



GLOMAC BERHAD
NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD
ENDED 31 JANUARY 2008

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 January 2008.

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

- i) Employees' Share Option Scheme ("ESOS")
During the financial period, the Company issued 8,270,675 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. During the current financial period ended 31 January 2008, the Company repurchased 7,756,200 of its issued ordinary shares from the open market at an overall average price of RM1.38 per share. These shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

On 18 Sept 2007, the Company resold 9,913,000 shares which were repurchased prior to the current financial period at an average price of RM1.52 per share. The difference totaling RM1.491 million between the sales consideration and the carrying amount of the shares has been credited to the Share Premium Account.

iii) 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)

On 30 October 2007, the Company completed the above proposal where 67,337,246 ordinary shares were issued at the issue price of RM1.10 per share together with 67,337,246 free detachable warrants.

On 28 January 2008, a total of 25,000 warrants were exercised at an exercise price of RM1.10 for each ordinary share of RM1.00 each.

A7. Dividends Paid

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 were paid on 21 November 2007.

Share capital comprise of ordinary shares only.



A8. Segmental Reporting

The segmental analysis for the period ended 31 January 2008 was as follows:

Analysis by Activity

	Property Development RM'000	Construction RM'000	Property Investment RM'000	Other Operations RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE						
External	234,933	9,552	7,269	540	-	252,294
Inter-segment	705	35,952	1,982	1,931	(40,570)	-
Total revenue	235,638	45,504	9,251	2,471	(40,570)	252,294
RESULTS						
Segment results	40,043	2,332	2,999	(269)	(1,542)	43,563
Unallocated corporate expenses						(1,436)
Operating profit						42,127
Interest expenses						(954)
Interest income						3,077
Share of results of associates	(95)	392	702	-		999
Taxation						(13,695)
Profit for the period						31,554
ASSETS						
Segment assets	857,336	9,702	110,929	2,837		980,804
Investment in equity method of associates	6,681	14,634	36,458	-		57,773
Unallocated corporate assets						52,369
Consolidated total assets						1,090,946

The financial information by geographical location was 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 other than the acquisition of the entire equity interest in Glomac Mauritius Ltd comprising of 1 ordinary share of USD1.00 for a cash consideration of USD1.00 on 30 November 2007.

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 period increased by 37% and 41% respectively over the previous year corresponding period as a result of the higher contribution from the Suria Stonor project and the new projects launched in the middle of the previous financial year ie. Plaza Glomac, Saujana Rawang and Suria Residen.

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 8% due to lower work done for 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 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 Ended 31/01/08 RM'000	Year Todate Ended 31/01/08 RM'000
Current taxation	3,690	12,736
Defered taxation	68	393
Under/(Over) provision of prior year tax	566	566
	4,324	13,695
	=====	=====

The current effective tax rates of the Group were higher than the statutory tax rate as certain expenses 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

- i) On 29 January 2008, Glomac Berhad has signed a Memorandum of Understanding with Suria Capital Holdings Berhad for the purpose of combining resources and expertise to develop certain specified precincts in the proposed Jesselton Waterfront Project situated within the Kota Kinabalu area at Jalan Tanjung Lipat, Kota Kinabalu. Currently, the proposal is pending the due diligence review.
- ii) On 18 January 2008, Glomac Jaya Sdn Bhd, a wholly owned subsidiary of Glomac Berhad entered into a Sale and Purchase Agreement for the purchase of an 8.13 acres freehold land which forms a portion of the Enterprise Zone held under H.S.(D) 7055, P.T. 12065 Mukim Dengkil, Daerah Sepang, Negeri Selangor for a purchase consideration of RM21,244,125. Currently, the proposal is pending completion of the Sale and Purchase Agreement.
- iii) On 28 March 2008, Glomac Al Batha Sdn Bhd ("GABSB"), a 51% owned subsidiary of Glomac Berhad signed a Sale and Purchase Agreement with a third party to purchase GABSB's proposed development called Glomac Tower, a Grade A office tower for a total consideration of RM576.9m. 10% of the consideration has been received.

b) Status of Utilisation of Proceeds Raised From Corporate Proposal

- i) RM175m Murabahah Underwritten Notes Issuance Facility and Murabahah Medium Term Notes Issuance Facility by a wholly owned subsidiary, Glomac Regal Sdn Bhd ("GRSB")

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
Refund of excess collections	5,796
Payment of fees and expenses	1,800
Financing of GRSB's development cost till completion	79,190
	<hr/>
	121,000
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- ii) 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")

A total 67,337,246 ordinary shares were issued pursuant to the Rights Issue at an issue price of RM1.10. To date, 25,000 warrants were exercised at an exercise price of RM1.10 for each ordinary share of RM1.00 each. The total proceeds of RM74.1 million were utilised for the followings:-

	RM'000
Repayment of bank borrowings	22,000
Payment of issuance expenses	1,360
Working capital	50,739
	<u>74,099</u>
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B9. Group Borrowings and Debt Securities

The Group borrowings as at 31 January 2008 were as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/01/08 RM'000	<i>Total as at 31/10/07 RM'000</i>
<u>Secured</u>				
Hire Purchase and Lease Borrowings	848	1,911	2,759	2,890
Bank Borrowings	30,076	112,016	142,092	131,106
Islamic Private Debt Securities	15,000	146,000	161,000	181,000
	<u>45,924</u>	<u>259,927</u>	<u>305,851</u>	<u>314,996</u>
<u>Unsecured</u>				
Bonds	-	103,000	103,000	103,000
	<u>45,924</u>	<u>362,927</u>	<u>408,851</u>	<u>417,996</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 January 2008.

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.

GASB applied for injunctive relief to restrain SOSB from interfering with the development of the Project Land by GASB and SOSB applied for an injunction restraining GASB from continuing in possession of the Project Land. The Court has fixed 7 April 2008 for decision.

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) For the current financial quarter, the Board of Directors has proposed an interim dividend of 3.0 sen (tax exempt) per share.
- (ii) Amount per share : 3.0 sen, tax exempt
- (iii) Previous corresponding period : 4.0 sen less income tax of 27%
- (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 current financial period to date is 3.0 sen (tax exempt) per share.

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 31/01/08	Preceding year corresponding quarter ended 31/01/07	Current year to date ended 31/01/08	Preceding year corresponding period ended 31/01/07
Profit attributable to equity holders of the Company (RM'000)	9,529	7,507	30,814	15,891
Weighted average number of ordinary shares in issue ('000)	288,185	221,630*	249,137	222,273*
Basic earning per share (sen)	3.31	3.39	12.37	7.15

* Restated to take into account the effect of Rights Issue in October 2007 based on FRS 133.



b) Diluted Earnings Per Share

The diluted earnings per share for the current financial period ended 31 January 2008 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 and Warrants, 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 to date ended	Preceding year corresponding period ended
	31/01/08	31/01/07	31/01/08	31/01/07
Profit attributable to equity holders of the Company (RM'000)	9,529	7,507	30,814	15,891
Weighted average number of ordinary shares as per basic EPS	288,185	221,630	249,137	222,273
Effect of shares option ('000)	57,773	- ^	25,451	- ^
Weighted average number of ordinary shares (diluted)	345,958	221,630	274,588	222,273
Diluted earning per share (sen)	2.75	3.39	11.22	7.15

^ The effect of shares option for the financial period ended 31 January 2007 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 as at 31 January 2008 was 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
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As at 31 January 2008, RM47.9 million was outstanding in respect of the above guarantees.

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