



GLOMAC BERHAD
NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD
ENDED 31 OCTOBER 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 October 2008, the Company repurchased 6,449,500 of its issued ordinary shares from the open market at an overall average price of RM0.73 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 October 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 final dividend of 2.0 sen per share tax exempt in respect of the previous financial year ended 30 April 2008 were paid on 21 November 2008.

Share capital comprise of ordinary shares only.



A8. Segmental Reporting

The segmental analysis for the period ended 31 October 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	159,882	3,841	5,363	1,466	-	170,552
Inter-segment	47	12,214	1,303	1,659	(15,223)	-
Total revenue	159,929	16,055	6,666	3,125	(15,223)	170,552
RESULTS						
Segment results	26,000	(3,046)	2,523	(222)	572	25,828
Unallocated corporate expenses						(2,526)
Operating profit						23,302
Interest expenses						(917)
Interest income						2,455
Share of results of associates	194	-	666	-		860
Taxation						(8,578)
Profit for the period						17,122
ASSETS						
Segment assets	1,043,621	14,104	122,365	2,758		1,182,848
Investment in equity method of Associates						57,560
Unallocated corporate assets	6,746	14,789	36,025	-		13,992
Consolidated total assets						1,254,400

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 increased by 2% for the current financial year over the previous year corresponding period mainly due to progress recognition of revenue from the sale of Glomac Tower which commenced construction at the end of April 2008. However the Group's Profit Before Tax was lower as a result of lower work done in construction division and tail end of Plaza Glomac project which was completed in the last quarter.

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 RM4.7 million or 45%. The increase was mainly due to higher profit contribution from Glomac Tower during the current quarter.

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 31/10/08 RM'000	Year To-date Ended 31/10/08 RM'000
Current taxation	5,731	9,123
Deferred taxation	(545)	(545)
	<u>5,186</u> =====	<u>8,578</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. In October 2008, a total of RM65 million has been redeemed , thus leaving an outstanding of RM75 million as follows:-

	RM'000
Refinancing of existing borrowings	30,666
Pre-fund the Minimum Balance requirement under Debt Service Reserve Account	3,500
Refund of excess collections	25,000
Payment of fees and expenses	1,644
Financing of GRSB's development cost till completion	79,190
Total drawdown	<u>140,000</u>
Less : Amount redeemed	<u>(65,000)</u>
Outstanding to-date	<u>75,000</u> =====



B9. Group Borrowings and Debt Securities

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

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/10/08 RM'000	Total as at 31/07/08 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	861	1,702	2,563	2,274
Bank Borrowings	41,579	73,684	115,263	115,367
Islamic Private Debt Securities	94,000	9,000	103,000	168,000
	136,440	84,386	220,826	285,641
<u>Unsecured</u>				
Bonds	25,000	78,000	103,000	103,000
	161,440	162,386	323,826	388,641
	=====	=====	=====	=====

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 October 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 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
	31/10/08	31/10/07	31/10/08	31/10/07
Profit attributable to equity holders of the Company (RM'000)	7,721	10,216	15,525	21,285
Weighted average number of ordinary shares in issue ('000)	281,500	235,552	283,403	229,610
Basic earning per share (sen)	2.74	4.34	5.48	9.27

b) Diluted Earnings Per Share

The diluted earnings per share for the current financial period ended 31 October 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
	31/10/08	31/10/07	31/10/08	31/10/07
Profit attributable to equity holders of the Company (RM'000)	7,721	10,216	15,525	21,285
Weighted average number of ordinary shares as per basic EPS	281,500	235,552	283,403	229,610
Effect of shares option ('000)	- ^	9,947	- ^	9,138
Weighted average number of ordinary shares (diluted)	281,500	245,499	283,403	238,748
Diluted earning per share (sen)	2.74	4.16	5.48	8.92

^ The effect of shares option for the current quarter and year to-date ended 31 October 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 October 2008 was as follows:-

<u>Type of Financial Assistance</u>	Amount (RM' million)
Corporate Guarantee for:-	
1) Credit Facilities	5.5
2) Equipment Leasing Facilities	1.0
3) Profit Guarantee	16.5
	<hr/>
	23.0
	=====

As at 31 October 2008, RM1.7 million was outstanding in respect of the above guarantees.

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