for a total purchase consideration of RM490,000. In addition, Glomac will assume the advances from the vendors of GSSB amounting to RM8,247,249. The aggregate amount due to the vendors of RM8,737,249 is to be settled by way of an issue of 4,628,638 new ordinary shares of RM1.00 each in Glomac at an issue price of RM1.25 per ordinary share and cash settlement of RM2,951,452;
- (d) Rights issue of 36,500,362 new ordinary shares of RM1.00 each in Glomac on the basis of approximately 480 new ordinary shares for every 1,000 ordinary shares held at an issue price of RM1.00 per ordinary share after the aforementioned Bonus Issue;
- (e) Public issue of 32,871,000 new ordinary shares of RM1.00 each in Glomac at an issue price of RM1.25 per ordinary share; and
- (f) Listing of and quotation for the entire issued and paid-up share capital of Glomac comprising 150,000,000 ordinary shares of RM1.00 each on the Main Board of the Kuala Lumpur Stock Exchange.

The listing exercise was approved by the Securities Commission on January 20, 2000.

3. Share Capital

The present authorised share capital of the Company is RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each.

The present issued and paid-up share capital of the Company is RM117,129,000 comprising 117,129,000 ordinary shares of RM1.00 each.

16. ACCOUNTANTS' REPORT(Cont'd)

Kassim Chan & Co

Details of the changes in the issued and paid-up share capital of the Company since the date of its incorporation are as follows:

Date of allotment	Consideration for shares issued	Ordinary shares of RM1 each allotted	Cumulative Total
At date of incorporation			
- November 23, 1983	Subscribers' shares	2	2
Subsequent shares issued			
- April 4, 1988	Cash	99,998	100,000
- July 26, 1988	Cash	100,000	200,000
- October 28, 1988	Cash	300,000	500,000
- October 16, 1989	Cash	500,000	1,000,000
- December 14, 1991	Bonus issue of 17 for 5	3,400,000	4,400,000
- July 20, 1993	Capitalised amount owing	600,000	5,000,000
- January 7, 1994	Bonus issue of 1 for 1	5,000,000	10,000,000
- April 29, 1994	Bonus issue of 1 for 2	5,000,000	15,000,000
- September 30, 1994	Bonus issue of 1 for 3	5,000,000	20,000,000
- February 1, 2000	Bonus issue of 14 for 5	56,000,000	76,000,000
- February 23, 2000	Shares issued at RM1.25 per share for the acquisition of Glomac Sutera Sdn. Bhd.	4,628,638	80,628,638
-March 8, 2000	Rights issue of approximately 480 for 1,000 at RM1.00 per share	36,500,362	117,129,000

Upon completion of the Public Issue of 32,871,000 new ordinary shares of RM1.00 each, the issued and paid-up share capital will be RM150,000,000 comprising 150,000,000 ordinary shares of RM 1.00 each.

4. Principal Activity

The principal activities of the Company are property development and investment holding.
