



**GLOMAC BERHAD**  
**NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD**  
**ENDED 31 JULY 2007**

**A. EXPLANATORY NOTES**

**A1. Accounting Policies and Methods of Computation**

The interim financial statements are prepared in compliance with FRS 134 (MASB 26) "Interim Financial Reporting" and Chapter 9 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 30 April 2007.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the financial statements for the year ended 30 April 2007 except for the mandatory adoption of the following revised Financial Reporting Standards ("FRS") effective for the annual financial periods beginning on or after 1 October 2007.

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of FRS 117 does not have any financial impact to the Group. The disclosure requirements arising from the adoption of FRS 124 will be presented in the annual financial statements for the financial year ending 30 April 2008.

**A2. Audit Qualification**

There were no audit qualifications on the annual financial statements for the year ended 30 April 2007.

**A3. Seasonality or Cyclicity of Operations**

Our business operations are not significantly affected by seasonality or cyclicity of operations.

**A4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current financial period to date.

**A5. Material Changes in Estimates of Amounts Reported**

There were no changes in estimates of amounts reported in prior financial year which have material effect in the financial statements under review.

**A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities except for the following:-

- i) Employees' Share Option Scheme ("ESOS")  
During the financial period, the Company issued 825,500 new ordinary shares of RM1.00 each pursuant to the Company's ESOS.



ii) Repurchase of Shares

On 29 August 2007, the shareholders of the Company renewed their approval for the Company's plan to repurchase its own ordinary shares. There were no shares repurchased during the current financial period. As at 31 July 2007, the cumulative total number of shares bought was 9,913,000 shares which are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965. None of the treasury shares held were resold or cancelled during the financial period ended 31 July 2007.

**A7. Dividends Paid**

The interim dividend of 4.0 sen per share less income tax of 27% in respect of the previous financial year ended 30 April 2007 was paid on 27 June 2007.

The shareholders have approved the final dividend of 4.0 sen per share less income tax of 27% and a special dividend of 1.0 sen per share less income tax of 27% in respect of the previous financial year ended 30 April 2007 at the Annual General Meeting on 29 August 2007.

Share capital comprise of ordinary shares only.



## A8. Segmental Reporting

The segmental analysis for the period ended 31 July 2007 is as follows:

### Analysis by Activity

	<b>Property Development RM'000</b>	<b>Construction RM'000</b>	<b>Property Investment RM'000</b>	<b>Other Operations RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>REVENUE</b>						
External	70,997	9,082	2,260	142	-	82,481
Inter-segment	231	9,566	677	646	(11,120)	-
Total revenue	<u>71,228</u>	<u>18,648</u>	<u>2,937</u>	<u>788</u>	<u>(11,120)</u>	<u>82,481</u>
<b>RESULTS</b>						
Segment results	16,067	634	941	(81)	(723)	16,838
Unallocated corporate expenses						(621)
Operating profit						<u>16,217</u>
Interest expenses						(285)
Interest income						440
Share of results of associates	(98)	172	-	-		74
Taxation						<u>(5,104)</u>
Profit for the period						<u><u>11,342</u></u>
<b>ASSETS</b>						
Segment assets	799,404	8,164	107,391	2,901		917,860
Investment in equity method of associates	6,676	14,748	35,756	-		57,180
Unallocated corporate assets						<u>37,551</u>
Consolidated total assets						<u><u>1,012,591</u></u>

The financial information by geographical location is not presented as the Group's activities are primarily conducted in Malaysia.



**A9. Valuations of Property, Plant and Equipment**

Valuation of property, plant and equipment have been brought forward without amendment from the last audited annual financial statements.

**A10. Material Events Subsequent to the End of Financial Period**

There were no material events subsequent to the end of the financial period reported that have not been reflected in this financial statements.

**A11. Changes in Composition of the Group**

There were no changes in the composition of the Group during the current financial period.

**A12. Changes in Contingent Liabilities**

There were no significant changes in contingent liabilities since the last audited balance sheet date as at 30 April 2007.



**B. ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. Review of the Performance of the Company and its Principal Subsidiaries**

The Group's Revenue and Profit Before Tax for the current financial quarter increased by 56% and 152% respectively over the previous year corresponding period mainly due to the higher contribution from the Suria Stonor project and the new projects launched in the mid of previous financial year ie. Plaza Glomac, Suria Residen and Saujana Rawang.

**B2. Comment on Material Change in the Profit Before Taxation for Current Quarter as Compared with Previous Quarter**

Profit Before Tax for current quarter was lower by 16% due to lower contribution from the on-going projects.

**B3. Prospects for the Next Financial Year**

Barring any unforeseen circumstances, the directors are of the opinion that, based on the on-going development projects and the level of work targeted to be completed, the Group's performance for the financial year ending 30 April 2008 will remain satisfactory.

**B4. Variance of Actual Profit from Forecast Profit**

Not applicable.

**B5. Taxation**

The taxation charge for the current quarter and financial period todate include the followings:

	Current Quarter / Year To date Ended 31/07/07 RM'000
Current taxation	4,846
Defered taxation	258
	<hr/>
	5,104
	=====

The current effective tax rates of the Group were higher than the statutory tax rate mainly due to certain expenses which were disallowed by the Inland Revenue Board for taxation purposes.



**B6. Profit on Sale of Unquoted Investments and/or Properties**

There was no sale of unquoted investment or properties for the current quarter and financial year to date.

**B7. Purchase or Disposal of Quoted Securities**

- a) There was no purchase or disposal of quoted securities in the current financial period to date.
- b) There was no investment in quoted shares held as at end of the reporting period.

**B8. Status of Corporate Proposals**

a) Status of Corporate Proposal Announced But Not Completed

- 1) Proposed Renounceable Rights Issue of up to 70,921,042 new ordinary shares of RM1.00 each in Glomac ("Rights Share") with up to 70,921,042 free Detachable Warrants ("Warrants"), on the basis of three Rights Shares with three Warrants for every ten existing ordinary shares of RM1.00 each in Glomac held on a date to be determined later at an issue price of RM1.10 per Rights Share ("Proposed Rights Issue With Warrants")

The proposal is expected to be completed by end of October 2007.

b) Status of Utilisation of Proceeds Raised From Corporate Proposal

The documentation for our wholly owned subsidiary, Glomac Regal Sdn Bhd's ("GRSB") proposed Murabahah Underwritten Notes Issuance Facility and Murabahah Medium Term Notes Issuance Facility of up to RM175m was completed in October 2006 and available for utilisation.

Todate, RM121 million of the facility has been drawn down and the proceeds were for the following:-

	RM'000
Refinancing of existing borrowings	30,666
Pre-fund the Minimum Balance requirement under Debt Service Reserve Account	3,548
Payment of profits to Syntax Properties Ltd	5,796
Payment of fees and expenses	1,800
Financing of GRSB's development cost till completion	79,190
	<u>121,000</u>
	=====



**B9. Group Borrowings and Debt Securities**

The Group borrowings as at 31 July 2007 are as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/07/07 RM'000	Total as at 30/04/07 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	1,013	2,140	3,153	3,378
Bank Borrowings	56,517	80,602	137,119	132,121
Islamic Private Debt Securities	20,000	155,000	175,000	175,000
	<u>77,530</u>	<u>237,742</u>	<u>315,272</u>	<u>310,499</u>
<u>Unsecured</u>				
Bonds	-	103,000	103,000	103,000
	<u>77,530</u>	<u>340,742</u>	<u>418,272</u>	<u>413,499</u>
	=====	=====	=====	=====

There are no borrowings in foreign currency.

**B10. Financial Instruments With Off Balance Sheet Risk**

There were no financial instruments with off balance sheet risk for the financial year period ended 31 July 2007.

**B11. Material Litigation**

A wholly owned subsidiary, Glomac Alliance Sdn Bhd ("GASB") had entered into a Joint Venture Agreement with Score Option Sdn Bhd ("SOSB") on 17 January 2003 to develop a land ("Project Land"). However, disputes have arisen between GASB and SOSB which are currently the subject matter of a legal suit in the High Court of Malaya at Kuala Lumpur. GASB is seeking court orders for the sale to itself of the Project Land at the price stipulated in the Joint Venture Agreement.

SOSB, in turn, is cross-claiming for the delivery of vacant possession of the Project Land on the alleged ground that GASB is no longer entitled to occupy and develop the Project Land by reason of the termination of the Joint Venture Agreement by SOSB.

The application by GASB for injunctive relief to restrain SOSB from interfering with the development of the Project Land by GASB and the application of SOSB for an injunction restraining GASB from continuing in possession of the Project Land was adjourned to 15 November 2007.

Based on legal advice, the directors of the Group are of the opinion that there is a good chance of a favourable outcome.

There is no other material litigation which will adversely affect the position or business of the Group.



## B12. Dividend

- a) (i) The final dividend of 4.0 sen per share less income tax of 27% and a special dividend of 1.0 sen per share less income tax of 27% in respect of the financial year ended 30 April 2007 was approved by the shareholders at the Annual General Meeting on 29 August 2007.
- (ii) Total amount per share : 5.0 sen less income tax of 27%
- (iii) Previous corresponding period : 5.0 sen less income tax of 28%
- (iv) Date payable : To be determined at a later date
- (v) Entitlement date : To be determined at a later date
- b) The total dividend for the previous financial year ended 30 April 2007 is 9.0 sen per share less income tax of 27%.

No dividend has been proposed for the current financial period.

## B13. Earnings Per Share

### a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the net profits for the period and the weighted average number of ordinary shares in issue during the period.

Description	Current quarter ended 31/07/07	Preceding year corresponding quarter ended 31/07/07	Current year to date ended 31/07/07	Preceding year corresponding period ended 31/07/07
Profit attributable to equity holders of the Company (RM'000)	11,069	4,223	11,069	4,223
Weighted average number of ordinary shares in issue ('000)	209,406	209,060	209,406	209,060
Basic earning per share (sen)	5.29	2.02	5.29	2.02

### b) Diluted Earnings Per Share

The diluted earnings per share for the current financial period ended 31 July 2007 has been calculated by dividing the Group's net profit for the period by the weighted average number of shares that would have been issued upon full exercise of the remaining option under the ESOS, adjusted for the number of such shares that would have been issued at fair value, calculated as below.





Description	Current quarter ended	Preceding year corresponding quarter ended	Current year todate ended	Preceding year corresponding period ended
	31/07/07	31/07/07	31/07/07	31/07/07
Profit attributable to equity holders of the Company (RM'000)	11,069	4,223	11,069	4,223
Weighted average number of ordinary shares as per basic EPS	209,406	209,060	209,406	209,060
Effect of shares option ('000)	8,302	- *	8,302	- *
Weighted average number of ordinary shares (diluted)	217,708	209,060	217,708	209,060
Diluted earning per share (sen)	5.08	2.02	5.08	2.02

\* The effect of shares option for the financial period ended 31 July 2006 was anti-dilutive and has been ignored in the calculation of diluted earnings per share.

#### B14. Provision of Financial Assistance

- a) There has been no additional financial assistance provided to the Group's non-wholly owned subsidiaries or associated companies during the current quarter.
- b) The aggregate amount of financial assistance provided to such companies todate is as follows:-

<u>Type of Financial Assistance</u>	Amount (RM' million)
Corporate Guarantee for:-	
1) Credit Facilities	50.3
2) Equipment Leasing Facilities	3.0
3) Profit Guarantee	16.5
	69.8
	=====

As at 31 July 2007, RM64.3 million is outstanding in respect of the above guarantees.

There is no financial impact on the Group arising from the financial assistance provided.