



GLOMAC BERHAD
NOTES TO THE UNAUDITED INTERIM REPORT FOR THE FINANCIAL PERIOD
ENDED 31 JANUARY 2009

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 January 2009, the Company repurchased 6,855,500 of its issued ordinary shares from the open market at an overall average price of RM0.71 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 January 2009.

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 tax-exempt dividend of 2.0 sen per ordinary share totaling RM5,572,188 in respect of the previous financial year ended 30 April 2008 were paid on 21 November 2008.



A8. Segmental Reporting

The segmental analysis for the period ended 31 January 2009 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	236,010	5,414	7,787	2,474	-	251,685
Inter-segment	93	24,016	1,949	2,103	(28,161)	-
Total revenue	236,103	29,430	9,736	4,577	(28,161)	251,685
RESULTS						
Segment results	38,916	(2,447)	3,930	(321)	1,259	41,337
Unallocated corporate expenses						(2,865)
Operating profit						38,472
Interest expenses						(1,433)
Interest income						3,990
Share of results of associates	498	-	684	-		1,182
Taxation						(12,962)
Profit for the period						29,249
ASSETS						
Segment assets	997,899	18,073	114,920	2,722		1,133,614
Investment in equity method of Associates	6,688	14,768	36,084	-		57,540
Unallocated corporate assets						44,623
Consolidated total assets						1,235,777

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 except for the following :

Kelana Centre Point Sdn. Bhd., a wholly-owned subsidiary of Glomac Berhad, had entered into a Sale and Purchase Agreement with Perbadanan Nasional Berhad on 11 February 2009 for the sale of Wisma Glomac 3 for a total consideration of RM50 million.

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 except for the following :

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., a 51% subsidiary of Glomac Berhad on 18 June 2008. Thereafter, 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 0.2% and 6.7% respectively over the previous year corresponding period as a result of lower volume of work done from construction division and lower revenue contribution from on-going projects and tail end development.

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 RM1.3 million or 8.7% due to impairment in sub-bond loss in previous quarter.

B3. Prospects for the Current 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 31/01/09 RM'000	Year To-date Ended 31/01/09 RM'000
Current taxation	3,723	12,846
Deferred taxation	-	(545)
Under provision of prior year tax	661	661
	4,384	12,962
	4,384	12,962

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 disposal 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. During the financial period, a total of RM90 million has been redeemed , thus leaving an outstanding of RM50 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	140,000
Less : Amount redeemed	(90,000)
Outstanding to-date	50,000



B9. Group Borrowings and Debt Securities

The Group borrowings as at 31 January 2009 were as follows:-

	Due within 12 months RM'000	Due after 12 months RM'000	Total as at 31/01/09 RM'000	Total as at 31/10/08 RM'000
<u>Secured</u>				
Hire Purchase and Lease Borrowings	829	1,541	2,370	2,563
Bank Borrowings	40,349	103,836	144,185	115,263
Islamic Private Debt Securities	54,000	9,000	63,000	103,000
	<u>95,178</u>	<u>114,377</u>	<u>209,555</u>	<u>220,826</u>
<u>Unsecured</u>				
Bonds	25,000	78,000	103,000	103,000
	<u>120,178</u>	<u>192,377</u>	<u>312,555</u>	<u>323,826</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 2009.

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.

The case was fixed for case management on 19 March 2009 and the trial is fixed for 7 to 11 December 2009.

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



B12. Dividend

The Board has on 24 March 2009, declared an interim tax-exempt dividend of 2.5 sen per ordinary share in respect of financial year ending 30 April 2009, of which the entitlement date and payment date will be determined later.

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
	31/01/09	31/01/08	31/01/09	31/01/08
Profit attributable to equity holders of the Company (RM'000)	9,556	9,529	25,081	30,814
Weighted average number of ordinary shares in issue ('000)	279,253	288,185	282,018	249,137
Basic earning per share (sen)	3.42	3.31	8.89	12.37

b) Diluted Earnings Per Share

The diluted earnings per share for the current financial period ended 31 January 2009 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
	31/01/09	31/01/08	31/01/09	31/01/08
Profit attributable to equity holders of the Company (RM'000)	9,556	9,529	25,081	30,814
Weighted average number of ordinary shares as per basic EPS	279,253	288,185	282,018	249,137
Effect of shares option ('000)	- ^	57,773	- ^	25,451
Weighted average number of ordinary shares (diluted)	279,253	345,958	282,018	274,588
Diluted earning per share (sen)	3.42	2.75	8.89	11.22

^ The effect of shares option for the current quarter and year to-date ended 31 January 2009 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 2009 was as follows:-

<u>Type of Financial Assistance</u>	Amount (RM' million)
Corporate Guarantee for:-	
1) Credit Facilities	6.5
2) Equipment Leasing Facilities	1.0
3) Profit Guarantee	16.5
	<hr/>
	24.0
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As at 31 January 2009, RM1.96 million was outstanding in respect of the above guarantees.

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