



GLOMAC BERHAD
NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL YEAR ENDED
30 APRIL 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

i) FRS 117 Leases

Prior to the adoption of FRS 117, leasehold interest in land held for own use was classified as property, plant and equipment and stated at cost less accumulated depreciation and impairment loss. With the adoption of FRS 117, the unamortised carrying amount of leasehold land is now classified as prepaid lease payment and amortised over the period of its remaining lease term. The reclassification of leasehold land as prepaid lease payments have been accounted for retrospectively and the comparative in the balance sheet have been restated.

The effects on the comparatives to the Group on adoption of FRS 117 are as follows:-

	As previously stated RM'000	Effects on adoption of FRS 117 RM'000	As restated RM'000
As at 1 May 2007			
Property, plant and equipment	21,669	(97)	21,572
Prepaid lease payments	-	97	97
	=====	=====	=====

ii) FRS 124 Related Party Disclosures

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 year 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 year, the Company issued 15,307,175 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 year ended 30 April 2008, the Company repurchased 11,092,200 of its issued ordinary shares from the open market at an overall average price of RM1.32 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 year 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 interim dividend of 3.0 sen per share tax exempt in respect of the current financial year ended 30 April 2008 was paid on 27 June 2008.

Share capital comprise of ordinary shares only.



A8. Segmental Reporting

The segmental analysis for the year ended 30 April 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	302,436	11,200	9,674	540	-	323,850
Inter-segment	894	47,625	2,660	2,627	(53,806)	-
Total revenue	<u>303,330</u>	<u>58,825</u>	<u>12,334</u>	<u>3,167</u>	<u>(53,806)</u>	<u>323,850</u>
RESULTS						
Segment results	49,094	(733)	4,181	(368)	(1,723)	50,451
Unallocated corporate expenses						(2,645)
Operating profit						<u>47,806</u>
Interest expenses						(1,302)
Interest income						3,201
Share of results of associates	(340)	331	497	-		488
Taxation						(15,582)
Profit for the year						<u><u>34,611</u></u>
ASSETS						
Segment assets	988,199	4,123	109,384	4,048		1,105,754
Investment in equity method of associates	6,598	14,563	36,058	-		57,219
Unallocated corporate assets						42,788
Consolidated total assets						<u><u>1,205,761</u></u>

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 Year

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

A11. Changes in Composition of the Group

During the current financial year, Glomac Berhad acquired the followings:-

	Date of Acquisition	Name of Company	No of Ordinary Shares	Equity Interest (%)	Total Consideration Paid
1)	30 Nov 2007	Glomac Mauritius Ltd	1	100	US1.00
2)	30 April 2008	Glomac Al Batha Mutiara Sdn Bhd (formerly known as Glomac Mutiara Sdn Bhd) ("GABMSB") *	2	100	RM2.00
3)	30 April 2008	Glomac Segar Sdn Bhd ("GSSB")	250,000	100	RM250,000.00
4)	30 April 2008	Glomac Restaurant Sdn Bhd (held through GSSB)	1,070,000	100	RM1,103,002.00
5)	30 April 2008	Kelana Seafood Centre Sdn Bhd (held through GSSB)	450,000	30	RM450,000.00

During the current financial year, Glomac Berhad disposed the followings:-

	Date of Disposal	Name of Company	No of Ordinary Shares	Equity Interest (%)	Total Proceed from Disposal
1)	30 April 2008	Berapit Utama Sdn Bhd	100,000	100	RM100,000.00
2)	30 April 2008	PTB Glomac Development Sdn Bhd	1,200,000	24	RM1.00

* On 18 June 2008, the entire equity of GABMSB has been transferred to Glomac Al Batha Sdn Bhd ("GABSB"), a 51% own subsidiary. With the reorganization, GABMSB became a wholly-owned subsidiary of GABSB.

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

Although the Group's Revenue for the current financial year increased by 10%, the Profit Before Tax remained unchanged off-set by losses incurred by the Construction division as a result of escalating construction material costs.

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

The Profit Before Tax decreased by 64% due to losses incurred by the Construction division and the lower contribution from the Plaza Glomac and Suria Stonor projects. However, this is being mitigated by the higher contribution from the township projects.

B3. Prospects for the Next Financial Year

Barring any unforeseen circumstances and stability of material costs, 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 2009 will remain satisfactory.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

The taxation charge for the current quarter and financial year to date include the followings:

	Current Quarter Ended 30/04/08 RM'000	Year Todate Ended 30/04/08 RM'000
Current taxation	2,792	15,528
Deferred taxation	(681)	(288)
Under/(Over) provision of prior year tax	(224)	342
	<u>1,887</u> =====	<u>15,582</u> =====

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 year.

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, both parties are still negotiating on the terms and conditions.

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, RM133 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	17,652
Payment of fees and expenses	1,944
Financing of GRSB's development cost till completion	79,190
	<hr/> 133,000
	=====

- 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. Totdate, 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
	<hr/> 74,099
	=====



B9. Group Borrowings and Debt Securities

The Group borrowings as at 30 April 2008 were as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 30/04/08 RM'000	Total as at 31/01/08 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	847	1,661	2,508	2,759
Bank Borrowings	16,245	122,650	138,895	142,092
Islamic Private Debt Securities	15,000	158,000	173,000	161,000
	32,092	282,311	314,403	305,851
<u>Unsecured</u>				
Bonds	-	103,000	103,000	103,000
	32,092	385,311	417,403	408,851
	32,092	385,311	417,403	408,851

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 year ended 30 April 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. 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 had on 30 May 2008 delivered its decision by granting the Order of Injunction in favor of GASB and dismissing SOSB's application for injunction.

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



B12. Dividend

- a) (i) The Board of Directors has recommended a final dividend of 2.0 sen per share, tax exempt in respect of the financial year ended 30 April 2008. The dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting.
- (ii) Amount per share : 2.0 sen, tax exempt
- (iii) Previous corresponding period : 5.0 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 year todate is 5.0 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 30/04/08	Preceding year corresponding quarter ended 30/04/07	Current year todate ended 30/04/08	Preceding year corresponding period ended 30/04/07
Profit attributable to equity holders of the Company (RM'000)	4,331	16,300	35,145	32,191
Weighted average number of ordinary shares in issue ('000)	287,268	221,536*	258,513	222,095*
Basic earning per share (sen)	1.51	7.36	13.59	14.50

* 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 30 April 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 todate ended	Preceding year corresponding period ended
	30/04/08	30/04/07	30/04/08	30/04/07
Profit attributable to equity holders of the Company (RM'000)	4,331	16,300	35,145	32,191
Weighted average number of ordinary shares as per basic EPS	287,268	221,536	258,513	222,095
Effect of shares option ('000)	64,386	- ^	30,352	- ^
Weighted average number of ordinary shares (diluted)	351,654	221,536	288,865	222,095
Diluted earning per share (sen)	1.23	7.36	12.17	14.50

^ The effect of shares option for the financial period ended 30 April 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 30 April 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
	=====

As at 30 April 2008, RM46.6 million was outstanding in respect of the above guarantees.

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