



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

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 2008.

A2. Audit Qualification

There were no audit qualifications on the annual financial statements for the year ended 30 April 2008.

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 during the current financial period except for the following:-

i) Repurchase of shares

On 28 August 2008, 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 July 2008, the Company repurchased 2,969,300 of its issued ordinary shares from the open market at an overall average price of RM0.84 per share. These shares 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 2008.

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)

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.

To-date, 25,000 warrants were exercised at an exercised price of RM1.10 for each ordinary shares of RM1.00 each.

A7. Dividends Paid

The first interim dividend of 3.0 sen per share tax exempt in respect of the previous financial year ended 30 April 2008 was paid on 27 June 2008.

The shareholders have approved the second and final dividend of 2.0 sen per share tax exempt in respect of the previous financial year ended 30 April 2008 at the Annual General Meeting on 28 August 2008.

Share capital comprise of ordinary shares only.



A8. Segmental Reporting

The segmental analysis for the period ended 31 July 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	75,694	758	2,447	648	-	79,547
Inter-segment	31	6,459	803	723	(8,016)	-
Total revenue	75,725	7,217	3,250	1,371	(8,016)	79,547
RESULTS						
Segment results	9,588	(553)	1,192	(109)	(690)	9,428
Unallocated corporate expenses						334
Operating profit						9,762
Interest expenses						(396)
Interest income						909
Share of results of associates	178	(9)	60	-		229
Taxation						(3,392)
Profit for the period						7,112
ASSETS						
Segment assets	990,678	19,594	121,624	2,797		1,134,693
Investment in equity method of Associates	6,753	14,552	36,204	-		57,509
Unallocated corporate assets						32,100
Consolidated total assets						1,224,302

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 since the financial year ended 30 April 2008. However, the entire equity of Glomac Al Batha Mutiara Sdn. Bhd. (formerly known as Glomac Mutiara Sdn. Bhd.) which was a wholly-owned subsidiary of Glomac Berhad has been transferred to Glomac Al Batha Sdn. Bhd. on 18 June 2008. Glomac Al Batha Sdn. Bhd. is a 51% subsidiary of Glomac Berhad. After the transfer of shares, Glomac Al Batha Mutiara Sdn. Bhd. became a direct wholly-owned subsidiary of Glomac Al Batha Sdn. Bhd.

A12. Changes in Contingent Liabilities

There were no significant changes in contingent liabilities since the last audited balance sheet date as at 30 April 2008.



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 was lower by 4% and 36% respectively over the previous year corresponding period as a result of the reduce volume of workdone in construction division as compared to higher contribution from the projects in previous financial period.

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

The Group's Profit before Tax for current quarter increased by RM5.5 million or 110%. The lower profit for the preceding quarter was mainly due to losses recognised in construction division.

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 2009 remain satisfactory.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

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

	Current Quarter Ended 31/07/08 RM'000	Year To-date Ended 31/07/08 RM'000
Current taxation	3,392	3,392
Deferred taxation	-	-
	<u>3,392</u> =====	<u>3,392</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 period.

B8. Status of Corporate Proposals

- a) Status of Corporate Proposal Announced But Not Completed

Proposed Acquisition of Land by Glomac Al Batha Mutiara Sdn Bhd, a subsidiary of Glomac Berhad, from Mutiara Rini Sdn Bhd for a cash consideration of RM38,686,815.60 ("Proposed Acquisition")

On 1 July 2008, Glomac Berhad's subsidiary, Glomac Al Batha Mutiara Sdn Bhd ("GABM") (formerly known as Glomac Mutiara Sdn Bhd), entered into a Sale and Purchase Agreement with Mutiara Rini Sdn Bhd ("MRSB") to purchase two pieces of subdivided vacant freehold land held under Geran 11860 Lot No. 67323, Mukim of Sungai Buloh, Daerah Petaling, Negeri Selangor measuring 5,660 square metres and Geran 111861 Lot No. 67324, Mukim of Sungai Buloh, Daerah Selangor, Negeri Selangor measuring 5,094 square metres respectively ("the Land") which are located in the commercial zone of Mutiara Damansara for a total purchase consideration of RM38,686,815.60 subject to the approval of the Foreign Investment Committee ("FIC") and State Authority for the transfer of the Land.

FIC had on 20 August 2008 approved on the Proposed Acquisition.

There was no other corporate proposal announced but not completed.

- 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")

To-date, RM140 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	29,166
Payment of fees and expenses	1,598
Financing of GRSB's development cost till completion	75,022
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	140,000
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B9. Group Borrowings and Debt Securities

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

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/07/08 RM'000	Total as at 30/04/08 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	794	1,480	2,274	2,508
Bank Borrowings	44,427	70,940	115,367	138,895
Islamic Private Debt Securities	98,000	70,000	168,000	173,000
	143,221	142,420	285,641	314,403
<u>Unsecured</u>				
Bonds	-	103,000	103,000	103,000
	143,221	245,420	388,641	417,403
	143,221	245,420	388,641	417,403

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.

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 dismissing SOSB’s application for injunction and granting the Order of Injunction in favor of GASB.

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

B12. Dividend

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	Preceding year corresponding quarter ended	Current year todate ended	Preceding year corresponding period ended
	31/07/08	31/07/07	31/07/08	31/07/07
Profit attributable to equity holders of the Company (RM'000)	7,804	11,069	7,804	11,069
Weighted average number of ordinary shares in issue ('000)	285,322	209,406	285,322	209,406
Basic earning per share (sen)	2.73	5.29	2.73	5.29

b) Diluted Earnings Per Share

The diluted earnings per share for the current financial period ended 31 July 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 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
	31/07/08	31/07/07	31/07/08	31/07/07
Profit attributable to equity holders of the Company (RM'000)	7,804	11,069	7,804	11,069
Weighted average number of ordinary shares as per basic EPS	285,322	209,406	285,322	209,406
Effect of shares option ('000)	- ^	8,302	- ^	8,302
Weighted average number of ordinary shares (diluted)	285,322	217,708	285,322	217,708
Diluted earning per share (sen)	2.73	5.08	2.73	5.08

^ The effect of shares option for the current quarter and year to-date ended 31 July 2008 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 July 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
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	69.8
	=====

As at 31 July 2008, RM47.8 million was outstanding in respect of the above guarantees.

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